

Democratic Economy Has Yet to Have Theory and Model of Measurement

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Democratic economy has long been a mandate of the constitution. However, its application is still far from what is expected. On the contrary, liberalization and privatization of strategic economic sectors dominate the Indonesia's economic structure. "The majority of assets and management of national production are held by foreign investors," said researcher from the Center for Economic Democracy Studies, Universitas Gadjah Mada (UGM), Awan Santosa, S.E., M.Sc., Friday (12/3) in the seminar and book launching entitled *Ekonomi Kerakyatan* (Democratic Economy).

Currently, approximately 67 percent of company's share in Indonesian Stock Exchange and 50 percent in commercial banks and 85.4 percent of oil and gas fields are controlled by foreign investors. Those investors also dominate plantation, retail, telecommunication, drinking water, various mines, and various other strategic sectors. "The mandate says that the production should be done with and for the common good. It turned out that, rather than cooperatives and economic associations that develop, it is the owners who have developed," he added.

According to Awan, the undeveloped democratic economy is because there is no measurement model serving as indicator to determine the success or failure of economic practices. "Let alone measurement, we do not even have the theory. So far, we only have it as a discourse," he explained. This is unlike the case with neo-liberal economic system which has measurements as an indicator, such as indicators for economic growth, inflation, index of economic openness and business, etc.

Awan saw that democratic economy's activists and researchers should start on the practical area. "We should find new theories, what democratic economy variables are, etc. We should have different measures from those in neo-liberal economy," he said.

This seminar was marked by the launch of his book entitled *Democratic Economy: Urgency, Concept, and Application*. "Overall, there are 21 variables that can serve as measurement of democratic economy implementation," said Awan, the author. During the occasion, author of *School for High Studies of Social Sciences*, Stepanie Barral from Paris, was also presented.

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