RECONSTRUCTION OF GOOD CORPORATE GOVERNANCE 
IN THE ORDER TO REALIZE INDONESIA INCORPORATED AS A 
WELFARE COUNTRY 
(REGULATORY-DEREGULATION-REREGULATION PERSPECTIVE 
OF THE JATIMNOMIC MODEL)

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ABSTRACT
A dynamic state administration reflects the crystallization of the idea that the presence of state governance called Good Corporate Governance (GCG) is a product of the development of the state's way of providing public services. The economic arrangement of the East Java model which can be called Jatimmonic in reconstructing GCG with the content of the corporate spirit. The purpose of this paper is to analyze the Good Corporate Governance (GCG) in order to realize Indonesia as a welfare state with the JATIMNOMIC model. The method used is a legal and uses a statute approach and a conceptual approach. The result of the discussion is that in realizing Good Corporate Governance (GCG) for People's Welfare, all state resources must be mixed in the formulation of national economic development policies that move in the wave of globalization with responsive leadership for a sustainable economy for the people's welfare. Reformative and solution construction of the national economy by making Indonesia a world economic supercorridor within the ASEAN (AEC) scope through the conception and implementation of what is called JATIMNOMIC. 
Keywords: Good Corporate Governance, JATIMONIC, Welfare
INTRODUCTION

As we know that the world is moving very fast, even in the future, in James Canton (2006), a CEO and Chairman, Institute for Global Future calls it very extreme (The Extreme Future). This is brought up because we all know about the factual conditions of the world: the drain of energy that continues to decrease and be contested, security that threatens the modern world, conflicts and wars that still characterize various parts of the world (Daniel Yergin, 2011), natural disasters and jihadist wars, population growth and culture war (George Friemand, 2009), food and identity crises, especially poverty that hit every geographical segment of the world. In this regard, we remember James Goldsmith's old writing, The Trap (1994: 3) which was presented in front of 2000 people at the Grand Amphitheater of the Sorbonne University, Paris that:

Every society in the modern world is facing complex problems and there is no simple and universal solution. But many of these problems have a common root. Science, technology and economics have been treated by modern society as ends in themselves, rather than as important means to improve welfare.

The increase in unemployment, violence, poverty, environmental degradation and general awareness that there has been a fundamental error in the management of the country's economy as reported by James Goldsmith has reached the level of rethinking the existence of the welfare state which in the words of Bjorn Hettne (2001): The Welfare State is in Question. The role of the state and government for the welfare of the people must be reorganized by offering Paradigm Theory & Policy Making (Akira Iida, 2004) which in this scope follows Darryl Reed's thoughts (2004) to the discussion of Good Corporate Governance, which is in contact with economic performance global, regional and international national and local (Surendra Munshi and Biju Paul Abraham, 2004).

Recent world economic shocks continue to come into contact with problematic issues: production, cost and revenue, monopoly, competition, economic versus normal profit, gross domestic product, inflation, unemployment, recession, depression, aggregate demand and aggregate supply, international trade, economic growth and development, natural resources, energy prices, to the issue of the economics of terrorism and the economic impact of casino gambling (Roberdt C. Guel, 2010). Indeed, the dynamics of world economic life often determine the economic movement of a nation.

The joint policy of the Heads of State in Southeast Asia by establishing a free market system among ASEAN countries, must be an inspiration for the people of East Java in developing creativity that produces quality goods and services by exploring the available resources so that they are truly ready to face market competition. ASEAN free. The results of quality products and services for the people of East Java will have high economic value because AEC opens up a wide market for the export-import flow of goods and services or investment between ASEAN countries, where tariff and non-tariff issues are no longer enforced. The first step in the Free Market of ASEAN Countries which will be realized in the ASEAN Economic Community at the end of 2015 includes 5 (five) things: Free Flow of Goods, Free Flow of Services, Free Flow of Investment, Free Flow of Capital, and Free Flow of Skilled Manpower. Seeing the progress of the regional economy that is getting better, the people of East Java should be confident and optimistic that they will be able to penetrate it to be able to realize the Welfare State as mandated by the 1945 Constitution.

Such factual and conceptual realities cannot be separated from the configuration of the international community's policies that apply globalization as a necessity which classically we do. is in Only One Earth (Barbara Ward and Rene Dubos, 1972). Thus, most of the world
sees that each problem as a whole has a global and international solution (North-South Commission - Brandt Report, 1980; Dieter Nohlen, 1994; Bjorn Hettne, 2001), but still must rest on strengthening the competitiveness of a nation (Soekarwo, 2015).

RESEARCH METHOD
In the process of writing this journal, the author uses the type of legal research. This type of normative legal research is able to provide a systematic explanation related to the problems raised by the author, and uses a statutory approach (statute approach) and a conceptual approach (conceptual approach).

RESULTS AND DISCUSSION OF
GOOD CORPORATE GOVERNANCE (GCG) IN THE CONSTELLATION THE GLOBAL AND NATIONAL ECONOMY

In a dynamic state administration reflects the crystallization of the idea that the presence of state governance called Good Corporate Governance (GCG) is a product of the development of the state's way of providing public services. The evolution of the GCG movement can be understood from the historical struggle of the state with its government which received legal power from the state through legislation to carry out duties and realize the goals of the welfare state by implementing Good Corporate Governance (GCG).

The government implements the goals of the state as a team that is organized organizationally (Jean Blondel, 1982) in the various needs of the people in an recognized: political, economic, social, public management and public policy as outlined in the legislation (Rod. Hague & Martin Harrop, 2007). Governments organizations then carry out governance (governance) which was originally called "rule-making or steering" which is able to carry out the functional task of "self-organizing, interorganizational networking" with the characteristics of "interdependence, resource-exchange, rule of the game, and significance". autonomy from the state". State governance in the concept of governance in its development must be able to carry out the public interest which is summarized by Anne Mette Kjaer (2004)

Governance can no longer be seen partially and traditionally. The era of globalization has brought the country into an internationally controlled economic cosmology through various international agreements with the free market space. Sectors in public life related to the state (public sector - society - private sector can no longer be carried out according to the standards of conventional government organizations, but by accepting the fact that the state must be read as a "corporation" that drives the economy of a region and its population that is moved globally. -national-local.

Economic movements that influence each other (no matter how big or small) have become a momentum that marks the birth of a public-sector reform in which state institutional policies are measured in a "corporation" that can be evaluated by the people in their various activities, especially in the economic sector as a sector that is very dominant in the public interest (in the language of Article 33 of the 1945 Constitution "... which controls the livelihood of many people ...”). In reality, the problem of economy and budgetary in all its contexts is accepted as a support in the construction of GCG (Hellmut Wollmann, 2004).

Such expressions remind us of the proverb as Jawa Jer Basuki Mawa Beya. Even GCG encourages the global economy effectively in the form of regulating transnational corporations as well as international-regional to local economies that continue to roll.
GCG has covered corporate activities of the state and guided all state administrators to provide economic rights fairly. GCG is conceptualized as being able to encourage "the emerging global economy" in various countries (Darryl Reed, 2004). The world economy by itself has moved in a direction that, according to Joseph E. Pattison (1996) is really towards what is called "breaking boundaries", born "competition policy in a change world" trade. Recognizing the presence of the rapid movement of the global economic wave, Indonesia and East Java must take the initiative to be able to compete in a highly competitive world.

Indonesia has a geographical position which according to geostrategy and geopolitical optics as well as geoconomics is very important for the international community. Indonesia's strategic position in the world arena in relation to building world community relations, has actually played a connectivity role in the history of the nations of the world.

UNDERSTANDING THE STATE AS A CORPORATION TO REALIZE INDONESIA INCORPORATED

GCG is not really to eliminate or merge the existence of the state but to develop functionally the existence of the state in order to realize its goals. Like other countries in the world that formulate state goals in their constitutions (Henc van Maarseveen and Ger van der Tang, 1978, Jimly Asshiddiqie et al., 2006), Indonesia, which was proclaimed on August 17, 1945, also stipulates state goals which constitutionally must be realized by the organizers. The goal of the Unitary State of the Republic of Indonesia is to get an ideological basis that its achievement must be guided by a philosophical basis called Pancasila.

Such understanding conveys the view that in essence the state must be present and its existence felt by the people in all their needs. In the development of the global economy since the 20th century and the beginning of the 21st century, it is clear that the state as entrepreneur-corporation which is based on GCG principles is obliged to give the best to its people. Such constructive ideals in corporate actions, the state must be presented to always "accompany the people" like a "producer-consumer" relationship or "business corporations with customers". The people must be treated as the true owners of the state who must have access to all state resources. This will unfold with leadership behavior which in the corporate sphere highly upholds commitment and consistency in attitude. This relationship refers to the language of David Straker (1998) which is included in the scope of The Quality Conspiracy.

Trade connectivity and performance integration between the government, the business world and the community in the spirit of making East Java the Gateway to the ASEAN Economic Community, made economic policies such as administrative guidance for the interests of the East Java economy. As a leader, one must give optimism that this can be realized because the people of Indonesia and East Java actually have the basic characteristics required in the (Indonesia) Incorporated, including: solidarity (solidarity and mutual cooperation), and patriotic (heroism-nationalism) with leadership. the visionary. Therefore, various Governor Regulations were issued to support the presence of Indonesia Inc. through strengthening the competitiveness of East Java and the establishment of -harmonyamong business actors. The Governor's regulations and the East Java Governor's Decree include:

♦ Governor's Regulation Number 114 of 2010 concerning the Prohibition of Circulation of Refined Sugar and Raw Crystal Sugar in Public Markets in East Java.
♦ Governor Regulation Number 78 of 2011 concerning Control of Imported Salt and Empowerment of People's Salt Business.
♦ Governor Regulation Number 22 of 2012 concerning Control of Horticultural Imported Products and Empowerment of Horticultural Businesses in East Java.
Governor Regulation Number 2 of 2013 concerning Control of Imported Product Distribution in East Java.
Governor Regulation Number 2 of 2013 concerning Control of Distribution of Imported Products in East Java.
Governor's Decree Number 188/208/KPTS/013/2013 concerning the Competent Authority of Regional Food Safety in East Java Province

The regulation is actually a manifestation of the will that the government must be meaningful or beneficial to its existence for the people by making economic policies that are oriented towards people's welfare. The competitiveness and quality of local East Java products continue to be developed for a stable and sustainable national economy in accordance with community development. The formation of administrative guidance has a theoretical foundation regarding the existence of "the relationship of law and society" which Lawrence M. Friedman and Stewart Macauly (1969) have argued for a long time: "the effect of law on society, and society on law". Previously Ronald A. Anderson and Walter A. Kumpf (1963) had also stated: "law changes as society changes", considering "change in the law, in turn, may be a reflection of a social change". This situation is in line with the very prominent indications of modern society according to Ankie M. Hoogvelt (1991) which are: "economic superiority" in developing the industrial and trade sectors.

So what is being done can be understood from the expression of William F. Ogburn (1993) that "a regulation is a reflection of the technological and economic foundations of society". Moreover, "the purpose of law is to provide order, stability, and justice" including "to protect economic interests" as stated by Ronald A. Anderson. Therefore, utilizing the Governor's Regulation in East Java's economic governance is an alternative solution to ensure "provide order, stability, and justice".

As an early realization of the existence of Indonesia Incorporated, the East Java Provincial Government has practically built a Trade Representative Office (KPD), which so far has 26 KPDs in the provinces in Indonesia. In addition, to strengthen its competitiveness, the East Java Provincial Government has developed partnerships with various institutional arrangements.

All of this was done to optimize the performance of Foreign Trade, Tourism and Investment (Trade, Tourism & Investment/TTI) affairs which were established in East Java in collaboration with the Indonesian Embassy and the Indonesian Consulate General by establishing 6 (six) TTI storefronts and their senior advisors in Japan, Switzerland, China, South Korea and Belgium. This step was taken to become an embryo that continues to grow in realizing Indonesia Inc. at the same time cannot be separated from the strategic position and potential of East Java.

The economic arrangement of the East Java model which can be called Jatimnomic in reconstructing GCG with the content of the corporate spirit through the opening of KPD-KPD and a nationally synergistic economic governance program. Isn't inter-island trade in Indonesia in certain reality for several countries in Europe already an import-export trade between countries. Moreover, East Java products distributed through these KPDs have been marketed or penetrated the territory of ASEAN member countries. This fact requires strengthening and cooperation of all elements of the Indonesian nation in order to have great competitiveness for the realization of the ideals of forming Indonesia Incorporated for the welfare of the people.
REVIEWING LEGAL FRAMEWORKS IN STRENGTHENING THE INDONESIAN WELFARE STATE

The law must be reconstructed to be able to encourage acceleration and at the same time confirm the realization of Indonesia Inc. In the legal and economic framework, if Indonesia Inc. must be realized as Japan did it, in fact it is very relevant because the message of the constitution of the 1945 Constitution has affirmed the Unitary State of the Republic of Indonesia as a state of law with the main objective of social justice. Thus, all economic policies must be stated in a juridical manner by making a legal framework in the economic field in an appropriate and contextual manner for the realization of people's welfare.

The economic policy borrows the language of Alan Gart (1993) and is constructed in the RDR concept, namely: Regulation-Deregulation-Reregulation. Initially, RDR was only offered to respond to the acceleration of the world's banking, insurance and securities industries, with their market share moving progressively. Alan Gart offers a historical perspective on dynamic regulatory changes for the future that must be anticipated within the industrial framework to drive economic institutions with the presence of increasingly competitive technology and economic actors. Therefore, RDR is able to provide dynamic space in all economic sectors with the accuracy of economic policy making on the expressive pace of GCG (Good Corporate Governance) with a regulatory footing that is always right.

The RDR perspective in the world of economics and public and bureaucratic policies, actually has the same family in making public-policy in GCG. The government organizes various activities related to the public interest and for this purpose various alternative steps are used which are briefly formulated by Thomas R. Dye (1978): "Public policy whatever governments choose to do or not to do". In formulating policies, the objectives set out in the regulations are also set. The role of law in the formulation, determination and implementation of policies can be understood from the concept of legal policy put forward by Petrazycki: "The essence of the problem of the policy of law consists in scientifically justified prediction of the effect if certain legal enactments are introduce and elaborating principles which will bring about some desirable effect" (Adam Pogorecki, 1974).

Thus, in the context of the national economy, it can be understood that legal policy is a means (engineering) to apply law as a regulator of the course of the economy, although on the other hand the economy will determine legal changes that are formulated and stipulated in legislation. This is where the process of influencing the influence of law with economic life will be regulated. This is in accordance with the regular aspect of the law where the law comes with a regular end doelstelling which creates legal certainty. Without law, life in cooperation on the basis of "la solidarite per division du travail" would be impossible (O. Notohamidjojo, 1975).

The cycle of legal reform in the economic field with RDR associated with a country's economic public policy has become a new momentum and the latest actuality that has been implemented by the East Java Provincial Government in the constellation of implementing GCG in the field of public services. The economic policies that have been made by the East Java Provincial Government within the framework of the Unitary State of the Republic of Indonesia are constitutionally intended to strengthen self-affirmation as a welfare state with the spirit of Indonesia Incorporated. The dynamic development of government functions in the economy of a welfare state that is committed to realizing Indonesia Incorporated to bring chess of government functions such as the East Java Provincial Government.

It is recognized that East Java has a strategic geographical position which is flanked by two large provinces, namely Central Java and Bali, making it a center for industrial and trade growth. Identify the real conditions of East Java's strengths that attract investment. East Java
really has to stretch its potential. This potential must be managed in the CGC language and contextualized by Indonesia Incorporated for the rise of the Welfare State with the paradigm of corporate philosophy and corporate culture for sustainable growth with integrative governance. East Java has natural resources that must be managed for the welfare of the people and contribute to sustainable national economic development.

This potential is a special attraction for investment in East Java through government guarantees and administrative guidance that pushes towards national competitiveness. East Java must participate in the development of the Indonesian economy, which is projected to be flooded with investment. The World Economic Forum on East Asia 2015 (WEFEA) in Jakarta (20-22 April) as the largest business meeting in East Asia was held just last month, with the reason that according to Deputy Prime Minister of Russia Arkady Dvorkovich: Indonesia is one of the emerging market and has investment potential that has a strong attraction for investors (Jawa Pos, 20-21 April 2015). This world view requires all of us to look at national competitiveness to always be strengthened through harmonization and synergy of the nation’s economic work program. East Java in its development must move quickly with systematic steps to synergize economic development programs listed in the RPJMN: Trisakti-Nawacita and RPJMD East Java.

All that has been done has resulted in the presence of a dynamic East Java economy. Economic growth which is reflected in the increase in GDP has a positive impact on improving the welfare of the people of East Java, which is indicated by the value of per capita income. East Java's economic acceleration is also indicated to lead to inclusive growth, accelerated economic growth followed by a decrease in the percentage level of poverty, open unemployment, and disparities between regions.

Thus, the occurrence of social friction can be minimized and horizontal harmonization can be realized. This situation will make East Java an attractive province for economic players and make East Java the emerging province which in WEF's language is an emerging market with competitiveness based on global culture driven by regulations within the framework of administrative guidance. This is where anyone can see an RDR for the East Java economy (Jatinnomic).

This paradigmatic understanding is important so that a leadership understands its duties in running the wheels of government in the Welfare State. Efforts to strengthen facilitation in the national economy by encouraging infrastructure development, development of the industrial and trade sectors, and services are forms of policy facilitation/stimulation, capital or funding schemes and efficiency are concrete steps to realize the development movement of GCG-RDR-Indonesia Incorporated.

**CONCLUSION**

From the various views, thoughts, and ideas that have been put forward as a result of reflection as well as experiences in carrying out government and development tasks to realize GCG + RDR + HR/L + IT + Control + Democracy for the People's Welfare, in the end it must be realized that history has called and time has given space for 70 years (independent Indonesia), so the time has come to pour collective energy to work together to fill the important momentum that has been provided before the century of the Republic of Indonesia in order to realize the goals of its formation. All state resources must be mixed in the formulation of national economic development policies that move in the wave of globalization with responsive leadership for a sustainable economy for the welfare of the people.
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