



The Concept of Populist Economy based on Transcendental Law

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Abstract

An economic system based on the paradigm of Pancasila values, placing people's sovereignty as the Khalifah of Allah SWT on the face of the earth, oriented towards the common good is what is meant by people's economy (economic democracy). There is a fundamental difference between the economic system in a country that adheres to liberal-capitalist democracy and socialist democracy. This people's economy is based on Pancasila and is an economy developed with a frame of spiritual values such as the value of God (Tauhid). The emergence of political investors whose interests are accommodated from the transactional system,

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1. Introduction

In essence, the power of a state needs to be regulated and limited by a Constitution because the Constitution contains not only a political system but also contains an economic system, direction and economic orientation of a nation. Jimly Asshiddiqie stated that the 1945 Constitution is the Indonesian economic constitution because it contains economic documents, namely in Article 33 of the 1945 Constitution (Asshiddiqie, 2010). The economic constitution contains economic documents that were agreed upon by the founders of the nation after previously going through a number of processes and long debates with all the currents of thought that influenced them. Arief Sidharta as quoted by Jazim Jumadi stated that the proclamation on August 17, 1945 was a revolutionary legal action that gave rise to the existence of the Republic of Indonesia. The meaning of legal action here is a once-completed regulatory action (einmahlig) where the implications are bringing about changes in the legal system and changes in political status. With this proclamation a new state was formed, namely an independent Indonesian state and with it the Dutch East Indies colonial legal system order was eliminated by itself, upon which a new legal order was formed (Jumadi, 2016).

The proclamation of independence was more oriented towards the scope of legal terms, namely the proclamation of independence was a legal means of announcing to the world that Indonesia was independent. The legal consequence is

that the Indonesian state has been established and sovereign (de facto and de jure), and has become a legal subject that has the same high degree as independent countries in other parts of the world. Our freedom is recognized by all nations. The proclamation at that time applies to ourselves, as a determination to live as an independent nation in the midst of other nations (Yamin, 1997).

Ideology has a very important role in state life. This ideology is a spirit, breath and philosophy of a nation. Jorge Larrain, in his writings on *The Concept of Ideology* (2002) quoted by Payerli Pasaribu, states that "Ideology as a set of beliefs" means that every individual or community group has a belief system that recognizes something that is considered valuable and becomes a motivating force for individual behavior or community groups. The values that are seen as ideals which become the basis for a person's perspective, way of thinking and how a person or nation acts in solving the problems it faces. Therefore, ideology is understood as a set of value systems that are believed to be true by a nation and are used as the basis for organizing society in the state. Ideology contains basic values that live in society and are crystallized in the philosophy of the state (Pasaribu, 2015).

The concept of a welfare state became the inspiration for the founding fathers in formulating Article 33 of the 1945 Constitution, this is shown from the part of the state's objectives which states that the state aims to protect the entire nation and all the blood of Indonesia, educate the nation's life, promote public welfare, and participate in implementing it. world order based on eternal peace; while on the basis of the state, Pancasila, is emphasized in the fifth principle, "Social justice for all Indonesian people". In the field of administrative law, the concept of the welfare state gave birth to "freies Ermessen", namely various powers to take steps protected by the constitution in order to build public welfare. Through the Ermessen freies the Government has initiative authority, delegative authority, and droit function (interpreting unilaterally) (Mahfud MD, 2016).

Independence has a meaning as freedom, including the freedom of a country to regulate all things, such as choosing and agreeing on an ideology. The ideology that dominated the world at that time was an ideology that originated from a positivistic school. The ideology adopted in Continental European countries that colonized Indonesia for hundreds of years is also rooted in the understanding of positivism by making people's supremacy everything. The democratic system is the dominating political system, the root of democracy is positivism. The democracies that influenced Indonesia at the beginning of its independence were liberal democracy (America and parts of Europe) and socialist democracy (the Soviet Union and countries with leftist ideologies).

The nation's founders agreed to develop a democracy with its own characteristics which became known as Pancasila Democracy. The custom to build a sovereign nation certainly requires ideology as the philosophy of the state. Ideology becomes a guide for a nation or a country in running the government or interacting. The initial formulation of Pancasila was first conveyed by Bung Karno when he got the opportunity to deliver a speech before the BPUPKI session on June 1, 1945. Bung Karno delivered this speech directly without text which finally agreed upon as the birth of Pancasila. The Pancasila formulation was refined by a small team called the Nine Committee, consists of nine figures with backgrounds from secular nationalist

groups and Islamic nationalists. The nine figures are: Ir. Soekarno, Drs. Moh Hatta, AA Maramis, Abikoesno Tjokrosjojoso, Abdul Kahar Muzakir, Agus Salim, Achmad Soebardjo, Wahid Hasjim and Mohhammad Yamin. Our constitution has outlined the concept of populist economy as the basis of the nation's economic ideology, in the 1945 Constitution the 4th Amendment of the term populist economy is called with economic democracy, an economic system that prioritizes the principles of togetherness, efficiency with justice, sustainability, environmental insight, independence and by maintaining a balance between progress and national economic unity. The economic constitution based on economic democracy is a middle way economic system, not liberal capitalistic and not socialist, but an economic system rooted in Pancasila, the hallmark of the Indonesian nation.

Based on the description above, the authors are interested in examining the transcendental dimensions of people's economy (economic democracy) as an Indonesian economic ideology that is different from the economic systems in other democratic countries which are rooted in the domination of positivism with all its problems which have proven unable to provide solutions to various problems. life.

2. Approach Method

In this research, the method used is a qualitative descriptive approach. Researchers chose this method to explore and reveal social phenomena in The concept of populist economy based on transcendental law.

3. Result and Discussion

3.1 Transcendence of the Constitution

Transcendental thinking can be seen in the values of religion, spirituality, ethics, and morality which are full of dynamics and thought struggles that were born in a long historical span. Modern science, which has been in the corridor of modernist-positivistic hegemony with empirical, objectivist, and rational doctrines, has begun to be sued by transcendental thinkers who put forward the values and meanings behind it, so that it appears that the building of knowledge becomes more open and intact in responding to the problems of life and life. . In this case, transcendental thinking begins to raise things that are irrational and metaphysical (emotions, feelings, intuition, values, personal experience, speculation), moral, and spiritual as an integral part of understanding science. .

Transcendental law as a paradigm of Indonesian law can be placed in the framework of maintaining public trust and expectations in order to stick to their beliefs about the integrity of Indonesia. Reasoning rationality and inner connectedness possessed by man demands a rhythm of awareness of the truth of science. In this case the law is not only regulating and stipulated by the rulers of the State but also concerning laws that live and develop from the behavior of society which is full of values. .

Besides that, there is a need for moral in law based on a transcendental paradigm based on divine values. The transcendental dimension in Pancasila is described in the determination of the First Principle which is an affirmation of the

concept of tawhid declaration of God (Ilahiah) which believes that there is no God but God Almighty (Allah SWT), although the sound of Pancasila is different from the Jakarta Charter, but the debate between the two has ended and the concept of monotheism was agreed to be the first principle in Pancasila. The determination of the concept of monotheism in the first principle of Pancasila shows that Pancasila as a fundamental norm is very religious (Rustamaji, 2017). Barda Nawawi Arief's view quoted by Muhammad Rustamaji stated that the derivation of the first principle of Pancasila inspired a national legal system towards Biomijuridika. .

Pancasila will affect all legal instruments under it, Pancasila is an identity in the national legal system and the nation's ideology. Ideology gives us ideals to believe in, goals to strive for and reasons to strive for. Another important function of ideology is to form a pluralistic group or nation identity. Ideology gives a tendency to separate us (in group) and them (out group), thus ideology functions to unite (Pudyastungkoro, 2010).

In the dynamics of community life, Pancasila as a legal ideal will function as a general principle that guides, critical norms and motivating factors in law administration (formation, discovery and application of law) and legal behavior (Absori, 2017). The dominance of positivism affects the submission of regulations to the values in Pancasila, as a result the spirit and spirit in Pancasila is not reflected in the regulations under it, Pancasila is placed on the throne of the highest order that does not flow its influence on the regulations under it, Indonesian law also incarnates without identity, wild without direction.

Social economy is an economic system that was born with the values and paradigm of Pancasila. According to Natonagoro, as quoted by Sinung Mufti Hangabei, distinguishes values into three types, namely material values, namely everything that is useful for human physical life, vital values, namely everything that is useful for humans to be able to carry out activities or activities and spiritual values, namely all something that is useful for the spiritual man. The values of Pancasila by Natonagoro are classified as spiritual values, but they acknowledge the existence of material values and vital values (Hangabei, 2017).

Jimly Asshiddiqie stated that the 1945 Constitution contains the idea of political democracy as well as economic democracy. This means that the highest authority in our country is the people, both in the political and economic fields. In the context of a state, people's sovereignty is relatively absolute, although it must be given a limited meaning as the manifestation of Allah's Almighty as recognized in the Third Paragraph of the Preamble of the 1945 Constitution, as a consequence of Tauhid, namely the belief of the Indonesian people in Allah SWT, God Almighty, then every Indonesian human being is understood as the caliph of God on the face of the earth who is given the power to cultivate and manage the natural world for the greatest common prosperity (Asshiddiqie, 2010).

Our constitution contains the goals of life (political and economic) in a transcendental frame, referring to the belief in the existence of God , economic democracy also aims to spread benefit. If we pay attention, the values and norms in the constitution all aim to create benefit, build goodness in the community of the state and life, these values are in line with the content of QS. Al Anbiya: 107

"And We did not send you (Muhammad) but to (be) a mercy for all nature "

The expression 'mercy for all nature' in the above verse is defined as the problem of the people. In this connection, the scholars agree that the syara 'law contains benefits for mankind (Syarifuddin, 1999).

Article 33 paragraph (3) of the 1945 Constitution states that state control over the earth, water and natural resources contained therein is intended for the greatest welfare of the people, the term 'prosperity of the people' in this Article is solely for the benefit of the people.

Al-Syatibi saw benefit from two perspectives, namely (1) maqasid al-syari '(God's purpose), and (2) maqasid al-mukallaf (mukallaf's goal). Maqasid al-syari'ah in the meaning of maqasid al-Shari ', contains four aspects, namely:

The initial purpose of the Shari'a is the benefit of mankind in this world and in the hereafter.

- a. b. Sharia as something that must be understood.
- b. Sharia as an taklif law that must be carried out, and
- c. The purpose of the Shari'a is to bring people under the auspices of the law (al-Syatibi, 2003). If we relate the benefit from the point of view of Maqasid Al-Syari 'according to Al-Syatibi, then this confirms the transcendence of Pancasila which wants to transform the political, economic, legal and state system as a whole into divine values and to escape the influence of legal secularism. brought by the Colonials for hundreds of years with the supremacy of the Godhead as its frame.

3.2 People's Economy and Kuntowijoyo's Transcendental Concept

Positivism that gave birth to democracy as a political system gave the authority to politics to form laws, so that law was automatically influenced by politics, because the political subsystem has a greater concentration of energy than law (Mahfud MD, 2017). The political configuration at the time of the formulation of the Pancasila and the 1945 Constitution was dominated by two schools of thought, namely secular nationalists and Islamic nationalists. Pancasila is a compromise of the two groups, but the Islamic nationalist group has succeeded in fighting for Divine Value as the First Precept in Pancasila. People's economy with another name economic democracy is not a concept that was born from positivism as applied in other democratic countries, The transcendental meaning according to Kuntowijoyo as quoted by Absori is based on faith in Allah (Ali Imron: 110) by introducing prophetic knowledge, in the form of humanization (ta'muruna bil ma'ruf), liberation (tanhauna anil mungkar) and transcendence (tu'minuna billah). In this case the transcendent element must be the basis for other elements in the development of science and human civilization (Absori, 2017). Jimly Asshiddiqie mentioned Article 33 as Indonesia's economic constitution. Economic democracy is clearly stated as the basis for implementing the national economy. The principles of economic democracy are actually inseparable from the prophetic science concept conveyed by Kuntowijoyo, the author tries to classify Kuntowijoyo's prophetic concept and economic democracy principles in Article 33 paragraph (4) of the 1945 Constitution as follows:

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| Prophetic Concepts | Principles of Economic Democracy |
| Humanization (ta'muruna bil ma'ruf) | Togetherness, environmental insight |
| Liberation ((tanhauna annealed mungkar) | Independence, balance of progress |
| and national economic unity transcendence (tu'minuna billah) | efficiency with justice, |

The grouping above affirms the transcendental dimension in the populist economic system, based on the values of Tauhid (Divinity) in Pancasila. Kuntowijoyo stated that the Al Quran and Sunnah as the foundation for the whole building of prophetic knowledge, both natural science (Ayat Kauniyah) as the basis for natural laws, humanities (Ayat Nafsiyah) as the basis for meaning, value and awareness and divinity (Ayat Qauliyah) as the basis God's laws (Kuntowijoyo, 2004).

The principle of togetherness and the principle of environmental insight in a populist economy is a form of publicity (ta'muruna bil ma'ruf), a people's economic system derived from the development of the Kauniyah verse, wanting welfare not only to be centered on certain groups, aspiring to collective welfare and not individualistic. . The principle of independence, the principle of balance of progress and national economic unity is a form of liberation (tanhauna anil mungkar) of the economic system from the development of Ayat Nafsiyah, building an independent nation by optimizing domestic potential but not being closed, does not deny the existence of Indonesia as a part of the world community so that microeconomic policies need to pay attention to macroeconomics.

The principle of equitable efficiency is a form of transcendence (tu'minuna billah) of the economic system developed from the Qauliyah verse, paying attention to the principle of efficiency (avoiding vain / redundant goals) and justice which are universal values that Muslims must have because they are one of the morals. noble (akhlak al-karim), in the Koran there are many verses that instruct to be just (al'adl) and just are one of the characteristics of Allah SWT in Al Asmaul Husna. Transcendental law in the Indonesian context cannot be separated from the foundations in the state ideology in the form of Pancasila (Absori, 2016).

The core of Pancasila which consists of five principles, in the form of divinity, humanity, unity, democracy and justice. According to the founding father of the nation, Soekarno, the core of Pancasila is if it is extorted into mutual cooperation. In the field of law, the manifestation of the Pancasila ideology is spelled out in the ideals of Pancasila law which serves as the foundation and direction of the development and development of national law. Quoting Absori's opinion that the law based on Pancasila is based on the view of life of the Indonesian people who believe that the universe with all its contents, including harmoniously created by God (Absori, 2016).

Absori argues that the development of law in Indonesia has a foundation that underlies transcendental values, namely the state ideology Pancasila, the Preamble to the 1945 Constitution which states that the proclamation of Indonesian independence is due to the blessing of the Almighty Allah. The preamble to the 1945 Constitution is a solid agreement (mitsaqon gholidon) of the founders of the nation which forms the basis of the state building which is the embodiment of the ideals of the nation (Absori, 2017). Moreover, the guarantee of freedom of religion shows the spirituality of the constitution, Article 29 of the 1945 Constitution states that the state is based on One Godhead. The state guarantees the freedom of every citizen to embrace his own religion and worship according to his religion and belief.

Capitalism in the Implementation of People's Economy

The liberal democratic hegemony developed in America resulted in the implementation of Pancasila democracy that was not in accordance with its initial ideals. Democracy is currently starting to experience a political shift, not only a

matter of representation, but synonymous with political capitalization that results in transactional politics, this is a deviation of values in Pancasila democracy. The configuration of transactional democratic politics which is identical to high-cost politics creates political investors and then influences the economic system which is no longer oriented to the benefit of the people.

The panic of the capitalists towards the existence of the transcendence of Pancasila through the reflection of the Pancasila paradigm in positive legal norms as a derivative has led to a discourse evaluating state interference in the economy, such as the dominance of the state in the economic sector through BUMN, of course causing concern for capitalists. The world economic crisis awakens the belief among audiences of almost all political currents that only regulated capitalism has the opportunity to survive (Kellermann, 2016).

Legal science literature recognizes sovereignty as the highest power in the state. Jean Bodin argues that sovereignty is the highest power to determine laws in a country which are single, original, eternal and undivided (Soehino, 2000). In the principle of a democratic state, sovereignty is in the hands of the people, including economic sovereignty must be in the hands of the people. The theory of sovereignty by Jean Bodin is termed as People's Sovereignty, the highest power in the hands of the people or we know this system with a democratic system which is a derivative of positivistic thinking that is implemented in the life of the political system.

The results of Amos J. Peaslee's research stated that of the 83 constitutions of countries in the world 90% adhere to the principle of people's sovereignty (Peaslee, 1950), because there are many adherents to popular sovereignty (democracy), this form is considered the most ideal system for a country until currently (Asshiddiqie, 2005). Jimly Asshiddiqie in his book Indonesian Constitution and Constitutionalism states that power in the political field and power in the economic field can be distinguished from one another, but have a close functional relationship with each other (Asshiddiqie, 2005).

Politically, transactional democracy is the cause of the capitalization of the people's economy. In the end, national economic development no longer pays attention to collective welfare but is more in favor of groups of political investors who support the authorities. According to Soeharsono Sagir, the economy of every country must operate according to a certain system. The type of economic system that Indonesia adopts as a basis for development is the people's economic system (Sagir, 2009). In this system, sovereignty in the economic field is in the hands of the people, and therefore the idea of economic democracy is none other than the understanding of people's sovereignty in the economic field.

Jimly Asshiddiqie argues that the goal of a populist economic system is to liberate people's lives from poverty, ignorance, dependence, unfair treatment, environmental damage and a sense of anxiety in looking to the future (Asshiddiqie, 2010). Therefore, the national economic policy should not come out of the principle of a populist economy which, according to Soeharsono Sagir, is reflected in the principle of triple track development, namely pro-poor, pro-jobs and pro-growth (Sagir, 2009).

In implementing these three principles, there are six benchmarks that can be used to assess the success or failure of a development process, namely:

- a. The people are free from poverty with a quality economic growth rate;
- b. People are free from ignorance and empowered to become productive human capital;
- c. The people are free from unemployment by working creatively and productively to increase their own and other people's income;
- d. The country is free from dependence on foreign debt;
- e. The country is free from a shortage of foreign exchange because the value of exports exceeds imports; and
- f. The country is free from damage to ecosystems so that development can be developed in a sustainable manner.

4. Conclusion

Every law that is formed must be based on Pancasila. The political system and economic system must also reflect the values of Pancasila as a fundamental norm, Pancasila is an ideology and legal ideals that are chosen and agreed upon by the Indonesian people so that the values and paradigms contained therein must be reflected in the regulations underneath, this is a necessity so that the system the law, political system and economic system in Indonesia have clear directions, guidelines and guidelines. The secularism of the economic system by ignoring Pancasila has made the economic system in Indonesia wild without direction, the confusion of values, identity and national spirit which ultimately has to fall to the domination of positivism and return to the influence of Continental European law as in the colonial era. This is clear evidence that independence has not been fully interpreted as independence in determining the ideology of the state, in the end the efforts of the founding fathers in compiling the concept of Pancasila as the nation's ideology only became written rhetoric which was not implemented. The values and paradigm of Pancasila have not been reflected in the economic, political and system systems national law. Economic system capitalism prioritizes market interests and is only oriented to the material paradigm as an outline of the flow of positivism with all its problems and incompatibilities with Pancasila. The transcendental dimension in Pancasila needs to be explored, reflected in the national economic system.

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