

Indonesian National Development pre 2000 vs Post 2000

(Sociological Economic Perspective)

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ABSTRACT: Economic Sociology shows explosive developments in line with various socio-economic problems of society, both in developed countries and in developing countries which are trying to improve the welfare of their people through various development policies. shows that most studies are directed at how people meet their needs and achieve prosperity or welfare which is closely related to the problem of poverty. The author considers it important to make scientific work in the perspective of economic sociology studies. The author uses a descriptive qualitative method with a field case study approach. Currently, the study of Economic Sociology is more prevalent in analyzing social capital, as well as structural, institutional and national economic system issues related to people's welfare. The national economic system in question is in line with the mandate of our constitution. On the other hand, the impact of national development, especially since the Pre-2000 and post-2000 National development period, considering that development policies have not been able to create community welfare, even seem to have not succeeded in creating inclusiveness in national development, based on the development of the Welfare State Model with indicators the main form of "even distribution" of development

Keywords: National Development, Economic Sociology

I. INTRODUCTION

The New Order (1966–1998) was the period when a development planning system was seriously implemented in Indonesia (Saronto and Wrihatnolo 2009: 5). During this period, a realistic planning model with economic logics developed, which was not used in the previous period. However, the style of development planning during the New Order era was considered too centralized and technocratic (Rasyid 2002: 15 and Hadiz 2004: 701). Too centralized because of the strong influence of the central government in Jakarta and ignoring the voice of local governments; too technocratic because it is only dominated by a handful of technocrats in the government. In the development planning system, community participation is very limited. In fact, democracy requires participation. Without community participation, development will be co-opted by the interests of the ruling elite and result in social injustice. Collusion, corruption and nepotism which were very acute and caused the fall of the New Order cannot be separated from the overly centralized and technocratic development approach.

II. FORMULATION OF THE PROBLEM

1. How was Indonesia's national development before 2000?
2. How is Indonesia's national development after 2000?

III. RESEARCH PURPOSES

1. To find out the national development of Indonesia before 2000
2. To find out the national development of Indonesia after 2000

3. To know Sociology of Economics in development

IV. LITERATURE REVIEW

The practice of development and development planning in Indonesia during the New Order period was inseparable from the influence of Keynes and the Asian-style developmental state. As is the practice in Asian countries, development in Indonesia during the New Order followed the developmental state model. This model has no commitment to any particular type of regime, whether it is authoritarian or democratic. In contrast to the concept of good governance, which has developed since the 1990s, with a normative commitment to democracy and efforts to strengthen the role of democracy, the developmental state does not have such a commitment (Fritz and Menochal 2007: 539). Furthermore, in contrast to good governance which emphasizes aspects of transparency and accountability, the main aspect in a developmental state is the capacity of the state. In addition, there must be embedded autonomy, namely that the state must be embedded in society and fulfill the wishes of the people, but the bureaucracy must be rational, professional, and protected from political pressures and rent-seeking groups (Fritz and Menochal 2007: 535).

Democracy is often interpreted as government "of the people, by the people, and for the people". In this terminology, the people are placed as the main stakeholders in the political system and government. The voice of the people is the voice of God that must be fulfilled. In a democratic system everyone is free and has the right to express opinions and be involved in making political and government decisions. Everyone has the same right to participate in development. This is in contrast to the monarchical system which requires the existence of castes in the political system. In democracy, the political system is deliberately built so that development is not co-opted or controlled by a handful of elites. Democracy is built so that there is diversification of power so that the equality of the people's political rights and the people's rights to voice and opinion can be expanded (Imawan 2002:47).

Community participation will encourage the realization of a responsive and responsible government, improve the quality of service to the community, and help consolidate democracy (Speer 2012). Without active community involvement, development will only benefit certain elite groups and not for the benefit of the wider community. However, keep in mind that each group or element of society has different bargaining power, which can affect the level of participation. Therefore, a mechanism is needed to ensure that every element of society can participate fairly in development planning.

Development planning is an arena for stakeholder contestation. In addition to elections, development planning must be seen as an important mechanism in the fulfillment of political rights, which is an important pillar of democracy. In this planning, objectives and priorities as well as development programs are determined, with the availability of limited resources. Mechanisms or institutions in development planning greatly determine how stakeholders determine the direction of development, including the use of existing resources. Community participation will reduce the possibility of stakeholder groups directing the use of existing resources for their own interests. However, development planning is too associated with the central role of the state, because the basic assumption of planning is to overcome market failures, in order to achieve people's welfare.

Historically, development planning cannot be separated from the role of the state in development. Keynes, for example, criticized the laissez-faire paradigm and emphasized the importance of government intervention in the event of market failures (Chibber 2002: 954, Marcuzzo 2008). For example, in the 1930s, to overcome unemployment and depression, interest rates were reduced and government spending increased on infrastructure development. In addition, Kalu (1996: 238), referring to Gernschenkorn (1962), states that the role of government is especially needed by developing countries, especially when the private sector is not interested in investing.

The experience of Asian countries also shows the importance of the state's role in development. According to the World Bank (1993:6), government intervention results in higher and more equitable growth rates. The role of government in development, which in practice is known in Asia as the developmental state, is a critique of the neoclassical economic paradigm. Neoclassical groups assume that the protection of an industry will reduce

international competitiveness. Furthermore, government intervention will only result in rent-seeking behavior so as to direct economic resources to unproductive sectors.

Smelser and Swedberg (2005) put forward the definition of economic sociology by adopting the opinions of Weber and Durkheim, that economic sociology is a sub-discipline of sociology that focuses on the field of study on how actors or communities meet their needs. "Economic sociology can be defined as the sociological perspective applied to economic phenomena. A similar but more elaborate version is the application of the frames of reference, variables, and explanatory models of sociology to that complex of activities which is concerned with the production, distribution, exchange, and consumption of scarce good and services".

Still according to Smelser and Swedberg, 2005: 5), the very basic thing for economics in looking at the obstacles to one's economic actions is taste and the scarcity of resources, including limitations in mastering technology. In this framework, it is easy for economists to make predictions on economic actions based on the principle of maximizing utilization (utility) and profit. While sociology is broader than that, namely the barriers of actors in carrying out economic actions are also limited by several factors such as the relationship between actors, in addition to limited resources.

V. RESEARCH METHOD

The research method used in this study uses a descriptive qualitative approach and literature study. Descriptive research is research conducted to describe and describe the current state of the object of research based on facts (Moleong L. J., 2008). Denzin distinguishes four kinds of triangulation as a technique of checking the validity of data that utilizes sources, methods, researchers, and theories (Moleong, 1994). The data analysis in this article is carried out through: 1. Data reduction, namely by summarizing, sorting out the main data, then focusing and organizing the data systematically. 2. Displays the data currently displayed certain data in the form of a matrix, chart, chart, or network if needed. 3. Verify data.

The model proposed by George C. Edward III, is top-down and suitable to be applied to a structured bureaucracy. levels within a government agency, where each level of the hierarchy has a role in accordance with its function in the elaboration of policies. that will be implemented and facilitate the implementation of a policy at every level of the bureaucracy starting from the departmental level (central government), to the level of implementation in the field. Edward III's model directs an understanding of the variables of policy implementation and the relationship between variables by determining the role of each variable. Communication is needed by every policy implementer to know what to do. Resources ensure support for effective policy implementation. The bureaucratic structure describes the composition of the duties of implementing the policy, describes in detail the tasks and establishes standard operating procedures (Edward III, 1980).

The research method used in this paper is to collect various sources of related information from credible books, journals, articles, and news which are processed into information about Indonesia's national development before and after 2000.

VI. DISCUSSION

Economic growth can be regarded as an indicator of the success or failure of a government in running, organizing, and building a country. Although, there are many factors, both domestic and at the global level, which are the determining factors. According to the United States economist, Simon Kuznets, economic growth is an increase in the long-term ability of a country to provide various economic goods to its population. This ability will grow along with the development or advancement of technology as well as renewal and ideology. According to one of the winners of the Nobel Prize in Economics, economic growth is achieved by three factors, namely an increase in a stable supply of goods, technological advances, and the efficient and effective use of technology.

In its journey, Indonesia recorded ups and downs of economic growth. This JEO summarizes the traces of that growth from time to time in the reign of seven presidents who have led Indonesia, from Soekarno to Joko Widodo (Jokowi). As initial data, as of the third quarter of 2018, Indonesia's economic growth was recorded at 5.17 percent, higher than the same period last year of 5.06 percent. Annually, economic growth in 2017 reached

5.07 percent, the highest figure since 2014. However, in 2020 due to the COVID-19 pandemic, Indonesia experienced an economic recession, and is also the worst development in Indonesia's history. Indeed, this figure was still below the economic growth of the Soeharto era, which had penetrated 10 percent, so that at that time Indonesia was praised as one of the Asian Tigers. In fact, the current economic performance is still below the achievement of the government of Susilo Bambang Yudhoyono, which can be above 6 percent. However, the current condition of the Indonesian economy remains stable, after experiencing a fall in the 1998 crisis. At that time, inflation skyrocketed by 80 percent with negative economic growth.

6.1. Indonesia's development before 2000

The Beginning of Development Planning in Indonesia, In fact, long before Indonesia's independence, the Dutch East Indies colonial government had implemented a series of development policies, especially ethical policies that had been going on since 1901. This ethical political policy was the Dutch government's response to the criticisms made by liberals in the Netherlands. The liberals criticized the exploitative colonial policies of the Dutch East Indies government, especially through forced cultivation, causing widespread famine and poverty in the colonies. Cultivation has given many advantages to the government and it is proper for the colonial government to pay them back. Therefore, this ethical policy was aimed at improving the welfare of the colonized population and encouraging efficiency in the management activities of the colonial government.

In practice, the ethical policy of the Dutch East Indies government was carried out through three main policies, namely education or education, irrigation or irrigation and migration or displacement. As a colonial policy, the character and intentions contained in this policy also cannot be separated from the colonial interests, namely maintaining domination and exploitation in the colonies. Therefore, in its implementation, this ethical policy actually brings more benefits to colonial interests than the natives. For example, in the education policy that should be intended for all indigenous groups, in reality it can only be accessed by indigenous elite groups who serve the colonial power. In addition, it is also oriented to produce indigenous people who can be employed by the colonial government at low wages. Likewise with irrigation, only agricultural and plantation areas belonging to Dutch businessmen received adequate irrigation. Meanwhile, migration is only carried out to meet the needs of cheap plantation workers in areas outside Java. However, it seems that the colonial government did not realize that this ethical policy also had an unexpected impact, namely the birth of indigenous intellectuals who began to have a national consciousness. From this very limited number of educated intellectuals, various national movements were born that carried out political resistance against the invaders.

In the early days of independence until the Old Order era, development planning in Indonesia was practically ineffective. This is due to the unstable political situation and state of the country. The state is still busy fighting for independence from various colonial aggressions and at the same time also facing various internal rebellions in various regions in Indonesia which are still raging. However, this does not mean that there has not been a systematic effort to compile a planned development. This was shown, for example, through the establishment of the Planning Board on January 19, 1947, which was proposed by the then Minister of Prosperity, AK. Gani. This agency is a permanent agency tasked with making economic development plans for a period of 2 to 3 years which was later expanded into a Ten-Year Development Plan. The development plan initiated by AK.Gani still revolves around the issue of nationalizing state assets that were previously controlled by the colonialists.

6.1.1. Era Presiden Soekarno (1945-1967)

Indonesia experienced three economic phases in the era of President Soekarno. The first phase is the post-independence economic restructuring, then the negative impact of the economic pillars, and the crisis phase that causes inflation. At the beginning of Soekarno's administration, Indonesia's GDP per capita was IDR 5,523,863. In 1961, the Central Bureau of Statistics measured economic growth at 5.74 percent. The following year is still the same, Indonesia's economy grew 5.74 percent. Then, in 1963, the growth was minus 2.24 percent. This figure minus economic growth was triggered by high political costs. As a result, the State Revenue and Expenditure Budget (APBN) has a deficit of minus Rp 1,565.6 billion. Inflation soared or hyperinflation to 600 percent until 1965. Even so, Indonesia's economic growth was still able to return to the positive number in 1964,

which was 3.53 percent. A year later, 1965, the figure was still positive even though it fell to 1.08 percent. Finally, in the era of President Soekarno, 1966, the Indonesian economy grew 2.79 percent.

6.1.2. Era of President Soeharto (1967-1998)

Suharto's reign was the longest of any Indonesian president to date. The ups and downs of the Indonesian economy were also most felt in his era. He became president at a time when the Indonesian economy was in good shape. In 1967, he issued Law (UU) No. 1/1967, concerning Foreign Investment. This law opens the door wide for foreign investors to invest in Indonesia. The following year, Suharto drew up a Five-Year Development Plan (Repelita) which encouraged self-sufficiency. This program boosted Indonesia's economic growth to reach 10.92 percent in 1970. Economist Lana Soelistianingsih said that Indonesia's economic climate at that time was more focused, with targets that promote agriculture and industry. This makes the Indonesian economy grow drastically. After that, in the following years, until around 1997, Indonesia's economic growth tended to be high and maintained in the range of 6-7 percent. However, during Suharto's reign, economic activity was centered on the government and controlled by the president's cronies. The condition is porous. Economic actors are not as spread out as they are today, with 70 percent of the economy controlled by the government. Once the world experienced turmoil in 1998, Indonesia's porous economic structure was unable to support the national economy. During the crisis, the government lost its footing, so the Indonesian economy was dissolved because it was so dependent on the government. The position of Bank Indonesia (BI) in the Soeharto era was also not independent. BI is only a tool to cover the government's deficit. Once BI was unable to stem the monetary turmoil, there was a crisis and high inflation of up to 80 percent. In 1998, bilateral countries also withdrew to help the Indonesian economy, when the crisis was inevitable. Economic growth also slumped to minus 13.13 percent. In that year, Indonesia's agreement with the International Monetary Agency (IMF). Disbursement of debt from this institution requires a number of changes in economic policy on all fronts.

6.1.3. Era of President B. J. Habibie (1998-1999)

The government of President Baharuddin Jusuf Habibie is known as a transitional regime. One of the challenges as well as achievements was the recovery of economic conditions, from minus 13.13 percent growth in 1998 to 0.79 percent in 1999. Habibie issued various financial policies and brought the Indonesian economy into a period of revival. The rupiah exchange rate also strengthened from the previous Rp 16,650 per US dollar in June 1998 to Rp 7,000 per US dollar in November 1998. During the Habibie era, Bank Indonesia had independent status and left the executive branch.

6.1.4. Era of President Abdurrahman Wahid (1999-2001)

Abdulrahman Wahid alias Gus Dur. Habibie's struggle to boost economic growth after the 1998 crisis. Slowly, the Indonesian economy grew 4.92 percent in 2000. Gus Dur implemented a policy of fiscal decentralization and regional autonomy. The government divides funds equally between the center and the regions. Then, the government also applies local taxes and levies. However, the Indonesian economy in 2001 grew slower to 3.64 percent.

In 1963 Prof. Widjojo Nitisastro, delivered his oration entitled Economic Analysis and Development Planning. In his description, Widjojo emphasized the importance of planning based on economic analysis. According to Widjojo, the important role of economic analysis in development planning is in "the logic of a rational decision-making process among available alternative choices" (Nitisastro 2010: 27). Thirteen years later, Prof. Emil Salim, who was deputy head of Bappenas in 1969-1973, in his oration as a professor at the Faculty of Economics, University of Indonesia (FE-UI) on February 14, 1976, delivered Development Planning and Development Alignment. According to him, development must pay attention to the poorest people so that it can overcome the problem of widening economic inequality in society. This can only be started if since the development planning there has been attention to the problem. The great attention of the UI economists on development planning cannot be separated from the role of their teacher, Professor Soemitro Djojohadikusumo who wants to build the Jakarta School of Economics, with the hope that economics from the West can be

adapted to conditions in developing countries such as Indonesia (Salim 1997: 52). WidjojoNitisastro, Ali Wardhana, and Emil Salim, who from an early age had a strong influence from Keynes' thinking (see Ransom 1975), further strengthened their thinking when they were sent by their teacher, Professor SoemitroDjojohadikusumo, to continue their postgraduate studies at the University of California, Berkeley. When they returned to Indonesia, the idea of "Indonesian-style Keynes" developed from the Bappenas headquarters in Taman Suropati. This Bappenas superiority lasted until the end of the New Order. Bappenas, which was the heart of the New Order's economic planning, was considered responsible for the "failure" of the Indonesian economy (Yusron et al. 2006). The centralization of planning and authority in the distribution of development activities and funds in these institutions is considered unhealthy. Therefore, their duties and powers were reduced. The function of budget allocation for development activities is more handled by the Ministry of Finance together with the DPR.

6.2. Indonesia's Development Post 2000

6.2.1. Era of President Megawati Soekarno Putri (2001-2004)

During Megawati's reign, Indonesia's economic growth gradually continued to increase from year to year. In 2002, Indonesia's growth reached 4.5 percent from 3.64 percent in the previous year. Then, in 2003, the economy grew to 4.78 percent. At the end of Megawati's reign in 2004, the Indonesian economy grew by 5.03 percent. The poverty rate continued to decline from 18.4 percent in 2001, 18.2 percent in 2002, 17.4 percent in 2003, and 16.7 percent in 2004. At that time there were signs of more consistent improvement. We cannot ignore that the process is also political. Political reforms also reformed our economy, improvements made by the government at that time, stricter monitoring of the banking sector to issuing letters or laws directly. At that time, said Lana, the Indonesian economy began to reorient. Although there is no longer a repelita like in the Soeharto era, the Indonesian economy can be more independent with the growth of economic actors.

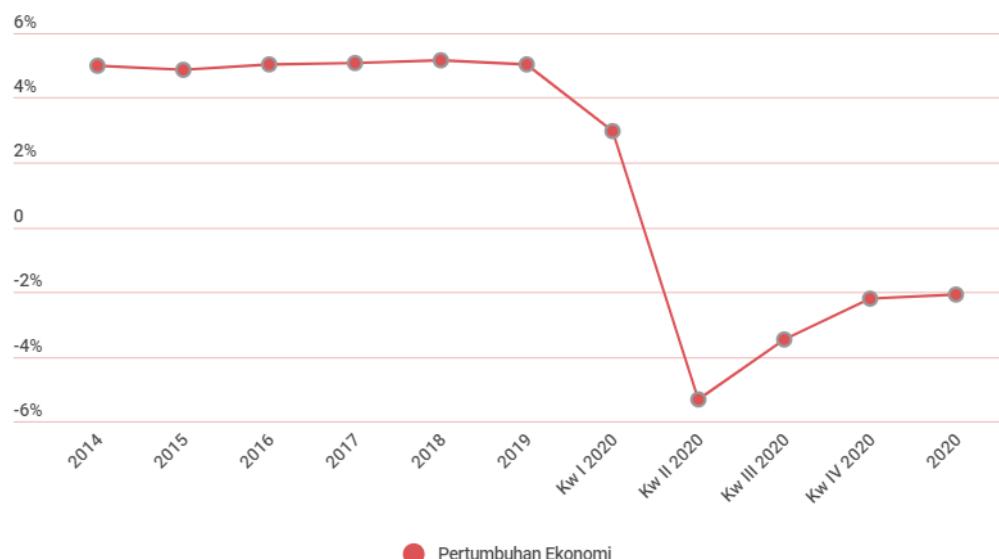
6.2.2. Era of President SoesiloBambangYudhoyono (2004-2014)

Despite ups and downs, Indonesia's economic growth under the leadership of SoesiloBambangYudhoyono (SBY) was relatively stable. Indonesia's growth was quite encouraging at the beginning of his reign, namely 5.69 percent in 2005. In 2006, Indonesia's economic growth slowed slightly to 5.5 percent. In the following year, the Indonesian economy grew above 6 percent, to be exact 6.35 percent. Then, in 2008, economic growth was still above 6 percent although it fell slightly to 6.01 percent. At that time, Indonesia's imports were relatively high. However, the export balance is also high so that the trade balance is quite balanced. In 2009, the period at the end of the first as well as the beginning of the second period of SBY's leadership, the Indonesian economy grew slower at 4.63 percent. The slowdown was the impact of the global financial crisis that was not felt by Indonesia but also to other countries. In that year, the United States Central Bank (The Fed) raised interest rates which made global commodity prices rise. When the US Central Bank withdraws funds from the public, no longer injections, commodity prices slow down again. We're starting to get stuck. Our exports are high, but our imports are higher. Even so, Indonesia is still able to maintain economic growth even though it is slowing down. In that year, Indonesia's economic growth was among the top three in the world. Then, in 2010, the Indonesian economy grew again with an achievement of 6.22 percent. The government has also started planning a long-term plan for Indonesia's economic development. In 2011, the Indonesian economy grew 6.49 percent, continuing with growth of above 6 percent in 2012 at the level of 6.23 percent. However, the slowdown occurred again after that, with achievements of 5.56 percent in 2013 and 5.01 percent in 2014.

6.2.3. Era of President Joko Widodo (2014-present)

During his reign, Joko Widodo, or who is more familiarly called Jokowi, overhauled the structure of the state budget by encouraging investment, infrastructure development, and efficiency so that Indonesia would be more competitive. However, the graph of Indonesia's economic growth during the four years of Jokowi's administration continues to be below the growth in the SBY era. In 2015, the Indonesian economy again looked fragile. Rupiah continues to weaken against the US dollar. At that time, the Indonesian economy grew 4.88 percent. The deficit is widening because our imports tend to rise or our exports tend to fall. In the Jokowi era,

Lana said, the direction of the Indonesian economy was not clear. The National Medium Term Development Plan (RPJMN) seems to be just a document without supervision in its implementation. Under these conditions, it is not known to what extent the RPJMN has been realized. This is not like the REPELITA which is more focused and the supervision is done well so that it can be maintained. In 2016, the Indonesian economy started to grow by 5.03 percent. Continue with economic growth in 2017 of 5.17 percent. Based on macro assumptions in the 2018 State Budget, the government predicts 2018 economic growth in total to reach 5.4 percent. However, the facts are that the Indonesian economy in 2018 grew 5.17 percent. This is the highest economic growth in the Jokowi era. Household consumption is still the main support with a portion of 5.08 percent. In 2018, investment contributed 6.01 percent to economic growth, exports 4.33 percent, government consumption 4.56 percent, consumption by non-household institutions 10.79 percent, and imports 7.10 percent. Total GDP in 2018 was recorded at IDR 56 million or US\$ 3,927 using the exchange rate at the time. The election year, 2019, Indonesia recorded an economic growth of 5.02 percent. The US-China trade war, Middle East geopolitical tensions, and fluctuating commodity prices have been blamed for the decline in economic performance compared to 2018. Household consumption contributed 2.73 percent to the 2019 economic performance, while investment contributed 1.47 percent. Indonesia's GDP in 2019 was recorded at Rp 59.1 million or the equivalent of US\$4.175 using the exchange rate at the time.



The reform era has demanded fundamental changes to the state administration system in Indonesia. After 2000, Indonesia has made four amendments to the 1945 Constitution which was previously in effect continuously since the 1959 Presidential Decree. These amendments have substantially changed the existing institutional structure. With regard to national development planning, there are at least two things in the Constitution that have changed since the third amendment in November 2001.

The 1945 Constitution in Article 3 Paragraph 1 states that the People's Consultative Assembly (MPR) can stipulate the Constitution and the Outlines of State Policy (GBHN). With the third amendment of the Constitution, based on article 3 paragraph 1, the MPR is now only authorized to amend and stipulate the Constitution, no longer has the authority to stipulate GBHN. In the past, there were criticisms that the GBHN was just jargon on paper. However, the absence of this document which is a twenty-five year long-term development vision also shows the absence of a long-term vision of Indonesia's development. In addition, according to Bratakusumah (2003), there is also an assumption that the vision of the nation or the social contract in the nation is already listed in the constitution so that there is no longer a need for a GBHN. With the abolition of the authority of the MPR, the GBHN which contains the basic philosophy, direction, and development objectives are now no longer in the national development planning system. Therefore, it is not surprising that there are many criticisms that say that without the GBHN, Indonesia is now running without a clear direction.

The loss of GBHN in the Constitution is also a logical consequence of the amendments related to the presidential election (Bratakusumah 2003). Article 6A Paragraph 1 of the Constitution as a result of the third amendment in November 2001 stipulates that "the President and the Vice President are elected in one pair directly by the people." This means that the vision/mission of the elected president and vice president is used as a development direction for a five-year period. The vision/mission of the president and vice president was later revealed in the form of the Medium-Term Development Plan (RPJM), replacing the Five-Year Development Plan (Repelita) that existed during the New Order. Because the president and vice president are only elected for a five-year period, the vision/mission of the president and vice president is still considered unable to provide a long-term development direction for Indonesia. To answer the criticism about the direction of development and to fill the void due to the loss of GBHN due to amendments to the Constitution, Law 25 of 2004 concerning the National Development Planning System mandates the preparation of a Long Term Development Plan (RPJP). The RPJP is a planning document for a period of 20 years, in the form of a vision, mission, and direction of development which is an elaboration of the objectives of the establishment of the Indonesian state government. The draft RPJP is prepared by Bappenas, discussed with elements of state administrators by involving the community through the National Long-Term Musrenbang mechanism, and after that it is compiled and stipulated as a law. As its implementation, Law no. 17 of 2007 concerning the Long-Term Development Plan (RPJP) for 2005–2025. Actually, it is also questionable the effectiveness of the existence of the RPJP in providing development directions because of its normative nature. In addition, although it must be guided by the RPJP, the Medium Term Development Plan (RPJM) in practice uses a more political approach, which is an elaboration of the vision, mission, and programs of the elected president and vice president, as stated in the Law on the National Development Planning System. Community participation in the vision/mission of presidential and vice presidential candidates is only limited to providing legitimacy through the votes they cast in general elections. Logically, the elected candidate is the candidate whose vision/mission is most desired by the people. However, in reality the election of a person to become president or vice president is not only based on the vision/mission he carries. Many other things are considered by voters, such as ideology, integrity, track record, popularity, and electability. In political practice in Indonesia, voters are more concerned with the candidate's figure (Setiawan 2009: 53-57).

Within the framework of implementing the welfare state model, there is one thing that It is necessary to get more serious attention from enthusiasts and thinkers of Economic Sociology in Indonesia, namely the extent to which studies on cooperatives as a form of community economic pillar based on kinship can be used as a forum for trying to achieve prosperity while taking into account sociological conditions and local resources. On the other hand, the capitalist system must be anticipated by still relying on the ideological framework of the Indonesian economy as mandated by the 1945 Constitution.

The discussion in this section needs to be started by stating the opinion of Rahardjo (2009) regarding the theory of Third World development, considering that it is important to describe how the dynamics of socio-economic development policies in Indonesia are in fact aimed at the welfare of its people. According to him, in the Third World, two perspectives and approaches have developed. The first is the perspective of free market capitalism with a capital approach, and the second is a socialist perspective with a human resource approach. The failure of these two perspectives resulted in alternative perspectives, namely the social democratic flow in the developed world and the structuralist flow in the Third World. In Indonesia, the structuralist approach gives birth to axiological alternatives towards an independent economy that occurs after the fulfillment of the basic needs of the community and the establishment of infrastructure and the availability of appropriate technology, of course, provided that it can be utilized and empowered equitably and fairly for the community. Meanwhile, Damanhuri (2009) argues that in line with the normative sources of national economic development as stated in several articles of the 1945 Constitution, it is ideologically clear that the position of development policies taken is very close to the social democratic school or school by implementing the welfare state.

VII. CONCLUSION

The tendency of sociologists to expand the focus of analysis to fields that have become a tradition of economic studies has given rise to the sub-discipline of Economic Sociology. A sociological perspective that is used or applied in economic phenomena, especially those related to aspects of production, distribution, exchange, and consumption of goods and services, which leads to how people achieve their welfare. The contribution of the sub-discipline of Economic Sociology shows explosive developments in line with various socio-economic problems of society, both in developed countries and in developing countries which are trying to improve the welfare of their people through various development policies. Throughout the search for the development of Sociological Economics studies in Indonesia, until now the focus of the study is still largely on analyzing the structure, institutions and national economic system aimed at the welfare of the community. The national economic system in question is that which is in line with the mandate of the 1945 Constitution, which is characterized by (1) the state budget being utilized as much as possible for the prosperity of the people, (2) the creation of full employment opportunities, (3) an economic system based on kinship by rejecting free fight liberalism in the era of globalization. the current world economy and (4) implement the principles of the welfare state.

The lack of community participation in development planning also cannot be answered by various changes in the existing social and institutional structures. Indeed, there are changes in actors and their roles in development planning. However, community participation remains minimal because the space for participation has not been fully opened. The discussion in this paper shows that limiting the role of Bappenas in development planning does not change a technocratic approach to a participatory one. The development planning, in fact, shifted more to a political approach. This is mainly due to the stronger parliament, which is driven more by the political interests of the party. In carrying out the budget function, for example, both the DPR and DPRD are guided by political logic rather than policy rationality or people's aspirations. The elites, with their transactional politics, have hijacked the agenda of increasing community participation in development. Regional autonomy, which was originally expected to bring development closer to the community, has in reality only become an "empty message" for strengthening participation. Local governments are still reluctant to communicate development policies and plans openly to the public. As a result, the public does not know and cannot provide input on the government's plans and policies. The number of demonstrations against development policies shows that the formal mechanism for public participation is still dead. Indeed, the level of community participation cannot directly increase the level of economic growth, which has been the main indicator of development. Moreover, if public participation only leads to policy populism to gain people's sympathy. Unfortunately, apart from the low level of participation, the existing participation is only a jargon to gain legitimacy from the people.

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