

# **Pancasila Entrepreneurship: An Overview of Pancasila-Oriented Entrepreneurship Transformation, in an Effort to Restore Indonesia's Economic Condition in Covid-19 Pandemic**

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## **Abstract**

*The Covid-19 pandemic has an impact on all aspects of life including various business sectors and the country's economy, including the Indonesian economy, which is experiencing a recession like many other countries in the world. One of the efforts that can be done to restore the country's economy is through entrepreneurship. The development of entrepreneurship in Indonesia needs to follow the ideology of the Indonesian nation and state, namely Pancasila. Pancasila entrepreneurship is an entrepreneurial system which follows the five Pancasila principles. It is also an embodiment of Pancasila and the 1945 Constitution in an entrepreneurial environment. Based on Pancasila and the 1945 Constitution, the Indonesian economy applies the economic democracy allowing all business units carried out by every Indonesian citizen based on the practice of the Pancasila principles in their implementation. Pancasila entrepreneurship can create new jobs during this pandemic so that it can help the government to reduce the current unemployment rate with entrepreneurial characteristics that reflect the implementation of the five Pancasila principles, and encourage business growth that contributes to high economic growth rates.*

**Keywords:** *Pancasila, Entrepreneurship, Pancasila Entrepreneurship*

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## **I. Introduction**

Passing the first half of 2020, the condition of the Indonesian economy was in negative economic growth. In the second quarter, the Indonesian economic growth is contracted of minus 5.32% on an annual basis so that throughout 2020 (semester I), the Indonesian economy grew minus 1.62%. Indonesia also gets into recession if the economy in the third quarter (July - September period) contracts again. A country's economy is said to be in recession if the economy grows negatively for two consecutive quarters.

The Covid-19 pandemic caused a decline in all industrial sectors, which began with the paralysis of the tourism sector which was the sector most affected by the pandemic. The Composite Stock Price Index (IHSG) indicates a decline in the performance of industrial sectors and was at its lowest point in the history of the last few years, reflecting the profound impact of the decline in industrial sectors whose companies are listed on the Indonesia Stock Exchange. It shows that the sluggishness of various business sectors has had an impact on reduced employment opportunities during the pandemic as well as the reduction in existing employment as a result of layoffs from companies that are no longer able to operate normally due to the impact of the pandemic Covid-19.

The main issue, namely negative economic growth and increasing unemployment in Indonesia, is a problem that requires an immediate solution, as an optimal effort to prevent Indonesia from a deeper recession. The government, in this case, the Ministry of Cooperatives and SMEs, has begun to issue policies to overcome this problem by generating entrepreneurship in society and seeking to restore entrepreneurship in small and medium enterprises and micro enterprises in Indonesia to immediately recover the Indonesian economy from recession. Efforts are needed to increase the number of entrepreneurs in Indonesia significantly who follow Pancasila as the ideology of the Indonesian state, as a reference in all aspects of life including the Indonesian economy.

## **II. Entrepreneurship**

Entrepreneurship is in the Regulation of the State Minister for Cooperatives and SMEs, Number: 06/Per/M.KUKM/VIII/2012 with the hope of encouraging and accelerating the empowerment of Cooperatives and MSMEs and increasing competitiveness. Small business is the foundation that is expected to take a strategy by making business independent, healthy, strong, competitive, and self-developing to grow the economy, as well

as supports the expansion of job opportunities in realizing economic democracy. Institutional quality improvement is carried out in stages through awakening, empowering, developing, and strengthening efforts.

It can be said that entrepreneurship is a process that someone does when they want to be an entrepreneur by considering the anticipation of various risks when running a business with the ability to think creatively so that they can create something new, unique, and useful for many people supported by a sense of awareness of human resources to be able to improve performance, empowerment of owned resources, organizational development and services offered, and strengthening in all aspects of production aimed at improving quality.

Entrepreneurship emphasizes four basic aspects on an entrepreneur, namely: 1) involving the creating process and creating a new value; 2) demanding the required amount of time and effort; 3) giving the most wanted rewards: freedom and personal satisfaction; 4) educating entrepreneur that they will respond and create change through action (Rosmiati et al, 2015).

Sukirman (2017) states that strengthening the spirit of entrepreneurship will have an impact on strong entrepreneurial behavior which will ultimately be able to increase business independence for small business actors. If small-and-medium and micro-entrepreneurs are motivated to develop their business, this will certainly have a big impact on the Indonesian economy.

### **III. The People's Economy**

The people's economy, as in Article 33 of the 1945 Constitution, is an economic system aimed at realizing people's sovereignty in the economic field as follows:

- The economy is structured as a joint effort based on the principle of kinship.
- Production branches which are important to the state and which affect the livelihood of the people in general are controlled by the state.
- The land, water, and all the wealth contained therein are controlled by the state and used for the greatest prosperity of the people.

Ruslina (2012) states that the concept of Article 33 of the 1945 Constitution has a moral and cultural message in the Republic of Indonesia in the field of economic life. The moral message is to position the people as central-substantial (the nobility of people and the sovereignty of the people, not the sovereignty of the sovereign) and is a cultural message that the love of mankind in realizing the demands of an altruism-philanthropic culture. This article does not merely guide the structure of the economy and the state's authority to regulate economic activity but also reflects the ideals, a belief that is firmly held and consistently fought for by state leaders, towards a special economic system that is not a capitalistic economy (based on individualism), but an economic system based on togetherness and the principle of kinship. The development of Indonesian economic law in Article 33 of the 1945 Constitution is compelling and must be implemented consistently. Economic development must support the people's economic development, in the sense that the people must take part in the development not that the people will be displaced of.

### **IV. Pancasila**

As an ideology, Pancasila has the function of providing normative guidelines for all the foundations of the nation's life. In this connection Brig. Jend. Abdulkadir Besar states that as an ideology, Pancasila is a set of intrinsic values that are believed to be true by a society, which is used as the basis for managing the state.

The word Pancasila comes from the Sanskrit language from the book *Sutasoma* by Mpu Tantular from the Majapahit empire. The book contains the word *panca* which means five and *sila* which means rules or orders that contain values that develop from culture, customs, religious values in that era, and the rules or behavior that a person should follow. It means that the values of Pancasila already exist and come from customs, culture, and religious values that have developed from the Indonesian nation for a long time. Pancasila has gone through a long process throughout the history of the Indonesian nation. The values of Pancasila then were explored, raised, and reformulated by deliberation and consensus by the founders of the state as the basis for the philosophy and ideology of the Indonesian nation and state. On August 18, 1945, Pancasila was ratified as the basic foundation of the Republic of Indonesia and listed in the Preamble to the 1945 Constitution. It is symbolized by the Garuda bird carrying a shield containing the five precepts and the various meanings contained therein (Wibowo, 2015).

Pancasila is the ideology of the Indonesian nation and state. In the Great Dictionary of the Indonesian Language of the Language Center (KBBI), ideology is defined as a collection of systemized concepts which function as opinions that provide direction and purpose for survival. Ideology is also defined as the way of thinking of a person or group. Ideology is a system, direction, goal, way of thinking, and social and political program. (Agus, 2016).

As the ideology of the Indonesian nation and state, Pancasila has been all around us but is covered by the arrogance of attitude and scandalous news. It is necessary to anticipate the decline or degradation of the noble values of Pancasila in every word and action of the Indonesian nation. It can be done by arousing

optimism towards the exemplary and moral of Pancasila that the wider community coveted, especially the younger generation, who are encouraged to be entrepreneurs, by implementing Pancasila in practice so that Indonesian entrepreneurs have good character and moral ethics. It then leads to Pancasila becomes the basis of the system, direction, and goals for every aspect of life in society, including as the foundation of the economy in Indonesia. Entrepreneurship as one of the economic drivers must follow Pancasila and the 1945 Constitution in its implementation, so that the economy runs based on togetherness and kinship and supports the development of the people's economy.

## **V. Pancasila Entrepreneurship**

The state is based on the one and only Godhead according to the basis of just and civilized humanity. In this case, entrepreneurship must follow the faith and devotion of an entrepreneur to God without forgetting humanity and concern for others by helping each other in life. Business actors, by upholding humanity, are not allowed to discriminate humans based on religions, ethnicities, races, and nations because we are born in the world having the same rights and obligations. By being able to create jobs for others, there is a need for a spirit of hard work, honesty, responsibility, and leadership in entrepreneurs themselves. It is an opportunity for them because of the blessing of God Almighty. Besides running their business, entrepreneurs also need to have morals to suffice themselves and to share with others. By doing so, there are connections with others within a company and the surrounding environment.

To run their business, entrepreneurs should respect, build, and uphold religious harmony and religious freedom. Entrepreneurs are also required to provide correct information about halal issues, information, specifications, and content of their products. Entrepreneurship that follows fair and civilized humanity is based on human civilization which suggests that the increasing level of human civilization will encourage entrepreneurs to always develop better innovation and creativity for human life. An entrepreneur is also required to always have good personality, feelings, honor, self-esteem, a desire to always achieve the highest possible achievement (Wibowo, 2015)

The state protects the entire Indonesian nation and all Indonesians based on unity for the realization of social justice for all Indonesian people. It will strengthen entrepreneurs who are also citizens who have the right to be able to run their businesses anywhere in Indonesia by upholding the diversity of ethnicities, skin colors, races, genders, religions, class, or political views, so as not to cause friction among the people.

Entrepreneurs should build togetherness in their business, increase love for the country and society, and increase interests for the state and the people above personal and group interests. Entrepreneurs in running their business should avoid efforts that can cause fractions in the nation and state society. (Wibowo, 2015).

A state with people's sovereignty, based on democracy and representative deliberation, is a reflection of the state system. In other words, the spirit of democracy and common interests are social idealism in various ways. An entrepreneur should become the aspirations and inspiration of his workers. He also should be able to communicate with the public as his consumers in a business context which has a role not only in purchasing the products or as the revenue sources for the company but also for the expansion and development of the products or services it offers. Thus, entrepreneurs can decide the policies in the business they run, not only getting input from the internal company but also getting criticism and suggestions from the public for future industrial development.

The Fifth Precept in Pancasila implies that the goal of the Indonesian state is the state wants to realize social justice for all Indonesian people. It means that the prosperity and welfare for the people can be given when all aspects are spread across entire Indonesian areas. The aspects are not only about controlling and processing natural resources, but also mastery of technology, information, and human capital development with a multi-competency orientation as well as an expansion of employment and capital opportunities both from within and outside the country with the purpose of economy distribution. These goals should be done so that entrepreneurs can improve the welfare of themselves, their workers, and their families as well as the community around the place where the company they lead operates.

In the current digital era, the economy is very dependent on the development of technology and information. It has resulted in the fast development of the industry and relatively tends to absorb fast purchasing power so that people inevitably consume not only their daily needs but also their fulfillment of desires due to offers like discounts and marketing that look appealing to the public from producers, distributors, and agents.

With several transformations of the main ideas contained in Pancasila, it is hoped that Pancasila entrepreneurship can be carried out by prioritizing a good distribution process of economic resources and products that are useful and can be used by many parties. It is hoped it results in an even distribution of people's income to the results of business products. However, the spirit of finding new ways of providing learning and understanding the values contained in Pancasila is needed so that the values are understood in every generation amid the swift flow of information and technology. It is important to remember that in doing

business, a new order can rise which can regenerate the spirit of cooperation that can restore the Indonesian economy.

## VI. The Conclusion

During this pandemic that is also experienced by all countries in the world, the greatest impact is on the physical health aspects of every citizen and also on the economy of every country in the world. The industrial sector was affected by the pandemic from the financial, operational, and marketing aspects. This has led to a decline in the company's stock prices in various sectors and also lowered the Composite Stock Price Index (IHSG) in the Indonesian capital market. Besides, Indonesia's macroeconomic conditions were also affected by this pandemic, as was the case with Indonesia's economic growth which grew negatively in the second quarter and is predicted to experience negative growth in the third quarter as well. This brings Indonesia to the recession. The Indonesian government is trying to recover Indonesia's economy due to the recession. One of the things that every Indonesian citizen can do is by doing entrepreneurship.

Entrepreneurship by producing and selling various products and services as well as the movement to buy domestic products is expected to be able to move the Indonesian economy and restore Indonesia's economy from recession. The development of entrepreneurship in Indonesia needs to follow the ideology of the Indonesian nation and state, namely Pancasila. Pancasila entrepreneurship is an entrepreneurial system based on the five Pancasila principles. This is also an embodiment of Pancasila and the 1945 Constitution in an entrepreneurial environment. Based on Pancasila and the 1945 Constitution, the Indonesian economy follows the economic democracy structure which allows all business units to be carried out by every Indonesian citizen based on the practice of Pancasila principles in their implementation in running their business such as the value of honesty, prioritizing the welfare of the general public above individual welfare, involving all communities in developing their business networks by cooperating and having responsibility so that every interested party obtains results per their respective efforts for the continuity of the business being developed.

Following the principles of Pancasila entrepreneurship, Pancasila entrepreneurship can create new jobs during this pandemic so that it can help the government to reduce the current unemployment rate with entrepreneurial characteristics that reflect the implementation of the five Pancasila principles, and encourage business growth that contributes to economic positive growth. Thus, entrepreneurs will be encouraged to run their business based on the noble values of Pancasila, not for their interests but social justice, and to become successful citizens in business and social obligations. The spirit of cooperation and entrepreneurial development of Pancasila can also foster a sense of nationalism based on the love for the nation and homeland for entrepreneurs in running their business, as well as other forms of state defense efforts that have an impact not only on restoring economic conditions but also on national resilience if done massively.

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