The Criticism of Social Justice in Economic Gap

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Abstract

This research paper examines the dynamics of economic inequality problems facing Indonesia today, especially due to the impact of the Covid-19 Pandemic which hinders the progress of general welfare throughout the country. The difficulty of making breakthroughs to create social justice by Pancasila and the 1945 Constitution can be realized. The purpose of this paper is to examine and analyze the criticality of social justice in economic disparities in society. The research method of this paper uses a description of qualitative analysis supported by secondary data through primary data collection of the sociology of justice, processing of deductive-inductive comprehensive analysis. The conclusion of this paper is the complex problems faced by the country regarding economic inequality caused by non-natural disasters of the pandemic so that social justice is critical in the community, let alone the continuing increase in poverty that cannot be avoided anymore. This research concludes the need for physical development to improve norms and uphold the principles of justice for the realization of a justice facing and the practice of Pancasila as well as increasing welfare for Indonesian citizens equally.

Keywords: critical, economic inequality, poverty, social justice

INTRODUCTION

The second period of the leadership of the Republic of Indonesia and the Government of President Ir. Jokowi is currently being enlivened by news of the spread of a virus originating from China. Virus is a language originating from Greek, namely Venom, which means poison and can quickly be transmitted to the human body in various ways. The virus that originated in China is known as the Coronavirus. Coronavirus is a virus that is similar to the common cold or cold which can cause mild to serious illness. Meanwhile, the virus that has
caused a stir in Indonesia which originated from China is the Corona Virus. The new corona virus was found to cause the Covid-19 coronavirus disease. This pandemic is a contagious disease and was only known when this outbreak began in Wuhan, China in December 2019.

Pandemic is a virus that originates from animals such as bats that is transmitted to humans in Wuhan City, China, where the result of the people who like to eat foods that are not as common as bats. This virus eventually spread throughout the world and even Indonesia. The World Health Organization (WHO) has determined that Covid-19 or coronavirus is a pandemic that has spread throughout the world. This is the first virus to spread throughout the world and cause many problems such as social, economic and cause increased mortality (death) in society. This virus spreads very much and the symptoms you feel are generally fever, fatigue and dry cough. The symptoms you feel are usually mild and start gradually, the government said the Covid-19 symptoms tested positive after 14 days.

With the emergence of Covid-19, the Indonesian government began to emphasize that people are urged not to carry out activities outside the home in an effort to avoid the increasing spread of Covid-19. The way this is done by the government is by conducting social distancing and PSBB or large-scale social restrictions. For now, the Indonesian people have started to follow and obey orders given by the government even though there are still many people who have not been able to obey them.

Government dilemma, a growing economy is needed to strengthen the structure of the national economy, especially in increasing the absorption of labour which continues to increase, in line with the increase in the average workforce per year. In addition, economic movements can boost people’s purchasing power as a very important domestic economic force. Growth can accelerate the welfare of the community through strategic short-term programs by providing the largest portion of the micro and SME economic business development sector. The essence of economic development is the people's welfare. This means emphasizing the need for economic development to boost people's welfare. There is no meaning that the success of economic development does not result in welfare for the people. For this reason, it is necessary to create an economic condition that continues to grow with a fairly high growth rate and maintained economic stability. A real increase in community welfare can be demonstrated, among others, through an increase in per capita income several times, a drastic reduction in the number of poor people and the availability of adequate employment opportunities for the people.

One of them is a threat in the economic dimension. Threats in the economic dimension that Indonesia is currently experiencing are high levels of poverty and unemployment, inflation, the establishment of an unclear economic system or inequality in income distribution. The things mentioned above represent economic instability which often creates wider problems. Therefore, any form of instability in the Indonesian economy is a real threat to this country. However, if the uncontrolled economic growth will actually encourage disparities between sectors, disparities between economic business actors and income disparities in society. Quality economic growth needs to be strengthened by choices of economic policies that provide partiality and opportunity and broad access to the community.

Growth that only encourages centralized economic concentration or is monopolistic in nature, and tends to be dominated by large economic groups, actually extends the chain of economic inequality in various sectors. Unqualified economic growth is uncontrolled growth accompanied by unbalanced economic control. Economic growth like this will give
birth to more open economic inequality and poverty. This condition is exacerbated by the influx of foreign investment flows that tend to be monopolistic and do not create new economic chains that can encourage and accelerate economic development at the lower levels. If economic growth is not strictly controlled by the government and tends to go with the flow and only gives flexibility to investors and big economic players, then it is not impossible that Indonesia will experience a phase of development gap.

The most immediate negative impact as a result of the global economic crisis is on the financial sector through the psychological sentiment aspect and as a result of the decline in global liquidity. The slowdown in world economic growth, apart from causing the global trade volume to drop sharply, will also have an impact on many large industries that are threatened with bankruptcy, a decline in production capacity and a spike in the number of world unemployed. For developing and emerging market countries, this situation can damage economic fundamentals and trigger an economic crisis. Concern over the negative impact of the global economic downturn on economies in emerging market countries and the phenomenon of flight to quality from global investors in the midst of the current world financial crisis has put pressure on currencies around the world, including Indonesia and drained the liquidity of the US dollar on the market. Domestic in many countries. This has caused the forex market in developed and developing countries to tend to fluctuate amid heightened uncertainty (Wilonoyudho, 2019).

The government’s attention to domestic economic problems cannot rely on growth as the main force in increasing welfare and increasing people’s purchasing power, but it requires affirmation or alignment of policies as a balancing instrument and becomes the main agenda in realizing equal business opportunities, access to economic resources and equality in managing programs national economy.

Economic inequality in Indonesia is a classic problem that has never been resolved, even though every government regime always strives to reduce economic inequality and poverty by implementing various policy solutions, these efforts are inadequate, and even tend not to go down. This condition is increasingly concerning, especially Indonesia is facing a number of complicated economic problems, ranging from low purchasing power, economic disparities between actors, control of economic concentration, decreasing revenue from the tax sector, the availability of the state budget is increasingly limited and controlling external debt.

Indonesia, as a country that has economic relations with a superpower, is one of the countries affected by the global financial crisis, which greatly affects domestic economic conditions. One of the impacts of the global financial crisis is the slowdown in Indonesia’s economic growth in 2020. President of the Republic of Indonesia Ir. Jokowi said the fate of Indonesia’s economic conditions will be in the third quarter (Ihsanuddin, 2020). If in the third quarter the situation improves, he is optimistic that the economy in the fourth quarter and in 2021 will also run smoothly. For that, he asked the ministers to work hard and work fast. In addition, Jokowi also emphasized that budget spending is very important to be disbursed in this difficult time. Indonesia’s economic growth as a whole will grow to reach 2.5% in 2020, or slightly lower than the current condition in which Indonesia as a country that has a demographic bonus which should be in a condition of building a very large economic power must experience an economic delay as a result of this, where the virus outbreak, the current conditions make the country’s economy disrupted. In addition, the existence of the PSBB program and Physical Distancing programs in various regions as a state step in preventing transmission of the virus turned
out to have a bad impact in terms of economic growth (Baswir, 2011).

Where the current conditions indirectly disrupt the export and import of products, as well as reduce or slow down the rate of investment. This occurs as a result of the difficulty in entering investment from outside due to the influence of this virus outbreak. In addition, the large number of productive workers who have had to end work relations due to current conditions which have caused various fields, especially industry to experience a decline in sales and market demand, such as the textile industry and the garment industry in the basis of mass clothing manufacturing, reaching minus 6 to 7.6 percent based on predictions from the Organization for Economic Cooperation and Development (OECD) (Bramasta, 2020). Apart from the decline in the balance of payments performance, it also had an impact on the pressure on the Rupiah exchange rate. The global financial crisis has a depreciating effect on currencies. The Rupiah exchange rate weakened to IDR 11,711 per USD in November 2008 which was a sharp depreciation, because in the previous month the Rupiah was in the position of IDR 10,048 per USD. The weakening of the Rupiah currency and rising inflation and difficulties in liquidity or working capital from banks that tighten their lending policies, weaken people’s purchasing power. Minister of Finance Sri Mulyani explained, if viewed from the composition of the support of the national economy in the second quarter of 2020, the contractionary aspects were very deep in the consumption sector which was recorded at minus 5.6% and minus 8.6% investment. Then, exports were minus 11.7% and imports were minus 17% (Okezone, 2020).

An unfavourable impact also occurs on the import side, because with the weakening of the Rupiah, the import value will soar which in turn will make it difficult for importers to complete import transactions. The next impact is soaring prices of imported materials in the market so that inflation will increase and people’s purchasing power will also decrease. This in turn results in a decrease in people’s absorption of imported goods, which in turn will result in a decrease in the number of imports. The decrease in orders from partners abroad makes it difficult for many companies to market their products, which in the end have to do efficiency or rationalization in order to survive. The decline in the stock price index on the Indonesia Stock Exchange (IDX) reached around 50.0%, and the depreciation of the rupiah exchange rate was accompanied by increased volatility. Throughout 2020 the rupiah exchange rate has depreciated by 17.5%. The trend of rupiah exchange rate volatility will continue into 2020 with ongoing efforts to reduce debt (deleveraging) from global financial institutions. Apart from negative impacts, it turns out that the crisis has also had a positive impact on Indonesia, especially on increasing investment. Strengthening flows and inflows into the capital market helped to raise the rupiah exchange rate to penetrate the economic contraction that Indonesia has also experienced in the first quarter of 2020. Indonesia’s economic growth is at 2.97 percent, down from the usual 5 percent, or setting the record for the longest simultaneous increase since 2020 bullish period. Referring to the concept of measuring poverty by the Central Statistics Agency (BPS), which measures poverty using the ability to meet poverty needs is seen as an economic inability to meet basic food and non-food needs measured in terms of expenditure. So, the poor are people who have an average monthly expenditure per capita below the poverty line. The relationship between economic growth or increased output and poverty produces a basic framework, namely the trickledown effect of economic growth in the form of an increase in job opportunities or a reduction in unemployment and an increase in wages / income for the poor. Assuming that a
mechanism is needed to facilitate the trickle-down of the benefits of economic growth to the poor, economic growth can be an effective tool for poverty reduction (Syawie, 2011).

The International Monetary Fund (IMF) said the corona virus pandemic triggered an economic crisis causing world GDP to fall by 4.9% this year. Covid-19 also resulted in a $12 trillion loss in the next two years. The theoretical basis of the correlation between per capita income growth and poverty rates is no different from the case of economic growth with inequality in income distribution. In the early stages of the development process, the poverty rate tends to increase and as it approaches the final stages of development the number of poor people gradually decreases. There are many other factors besides income growth that also affect the level of poverty in a region / country, such as the workforce education degree and economic structure. The prolonged economic crisis and the global crisis in 2020 will also have an impact on the number of poor people in Indonesia. If this really happens, the nation will be further behind from other countries that are also hit by the crisis but can immediately overcome them (Prayogo, 2019).

Apart from that, the current condition in which Indonesia as a country that has a demographic bonus which should be in a condition to build a very large economic power must experience an economic delay due to this virus outbreak where, the current condition has disturbed the country’s economy. In addition, the PSBB program and Physical Distancing programs in various regions as a measure for the state to prevent transmission of the virus, turned out to have a bad impact in terms of economic growth. The world’s GDP is estimated to recover only 5.4% in 2021, even if everything goes well, said the IMF. In the next few months there will be more "leased" signs as many businesses shut down due to the coronavirus pandemic leave offices and shops vacant, potentially ending the long boom in America’s commercial real estate market (Muchaqki, 2019).

Only some hotels, restaurants and shops that closed from March are back in operation, and many may not reopen. Commercial landowners report an increasing number of tenants are late paying. They expect more and more shops to be empty by the end of the year.

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**Social Gap States**

From a political economy perspective, development inequality between economic sectors is due to the failure of development strategies. Policy support for the development of the industrial sector without including the agricultural sector in the past has created many pockets of the poor. Unfortunately, the massive development of industrial sector driven by the government has actually failed, even though special policies have been given, for example subsidies, trade systems, license and monopoly. On the other hand, as a result of this special policy, the industrial sector which has developed a market structure has become very concentrated. According to Yanuar, high household consumption is mostly supported by high-income groups. National consumption has failed to boost
production activities because most of the domestic needs come from imports (Poini, 2017).

The wide disparity not only affects the economy, but also has a very large impact on the psychological condition of the nation. Therefore, it can be said that "inequality is a great vulnerability". This also applies to the Indonesian people. The substance of the gap is unequal access to economic resources. The problem of inequality is a problem of justice, which is related to social problems (Alfinn, Mely G. Tan, 1980).

Research Method

This research reveals the meaning of a regional development gap phenomenon with various causes and consequences, using data in the form of numbers, data or information related to the survey results of BPS or other related agencies. The understanding of this data and information is carried out fairly without being manipulated and regulated by experiments or tests. In other words, this research is a combination of quantitative and qualitative research, in order to complement each other: qualitative-naturalistic research has the following characters: 1) Aim to get a deeper picture; 2) Aims to understand the meaning of a phenomenon; 3) Viewing phenomena as a whole and holistically; 4) The research design is emergency in nature, meaning that it is open to perfection. This research uses a complex regional approach. In the operational stage, the approach is carried out in an integrated manner, the regional unit of Jakarta City and the area behind it is identified the differences and similarities according to the research objectives, or the area differentiation technique through classification techniques. The region is not the ultimate goal of this study (objective region) but as a tool (subjective region) to study the symptom groups that exist in the region (Jemadu, 2013).

RESULT AND DISCUSSION

Village-City Gap Condition

Regional development is closely related to a country’s political economy system. This also means that with the central policy there will be a decision to develop any area, and will “sacrifice” other areas. During the New Order era, the concept of growth poles was adopted to develop a region. This concept, according to Douglass, is carried out by allocating high investment in the industrial sector in the centre of a large city. The hope is that economic growth can spread and stimulate development in the surrounding area. The assumption is that the goods produced are exported to other cities and metropolitan centres to become "engines of development" (Muchaqqi, 2019).

The concept of growth poles assumes that industrialization is seen as an effective recipe for reducing poverty, underdevelopment and unemployment in developing countries. In other words, an economic transformation will be created. With industrialization, it is hoped that job opportunities will emerge and be able to accommodate the overflow of work from the agricultural sector. Furthermore, the process is expected to result in system integration of growth centres of different sizes, functions and characteristics so that they can play a role in spreading regional development (Santoso, 2012).

In developing countries, it is assumed that there are agricultural products whose productivity can be spurred so that they will reach the highest level in food production, expanding job opportunities and income for most people, especially at the subsistence level. From this point, it is hoped that small and medium-sized farm businesses will grow, there will be capital movements, there is credit, technology with research. By encouraging an institutional framework in rural areas, it can promote regional growth. Furthermore, through integration into the market system, the following benefits can be obtained: 1) Growing economies of scale
whose effects can spread in rural areas; 2) Help organize the rural economy in the latter area by: supply or supply, market and administration; 3) There must be innovation so that entrepreneurs or entrepreneurs can be formed; 4) There is return investment which can be used for future development. In reality, this growth pole strategy is not suitable in developing countries like Indonesia, because there is a dualism between the agricultural and industrial sectors. On the one hand, the agricultural sector experiences many obstacles because agricultural land-especially in Java is very narrow due to fragmentation or inheritance. On the other hand, the industrial sector is very capital intensive and oriented towards import substitution. Control is in developed countries, and Indonesia is only a "tailor". As a result, only skilled workers can enter the industrial sector. The existence of this kind of urban bias has resulted in the growth of the informal sector, because not much of the workforce from the agricultural sector can be accommodated in the industrial sector. Many studies have been carried out to understand the negative consequences of the Green Revolution program which are generally concluded to widen the gap between the income of poor farmers and the income of rich farmers (Hart, 2019).

The sialization gap in decision making, especially in the production sector. This is understandable, considering that some production facilities are generally purchased from outside the village. This commercialization generally stems not from a price relationship, but from an enormous increase in yields. This increase led to a large surplus for landlords. The rich peasants who enjoyed this surplus, had accumulated most of the land in their hands and the ability to cultivate more intensively enlarged their surplus. On the other hand, there are many studies that show that traditional rural institutions are not effective in ensuring the subsistence needs of small farmers. In traditional societal systems, the externalities of production and the cost of information appear to be so high that the use of non-market institutions by the rural elite is considered to be of great benefit. Rich peasants generally tend to engage in exploitative relationships, by taking advantage of their status in political power or social status. Increased public consumption should increase demand and mean that the industry will be busy serving. Furthermore, if the large, capital-intensive industries are developed, the demand for raw materials or raw materials from farmers will also increase. But what happened was that industrialists monopolized everything, from upstream to downstream. Even for soybeans or sugar, this country must import.

Development Gap in Disadvantaged Areas

Regional disparities exist in all respects, but only in the economic sphere. The indicators used in the economic sector are: 1) Total income per capita; 2) Per capita income growth; 3) Labour force participation rate; 4) Percentage of added value in the manufacturing sector to total provincial GRDP; 5) The percentage of workers working in the manufacturing sector compared to the total workforce in the province; 6) Cumulative rate of foreign and domestic investment; 7) Percentage of population living in urban areas; and 8) Road length/10,000 sq km province area. Unfortunately the development of these special areas is not accompanied by the right strategy, and often only has political nuances, especially in relation to the current issue of decentralization. (Budijarto, 2018)

However, what occurs is the integration between agricultural and non-agricultural activities to expand job opportunities, it is difficult to achieve, even what has happened is a change in the lifestyle of urbanism, which has a dissertation of social fractures. This happens because the relationship between nature and humans in the agropolitan concept is often negligent to be maintained. In agricultural development, water use
should also be considered and harmonized with industrialization concepts. The facts show that the struggle for water resources has emerged, on the grounds of decentralization. On the one hand, the government that is in the hill area feels that it is not being assisted by the area below which is taking advantage of water resources, for example by allocating its budget for reforestation and water conservation. Conflict The role of the government in supporting agropolitan is the existence of a socio-economic-political order that can protect the community from unfair competition, damage to the social order of local farmers due to pressure from outside advanced economies, trade systems, land tenure, production, marketing, and other protections that cannot be carried out. From this point on, the role of the government is also important, including: protecting agropolitan spatial planning by strengthening spatial planning patterns and various necessary infrastructures. All of them are aimed at strengthening the existing socio-economic order and agricultural resources. Likewise, a strategy is needed to realize agropolitan agricultural resource management that can provide protection regarding the spatial distribution of each agricultural commodity, as well as various technical-ecological provisions required (Millar, 2020).

Political economy for the welfare of the people is being tested quite seriously at this time when economic growth is considered successful, but the welfare of the people is questionable. There are contradictions in the discourse of economic performance and policy, namely claims of "shiny" economic performance by the government on the one hand, and the problem of poverty and the informal sector which is still widespread and bad on the other. This situation is associated with widespread poverty and cannot be measured by a single poverty line criterion.

**CONCLUSION**

Prosperity or not being poor is an outward desire of everyone. Such circumstances, however, are only to fulfill the satisfaction of human life as individual beings. In fact, apart from being individual beings, humans are also social creatures. Equality of prosperity in the sense that the differences are not too striking, is one of the means that enables people to live in a good and calm society, not causing social jealousy. Equality is as important as prosperity. Reducing the gap or gap is as important as reducing poverty. Based on various indicators, it can be seen that the welfare gap between rural and urban people is still ongoing. Even for several variables or indicators, even though the level of welfare indicates an improvement, the difference is quite striking. The percentage of the population aged 10 years and over who is literate is greater in cities than in rural areas. Babies and toddlers in the city are better off than their peers who live in villages. The suitability of the houses of the city people was much better than the houses of the counymen. The index of quality of life in cities is also better than in villages. All of this is quite alarming about the social disparities between rural and urban communities. Social inequality does not only occur between regions, but also between regions. Poverty reduction is necessary. Poverty is, to some extent, linked to inequality. However, reducing poverty does not necessarily mean reducing inequality.

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