

ENTREPRENEURSHIP IN THE CONTEXT OF THE PANCASILA ECONOMY: OPPORTUNITIES AND CHALLENGES FROM AN ISLAMIC PERSPECTIVE

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Abstract

This study explores the role of entrepreneurship in the context of Pancasila economy by integrating Islamic perspective. This study aims to identify the opportunities and challenges faced by entrepreneurs within the framework of Pancasila economy, as well as to evaluate the contribution of Islamic perspective in viewing entrepreneurship. The research method used is descriptive qualitative and literature analysis and data search from various sources related to entrepreneurship, Pancasila economy, and Islamic perspective. The analysis shows that entrepreneurship in the frame of Pancasila economy offers opportunities for sustainable and inclusive economic development, with an emphasis on social justice and gotong royong. However, various challenges such as complex regulations and bureaucracy can hinder the development of entrepreneurship. The Islamic perspective adds value by reinforcing aspects of business ethics and alignment with public welfare. In conclusion, the integration of Pancasila values and Islamic perspectives in entrepreneurship can enrich business practices and generate positive impacts for society as a whole.

Keywords: Entrepreneurship, Pancasila Economy, Islamic Perspective.

A. INTRODUCTION

Entrepreneurship, which is often defined as an individual's capacity to identify opportunities, initiate and manage new businesses to generate value or profit, has an important role in a nation's economy. In Indonesia, entrepreneurship is not only seen as the main driver of innovation and economic growth, but also as an important tool in overcoming socio-economic problems such as unemployment and income inequality. According to BPS (Central Statistics Agency), the level of entrepreneurship in Indonesia has shown a significant increase in the last decade, reflecting an increasingly developing economic dynamic (BPS, 2021).

In the Indonesian context, the relevance of entrepreneurship can also be seen from government policies which continue to encourage the growth of small and medium enterprises (SMEs) as the locomotive of the economy. As stated by Susanto (2018), "the Indonesian government has established various SME support programs, which not only aim to increase business scale but also to integrate local cultural values in sustainable business practices." This shows a serious effort to view entrepreneurship not only from an economic perspective but also as part of national identity.

Pancasila economics is a unique economic concept and is the philosophical basis of Indonesia's national economy. Referring to Pancasila, this economic system prioritizes a balance between progress and collective prosperity.

Rooted in the values of the fifth principle of Pancasila, namely "Social justice for all Indonesian people", this economy emphasizes just economic principles, not only prioritizing growth, but also a fair and equitable distribution of wealth among all levels of society.

According to Kurniawan (2019), "Pancasila economics is an answer to economic needs that does not only focus on profit aspects but also on fulfilling human rights and social justice." This shows the urgency of Pancasila Economics not only as a theoretical framework, but also as an operational basis for the development of an inclusive national economy.

In the era of globalization and intense international economic competition, it is important for Indonesia to maintain its identity and values through an economic system that is in accordance with Pancasila. As explained by Suryono (2021), "In the global context, the Pancasila Economy functions as a bulwark that ensures that economic development cannot be separated from the Indonesian values that underlie public and private policies."

Indonesia, as the country with the largest Muslim population in the world, has a unique foundation in integrating Islamic values in various aspects of life, including economics and entrepreneurship. The Islamic perspective on economics does not only focus on growth and profit, but also emphasizes justice, honesty and the elimination of the practice of usury (interest). This has important implications for entrepreneurial practice in Indonesia, where these values can influence the way of doing business and interactions between business actors.

According to Azra (2020), "Islamic economics teaches principles that support business development that is not only materially oriented but also spiritual, encouraging balance between this world and the hereafter." This principle of Islamic economics provides a profitable alternative view in an economic system which is often dominated by the logic of profit alone.

In the Indonesian context, the integration of Islamic values in entrepreneurship also offers opportunities for the development of a more inclusive and sustainable sharia economy. Research by Mansur (2021) shows that "small and medium-sized businesses that adopt sharia principles tend to have better business resilience and more harmonious relationships with the community and environment."

Indonesia, with a constitution based on Pancasila, places the values of social justice, just and civilized humanity, and Indonesian unity as the foundation in all aspects of life, including the economic sector. Pancasila economics, which emphasizes economic equality and community empowerment through social justice, is a strategic basis for developing entrepreneurship in this country.

In practice, implementing these values often encounters various challenges, ranging from imbalances in resource distribution to economic disparities between regions and social groups. In this context, entrepreneurship based on the economic principles of Pancasila can be the main driving force to strengthen the economy and reduce this gap.

On the other hand, Indonesia also has a majority Muslim population, which brings an Islamic perspective to many aspects of life, including economics and business. The Islamic perspective, with economic principles that focus on justice, transparency and eliminating the element of

usury, provides an additional paradigm that can strengthen and enrich the economic application of Pancasila. Therefore, the integration between Pancasila Economics and Islamic economic principles offers great opportunities in developing entrepreneurship that is not only economically profitable, but also fair and sustainable. This also paves the way for solving various economic challenges through a unique approach and in accordance with the characteristics of the Indonesian nation.

However, to actualize this potential, a deep understanding of existing opportunities and obstacles is needed, as well as appropriate strategies for integrating these two perspectives in national entrepreneurial practice. This discussion is important to provide a clear picture and practical solutions for entrepreneurship development in Indonesia that are in accordance with the national values and religious beliefs of the majority of the population.

B. RESEARCH METHODOLOGY

In order to study the topic "Entrepreneurship in the Pancasila Economic Frame: Opportunities and Challenges with an Islamic Perspective," this research will use a descriptive qualitative approach. This method was chosen because it allows researchers to explore and understand the phenomenon of entrepreneurship in the context of Pancasila and Islamic economic values in Indonesia, in a detailed and systematic way.

1. Data Collection

Data will be collected through several methods:

In-depth Interviews: Conduct interviews with business actors, policy makers and academics who have expertise in Islamic economics and Pancasila Economics. This interview aims to obtain direct perceptions, experiences and insights from those involved in values-based economics and entrepreneurship. **Documentation Study:** Examining government documents, company financial reports, academic publications, and related literature to obtain secondary data that supports analysis of the application and challenges of Pancasila Economics and Islamic economics in entrepreneurship in Indonesia. **Participatory Observation:** Conduct observations at several business locations that apply the principles of Pancasila Economics and Islamic economics to see the real implementation of these theories in entrepreneurial practice.

2. Data analysis

Data collected from interviews, documents and observations will be analyzed using content analysis techniques. This technique allows identification, categorization and thematic relationships of qualitative data so that it can produce a comprehensive understanding of entrepreneurial opportunities and challenges within the Pancasila Economics frame with an Islamic perspective. This analysis will focus on: How Pancasila and Islamic economic values are integrated into entrepreneurial practices in Indonesia. Identify opportunities that arise from the integration of these values in entrepreneurship. Challenges faced in implementing these values in daily business practices.

3. Data Validation

To ensure the reliability and validity of the data, this research will use triangulation of sources and methods, comparing the results of interviews, observations and document studies. This approach aims to enrich understanding and confirm the uniformity of information obtained from various sources and methods.

C. LITERATURE REVIEW

1. Entrepreneurship in an Economic Perspective

Entrepreneurship has been a subject that has received great attention in economic literature because of its significant role in driving economic growth, creating jobs, and encouraging innovation. From an economic perspective, entrepreneurship is not only seen as an individual activity to start and develop a business, but also as a force that shapes the economic and social structure of a country.

According to Schumpeter (1934), entrepreneurship is a process of "creative destruction" in which entrepreneurs disrupt the status quo by introducing new innovations, either through new products, new production processes, or new business models. This thinking highlights the role of entrepreneurship in triggering sustainable economic dynamics, where change and innovation are the main drivers of economic growth.

In this context, entrepreneurial ecosystems have become a significant research focus. The entrepreneurial ecosystem encompasses various factors including government policies, access to capital, supporting infrastructure, and culture and social values. Shane and Venkataraman (2000) emphasize the importance of a supportive ecosystem for entrepreneurial development, where these factors interact with each other to create an environment conducive to the growth of new businesses.

On the other hand, research also highlights the challenges faced by entrepreneurs, especially in overcoming obstacles such as limited access to capital, lack of managerial skills, and market uncertainty. In a study of entrepreneurship, Casson (1982) highlighted the importance of risk analysis and rational decision making for entrepreneurs in facing a dynamic business environment.

Entrepreneurship also has a significant impact at the macroeconomic level. Carree and Thurik (2003) found that a high level of entrepreneurship is positively correlated with a country's long-term economic growth. Therefore, economic policies that support entrepreneurship development can be an important instrument in improving the welfare of society as a whole.

Entrepreneurship from an economic perspective highlights the important role of entrepreneurship in driving economic growth, building a supportive innovation ecosystem, as well as its impact at the macroeconomic level of a country. With a better understanding of the factors that influence entrepreneurship and its impact, stakeholders can design more effective policies to promote entrepreneurship and strengthen the foundations of a sustainable economy.

2. Pancasila Economic Principles

The economic principles of Pancasila provide a strong philosophical foundation for economic development oriented towards social welfare and justice. As a philosophical view underlying the Indonesian economic system, these principles reflect the moral values, social justice, diversity and unity that are an integral part of national identity.

One of the most striking economic principles of Pancasila is the concept of mutual cooperation. In the Pancasila economic view, mutual cooperation is not just cooperation within an economic framework, but is also the foundation of social and political life. As expressed by Soekarno, "Gotong royong is the soul of the Indonesian people." This concept emphasizes the importance of social solidarity and cooperation in achieving common goals, which is the basis for various economic activities such as cooperatives and community development.

Apart from mutual cooperation, the principle of social justice is also the main pillar in the Pancasila economy. Social justice refers to the fair distribution of resources and opportunities, as well as the protection of people's economic rights. As expressed by Mohammad Hatta, "Social justice for all Indonesian people is one of the three goals of our country." This principle encourages policies that reduce economic inequality, provide equal access to public services, and ensure social protection for all levels of society.

Furthermore, the principle of diversity also has an important role in the Pancasila economy. Indonesia, as a country with diverse ethnicities, cultures and religions, recognizes the importance of respecting and utilizing diversity as a source of economic strength. This principle is reflected in government policies that encourage economic inclusion for all community groups, as well as supporting local and cultural-based economic development.

In the context of globalization and modernization, the principle of unity also becomes relevant in the Pancasila economy. Unity refers to the importance of building unity and unity within the national economic framework, while still respecting local diversity.

As stated in the Preamble to the 1945 Constitution, "Belief in the Almighty God, just and civilized humanity, the unity of Indonesia, and the people led by wisdom in deliberation/representation." This principle emphasizes the importance of cooperation between government, society and the private sector to achieve sustainable economic development goals.

Thus, a literature review of the economic principles of Pancasila highlights the philosophical foundations that guide Indonesia's economic development towards social prosperity and justice. In translating these principles into economic policy and practice, it is important to consider Indonesia's cultural, social and political context, and ensure that economic development goes hand in hand with the Pancasila values deeply rooted in society.

3. Entrepreneurship in Islam

Entrepreneurship in Islam is not only a business activity, but also an integral part of an economic system based on moral, ethical and justice principles. In Islamic teachings, entrepreneurship is seen as a means to achieve the welfare of individuals, society and the people as a whole, while still paying attention to spiritual and moral aspects.

One of the main principles of entrepreneurship in Islam is the concept of risk-sharing or profit sharing. In a conventional economic context, there is usually a separation between capital owners (investors) and entrepreneurs. However, in an Islamic economic system, both parties share risks and profits fairly. As stated in the Qur'an (Al-Baqarah: 275), "Allah has permitted buying and selling and prohibited usury." This principle encourages mutually beneficial partnerships between capital owners and entrepreneurs, while reducing the risks borne excessively by either party.

Apart from that, the concept of justice and blessing (*barakah*) is also an important aspect in Islamic entrepreneurship. In this context, blessing is not only defined as material success, but also includes spiritual and moral blessings in every economic activity. In a hadith narrated by Abu Hurairah, Rasulullah Muhammad SAW said, "Whoever avoids things that are doubtful, then he has maintained his religion and honor." This principle encourages Muslim entrepreneurs to run their businesses with integrity, honesty and social responsibility.

Furthermore, entrepreneurship in Islam also emphasizes the importance of economic and social empowerment for underprivileged communities. The concept of *zakat* and *infaq*, as a form of wealth distribution based on the principles of social justice, has become an important instrument in fighting poverty and economic inequality.

In the Qur'an (At-Taubah: 60), Allah SWT says, "Indeed, the wealth that is given *zakat* is only for the needy, the poor, the recipients of *zakat*, for the needy and for freeing slaves, for people -people who are in debt, for the cause of Allah, and for the poor *muhajirin*." This principle has inspired various poverty alleviation and microeconomic development programs in various countries with a majority Muslim population.

Thus, the literature review on entrepreneurship from an Islamic perspective highlights the importance of integration between spiritual and ethical values in business practices. In facing challenges and opportunities in the global economy, an approach based on Islamic principles can help shape an economic system that is more inclusive, sustainable and oriented towards shared prosperity.

4. Entrepreneurship in the Pancasila Economic Frame

Entrepreneurship within the Pancasila economic framework reflects harmony between moral principles and sustainable economic growth. As a philosophical view that underlies the Indonesian economic system, Pancasila provides a solid foundation for inclusive, fair and sustainable economic development.

One of the main principles of entrepreneurship within the Pancasila economic framework is mutual cooperation. *Gotong royong* is not just cooperation in an economic context, but is also a value that colors Indonesian social and political life. As expressed by Soekarno, "*Gotong royong* is the soul of the Indonesian people." This concept underlines the importance of social solidarity and cooperation in advancing joint economic endeavors, which is reflected in various cooperative and community development initiatives.

Furthermore, entrepreneurship within the Pancasila economic frame also emphasizes the principles of social justice. Social justice refers to the fair distribution of resources and opportunities, as well as the protection of people's economic rights. As explained by Mohammad Hatta, "Social justice for all Indonesian people is one of the three goals of our country." This principle encourages policies that reduce economic inequality, provide equal access to public services, and ensure social protection for all levels of society.

The concept of diversity also plays a key role in entrepreneurship within the Pancasila economic framework. Indonesia, as a country rich in ethnic, cultural and religious diversity, recognizes the importance of respecting and utilizing diversity as a source of economic strength. This principle is reflected in government policies that support economic inclusion for all community groups, as well as culture-based local economic development.

Finally, the principle of unity also becomes relevant in entrepreneurship within the Pancasila economic framework. Unity refers to the importance of building unity and unity within the national economic framework, while still respecting local diversity. As stated in the Preamble to the 1945 Constitution, "Belief in the Almighty God, just and civilized humanity, the unity of Indonesia, and the people led by wisdom in deliberation/representation." This principle emphasizes the importance of cooperation between government, society and the private sector to achieve sustainable economic development goals.

Entrepreneurship within the Pancasila economic framework highlights the importance of integrating moral and ethical values in business practices. By strengthening the economic foundations of Pancasila, Indonesia can move forward towards economic development that is inclusive, sustainable and oriented towards shared prosperity.

5. Entrepreneurship Opportunities with an Islamic Perspective in the Pancasila Economic Frame.

The development of entrepreneurship in the context of the Pancasila economy with an Islamic perspective has become a major concern in contemporary economic literature. Entrepreneurship, as the main motor of economic growth, has significant implications for inclusive and sustainable economic development. In this context, the Pancasila economic framework provides a solid philosophical foundation, while the Islamic perspective provides important moral and ethical guidelines for sustainable entrepreneurial development.

According to Munawar Iqbal and Philip Molyneux (2016), in the context of the Pancasila economy, entrepreneurship is needed to encourage just and sustainable economic growth. Concepts such as mutual cooperation, kinship and social justice which are at the core of Pancasila economics can provide a strong foundation for the development of small and medium enterprises (SMEs) and social entrepreneurship. Correspondingly, the Islamic perspective provides a deep framework on economic justice, wealth redistribution, and social responsibility. In Islamic economics literature, as expressed by Muhammad Akram Khan (2014), entrepreneurship is seen as one way to implement Islamic ethical values in economic activities. Principles such as fairness in trade, community empowerment, and equitable distribution of wealth are the foundation for sustainable entrepreneurship from an Islamic

perspective. Apart from that, in a study by Muhammad Imaduddin Akbar and Achmad Ghazali (2018), the concept of Islamic economics also emphasizes the importance of entrepreneurship in creating jobs, reducing poverty and improving general welfare. Thus, integrating Islamic values in entrepreneurial practices not only creates sustainable business opportunities, but also contributes to the achievement of sustainable development goals stated in the Pancasila economy.

In this context, a holistic approach that integrates Pancasila economic values and Islamic perspectives in entrepreneurship development becomes important. This can create a business ecosystem that is not only oriented towards profitability, but also towards social justice, environmental sustainability and general welfare.

D. RESULTS AND DISCUSSION

Entrepreneurship in the context of the Pancasila economy with an Islamic perspective offers a number of significant opportunities, but is also faced with a number of challenges that need to be overcome. Through this study, several relevant results and discussions can be found regarding opportunities and challenges in developing entrepreneurship within the Pancasila economic framework with an Islamic perspective.

Opportunity:

Alignment with Pancasila Values: Entrepreneurship based on an Islamic perspective is in line with Pancasila values such as mutual cooperation, kinship and social justice. This opens up opportunities to integrate Islamic ethical and moral values in business practices that are in line with the country's philosophical foundations. **Community Economic Empowerment:** The Islamic perspective encourages community economic empowerment through entrepreneurship, which is in accordance with the economic principles of Pancasila which emphasize active community participation in economic development.

This provides an opportunity to reduce economic disparities and improve general welfare. **Value-Based Innovation:** Entrepreneurship with an Islamic perspective can encourage innovation based on ethical and moral values, such as justice, integrity and social responsibility. This creates opportunities for the development of products and services that better suit society's needs and values.

Challenge:

Appropriate Implementation of Islamic Values: One of the main challenges is the implementation of Islamic values in business practices that are in accordance with the Pancasila economic context. A deep understanding of Islamic teachings and the Pancasila economic framework is required to integrate these two perspectives effectively.

Limited Resources and Access: Entrepreneurship is often faced with limited resources and access, especially for small and medium businesses who want to implement Islamic values in their business practices. Efforts are needed to increase access to capital, technology and markets for entrepreneurs who want to run businesses according to an Islamic perspective.

Regulatory and Policy Challenges: Regulations and policies that support the development of entrepreneurship with an Islamic perspective within the Pancasila economic framework still need to be strengthened. Cooperation is needed between the government, the private sector and community institutions to create a conducive and supportive business environment for Islamic-based entrepreneurship.

Entrepreneurship development within the Pancasila economic framework with an Islamic perspective offers great opportunities to create inclusive, sustainable and value-based economic growth. However, to realize this potential, collaborative efforts from various parties are needed to overcome the challenges faced, both in terms of implementing Islamic values in business practices and increasing regulatory and policy support. Thus, entrepreneurship with an Islamic perspective can be one of the main instruments in achieving economic development goals in accordance with the values of Pancasila and Islamic teachings.

E. CONCLUSION

Entrepreneurship in the economic context of Pancasila emphasizes economic principles that are based on the noble values of the Indonesian nation, such as mutual cooperation, social justice, economic democracy and togetherness. However, when considering an Islamic perspective, this entrepreneurship theme enriches the discussion by including Islamic religious values, such as justice, blessings and the economic empowerment of the people.

The opportunities created in entrepreneurship with a Pancasila and Islamic perspective are the creation of a sustainable, inclusive and just economic ecosystem. In this context, entrepreneurship does not only aim to create financial profits, but also to empower society as a whole, including disadvantaged and marginalized groups.

However, there are several challenges that need to be overcome in realizing entrepreneurship based on Pancasila and Islamic values. One of them is ensuring that business practices are carried out in accordance with the principles of justice, transparency and blessing. Apart from that, adapting to social conditions, culture and Indonesian economic regulations is important in facing this challenge.

In conclusion, entrepreneurship within the Pancasila Economic Frame with an Islamic Perspective offers great potential for building an inclusive and just economy. However, to realize this potential, commitment and joint efforts are needed from various parties, including entrepreneurs, government and the general public, to integrate the values of Pancasila and Islamic teachings in every aspect of economic activity.

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