



Perception of Society toward Populist Economic Policy for Development Economic: Empirical Research in East Java

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ABSTRACT

This article is a research study on people given by 480 respondents from the society of East Java, to describe show perception of society about populist economic policy. This study investigates the perception of society toward the role of populist economic policy can be use to foster economic development. Furthermore this study was applied to 480 respondents, who attended in the East of Java. The obtained data from the questionnaires are analyzed through Statistical Package for Social Sciences for Windows 21.0. The resulted from this study if society have positive perception toward populist economics policy for increasing economic development. During the pre survey period about conducting the survey, it was perception from society is the first important to foster economic development. However, results of the survey indicate that perception of society about populist economics policy very contributed to increasing economic development, comparing with the liberalism economics system or socialism economics system.

Keywords: Populist Economics, Policy Economics, Development Economics

JEL Classifications: F6, P

1. INTRODUCTION

Economic policy is not only important in itself; it should also provide conditions for improving well-being to allow our citizens to live a convenient and comfortable life in their own country. Medvedev (2016) says, target this goal, which is the main focus of the government's work. Quite naturally, the development of economic potential will be apriority growth of economics. Policy of economics plays a strategic role in economic development by accelerating economic activities and job creation. Potential economics resource management is also a strategic and comprehensive function of economics activities which enables employees to contribute effectively and productively to overall economic development. Unfortunately, due to economic concerns, populist economics policy as owners focus on core to economic growth issues that they overlook one of their most potentially serious and costly issues economics resources. However, if populist economics policy as economics activities policy to focus on economics resources explore, this will lead a sustainable economic development.

Several scientific contributions are available on the phenomenon of perception society toward populist economics policy to increased economic development. These studies generally alternate between policy economics approach and economic perspective to economics developing. Policy of populist economics system can be influence has been economics development.

The purpose of this study is to explore the perception of society about the populist economic policy strategic for increasing economic development, comparing with the liberalism economics system and socialism economics system. Thus, firstly, by the review of literature, the concepts as populist economics policy, with comparing between liberalism and socialism economi system for increasing economic development.

2. REVIEW OF RELATED LITERATURE

2.1. Populist Economics

Democracy is good for investment and has a positive indirect effect on economic growth. Investment will grow in a climate of

liberty, free-flowing information, and property rights secure from the arbitrary power of the state. Mubyarto (2005) says, the basic principle in Populist Economics Policy, its application is based on the philosophy of Pancasila and the UUD 1945. Values and norms embodied in the ideology of Pancasila and UUD 1945 as the based for the development of the economic populist policy, which is essentially to bring about social justice for all Indonesian people. These objectives can be achieved if economic policy in favour of the people at large, meaning that the people's economy needs to be stepped up as the based for economic growth in Indonesia. Economic activities should be carried out based on the principles of Pancasila democracy. According Subroto (2015), more in that populist economic is meaningful to increase economic development of developing countries. Swasono (2007) view that the empirical and theoretical, populist economic policy can be support to develop in the development countries. Policies are applied in developed countries are often in conflict with the principle of the development of economics. The increasing of government expenditure to industrialized countries can be interpreted as a policy process to overhaul the economic structure of the countries. The role of the state to increased the role of the market so as to facilitate the integration and control of the economics of countries is under the control of the state capitalist rich countries (Baswir, 2008).

The concept of populist economic has a wide range of meanings. Its definitions include the bearing of uncertainty, the carrying out of new combination of production resources, the ability of economic system to fill market deficiencies through input-completing activities, the ability to deal with disequilibrium, and the ability to make judgmental decisions about coordination of scarce resources. Hence, populist economic is often related to implementation of economics policy in the state, which are the link between policy and investments for economic development. By serving as a conduct for economics development, economic populist is an important policy to facilitate the increased of knowledge of society for economic development. Implementation of the policy will affect the economic system of economic growth and prosperity of a nation. Follow of economic liberalization is detrimental to most of the people of Indonesia for the door wide open to free competition so it is very unfortunate that the developed countries are relatively better equipped to compete because it is supported by financial capital and modern technology.

2.2. Economic Development

For classics Adam Smith and David Ricardo economic growth is the result of the capital accumulation (converting a part of plus product in capital) and leads to an increase in wealth per capita by an increase in capital productive per capita. In classic theory, economic growth factors are the classics factors of production: Work, nature and capital. According to Keynesian concept, the national income increases in response to modification of aggregates demand. In the model developed by Keynes, income increase is a multiple of investment growth.

Synthesizing and returning to economic development, Gavril (2012) says, is increasingly negative influenced effects of economic policies that were considered and deemed economic growth and economic development are two synonymous nations.

The reflection of this finding has led to the following conclusion: "The economy is more developed the register an increase of gross domestic product (GDP)". This conclusion is wrong, for example, many countries have registered a growth of GDP and have not registered an improvement of quality of life. The development of unprecedented science and technology gave rise to uncontrolled production, "silently" created new needs to be rush new resources. In this sense the economic philosophy is the growth at any cost and delay for future considerations of equity between people (paradoxical appear poor, in particular of the young population). The net result of this situation in its economic terms resulted in an economic crisis.

Improving the relationship between education, research and innovation - and specifically their contribution to economic growth, employment and social cohesion - is fundamental in enhancing the competitiveness in the world. According to Daiva (2015) the development of knowledge society requires new attitude to society education policy finding and combining new ways of supplying knowledge in relation with other policies as well. General economic development conditions in the world are favorable for implementation of economic policy priorities. Strategic goal of populist economics policy is to create effective and cohesive, based on rational use of resources and economic development system. Subroto (2015) says, economic development in Indonesia, as in many other developing countries, is also not relevant to public welfare or for the greatest welfare of the people. Thought economics development in Indonesia since the mid-fifties is the science which teaches the individual greed of natural objects, which teaches the properties of self-interest in every person and then the principle of the spirit of togetherness and family. Economic growth means an increase for goods and services produced by the economy in which the activity requires labour. According to Soebiyakto and Yunisvita (2016), the increase in demand for goods and services by the community to make the demand for labour by business unit or enterprise is increasing, in this case there was an increase in employment and provide new employment opportunities. Therefore, the increase in employer demand for labor depends on the increase in public demand for goods in production.

Building an economic approach, attempt to provide a comprehensive framework for understanding the human behavior. Neamtu (2014) says, integration of education into a model-based approach is now a tradition for the economist. Taking into consideration the empirical nature of studies devoted to education most of them use data selected on the basis of developments in the real world so the observed effects of education should reflect the behaviour of educated individuals. All scientific theories are based on, either implicitly or explicitly, concepts about human behavior. Logical consequence definition of economy as a science of rational action is that in any social space in which there is rational action can be used method and economic theory. According to Subroto (2013) wave of creative economy is a stream that has been accepted as the flow of the new economic in the economic civilization. Previous waves, among others: The wave of agricultural economics, industrial economics wave, and wave information for economic development.

The above studies were however implicit on the development economics of countries, which may affect the degree of the development economics of their policy sectors. Conversely, Abubakar et al. (2015) says, the effect of policy on economics growth in developed economies is transmitted mainly through policy of economic. This implies that in developed countries toward economic development to identify and judgment about policy of economics development.

3. METHODS OF RESEARCH

3.1. Research Goal

In this study, want to confirmed about the perception of society toward populist economic policy to increase economics development. This questionnaire includes, beside understanding of society toward populist economics policy, questions about liberalism economics system and socialism economics system to increased economic development. The survey was used questionnaire for exploring perception of society toward populist economics policy, comparing with liberalism and socialism economics system which describes role of the populist economics policy for economic development.

3.2. Sample and Data Collection

Due the fact it is data collection used questionnaire to collecting perception of respondent. Target sampling of the research is 480 respondent who in the East Java Indonesia society. As a data collection tool questionnaire was used in the research. When the statistical analysis of research used Statistical Package for Social Sciences for Windows 21.0.

4. RESULT OF RESEARCH

Based on the perception of East Java society, were categorized into three groups opinion of perception, such us: Populist economics, liberalism economics, and socialism economics. Table 1 shows the number of populist economics in the big of mean and standard deviation (SD). In the sample 480 society of East Java, while 69.0813 of mean or 7.67092 from SD.

Table 1 shows that perception of East Java society of populist economics policy compared statement about liberalism economics system and socialism economics system is the big better. They perception if populist economics policy can be foster welfare society and to increase economics development.

From Table 2, Pearson correlation of populist economic policy were <0.05 , indicating that society perception mean towards populist economics policy was significantly different from liberalism economics system and socialism economics system. Further statistical analyses were correlation about perception mean difference between populist economic policy, liberalism economics system and socialism economics system.

From Table 3, coefficients of populist economics policy were <0.157 to liberalism economics system and 0.534 toward socialism economics system, indicating that society perception mean towards

Table 1: Descriptive statistics

System of economics	Mean±SD	N
Populist economics	69.0813±7.67092	480
Liberalism economics	32.8792±4.54874	480
Socialism economics	31.7938±4.43477	480

SD: Standard deviation

Table 2: Correlations

System of economics	Populist economics	Liberalism economics	Socialism economics
Pearson correlation			
Populist economics	1.000	0.458	0.623
Liberal economics	0.458	1.000	0.564
Socialism economics	0.623	0.564	1.000
Significant (one-tailed)			
Populist economic		0.000	0.000
Liberalism economic	0.000		0.000
Socialism economics	0.000	0.000	
N			
Populist economics	480	480	480
Liberalist economics	480	480	480
Socialism economics	480	480	480

populist economics policy was significantly different from that of liberalism economics system and socialism economic system for economic development.

From Table 4, standard predicted values of residuals statistic from three opinion were <0.05 , indicating that society perception mean towards populist economics policy was significantly different from that of liberalism economics system. Further statistical analyses were performed to test perception mean difference between populist economics policy, liberalism economics system and socialism economic system using t-test. The results showed that perception toward populist economics policy was different from that of liberalism economics system and socialism system in East Java society.

5. DISCUSSION

The economic growth and development problems are very complex and as it derived from the above definitions, the development does not mean merely economic growth, self-sufficiency in policy, equipment and technology transfer. Gavril (2012) says, the development refers to the peace and happiness of man. The man, in all its aspects, and let it conquerdignity. In society, man tends to create, choose, decide to be responsible, to be free. These human capacities. All these values the human capabilities transforming itself in the engine development.

Democracy is good for investment and has a positive indirect effect on economic growth. Investment will grow in a climate of liberty, free-flowing information, and property rights secure from the arbitrary power of the state. Tavares and Wacziarg (2001), using simultaneous equation framework in a panel of 65 industrial and developing countries over the period 1970-1989, find that democracy fosters growth by improving the accumulation of human capital and, by lowering income inequality.

Table 3: Coefficients

System of economic	Unstandardized coefficients		Standardized coefficients	t	Significant
	B	Standard error	Beta		
1					
Populist	31.003	2.223		13.949	0.000
Liberalism	0.264	0.072	0.157	3.665	0.000
Socialism	0.924	0.074	0.534	121.486	0.000

Table 4. Residuals statistics

Statistical Analyses	Minimum	Maximum	Mean±SD	N
Predicted value	53.9853	88.1882	69.0813±4.87938	480
Residual Standard predicted value	-20.62423	16.66218	0.00000±5.91901	480
Standard residual	-3.094	3.916	0.000±1.000	480
Standard residual	-3.477	2.809	0.000±0.998	480

SD: Standard deviation

Development economics, Subroto (2015) says, need to foster skill of creative thinking to foster economic creative in economic development. Many countries are working to upgrade democratic accountability and reduce corruption and external conflicts because a well-functioning political system can positively contribute to higher rate of economic growth. According Houssem and Hichem (2015), economic growth requires a long-term protection of civil and political freedoms. To enhance academic understanding of this subject, this research can be extended by introducing other economic development. Democracy is good for investment and has a positive indirect effect on economic growth. Investment will grow in a climate of liberty, free-flowing information, and property rights secure from the arbitrary power of the state. In the industrial and developing countries, find that democracy fosters growth by improving the accumulation of human capital and, by lowering income inequality.

The economic present is measured through the evolution of the main result indicators (GDP, national revenue, investments, aggregate demand, aggregate supply, inflation rate, unemployment rate). The conclusions, Gavril (2012) says, highlight that the economy is now at the beginning of one period of structural changes, whose effects direct us to define new theories of economic. The economic growth and development problems are very complex and as it derived from the above definitions, the development does not mean merely economic growth, self-sufficiency in food, equipment and technology transfer. The development refers to the peace and happiness of society. In the society, in all its aspects, and let it conquer dignity. In the society, they can be to create, choose, decide to be responsible, to be free. All these values the human capabilities transforming itself in the engine development. And the populist economics policy can be support to foster economic growth and support to increase economics development in the East Java society.

Populist economic policy is economy contrary to the orthodox neoclassical economics is now taught in colleges and high schools,

which assumes households or communities as more consumers who only act as a collection of “compulsive shoppers” and on the other hand the producer business world is very noble work of producing goods and services to the public interest. Prosperity and welfare of the people/society is always considered a business mission. Then the investor is always considered a “savior gods” whose job “prosperous society” or to create new jobs for workers who need them. Keynes in 1936 alone to make a revolution by demonstrating that economic science is learned and developed over 150 years since 1776 is a false science that should be abandoned if the capitalist system to survive (Mubyarto, 2005). The basic point is most obvious mistake is the belief is always the balance (equilibrium) between the supply and demand as understood as natural law. Economics in Indonesia, as in many other developing countries, is also not relevant to public welfare or for the greatest welfare of the people. Thought economics in Indonesia since the mid-fifties is the science which teaches the individual greed of natural objects, which teaches the properties of self-interest in every person and then the principle of the spirit of togetherness and family.

6. CONCLUSION

This article has presented at perception of society about populist economics policy of the society can be provide economics development and welfare society. A research questionnaire was chosen as the means to investigate this area. Although this allowed a majority of society to be questioned, that could be asked and the depth to which underlying factors could be explore by means of statistical analysis. Our analysis suggests that the society are willing and able to offer an opinion on different toward populist economics policy. Further work is required to ensure that such liberalism and socialism opinions of the views of the wide range of individual views that exist within the society. This would contribute towards a better understanding of underlying factors perception for the chosen system economics and policy economics for increase development economics.

This findings suggest that policy of populist economics making contributed to fostering economics development. Further work is also needed on how to explore such perception of society about increasing welfare of society and fostering economics development.

7. ACKNOWLEDGMENTS

The author would like to thank the student support and the data’s collection of this research, for finding economical system and society perception in East Java, Indonesia. The authors also thank to Ardiansyah for their assistance in the deployment of the research

questionnaire. The authors also wish to thank the anonymous reviewers whose suggestions helped improve the paper.

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