

MURAKABI ECONOMICS: Towards People's Welfare and Keeping the World Peace. Economic globalization has brought various currents which often cause turbulence of the economic situation of many countries in the world. Unconsciously, that the turmoil and economic crisis is the cause and effect of the practice of economic liberalization itself. Conventional economic approach would seem difficult to overcome the problems of national and global economy. This Murakabi Economics is prepared and submitted as an answer to overcome the problems of the national economy of a country and globally. Murakabism is a new paradigm for the economic system that supports the efforts of any country in the framework of the welfare of their people and for the world peace. The essence of this book are Murakab Economic System includes a variety of perspectives scientific fields, namely political economy, economic democracy, international marketing, business and public management, public and corporate governance, and socio-economy. The reviews of the theoretical concepts studied in detail to the aspects of the interconnected between the economic, social and political, as well as management and governance.

Murakabi Economics



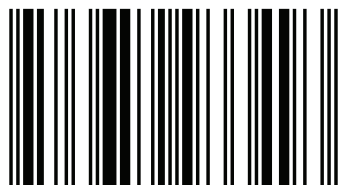
R. Agus Trihatmoko

# Murakabi Economics

Towards People's Welfare and Keeping the World Peace



Dr. R. Agus Trihatmoko: University of Surakarta, Indonesia. His research interests are marketing, management & corporate strategies, politic economy, public management, and economic development. He has actively joined in some of the cluster studies and associations, as well as the editorial board at several Journals for economic and management.



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**Murakabi Economics**



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Peace**

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R. Agus Trihatmoko

## **Murakabi Economics**

# **PREFACE**

The current national economic system of a country cannot be separated from the global economic situation. The thought of economists and the political debate on economic matter is an important issue in any economic situation of a country and international world. Nevertheless, any economic editorial discussed is limited on the discussion of the conventional economic system, namely the reference to free competition or centered on capitalist economy. Similarly, for the different things that the socialist economic system rated while the circle is incompatible with the economic democracy for countries adherents of liberal political democratic system.

Murakabi (Murakab) Economics are prepared and submitted as an answer to overcome the problems of the national economy of a country and globally. The Murakab Economic System was born with a contemporary approach, so that its position is not between Socialism and Neo-liberalism. Murakabism is a new paradigm for an economic system that supports the efforts of any country in the framework of the welfare of their people and for the world peace.

## ***Scope and Coverage***

The Murakabi textbook is the first article for the proposed sign on the economic and social field, both for academics and for practitioners and other stakeholders. The economic discussion topics of Murakab payload includes a variety of perspectives scientific fields, namely political economy, economic democracy, international marketing, business and public management, public and corporate governance, and socio-economy. Thus, the study of these knowledge areas will be related to the charge of micro and macro economics.

The Murakabi Economics coverage is related to various areas of interest in the mechanism of inter-state and inter-state government. However, in practice will focus on corporate, driving a business to apply Murakab (Murakabi) patterns, either for private or government-owned companies. Therefore, on the level of implementation of the Economic System of Murakab, the parties that will play the main role are stakeholders "of the government, employers and employees, as well as various circles of society".

## *Added and Benefits*

The author prefers for prioritizing more on the essence of Murakab economic understanding rather than analyzing the calculation formula examines the economy, so that this book is not too thick. The new knowledge about the Murakabi economic is expected to give benefit for the world of science. Moreover, such knowledge can arouse a new awareness of the country's leaders and businesses to realize the importance of the people's welfare and peace of the world.

Murakabi business practices can be used as part of the design of the company's strategy in the current intense global market competition situation. The paradigm of Murakabism also contributes to the basis of ideas of government in setting economic policy for the country. For the general public, it is expected to acquire a new hope to empower themselves to the economic development of their respective countries.

Academics and researchers can use this book as a review of the literature and discussion material. The researchers are expected to obtain the initial framework of the Murakabi Economics in order to undertake the deepening of the economic system, whether it is micro and macro economics. Besides, the introduction of Murakabi is very useful to be studied more deeply by the experts, thus the improvement of Murakabism concepts and theories will become more perfect.

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Dr. R. Agus Trihatmoko

*University of Surakarta*

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# CHAPTER 1

## INTRODUCTION

This very first Murakabi Economics textbook is arranged for global interest. This book dominated by Indonesian Economy where the Murakab idea is based on Indonesia's Economic Constitution which built along with history of Indonesian Democratic Economy. The word "murakab" is new term in the economic circumstances which automatically sounds odd. Trihatmoko and Susilo (2018) stated the term of murakab, murakabi, dan murakabism, yet those three words considerate hard to understand internationally. Indonesia Dictionary (KBBI) describes Murakabi as delivering profit, sustenance; profitable: *the vastness of our oceans must be useful and - for all citizens* (<https://kbbi.web.id/murakabi>). Murakab - /mu·ra·kab/ that is, in a stacked state; compound; amalgamated (<https://kbbi.web.id/murakab>). Chapter 2 describes murakab in the perspective of grammatically and in the economic literature. The background of Murakab Economic concept would be described before we explain more on definition of Murakab Economic itself.

### **The Birth of Murakabism**

Dr. R. Agus Trihatmoko - the faculty member of University of Surakarta - the author of this book is the one who bring up the murakabism as the new paradigm on the economic system history. His bravery on developing murakab economic system cannot be separated as what currently happen in his home country –Indonesia- among world economy phenomenon. Focus Groups Discussion (FGD) on 16 December 2016 at Surakarta City (Solo), Central Java, and 21 January 2017 at Batam City, Riau Islands, are the backgrounds of

murakab idea. At that time FGD is academic activity to discuss on natural resources management, particularly on oil and gas sector (see, Trihatmoko and Susilo, 2018). In the research conducted by Trihatmoko and Susilo (2018) stated that FGD intended for exploring the ideas of Professor and Doctoral holders (Ph.D) across universities in Indonesia on a new concept called Indonesia Raya Incorporated (IRI). FGDs led by IRI initiator, Putut Prabantoro as a deepening efforts on his thoughts that had been initiated earlier (see, Prabantoro, 2014). Trihatmoko acts as the formulator of the results of the discussion, and then the formulation of the results of the Solo FGD has been reprocessed and presented in the form of a scientific paper written with Dr. Y. Sri Susilo (Universitas Atma Jaya Yogyakarta).

*For months Trihatmoko deeply thought should Indonesia Raya Incorporated (IRI) accepted as government policy the question may arise on what kind of economic system would match on IRI? Indonesian Economists have mentioned Pancasila Economic System. Pancasila Economic System along with the fifth clause of Pancasila, Social justice for all the people of Indonesia. Yet, doesn't Pancasila bear another value on clause one to four? Therefore, another alternative is needed from the term Pancasila economic system. The reason is that Pancasila is an Indonesian ideology, or not just an Indonesian economic democracy system. Thus Pancasila is the ideology of the Indonesian nation where it feels unethical when a nation's ideology seems to be taught to other nations through an economic thought.*

*The other economic concept is Populist Economic Concept. Yet, Trihatmoko argues that Populist Economic Concept is a strategy to develop the economy at lower class society. Even so, he is highly interested on the populist economic concept which used to use by politicians and academics. The problem remains that Populist Economic System's specification has not been described yet on its operational practice. In addition Populist Economic System has the impression that it is only in favor for marginal communities, or as if there is economic enmity between the big business groups and the small and medium micro business groups. Practically government support for micro, small, and medium enterprises merely on subsidy or capital stimulant. Meanwhile government stimulants regarding opportunities and business*

*licensing only works and affordable for bigger business entities. For instance micro, small, and medium enterprises do not have the ability to obtain permits to manage coal mines, process hundreds of hectares of plantations, become major oil or gas dealers, establish bank units, set up factories, and others. Because their weak capital and entrepreneurial ability, only larger capital owners are accustomed to and able to run these kind of businesses. For this reason micro, small, and business groups can play a big project when they are joined with larger business groups.*

*Those two perspectives encourage Trihatmoko to contemplate regarding on what and how IRI would take place. After months doing reflection, the murakab concept comes up. For acquiring deep understanding “murakab” he conducts informal discussion with people from various circles. Informal discussion also conducted along with the team which participated on activity of TEMD Studies Cluster (Trihatmoko Economic and Management Development). Murakabism paradigm slowly introduced to the public, while he acts as speaker on some forum, such as: (1) workshop on Cooperative Day in Karanganyar Regency, 13 July 2017; (2) Socialization of the State Asset Management Institute (LMAN) in Surakarta, 15 August 2017; and (3) Coordination Meeting on Economic Empowerment, Coordinating Ministry for Human Development and Culture (PMK) in Surakarta, 14 September 2017.*

*Apart from pros and cons of murakab term, the most important thing is Murakab Economy has been predicted would be not contradictive with some term in Indonesia Economic System. For instance, Pancasila Economic System, Populist Economic System, or the other economic term such as such as family economy or cooperative economy and Islamic economics, and others. In this book, these economic terms will become the essence or elements in the Murakab economic system.*

Those are my own slight experiences as the founder of Murakab Economic System before this idea spread to the whole world through the paper of Trihatmoko and Susilo (2018, pp. 148-149). The Murakab introduction on that paper is limited, and it is suggested to explain deeper and wider. The introduction of murakab in this book is essential even for murakab economic system itself. Indeed, the possibility of dynamic response toward this concept



would arise among the economists, since it is quite new in economic world. Commonly in the world we know the concept of neo-liberalism and socialism only. Ideas and solutions for neo-liberalism and socialism problems possibly obtained through scientific paper and discussions. However, there are still many difficulties in understanding studies of philosophies and practical formulations outside the paradigm of neo-liberalism and socialism. This book will provide a new point of view as a solution to the debate between the two economic poles of neo-liberalism and socialism.

### **Economic Liberalization**

An Indonesian Economist, Prof. Dr. Sumitro Djojohadikusumo since a long time ago warns that free fight liberalism is a condition with uncontrollable freedom of doing business which possibly causes lower economic community exploitation affecting wider economic discrepancy (Tihatmoko and Harsono, 2017). Trihatmoko and Susilo (2018) reveals that the affect of economic liberalization create asset state ownership discrepancy among, state-own enterprises, local state-owned enterprises, and private enterprises. The phenomenon of economic liberalization can be identified by capitalism of large companies that control the world economy and markets.

Asshiddiqie (2016) postulates characteristics of capitalism economy which build by neo-liberalism: (1) prioritize motivation for personal interest; (2) production factors owned by individuals for personal interest; (3) private sector is absolute and dominant; (4) government role is at minimum level; (5) economic purpose is “survival of the fittest” prosperity; (6) using free flight liberalism as perfect competition system. In summarize capitalism economic system built liberally which focus on individual interests and fully depend on power of its capital to control the market. In this context, this concept put the community as target market for the product produced by capitalist group.

acquire each other. It can be proved by phenomenon of big firms share ownership take over by giant firms. Group of richest people and giant firms has done share acquisition in capital market, or just directly acquire the other big firms.

### *Competitivism*

Some questions may arise: (1) Why firm acquisition and firm's share in the stock exchange controlled by giant capitalists only? (2) Why do capitalists stick to power in big companies? The answer of two questions is that they are competing to win the competition. In Neo-classical economic theory the law of price equilibrium of "market" products teaches meeting point between supply and demand. At this theoretical point, it encourages firms to be oriented to competitiveness-based markets.

Market competition will act as the judge where merely competitive business units will remain. For instance some firms encounter bankruptcy when they fail to compete. This phenomenon happens either among big firms or small and medium firms. Eventually economy would be centralized by those who can win the competition. Strict & hard market competition, liberally has led to a sinister economic term, "Trade War".

### *Competitiveness*

"Trade war" or business competition will encourage every single firm or business entity to equip itself with organizational elements and corporate management in order to create competitiveness. In modern era technology of industrial machine, information system and digital, and business linkage, and also office infrastructure and others are the organizational tools and

### *Homo-economicus*

Inevitably human nature itself is homo-economicus. The problem is how to control the nature of human as homo-economicus, if they are faced with freedom and competition? The pressure of economic competition in market freedom encourages subtle homo-economicism to be harsh, that is man-greedy. The coffers of wealth will not cease to be capitalized into the power of capital in order to be more powerful in controlling economic assets. As a result, humans are always strongly motivated to grab every chance of business emergence "*who is fast - they owned, who is strong - they are in power, who are incapable - they are eliminated*".

The greedy attitude may not necessarily be realized by the perpetrator, because even though they are already in a great position, they are still forced by the market competition to be able to maintain their position in the market. This can be interpreted by a statement that "*when a product has become a market leader, at that time it will also be coming soon in droves of competitors to defeat the market leader*". In marketing practice the statement appears in large companies that have allocated significantly budget on promotional and advertising funds to other marketing expenditures. It is hard to detect that economic political practice as businessman and corporate expansion on monetary and stock exchange, include taking over of collapsing firms.

### *Capital-centered*

Firm's competitiveness may lead to capital oriented. On the other hand, the nature of homo-economicus has been embedded in every businessman. Strategically business orientation on capital and homo-economicism is stronger

by the role of banking. Banking would more trust in the big firms rather than small one. Because of the big firms have bigger asset as collaterals.

Unfortunately, big firms prefer to obtain foreign capital as capital strategic to issuing stock to people. Strategically, the firms think it is better for them bear interest expenses than to share the firm's ownership. It supports the view that economic liberalization will centralized the capital as the competitiveness of giant capital owners or neo-liberalism.

### *Private Firms*

Characteristic of economic liberal in a country is strategic economic sector dominated by group of giant private firms. Strategic economic sector is a battle field for private firms, since it offers fantastic profit. It is driven by private firm's huge capital, even the capital comes from the bank, since they are trusted by bank. The government let it happens because in short term the government need to taking care the National Budget issue.

In such situation, government will highly encourage either local or multinational investors to do business in the country. Economic growth at fast becomes the economic political target. Therefore in such condition small and medium enterprises merely act as "walking little stuff" in the economic sector. They are driven for seasonal or incidental basis, which merely suppresses certain sectoral economic instability. Empowerment merely as stimulant activity, but not as collective participative movement of huge sectoral economic project. On the other hand, state owned enterprises unwillingly build strategic sectoral business driven by very classical reason, budget constraint, so as this sector opportunity grabbed by private firms. Under liberal economic system automatically private sector dominates economy at maximum level, because income & profit will increasingly add to the coffers of private gain.

At the Constitutional Court of the Republic of Indonesia (02 May 2018), Trihatmoko explained that Indonesian state owned enterprises (SOE) had been dragged into the flow of economic liberalism. SOEs tend to be capitalistic, because they are deemed no longer in line with the mandate of the Indonesian Economic Constitution which is family-friendly. In this case public companies should prioritize ownership through public participation, namely "the people". Trihatmoko also presented this view as a critical point related to the Indonesian Government's policy that has carried out SOE holding strategies in several sectors. Meanwhile, SOE holding will provide a gap to the weakness of the Parliament (DPR RI) party control to the Executive (Government). Subsidiaries and affiliates of holding companies have the potential to be released to the private sector beyond the control of the public, in this case the Indonesian Parliament.

### *Exploitative Economics*

Private firms and capitalists domination on national and global economic sector will put the private firms as the main agent on economic development. The economy growth will highly depend on private firms roles. It is possible while there is a gap between private firms and state owned enterprises either local or national and cooperation. Meanwhile private firms prefer individual interest to social welfare. Private firms are considered delivering huge contribution to the nation because they absorb labors and pay the taxes.

The roles of private sector on absorbing labor and providing tax payment encourage the government policies to exploit economy to various sectors. The economical pressure "exploitative" makes economic activities going more even liberal, so as creating rent seeking. Economic exploitation clearly can be seen in the countries where they do State Owned Enterprises (SOE) privatization or in the SOE management they have business rent partners.

country. The inevitable effect would be the underdeveloped country and developing could never be equalized with developed country. Socio-economic discrepancy possibly leads to un-harmonizing multilateral relationship among these countries. Therefore the relationship among these countries merely talks on profit and loss, so as every negotiation will put "less powered" parties as weak point. This kind of economic situations will repeat classical phenomenon, since liberalism economic will remains big problems which lead to international conflict on social and political issues.

### **Socialist-Marxis**

Both of neo-liberalism and socialism have their own ideology. While liberalism is identical to democratic economy, socialism tends to more communal or communism economy. However, the arguments that are considered true by Marxism groups, in fact the socialist-marxis adherents have experienced a period of receding, or can even be called a failure. The outbreak of the "Soviet Union" superpower, the unity of East Germany with "German" West Germany, the collapse of the state of the Gaddafi regime "Libya" and others marked the decline of the socialist economic system. This may also occur because countries that adhere to socialist economics are difficult to compete and coexist with neo-liberalist countries.

Indeed, at this time there are still countries that adhere to the socialist-marxis system, which initially disagreed with capitalism. The next questions that needs to be concerned to are how is the life of the people of the socialist country? Do they have economic sovereignty and social independence? On the other side, the world needs to deal with the cold war among certain countries due to liberalist country concerns for the entry of socialism, or on the contrary the socialist state anticipates the entry of neo-liberalism.

The characteristics of the socialist economic system by Asshiddiqie (2016) are: (1) prioritizing the public interest; (2) infrastructure of economic activities, namely centralized planning; (3) ownership of the factors of production entirely owned by the government; (4) the role of the private sector is only small and limited to certain fields; (5) the role of the government is dominant and dominating in all fields; (6) the prevailing value system is collectivity; (7) economic goals are prosperity in an authoritarian way. The characteristics of the socialist economic system illustrate that the government has very dominant power or tends to be a director in managing the country's economy, while the private sector is severely restricted in its participation. Public interest and prosperity for the community are built by placing the community as economic objects (workers) for their country.

Exposure to the two mainstream world economies above indicates that each of them gives a big job in the future on the record of world socio-economic life. An interesting phenomenon to study is that many countries are looking for a form of how an economic system is aligned with global economic tension. On the other hand economic globalization has forced each country not to protect its economy against other countries' economic activities (see, orientation of the formation of the World Trade Organization). An alarming situation for economic globalization is that placing countries with large capital will dominate and control the economies of developing countries. Mainstream murakabism was created as an effort to overcome the problem of the economic system which since centuries has not provided harmonious economic relations between the people and their countries, as well as the harmony of the economic order between one country and another.

Asshiddiqie (2016) stated that recently there is no single country fully applied pure capitalism or socialism on their economy. In the Eastern Europe, extreme capitalist economic system practiced by communist country encounter failure on their way

achieving their dream. As we can see how Russian at that time as socialist country, but recently they adapt as capitalism, oppositely we can know how United State and Australia are no longer as pure capitalist countries.

## **Introduction to Murakab Economics**

Everyone does not know exactly what will happen to the world and human life in the coming centuries. Scientists are only limited to analyzing and developing their ideas to look at what might happen and what to do in the future. Murakab economic theory was developed as an effort to improve the lives of human beings in an economy and state in the midst of a wave of economic globalization and the transformation of the digital world in trans-national socio-political & political life, as well as economic and political economy democracy of each country.

Murakab Economic is not to be forced applied on a country which has its own socio-economic system for centuries. Yet, Murakab Economic may introduce to anyone, since it relates to the lives of the people to their families. Murakab economy is not easy to be implemented for any nations, including the Indonesian people. Therefore, it requires full awareness for each group that has the interests of political power and the great power of national capitalists of a country or foreign capitalist in the midst of the economic life of each country.

Socio-economic awareness should be build by: (1) group or family of entrepreneurs in a giant company; (2) citizens of nation which adheres to the economic system of liberalism or socialism; (3) the colonial part of a country that is currently the economic ruler in various countries in the world; (4) political figures and / or enter into political groups that have or will exploit state property for the benefit of capitalist groups in the country and abroad. All parties are invited to understand the real meaning of democracy economic. Regardless of the position where someone sided, but from now on it is not wrong if many parties invite anyone to start bravely shifting ways of thinking, seeing and understanding more about the murakab economic system.



## CHAPTER 2

### MURAKAB ECONOMIC SYSTEM

Murakab, murakabi, and murakabism are like three types of words liberal, liberalist, and liberalism, or social, socialist, and socialism, “even though one by one maybe not exactly the same”. Grammatically Murakab is plural noun and Murakabi is an adjective. Murakab is an economic governance compounded state. In the cultural-economic context, an interpretation of Murakab is an abundance of a gift or "economy" blessing which is mixed / mixed to various socio-economic levels of human effort in its work. Murakabi is a part of the form of economic blessing that is obtained by someone shared with others in order to enjoy the blessing, meaning that actions that characterize profit, sustenance and benefit *"the vastness of our oceans must be useful and - for all citizens"*. Murakabism is a way of thinking about economic behavior characterized by **murakabilistic** behavior. Murakab economic descriptions and murakabism, and murakabi can each be interpreted through the following exposures and illustrations.

#### **The Murakab**

Murakab is a popular word in Javanese culture in the past. Slight the murakab understanding in Javanese culture expectedly lead an equal meaning of Murakab in another language or cultural concept of another country. It can be estimated that each countries own their owned culture. Indeed millennials might be unfamiliar with cultural term in their country. So do the young in Java and Indonesia they might not having no idea of Murakab term. Yet by providing

CRS and other remuneration and remuneration systems are not enough or are still far from the Murakab economic substance. The perspective of murakabism in a Murakab economy is far greater and broader than merely sharing economic results by one individual and group with several other individuals and groups.

To understand more about the economic system of Murakab, then starting from the following explanation until the end of the discussion the book will examine more about the perspective of murakabism in a Murakab economic system. Various theoretical foundations and examples of studies will be dominated from the point of view of Indonesia's economic democracy, including the situation of the Indonesian economy in its global role. Even so, this book has attempted its best to provide a universal economic overview, with the hope that it can be understood by all parties in implementing the national and global economic system for their respective countries. In this case further studies are needed through a variety of holistic approaches and need to involve fields of cross-science.

### **Paradigm of Murakabism**

The idea of Murakab cannot be separated from economic constitution of Indonesia. As mentioned earlier Murakab idea is based on the concept of IRI discussion (Trihatmoko and Susilo, 2018). IRI itself merely limited on perspective of natural resources governance by national and local state owned enterprises or private firms. Meanwhile economic activities collectivity is much greater than natural resources governance. The Murakab Economic System aims to describe the direction of a national and global economic system, whether through private corporations, countries or cooperative businesses.

The paradigm of Murakabism Economic is the multiple effect of economic activity of every business actor is abundant and equitable, and also equitable

and fair or “murakabi”, for the “big” and the “small” mutually grow and develop in harmony or balance (Trihatmoko and Susilo, 2018). Therefore Murakabism idea is not limited on sharing the economic result only as what CSR does. Murakabism substance lead to share the economy ownership in the way of murakabilistic, so as the economic result automatically include, that are profit and economic value of the corporation.

Murakab economic practices are creating a balance of "composing and mixing" using the ownership system of business groups and corporations in the economic sector of natural resources and strategic economy of a country. A balanced and mixed composition is intended so that the business results of these economic sectors have a murakabi benefit for all elements of stakeholders. Stakeholder main components consist of 5 (five) groups, namely: (1) state business owners; (2) private business owners, (2) the government itself as regulator of state authority, (4) individual employees of the company as business operators; (5) individual society as the masters of his country. The ownership balance level formation is structured and mixed in every business and corporation that is **minor for the majority** and **major for the minority owners** of the company.

For instance, a firm built on total shares 1.000.000 (million) shares. Mr. A or Institution A owns 200.000 (two hundred thousand shares or 20% out of total), meanwhile the 800.000 remains owned 10.000 (ten thousand) people that in average each person owns 80 shares. An example above shows Mr. A or Institution A is the majority shareholder, despite only owned 20%. On the other hand, person by person is minority shareholder, meanwhile collectively they own 80% of the share. That Murakab pattern slightly similar to the pattern of firms in the stock exchange. But in the practice of developing countries 800,000 shares on the stock exchange are only owned by a group of investors. That is, there is no spread of share ownership to reach 10,000 people.

the company airline for not being privatized to foreign parties or to other SOEs, but offered to consumers and employees or other communities. Furthermore, the invitation was confirmed by Swasono's, "We must reject the Washington consensus (deregulation, liberalization, and privatization). We must cancel the LoI that clears the domestic market. We accept foreign investors as partner not to dominate the national economy"

The illustration above gives a preliminary practical description of how the company pattern is built with the murakabism approach. Especially if the company manages natural resources, the IRI concept has given the idea to the Indonesian government and the nations in world so that the natural wealth can be murakabi all their citizens. Keep in mind that natural wealth is a gift from God, not human creation, so that the beneficiaries must be murakabi for all humans on earth.

Meaning, it is not only for humans in one country, but also for humans in all countries. The portion of ownership must of course adhere to the Murakab leadership, namely: (1) a foreign nation not to dominate local wealth; and vice versa (2) local nations must not protect themselves without economic transfers to other nations. In the Republic of Indonesia, the constitutional philosophy is constitutionally regulated in the economic constitution. Article No 33 of the 1 Constitution of the Republic of Indonesia 1945 (UUD NRI 1945) is the basis of the economic substance of the constitution of murakab.

Article No 33 of the National Constitution 1945 (UUD NRI 1945): (1) The economy is structured as a joint effort based on the principle of kinship; (2) Production branches that are important for the state and which control the livelihood of the public shall be controlled by the state; (3) Earth and water and the natural resources contained therein are controlled by the state and used for the greatest prosperity of the people; (4) The national economy is organized based on economic democracy with the principles of

togetherness, fairness, sustainability, independence, and maintaining the balance of progress and unity of the national economy.

The meaning of each Article No 33 of the Constitution 1945 of the NRI above can be identified and described in the scope of a Murakab economic system (see, economic description of Murakab). Although the philosophy of economic prosperity has been reflected in article 33 of the 1945 Constitution, in practice Indonesia has not fully implemented it. Trihatmoko and Susilo's research results (2018) show that Indonesia is indicated to have carried the flow of economic liberalism, thus encouraging the emergence of the idea of IRI. The concept of IRI is intended to restore the country's economic sovereignty to the greatest prosperity of the people, or not to accumulate the wealth of certain capitalist groups in the country or abroad.

For countries outside Indonesia the economic constitution may not necessarily have the similar constitution to Indonesia. However, universally the Charter of the United Nations (UN) can indirectly be used as a constitutional reference in every country. Basically, each country stands constitutionally to obtain freedom of life and prosperous economy for its people.

The UN Charter is a UN constitution signed in San Francisco on 26 June 1945 by the fifty members of the United Nations. This Charter entered into force on 24 October 1945 after being ratified by five founding members namely the Republic of China, France, the Soviet Union, the United Kingdom, the United States, and the majority of other signatories. As a Charter it is a constituent agreement, and all signatories are bound to its contents. In addition, the Charter also explicitly states that the Charter of the United Nations has power over all other agreements. It was ratified by the United States on August 8, 1945, which made it the first country to join the United Nations.

*Please kindly access [https://id.wikipedia.org/wiki/Piagam\\_Perserikatan\\_Bangsa-Bangsa](https://id.wikipedia.org/wiki/Piagam_Perserikatan_Bangsa-Bangsa), to study more deeply about how to run the global economy between countries in relation to efforts to create harmonized economic in every sovereign country.*

Implementating a murakab economy cannot be separated from the government policies of each country through the legislation of the related country. The economic policies of each government regime are intended to build the economic power of the country to be independent on their own earth. The country's economic independence can be measured by the level of dependence of economic factors on the economy of other countries, or certain economic groups in a country.

Quoting the speech of a senior economist Prof. Dr. Emil Salim (University of Indonesia) at the Indonesian MPR (Indonesia People Consultative Assembly) National Symposium (July 12, 2017) can be reconsidered. At approximate he said, what does it mean to debate the constitutional economic policy? In essence, whatever government policy is the name, as long as it is unable to free 40 million poor people, then actually the policy is unconstitutional. The excerpt of Salim's statement is in line with the substance of the paper of Balakrishnan, Elso and Patel (2010) entitled Rethinking Macro Economic Strategies from a Human Rights Perspective.

The murakabi economy for the Indonesian people is the practice of the Pancasila ideology, notably the 5<sup>th</sup> Precepts, namely Social Justice for All Indonesians. Therefore the concept of IRI is in accordance with Article 33 of the Constitution of the Republic of Indonesia and based on the national foundation of the Indonesian, namely Pancasila (Trihatmoko and Susilo, 2018). Regarding Pancasila itself to the international world is not a new understanding. The predecessor national figures of Indonesia have positioned

liberalism and not marxism, but a new mainstream. Nonetheless, economically and in the business context it is undeniable that the liberal and socialist elements have contributed to some of the principles of murakab. As explained above, the phenomenon of economic liberalization and the dictatorship of the economy from the point of view of liberalism and socialism encourage the idea of harmonized economic with the murakab system. Even so, the murakab which has the philosophy of Pancasilaism still encounter many tests for the Indonesian people from time to time.

Nowadays some circles in Indonesia are now worried about intolerance by some groups in the name of their religion. This matter rises on the surface through debates and discussions between religious, politician, and academics. Indeed, the anxiety is not in the case of religious intolerance alone, but it should be highlighted in terms of economic intolerance between business actors in charge of the Indonesian economy. Economic intolerance should be a concern for the Indonesian people, because the stakes are the unity of the Republic of Indonesia, in the future.

Research results indicate economic intolerance as a result of economic liberalization, one of which is the liberalization of natural resource governance (see, Trihatmoko and Susilo, 2018). Even so, there are still many elements that allow the birth of political figures that can appear to be harmonious bridge for Indonesia's economic recovery. For this reason, the serious effort of this murakabi textbook is for the study through an international network brochure. The reason for shopping is that economic harmonization in each country can only be achieved well, when it gets more concerns from political figures from other countries.

## **Description of Murakab Economic**

The Indonesian economic constitution Article 33 of the Constitution of the Republic of Indonesia year 1945 becomes a framework for murakab economic. The perspective on murakab theory is grouped into four frameworks, namely the aim, outcome, strategic, and characteristics of murakab. Four perspectives

on the murakab economy can be considered not to deviate from Indonesia's economic constitution. The descriptions are: (1) aim is a big vision of the country's economy; (2) outcome is a progressive and collective parameter of the missions of each unit and business group, (3) strategic elements are management and corporate techniques in order to make their business becomes murakabi; and (4) the characteristics of murakab are an economic behavioral spirit of "entrepreneurship and investment" which must be embedded in the orientation of each individual person mindset.

## **Aim**

Great vision of a murakab economic is the creation of prosperity and justice for the people harmonically and mutual prosperity and peace for all elements of the nation. The aim is in line with the objectives of fulfilling the elements of human rights, including the right to be prosperous "not being poor and marginalized", the right to have a residence "not to ride and homeless", the right to acquire education "not to be fooled and eroded by the time", etc. To achieve people welfare, first of all to create economic justice or equal distribution of economic distribution to each individual.

An example if we compare the average income of a worker or housekeeper in a certain area of a country is Rp. 1.3 million per month, while the salary of a director of a SOE company or State Minister is more than Rp. 130 million per month. Not to mention if the group of workers and domestic helpers are compared to the net profit that will be received by a private business owner who is included in the category of the Top 1,000 largest companies in a country. All would agree that the economic calculation of people per person in the same country is unfair.

*Notes: The range of the rupiah exchange rate at the end of May 2018 is equivalent to Rp. 14,000 per USD.*



The pattern of harmony in business ownership will have a progressive impact on the balance of socio-economic status among all elements of society. For instance, there is no longer the term "poverty generates poverty, and the rich get richer and the poor get poorer". However, what is actually expected is that both small and large ones grow and develop in a balancedly or in harmonious manner.

The goal of economic harmonization is for the greatest prosperity with "the people". As is often occur due to economic disparities triggering social upheaval and negative impacts in people's lives. It cannot be denied that it is difficult to eradicate thuggery because of economic disparities. Including, the demonstration of the workers was driven by the lack of harmonized economic relations between workers and the management of the company. Although in such conditions eventually the business owner is in a winning position.

In the larger context, business ownership and licensing to manage natural resources are politically considered as seizing state property. Therefore, ownership is only dominated by some local or foreign businessmen. Perception of deprivation of natural resource wealth is like a pattern of colonialism or economic colonization. It can be imagined how later on the potential for conflict and war between the masters of the "people" country and the colonial economy would be.

For all that, the murakab vision wants to create peace for social life in doing economy activities. Peace itself require the sacrifice of the attitude of every major business actor and political leaders in the world. The form of sacrifice is to share with all elements of society murakabi to their economic power.

This is consistent to Trihatmoko and Susilo (2018) who have exemplified how 51% of Freeport's shares to be requested by the Indonesian government can be owned by all Indonesians. The political authorities of Indonesia and the United States are expected to intervene directly bridging the divestment process of Freeport shares. The aim is not to

That is not freedom of economic democracy for the ownership of ownership rights to economic resources by a group of capitalists hegemonically.

## **Strategic Elements**

Since the preliminaries to the final exposures above can easily be identified elements of the murakab strategy of business and corporate practices. Strategic Murakab includes the incorporation, affiliation, and cooperatives in business ownership and operations, through ways of equal distribution of business, regional or global economic cooperation or partnerships. So the keywords of murakab economy are ownership, distribution, and business partnership.

First, the incorporate ownership, namely: (1) a company whose shares are owned by other private companies or SOE or government institutions, is in minor proportions; (2) the majority of the company's shares are owned by a minority group individually (for example, employees of the local city, regional or national community, or consumer and regular customers). Second, companies can be affiliated with supplier partners, or other partners in a way as a minority shareholder group. Forms of incorporation and affiliation, and cooperatives can be managed strategically, but the key of business leadership remains in the minor majority. This is intended so that organizational elements can still run the corporate governance and corporate management functions well in the corporate units. The objective of this strategy is about the equal distribution of ownership rights and later on the right to business profits at the expense of investment by every element or parties of the shareholders.

In the context of business and cooperatives (unions) in Indonesia, few can examine how cooperatives that are considered to be successful affiliates with institutional or business entities, namely: (1) The Gajah Mada University cooperative getting larger because it also becomes the main manager of the supplier of needs or university development

projects; (2) The Semen Gresik Citizens Cooperative has become big because it is trusted by the company to handle cement distribution in various big cities (after the cement sector establishment “holding”, this cooperative is indicated to be instable); (3) The Air Force Cooperative developed because it handled Taxi transportation services from the airports in certain major cities; (4) The national joint savings and loan cooperative "CU: Credit Union" has assets rounds of tens of billions of dollars per year, and (4) other cooperatives. Although nationally Indonesian cooperatives are still less advanced compare to cooperatives operates in Singapore, Japan and America.

Trihatmoko (2017) stated that the progress of cooperatives in each country depends on the political will of the government and business actors (leader's policy). Because nationally the Indonesian Cooperative is seen to be increasingly backward or likely to die by government policy, for example: (1) the Village Unit Cooperatives (KUD: Koperasi Unit Desa) that are scattered throughout Indonesia are now the majority on the verge of collapse; and (2) cooperatives in many companies seem to only live for formalities for middle-small class employees; (3) Cooperative term are misused in the savings and loan business by large capital groups.

Distribution and partnership is a marketing strategy and procurement of goods & services related to products through groups and individuals who have entered the networking of organizations and affiliates. This strategy is intended to create a balanced efficiency between parties, and build product loyalty "by or for" business network partners.

Examples of constructs of murakab strategies can be illustrated as shown in Figure 2.1. The proportion of share ownership is not absolute as in the figure, an entrepreneur as a minor majority shareholder can arrange with the local government. In addition, the possibility of the government and the public also having the opportunity to have direct shares in first-line vendor companies. The possibility of these opportunities depends on the size of the businesses in each company.

With such a murakabi pattern, in general, the community of a country has the opportunity to have thousands of stocks of thousands of large companies in their

obtain the inheritance of the company's shares. They will be successors and start collecting coffers of strong company shares. How far will the firms survive to be sustainable in every generation? The only one answer is that depends on how strong the firms maintain the quality of their products or services. The element of market competition will be dominated by companies that implement murakab business with superior quality products. The illustration illustrates how the characteristics of a poor business for the welfare of society in the midst of free market competition. The nature of kinship, shoulder-to-shoulder, populist and productive empowerment, and economic independence will be created in every country that runs a poor economic system.

Market competition will be dominated by firms which applied murakab business with competitive and well quality products. The illustration illustrates how the murakab characteristic among free competition in the global market. The nature of kinship, shoulder-to-shoulder, populist and productive empowerment, and economic independence will be created in every country that runs a murakab economic system.

## **Characteristics**

The final formulation of the murakab economic is the content of the nature of murakabism. Murakabism economic has the nature of kinship, shoulder to shoulder (Javanese: *Gotong-Royong*, or mutual cooperation), community, empowerment and productivity, and economic independence. The discussion of each of the following economic characteristics can be used as a reference in reflecting the economic goals of the country towards the welfare of the people and world peace.

In a meal, usually a family will share according to the portion of food that is in accordance with their personalities. Food means the economic prosperity at that time

for survival to be better tomorrow. That is the kind of family atmosphere for every family in the same boat and family. Love and sorrow, profit and misfortune, health or illness experienced by each family member will be felt by all other family members.

The nature of kinship in the economy of murakab is like family in a country, even in the context of of family on one earth. In a family competing between one another also occurs, but competition is still in the frame of the spirit of solidarity. Today there is still a lot of potential for economic solidarity with the nature of kinship. However, the spirit of economic solidarity is still complicated by business groups within a particular ethnic group in the midst of the inter-ethnic life pluralism within a country. In this perspective, it still illustrates that such citizenship does not yet include full awareness in a large frame as a family of compatriots and people.

The economic politics of large corporations that originating from foreign countries which operate in a country, illustrates the nature of the breakdown of the local family's economy. For instance, companies from "Germany, Netherland, America, Japan and others" will tend to be bank customers from these countries. Getting worse, local companies were also sucked into banking customers. Because normatively foreign banks have better competitive advantage compared to local banks, or also because the corporate network governs them in business operational terminology.

So, challenge of murakab economic is namely building a family system between business people regardless of the difference in the origin of the company. The building system was prepared by way of incorporation and business affiliation, and partnership. Incorporation, business affiliation mechanisms, and partnerships collectively for all business groups will create a familial nature in the country's economic system.

decades of economic policy in the government regime of President Soeharto rely the power of industrialization to the conglomerate group. Indonesia is the slowest recovered country regarding to the crisis because of the effect of the conglomerate that collapsed its business at that time is too big. Until the government regime of President Joko Widodo, the conglomeration model was still strong, even SOEs were restructured with a conglomerate system of holding. This triggers pros and cons in various circles. SOE holding is indicated as a policy that deviates from the reflection of Indonesia's economic constitution, while some parties argue that holding company is a strategic step to compete in global competition.

The spirit of mutual cooperation is to involve people's power collectively or it can be called the people power economy. For this reason, people's power contains a populist nature, because direct sacrifice of the people will gain direct economic benefits as well. Corporate taxes and dividends from SOEs and Local SOEs for the state are not direct benefits for the people. The country's income is not all allocated for the people, because it has to flow for a long time through other economic channels. This analogy motivates the government to start bravely distributing their shares to the people for ownership in SOEs or local SOEs, or perhaps in private companies. Such murakabi actions will not harm APBN (State Revenue and Expenditure Budget) or APBD (Regional Revenue and Expenditure Budget) caused by loss of dividend income. The government can reduce its "RAPBN" or "RAPBD" plans on subsidy expenditure posts to the community. Calculatively the funding works as transferring funds from the left pocket to the right pocket.

Murakab economic policies have the character of empowering people's economy to be productive in a productive manner. Subsidies shifting to the public in the form of shares of company ownership will create the economic productivity of the community.

financial and economic experts can be involved in calculating a Murakab strategy for dealing with cases regarding the state burden on subsidies and debt interest payments.

## **Corporate Share Participants**

Distribution of share ownership to stakeholders is a strategic and technical issue. For the largest countries in the world such as China, America, India, Indonesia, or others it is less realistic if the shares of a corporate unit are divided and distributed to all people in the country concerned. Although this is also possible, when the company run the business there is a giant company in the mentioned country. The opposite is for a corporate unit that is still in the middle category, but has big business prospects and concerns about the lives of many people, it is appropriate that the coverage of stock participants can be nationally in line.

Some strategic considerations in regulating the scope of the shares of a corporate unit, including: (1) the size of the company itself; (2) the coverage of marketing areas; (3) the number of affiliates and business networking partners; (4) the level of product uptake on the market; (5) the strategic value of the product for consumers; (6) number of employees and workers; (7) the number of outstanding share on the stock exchange; (8) capital strength of the main investor (minor-majority); (9) Number and Role of Cooperatives; and (10) local government policies. These main factors become a measuring tool in analyzing the murakab index of a corporate unit. In principle, analytical considerations on the strategy for the coverage of murakab corporate shareholders are for the fulfillment of the meaning of social justice based on a family and mutual cooperation (Figure 2.2.).

According to the conceptualization, the share ownership of the murakab corporations unit (Figure 2.2) lead to the practice of murakabism can be applied

Murakab's corporate strategic conception of kinship and mutual cooperation is a synergy of strategies that can be adopted in various corporate management practices. The nature of kinship and mutual cooperation as well as sustainable mutualism symbiosis between all elements of stakeholders, because of through share ownership. This paradigm becomes a framework for thinking that Murakab corporate units will have sustainable business sustainability. So as the concept of the corporate strategy murakab (Figure 2.2) is a theoretical proposition that is suggested to be a reference in various researches perspectives going forward about the economic system of Murakab.

The achievement of the final result is that all products that are produced and empowered by the company are left with only one point, namely the quality of the product. The point is that a quality product from a Murakab company will have the advantage of leading the market in a sustainable manner. These expectations are quite analogous, because the majority of producer interests are proportional to the majority of the interests of consumers and business partners. Various topics of primacy and business sustainability, as well as other benefits can be understood in a specific and holistic manner, as well as comprehensively in every discussion of this Murakab Economic.



*“Truth is like political interests, but economic history will record who is right and who deviates from the economic constitution”*  
*(Trihatmoko, 2018)*

## CHAPTER 3

### ECONOMIC HARMONIZATION

The research result of Trihatmoko and Susilo (2018) reveals that the phenomena of natural resource governance in Indonesia creates an inequality in term of national assets ownership by the States' Owned Enterprise (SOE), Regional Owned Enterprise, and national private enterprise as well as foreign enterprise. The idea on Indonesia Raya Incorporated (IRI) proposed by Prabantoro (2014) as a means to harmonizing or creating an equality in national assets ownership. Moreover, IRI is expected to establish the communities' prosperity, equitable distribution of economic development, and the unity of the Unitary State of the Republic of Indonesia. The harmonization of assets ownership also creates an economic harmonization for the whole Indonesia's citizen, as well as the unity of the state. The article of Trihatmoko and Susilo (2018), has only highlights the economy sector in term of natural resource governance. Meanwhile, the other strategic economic sectors in Indonesia are dominated by certain national private groups or foreign group, such as national industries in banking, automotive, fast moving consumer goods (FMCG), insurance, hospitality industry, property, and others.

According to a survey by a US Business Magazine, in the 2017 there are 10 (ten) conglomerates in Indonesia who get richer, and were part of the Top Ten of the richest man in Indonesia with a total asset of more than 1,700 trillion Rupiah. The wealth of the conglomerate group is almost equivalent with the State Budget in 2017. As commonly indicated by the economists, they estimate that 70% of national assets is owned by 2% of a group of Indonesian citizens. Meanwhile, Trihatmoko and Harsono (2017) identify approximately 56 million of entrepreneurs in Indonesia, 99% are belong to the Small and Micro business category. According to Trihatmoko and Susilo (2018) the number of people who live below the poverty threshold approximately are 27.7

relevant views on the murakab economic system. Studies and new outlook will align the area between social science and economy in each country.

Economist and Theologist, Dr. Saud Napitupulu, Dr. Th. (School of Economics Sciences Atma Bhakti and Scholl of Theology Berita Hidup, Surakarta) provides a discussion, based on his research result, as a description on the discrepancy of wealth ownership from a Scripture point of view, as follows.

God does not delegate human to be rich or poor, but to be in solidarity with others. This is the solidarity that builds the passion in absorbing God in economic life. The awareness of the solidarity eventually establishes a concern and seeks a solution for the existing economic disparity.

Socialism economic system is the beginning of communism society. Communism itself emerges as a criticism over the implementation of capitalism which considered quite harmful to the government itself. Socialism is also said to be incompatible with capitalism due to its contrasting implementation. Whereas in socialist system, the government has full control in conducting the economy and the government limits individual interest in term of the ownership of production resource. This step is the reason for the government to actualize the social welfare and equality in individual rights recognition, thus there will be no disparity between the rich and poor.

Further, Saud adds that one of the main moral argument of his disagreement to capitalism is related to avarice. The critics on capitalism view this system will made an individual to be greedy. However, what we should consider is whether the system creates avarice or if there are greedy individual who take advantage of the freedom of economy in capitalism system to achieve their objective.

## **Intern-Country**

Harmonious economics climate, should be created by the governments and domestic business actors. The governments include the central and regional government, as well as village government. The business actors include Micro,

For example, Indonesia implement IRI concept, for the first time in the state's enterprises in natural sector. Nevertheless, the governments should not hesitate to change or withdraw the regulations concerning the holding of their SOEs. The conversion to holding can be considered as state's capitalism, but it indirectly affects the economic equality. On the other side, SOE conversion to holding company is similar to conglomerate, thus will leads to a vulnerability of weak corporate governance and corporate management. Moreover, the corporate governance index in Indonesia is relatively low (Lukviarman, 2016; Trihatmoko and Harsono, 2017). The principle of big corporation will be easier to expand, can also have an adverse meaning; big corporation to work innovatively due to holding bureaucracy. Therefore also, the holding conversion policy for the SOEs in Indonesia cannot instantly look at foreign big holding companies as its benchmark. There are requirements should be fulfilled such as demography and geography differences, and especially the difference in economy constitution, and other.

All stakeholder should be cooperative and strive to find the stages toward the Murakabi economy, in each country. However, the effort through negotiation with multinational companies is necessary. This aims to avoid a political economy with negative effect. That is why the Murakabi economy will be more effective if it is supported politically by other countries that conducted business in another country.

## **Intra-Country**

Economy and business activities in a country cannot be separated from the cooperation with other countries. Economy cooperation that developed usually take the form of partnership and mutual cooperation. Any advantages or economy potential surplus between two countries will be transferred to the one in need. The objective is to elevate the economy of the weaker country as well as accelerating the other country with stronger economy. The acceleration of

movement, as illustrated above, work in a disharmony, there will be a economic catastrophe in a country. Therefore, because each country is related economically, there will be a chain of accidents or better known as globally and systemic economic crisis.

Global crisis and the bad economy in a country is suspected because of the placement of the country as the body of economy, businessman as the driver, and citizen as passenger, and all of them are moving 'liberally' free. In this position, economic sovereignty depends on local or foreign big businessman. The society is placed as a paid worker and as a consumer of the products. When there is an economic crisis, the society as the passenger will be tossed around and dumped to the bottom line of poverty. In many economic crisis, big business is not the one that got collapsed due to the government policy that will protect their business. Meanwhile, no matter how broken their business is, a conglomerate will be able to live on with greater amount of wealth compared to those poor citizens.

## **The Role of a Country**

The government in a country acts as the driver of economy, thus they are the first party that know where the imbalance of economic circulation occurs. Meanwhile, the governments always focused on economic growth and inflation matter, while neglecting the economic equality. Economic growth is usually politically obscured in the capital market and monetary sector, not in the real sector. Economic distribution is only marked with infrastructure development and business sector in each region. Each country has not realized that economic equality includes ownership rights and profit or income for every citizen where ever they life.

For instance, a big country with a bigger per capita income gap than other country per capita income while it has a big role in the smaller country business activity. The crucial question here is 'Isn't a certain part of the smaller country income will

Murakab is not similar with sharing company stock to the public, because in reality the stock in stock exchange is only owned by big investor.

Therefore, the differences between the old paradigm and Murakabism only lies in the will to share the ownership by the businessman with other parties. The construction of the strategic management will not change, but it will have more chance for “strengthened”. For instance: (1) financial management has a chance to increase the capitalization from the shareholders, thus to minimize the interest expense; (2) marketing management has a chance to create a customer loyalty and “shareholder” consumer on their products and brands, thus creating efficiency on promotion cost and other marketing expenditures; and (3) entrepreneurship that built in the body of big business has a chance for an aggressive expansion to various business types and sectors “put the eggs in different baskets”. The management strategy such as the conception of share ownership by marketing network participant and business partner. Market’s elements and production process and trading using the Murakabism investment mechanism will determine the success of management strategy.

### *Exchange Rate for Incumbent*

The Murakab business practice provide an illustration that the business strategic elements will strengthen company performance. For the incumbent businessmen “big investor” get a direct and indirect exchange rate usefulness when they change their business investment pattern from the neo-classical “conventional” to murakabi business “contemporary”.

Direct exchange-rate are such as: (1) business portfolio claws will be spread to various business sector, therefore, investment should be placed in various baskets; (2) every type of business will have product portfolio with mutual synergy, thus each product unit will have a balanced profit margin between the

price-relative and cost-relative; (3) product will lead the market share, due to the nature of collectiveness among stakeholders in supplying the market (demanding); (4) obtaining a sustainable and fair product supply, because of the partnership with the suppliers; and (5) company will have a big power to grow and expand, because of the new investment requirement is supported by majority minor shareholders.

In general, the direct usefulness of murakab business in the previous illustration shows a direction that cumulative profit of the investor remains high, even higher. However, each profit obtained is not absolute, because in company's each unit there is a portion for the majority minor investor. In term of the strategy to strengthen the investment value of the shareholders, company can defer the dividend payment or keep it as the Return Earning account, thus the company will not need to find a significant funding from banks. Further, from the banking business point of view, it is predicted that funds turnover is not centered on depositors and big company debtor, but rather it distributed equally among the middle-micro and individual debtor group.

Indirect exchange-rate are such as: (1) creation of harmonious relationship between investor "managerial leader" with the employees and business partner, as well as the community and government; (2) the whole implementation of corporate management function process is controlled by the corporate governance function; (3) the business leader succession function in the family of "minority major shareholder" will be running smoothly and sustain. Therefore, the whole direct and indirect exchange rate for the big investor in Murakab business is integrally providing an assurance to the sustainability of the business in a long-term. Similarly, the over generation process of the ownership among the shareholders will be transformed to the next generation sustainably, either in the rich group or poor one. The future outlook is the poor group can shift to middle-upper group.

Once more, we need to clarify that rich-economy-family will lead the management of community-economy empowerment, thus it is expected that through this leadership the economy condition will be developed. The development of community-economy will automatically increase the community purchasing power, thus increasing company growth. Theoretically the demand market is built and created by producer, thus the objective a product creation is not to intervene the market.

## **Community Role**

The level of individual shares ownership in the developed and developing countries could be different. The developed countries' citizen has the capability to invest their fund in the shares from the capital market. Meanwhile, the citizen of in the developing countries cannot do so. Along with the development of the Murakab economic system, the situational difference will no longer exist.

The challenge that should be addressed by lower-class community and young generation is to understand the essence of shares ownership. They should understand the essence of preferred shares and ordinary shares that circulated in the stock market. Preferred shares are not transferable easily, because its selling and purchasing needs a General Meeting of Extraordinary Shareholders. The transfer of shares ownership is recommended to be inherited to family members. This mechanism is to protect and regulate the circulation of the shares, thus it will not fall under the ownership of upper-class group. If the community is economically capable and has an interest to be involved in shares "buying-selling" activity, they can join the capital market.

The development of investment culture in the middle-lower class is not complicated. Firstly, a socialization that aims to educate the community role as a shareholder. The apparatus and system of the socialization should include



various aspects of business law, as well as the rights and obligations of a shareholder in the company share ownership operational system. In this digital era and global information and technology system, the technique of shares ownership system operation is much easier compared to the manual era.

Operationalization system and shares ownership process can be set as a partnership between a company with a bank, because almost all banks had implemented digital and online system. In this matter, the Identification Card with electronic control should be implemented in every country. The main point is the shares printing system and transfer to the heir and shareholders' dividend rights claim system when the company is about to distribute their dividends.

The community itself should have an awareness on the importance of independency, fairness, and discipline, as well as obedient to rules and other integrity elements as a citizen and shareholder. They also take role to put themselves in protecting a conducive and harmonious business environment. Citizen's awareness on the various roles, will gradually build a harmonious social climate. The murakabilistic traits of the result of business profit and share ownership will be realized as the best democratic economy "from people, by the people, and for the people".

The role of community in democratic economy Murakabism does not only apply to the marginal community but also investors, states official, company worker, and institutional staff, which include law enforcer and citizen. Therefore, education and the urgency of behavioral economic become an obligation for every citizen where ever they are with their respective position. At this point conflict of interest among the groups will be smaller, because every group has the same interest that is to improve the country economic condition murakabilistically.

For instance for: (1) a teacher can start introducing and practicing the example of Murakab activities; (2) a lecturer and researcher examine and construct the development of Murakabism continuously, and build Murakab ideas together with their students; (3) a politician creates a murakab awareness within their political environment in designing and establishing a regulation, as well as in implementing a policy; (4) a company manager developing information technology and management information system to facilitate and reinforce Murakab business operation; and so forth.

## CHAPTER 4

### **MURAKABI IN GLOBAL ECONOMY ERA**

The idea of Murakabi economy is intended to rearrange the chaos in global economy competition. Trihatmoko and Susilo (2018) states that the concept of Indonesia Raya Incorporated (IRI) does not dismiss the symptoms of global economy strengthening. Every country, in order to improve their economy, use various methods to increase their export above the import value. The export and import value of a country is obtained through factors such as market consumption and the availability of production output and the sources of production in each country.

Nowadays, the corporate management of big companies implement a global market-oriented business strategy. The problem is, where is the location of the producer and its target market? Once more there is no wrong conception from the management side in implementing their corporate strategies. In marketing management there is a concept that producer will take and want to dominate the market opportunities, while the market needs products to fulfil their life necessities (Trihatmoko and Harsono, 2017; Kotler and Armstrong, 2013; Evan and Berman, 1992). Further, in global marketing context, the possibility of international marketing activities will place certain country as the dominant consumer or producer.

Murakab economic system in international marketing system and corporate strategies will be a Murakab research topics in global marketing era. The objective is to create a balanced economy among the countries either the countries that now dominant as consumer or the one as producer. The substance of Murakabi in global marketing era is expected to solve the issues on economy

strategy indirectly affects the local companies, thus the ownership of local companies will switch to MNC's.

The Murakab business approach require an incorporation and the affiliation between MNC's and local companies, which mean MNC does not fully acquire the shares ownership of local companies. Acquisition of brands and business infrastructure is when a partial amount of take-over transaction is converted into the shares of buying company. Generally, MNCs' shares are distributed to the stakeholders and local community. This mechanism will place the majority shareholders of a MNCs in a country become minor, above the minority of other major shareholders.

MNC's in the perspective of the international marketing of Murakab business can accelerate the product and brand portfolio. This happened because the investment of the company has a diversification to various product categories or other business type in accordance with their corporate strategies. Murakab strategy for MNC's can accelerate market share domination of the products. Logically, the role of shareholders will maintain and develop the market, as well as acts as "consumer and/or customer" market.

Murakab business, from the other interest standpoint, with MNC's patter can encourage local companies to move toward MNC's level. Local companies should not afraid with the presence of MNC in their country. Local businessman has a chance to take a strategic step to be incorporated with an MNC, even though they will be a minority shareholder. The estimated result is that the product and brand will be stronger in the local market, or even more it can become a global product because of international marketing strategy.

The concept of international marketing and corporate strategies with Murakabism approach will affect the companies' incorporation and affiliation pattern, or not depend solely on market competition. The conclusion is the

internationalization effort for marketing the Murakab products in the global economy era. Murakabism business approach is not intended to defeat the competitors or take over the market domination, but to cooperate and accelerate the market. Market mechanism will create an equilibrium or prorated market share for many Murakab business groups. Therefore, the market is naturally will not be monopolized by one “monopolistic” company. Indeed, there is a possibility that the Murakab MNC will monopolize the market, and this become the main objective of the business, which is to be murakabilistic for all market players.

## **Corporate Governance**

Incorporation and affiliation pattern of the companies with Murakab system at a glance will create a conflict of interest. The conflict of interest will happen among the consumers who own the shares of the companies that implement murakab approach. However, from the marketing standpoint, consumer will always buy the best product in accordance with their needs and purchasing power. The best output that expected from murakab economy is the creation of consumer purchasing power. Every citizen will get an increase in income, along with the development of the companies they own. The increase in the community purchasing power will increase the market value and volume of the products. This market growth will automatically provide a chance to develop the companies through the increase of product sales.

Conflict of interest between corporate strategic and corporate management will not happen, because organizational and business leader will be fully determined by minority major shareholders. The organizational leaders and business “managerial” will be controlled by the role of Board of Commissioner (BOC). In the context of corporation with murakabism approach, a dominant proportion

## Natural Resource Governance

Cooperation among the countries in global economy era has encourage exploration or exploitation of this world's natural resource. For the economy development, the developed countries are not also participated in such exploration. The thing is, exploration cannot be conducted independently, due to technology and/or funding reason. To overcome the problems, the exploration is done by inviting foreign investor to their region. Economics cooperation between regional or global countries put back the MNCs in sturdy and exist position in a country.

Execution of natural resource mean production, thus theoretically MNC's investment is an effort to increase the Gross Domestic Product (GDP) of a country. Viewed from economy point of view, such GDP is biased because in the end the GDP will flow to the MNC's country of origin. Mathematically, using rough economic calculation, the role of MNCs on resource management in a country will increase the "GDP" of the related country. However, Murakab economy discuss about a country sovereignty on the ownership of governance rights over the land and water as well as everything contained within.

The perspective of MNC's ownership on the resource governance is "equal" with the ownership of land or soil on the location of the natural resource. The discussion in the research of Trihatmoko and Susilo (2018) describe the inequality of the ownership of land contained with natural resource by the countries, local private business, and MNCs. The substantial effect of this inequality of natural resource ownership in a country will determine the sovereignty of the related country "Indonesia".

When someone is staying over or just visiting a house, they have the freedom to use any facilities in the house. However, the freedom is obtained for a limited time in accordance with the chance given and controlled by the house owner. Meanwhile, the

world” from the other countries natural resource. In this context, enjoy does not mean fully control, but fairly-cooperative receive an appropriate part through their MNC. Murakabism in globalization era, among the SOEs and Regional Owned Enterprise, national private company, and foreign is incorporated and distribute their shares to society. Further, MNC in each country should do the same action, thus the natural wealth of a country can be murakabi for the other countries community.

## **Strategic Economic Resource Governance**

Strategic economic resource in each country is different from one another. Identifying the strategic economic resources can be conducted by valuating the value and volume of a product at its market value. For instance, FMCG industry, banking, communication, automotive, electronic, transportation, and many others industry has a market size of the level of consumption and their citizen purchasing power. Industrialization in the sector can be categorized as strategic economy resource because industry develops along the community consumption pattern and other indicators in a country economy growth.

During the discussion at Indonesian university class, ask your student “check the product you are consuming right now starts from head to toes, including all equipment’s you use in your daily activity, who is the producer of the goods?”. The answer from each student will mostly from MNCs. Even though their main food that are rice, meat, fruits or other food commodity is originated from local product, but some of it are imported. The same result will be obtained when the observation is held in outside of university area.

Ownership governance of strategic industry should be organized such as natural resource governance. The strategic industry is owned by SOEs and Regional

democratic country is the political control and leadership is started from the community, by the community, and for the community. However, the competition in power and leadership at legislative and executive level needs huge funds. The democracy cost for the country has become a requirement that should be borne by every country. Yet, a huge political expense in democracy by the elite politician is a democratic catastrophe. Because of the politician will be dominated by those with big capital, thus they will consider their own economic interest and the groups that donating political fund.

There is a difficult controversy in Indonesia and other democracy countries. Is there any relationship between elite politician and capitalist “local and foreign”? How much is the political cost should be borne by the politician to get a position compared to the average income they earned from their position? How big is the domination of politician with business background? How is the trend of economic power by local and foreign capitalist group? Such discussion become a homework for the researchers to find an empirical answer. A research by Trihatmoko and Susilo (2018) had describe holistically on how economic liberalization affect the inequality of state’s assets ownership, hence the poverty and economic equality in Indonesia has not solved.

Murakab economy is an effort to return the nature of economic democracy. The essence of economic democracy, which is cultivated by every nations of the world, is expected to not sacrificing local economy interest in each country, within the global economy. The objective is creating a harmonious democratic political and economy climate with no political affairs. Murakabism economy mindset leads to a hope of harmonization of democratic political and economy, in order to transfer economic benefit among the countries, which later on become murakabilistic in the global economy era.



## **Business Giant Hegemony**

Murakab economy indirectly will have a corrective effect on the big business group and provide a positive point to the micro small-medium business group. The direct and indirect effect is eliminating economy hegemony by giant business. The transfer that take place is the giant businesses will empower marginal community economy through business ownership transformation. The business ownership transformation process become a chance for the capitalist to expand their business group portfolio.

The perspective of business ownership transformation can be interpreted as big businessman remain a powerful giant, even more powerful and developed. On the contrary, the small micro-medium group and the community will grow up in big corporation's element. Therefore, the stamp on business giant hegemony from foreign country will be diminished, but a cooperative and kinship economy partnership. Such position, put the big "local and MNC" and powerful countries "economy power" become the true managerial leader who are murakabilistic for the community life as well as national and global economy.

## **Global Economy Crisis**

In the market mechanism and marketing, a corporation crisis occurs because of an over-supply on goods and service production output due to offering above market absorptive capacity. The initial symptom is because a mis-expectation among the corporations in the liberal competition to seize the market. Liberal competition mechanism itself will put big corporations as market ruler. On the other side, each corporation, either big or small, will be related with banking business. Bank units will be affected by their default company customer. This is when an economy crisis started; when there are many middle-class companies

concentration of resource based on Material Power Index (MPI) shows a huge gap for the 10 years time-span. MPI-40 shows a comparison of the average income per capita of the 40 richest people with the average national per capita income. In 2008, the MPI-40 is only 1:1 million, while in 2017 the MPI-40 become 1:8 million. This shows that the wealth of 1 richest person is equal with the wealth of 8 million ordinary person. Thus, I am not convinced that 4 of the 40 richest people have an equivalent wealth with 100 million of ordinary citizen.

The overview of several events and consequences of economics crisis, describe that big corporation cannot overcome the market they create. A country should act to save their citizen by sacrificing the state's finance. The end of the crisis snowball effect is the countries sacrifice and the impact of the crisis will be borne by the middle-lower social class.

Murakab Economy directing to a competition for market empowerment, and not solely on seizing the market. The distribution of shares ownership provides a chance for equalization of market power and production. Thus, there is no market and production power centralization. Theoretically, economic equity is a "preventive" measure toward the possibility of a systemic economic crisis. Economics balance between demand and supply will created naturally in accordance with the reality of market forces and the power of production.

Indeed, murakabi economy practice does not require a quick economy growth. Economy is built bottom-up that is purchasing power creation and not pressuring the customer's intention to consume the products. Philosophically, developing economy from bottom-up, is similar with installing a foundation for economic building. A development processed with a slow build-up, toward the independence of each country economy. Henceforth, practically, real sector become the backbone of economy growth, while non-real sector become the make-up to beautify economic acceleration. Businessman in capital and other

monetary market will be balanced, because the big player will be at minority position and small player become major.

Economy shock in each country occurs when economy growth depends on stock trade and monetary (non-real). Normatively, the fund managers will pursue their investment profit. When there is a big profit in other countries, thus the worst possibility is they will withdraw their fund and move it to the country which offer bigger profit. In contrast, in this discussion it can be estimated that there will be no massive transfer of fund by the majority of minor investors, because they are in local country. Small investor will not have the maneuverability capability to ventured out in the global financial sector. Therefore, economy crisis can be avoided naturally and there is a global economy stability as well as a progressive economy growth in each country.

## CHAPTER 5

### **MURAKABISM FOR PEOPLE WELFARE**

The message of political democracy and economic democracy in a country is essentially for prospering people's lives. Political democracy stems from the will of the people over their choice of political leaders. Further, political leaders will use their political power for their people's life. Over the centuries B.C. political leaders were exercising their power not only in their own country, but also other countries. Therefore, murakab economic system is proposed as a paradigm to achieve global welfare. It means that murakabism is for achieving people welfare through political democracy and economic democracy system, both in national and global context.

The framework of welfare thinking in order to fulfill human rights through economic constitution. Human rights in various countries are continues to be perpetuated by political figures in order to gain a respectable place. Murakab economics system seems to eliminate and degrade the pattern in the mechanism of capitalist economics. However, we have explained beforehand that capitalist group has opportunity to expand their business portfolio. Eliminating and degrading capitalism will create fair and equitable assets or capital ownership for all elements of the nation or 'the people'. Based on the coverage of murakabism thinking framework, each will be reviewed in the following sub-sections.

## Human Rights

In the economics perspective, the substance of human rights has been concluded by Balakrishnan, Elso, and Patel (2010), which are consist of: (1) the obligation to respect; (2) the obligation to protect; (3) and the obligation to fulfill, and the guidelines that should govern the discharge of human rights obligations, which include: (a) the requirement for progressive realization; (b) the use of maximum available resources; (c) the avoidance of retrogression; (d) the satisfaction of minimum essential levels of economic and social rights; (e) equality and non-discrimination; and (f) participation, transparency, and accountability.

Balakrishnan et al. (2010) summarize the foundational document is the Universal Declaration of Human Rights 1 accepted by all the states that are UN members. The Universal Declaration covers a range of rights including the following economic and social rights:

The right to work (Article 23): (1) Everyone has the right to work, to free choice of employment, to just and favorable conditions of work and to protection against unemployment. (2) Everyone, without any discrimination, has the right to equal pay for equal work. (3) Everyone who works has the right to just and favorable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection. (4) Everyone has the right to form and to join trade unions for the protection of his interests.

The right to rest and leisure (Article 24): Everyone has the right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay.

The right to an adequate standard of living (Article 25): (1) Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control. (2) Motherhood and childhood are entitled to special care and assistance. All children, whether born in or out of wedlock, shall enjoy the same social protection.

## The Effects of Capitalism

Capitalism has caused various discrepancies, among others the discrepancy in: (1) ownership of state assets; (2) ownership of individual assets; (3) inter-state economic power; (4) economic disparities between producers and/or consumers of "market competition"; and (5) disparities in other economic and social aspects of life. Business movement of the capitalists are unable to bring big carriages of people's economic life. Due to the concentration of the capital forces on a group of individuals (individualistic) in conducting economic activity, since the majority of economic actors are treated as objects, not subjects.

The consequences of economic gap can be put into an analogy: *“the one with strong economy will get stronger and in power, while the one with weak economy will be difficult to develop because they are pressured by the one with strong power”*. Murakabism teaches the harmony in economy with familial, mutual cooperation (*gotong-royong*), populist, empowerment and productivity, and economics independence as its characteristics. The harmonious economics can be analogue as: *“the one with strong economy as the conductor/leader in the economy managerial locomotive, while the wagons are driven by people, because all railways of economy are owned by passenger of economy train*.

The difference between the nature of murakabism economic and capitalism economic is expected to be a major challenge for the murakabist-minded group. This is because murakabism mainstream shifted the paradigm of capitalism, or briefly murakabism that is distributing capital ownership so that business ownership does not concentrated in a group of individuals. This contradiction and challenge are not impossible to reconcile. As explained before each side will have an important role in the economic trade-offs between businessman, the state and society, but first the state must be present. The presence of state

assess economic sovereignty of a country the indication can be detected from economic stability in that country.

The countries that expand their products in target markets to other countries face the risk of economic stability when market unable to absorb the products due to various situational, economic, and social reasons. On the other hand, for countries whose products depend on other countries, they also face a risk when supplier countries cannot fulfill their need due to various economic and political circumstances. Thus, in free market and global market mechanism, the enforceability of economic law in supply and demand tend to be resistant to the economic sovereignty of each country.

Economic globalization and free market are the ambition of capitalist from colonialist countries. Unwittingly, capitalism and colonialism are not only causing weak countries to be unproductive, but also degrading the economic sovereignty of colonialist countries itself. Economic crisis in Greece has become economic scourge in Europe and even causing worries for countries in other regions. The superpower country, USA, experienced economic shock in 2008 and it affected its partner countries. The economic expansion performed by RRC becomes economic concerns for the developed countries. These situations show that currently economic sovereignty of each country is in a blurred portrait. In the meantime, sovereignty seems to be owned by capitalist group so that political power of countries is under the control of capitalist. Economically, capitalist politic is the biggest contributor of foreign exchange and tax for the country, thus they will tend to get incentives from the state. While in fact, the sources of output produced by capitalist come from the majority of people in the country and other countries.

To avoid misunderstanding on the discussion of globalization and free market above, there is a need for clarification that murakabism is not anti-big investors. But intended to achieve cooperative partnership among big investors, state, and the people both in the country itself and with other countries. Cooperativism

assets ownership. Trihatmoko and and Susilo (2018) have recommended that the owners of lands bought by government to build highway must receive part of investment in the form of highway stocks.

Murakab economic system leads to the essence of ownership of company assets by each individual in the form of stock certificates. It has been estimated that each citizen, in average, will have stock certificate equals to the number of large companies in their country, either for state-owned, regional-owned, and privately owned, both national and foreign. The stocks owned by someone in each unit of company is varied according to the nominal and total stocks available in the total investment in the company. The most important concern in this system is these stocks are in the form of preferred stocks that cannot be traded except inherited to the family member. Even so, each individual also given the opportunity to own stocks in the capital market (go public companies) to be traded. The mechanism for stock ownership can be regulated more thoroughly according to the company and government policies. In the end, murakab economic system aims to give back citizen's sovereignty of life, so that through sovereignty they will reach prosperity.



## CHAPTER 6

### **MURAKABISM FOR WORLD PEACE**

The world always dreamed of peace, because peaceful world will bring benefits to human life. Many factors are causing the world to become unstable from a sense of peace. If traced further, the factor that leads to peace and chaos is the behavior of the actors, human. Human behavior cannot be separated from the necessity of their lives, however it is unfortunate when human put forward their homoeconomicus character, because they will not simply fulfilling their needs but they will act greedy.

From the history that can be traced back into far BC until the recent time, it is apparent that homoeconomicus phenomena is getting stronger. Even though now it looks smoother than previously. Subconsciously, homoeconomicus characters have crystalized into a group of power and even becomes the strength of a country. World peace theme in murakab economics is reviewed through historic analysis and criticism on the history of economic colonization and inter-state war. The purpose of murakabism and world peace review is to remind and build awareness so that dark history does not recurring for the world.

#### **Colonialism and World War**

The inter-state relationship between countries or nations in the old royals era started with the expansion of strong countries to weak countries. Expansions aim to conquer other countries so that they obey the conqueror, or more well-known as colonialism. The weak countries only capable to defend itself by fighting in a war, and as the result, the strongest countries will win. Further, the

military aggression from Dutch and other countries such as UK to go back to Indonesia, therefore it is known as “war of Aggression and Independence”. Short overview on colonialism and World War II, in each country is a dark history for countries in the world.

The illustration of Indonesia colonialism history and World War II above is aimed to describe how capitalist group represented by VOC changes into colonialism “state colonialist”, and colony or hegemony of a company changed into colony or hegemony of a country “Dutch” on Indonesian people.

Look closely on the article written by Trihatmoko and Susilo (2018), there are several questions that need to be answered: (1) what are the differences of VOC capitalism in colonialism era with foreign companies capitalism in Indonesia currently?; (2) what happened in various countries in the world, what does it look like if compared to Indonesia?; (3) and how it will develop in the future, will there any changes in the form of company capitalism into capitalism and colonialism of country, and its political effects?

The worst scenario that is not expected by countries is the outbreak of World War III. History has proved that colonialism and economy hegemonism will bring war. Argumentation from economic point of view talks about state economic interest and sovereignty.

In the “IRI” discussion forum, statement from Prof. Dr. Munawar Ismail (Brawijaya University, Indonesia) can be used as our reflection: “Natural resources (oil and gas), are blessing or curse? War take place in the countries with rich oil and gas resources because there is power struggle for the right to manage the natural resource”.

## **United of Nations and Countries Association**

Since the declaration of United of Nations (UN) charter up to these days, it is clearly visible that the institution aims to achieve world peace. The mindsets of murakab economic is propositioned as mediator of people welfare. The factors of people welfare in the human rights were fights for achieving world peace. This discussion means that the objective of murakab economic is to provide full support to one of the purposes of United of Nations that is to create world peace.

Even though it has substantial purposes, in fact, economic disparity is widely occurred among countries, as well as economic disparity between marginal community groups and capitalist group. It has come the time for the Security Council of UN to not only focusing on world security disorder but to start looking at the root of the problems, which lies in the global economic system. Inter-states conflicts need to be solved using harmony approach that is creating global economic balance.

The same phenomenon happened in the formation of associations for economic cooperation among countries in certain region that need attention from UN member countries. UN has to act as supervisor, controller, and director of each regional association. The purpose is to ensure that economic activities in each country in the association leads to murakabism for global economics and not contrary, in which associations to build capitalism power among countries.

Global economics mechanism and global marketing mechanism for transfer of economy have to be controlled by UN. The aim is to prevent it from creating economics allies between countries. History has reminded us that state level economic allies will transform into state allies. Economic allies among countries which is built in order to cooperate cooperatively with other ally meaning not as a protection by creating a new competitor in economic

competition among other allies. Concisely, UN is expected to take role as a fair mentor in the existence of economic alliance developed by countries in certain region and other transnational alliances.

Finally, the closing of Murakabi Economic discussion is encouraging UN and economic associations to pay attention and re-arrange global murakabilistic economics system. The success of murakabism mainstream will depend on political democracy and economic democracy of the countries in the world. Similarly, world peace is included in the role of UN and each state association for each country and the world. At least each member of UN is suggested to fully respect and support country that start building their political economy using murakabism paradigm. All efforts to build murakabi economy are aimed for the unity of a prosperous and peaceful humanity.

*“Even though I don’t really understand fully the constitution of UN, but I am sure that UN constitution has regulate substantially regarding the creation of balanced global economy. We highly appreciate and respect President Soekarno (Indonesia) who had brought Pancasila to the UN General Assembly. Indonesian people are also proud and honored to hear Pancasila ever taught in European schools. I am greatly grateful to the formulation of murakabism paradigm that is inspired by Indonesia Economy Constitution Article 33 of the 1945 Constitution of the Republic of Indonesia, and directed by the Philosophy of Pancasilaism”*

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## **GLOSSARY**

ASEAN: Association of Southeast Asian Nations

APBD: Anggaran Pendapatan dan Belanja Daerah (Regional Revenue and Expenditure Budget)

APBN: Anggaran Pendapatan dan Belanja Negara (State Revenue and Expenditure Budget)

BUMN: Badan Usaha Milik Negara (SOE: State-owned enterprises)

BUMD: Badan Usaha Milik Daerah (Regional government-owned enterprises)

BUMDES: Badan Usaha Milik Desa (Village-owned enterprise)

BNI: Bank Nasional Indonesia - State-Owned Bank Company

BOC: Board of Commissioner

BOD: Board of Director

CSR: Corporate Social Responsibility

DPR: Dewan Perwakilan Rakyat (People's Representative Council)

DPDR: Dewan Perwakilan Rakyat Daerah (Regional People's Representative Council)

FGD: Focus Group Discussion

FMCG: Fast Moving Consumer Goods

GCG: Good Corporate Governance

GDP: Gross Domestic Product

GIA: Garuda Indonesia - State-Owned Airlines Company

IMF: International Monetary Fund

IRI: Indonesia Raya Incorporated (name of idea and concept)

IDIC: Indonesia Deposit Insurance Corporation

IDEAS: Name of study cluster

KPI: Key Performance Indicators

KBBI: Kamus Besar Bahasa Indonesia (Indonesia Dictionary)

LMAN: Lembaga Manajemen Aset Negara (State Asset Management Institute)

Migas: Minyak dan gas (Oil and gas)

MPR RI: Majelis Permusyawaratan Rakyat Republik Indonesia (People's Consultative Assembly of Republic of Indonesia)

MPI: Material Power Index

MNC: Multinational Companies

PEMDA: Pemerintah Daerah (Regional Government)

PLN: Name of Company – State-Owned Electric Company

PMK: Pembangunan Manusia dan Kebudayaan (Human and Cultural Development)

Sekretariat Jendral (General Secretary)

UUD NRI 1945: Undang-Undang Dasar Negara Republik Indonesia 1945 (The 1945 Constitution of The State of The Republic of Indonesia)

UN: United of Nations

TEMD: Trihatmoko Economic and Management Development (name of study cluster)

VOC: Vereenigde OostIndische Compagnie





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