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Exploration Of The Spirit Of Indonesian Accounting In Constitutional Values

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Abstract

Business practices that still prioritize profit interests with a capitalist orientation are one of the problems in accounting practices in Indonesia. This study aims to explore the concept of fair accounting extracted from the values of article 33 of the 1945 Constitution, as Indonesia's economic democracy. This research uses a critical paradigm, with the perspective *of the Political Economy of Accounting* (PEA). Research shows that "Kinship" becomes a conceptual framework for building financial statements based on the mission of social justice. The financial statements presented are reports that must be relevant and in favor of the interests of justice, such as value-added reports, Community Welfare Reports including accommodating the community as shareholders. Furthermore, equitable distribution will be fulfilled to the government, investors, employees, communities, communities, nature conservation and future generations.

Keywords: Indonesian Accounting; 1945 Constitution; Kinship; Community Welfare Report

1. Introduction

The capitalist, liberal, and secular economic system, as in the neoclassical economic doctrine, seems to have become the only economic system even though it has been proven to receive many criticisms for its relevance towards developing countries [1- 4], in his research on accounting and welfare review that some forces continue to influence accounting practices, for example globalization and others, such as accounting scandals that produce episodes of change. Adopting IFRS, the Anglo-Saxon paradigm of "information accounting" has become the paradigm that dominates accounting reporting so that convergence in accounting is considered part of the global neo-liberalization trend [5]. Neo-liberalization is the idea of political economy in the name of human welfare by strengthening private property, free markets, and free trad

Building the Indonesia does not require the import of foreign values but what needs to be done is to knit the values of the nation's own wisdom. Thus, the version used is based on Indonesian values, Pancasila and the 1945 Constitution is the paradigm that forms the basis of the political economy approach in building accounting concepts that have Indonesian meaning. According to [6] Pancasila does not separate science and religion and is a unity that includes materiality, self, social, inner and spiritual self and a divinity community. This spirit can be the basis of values in building an accounting concept that is in accordance with the national identity.

Business practice still prioritizes capitalist-oriented profit interests. As a result, the accounting practices applied in the company serve the interests of the power owners. Building the concept of fair accounting in the context of the fifth precept (of Pancasila) will only be achieved if there is a balance between material elements and transcendental elements, not only stuck on mere material elements. Subyantoro [7] said that the material concept that is used as the main direction in accounting measurement must be balanced with a holistic concept that cannot be measured by a quantitative approach alone. Using the values of Pancasila and the 1945 Constitution requires accommodating holistic values as well as differentiating them from materialistic foreign paradigms. Justice is only imaginary if it negates the values of God and humanity, so the spirit of mutual cooperation and the attitude of kinship are the triggers. This is the main idea which will be discussed in more depth in the following sub-chapters.

Article 33 of the 1945 Constitution is an order for all elements of the nation to be done because it is a mandate. Finding a format is a necessity in order to bring the ideals of social justice into reality. Indonesian economic democracy can be manifested by reviving the kinship principle. This principle is the key to the practice of the national economy which must become the doctrine to all of economic actors. The Indonesian economy is an activity carried out as a joint effort, the meaning of the word “joint” can be ascertained that the people are in it; this parallels with the line in article 1 of the 1945 Constitution which affirms that sovereignty is in the hands of the people. Togetherness will be bound by the principle of kinship between all parties, the government, the private sectors and the society. In this economic system, the government and all the people as well as the private sectors each strives to achieve the nation's prosperity. The state plays a role in stimulating, guiding and directing economic activity. Cooperation and mutual assistance between the government, the private sectors and the society will always be established. The challenges that are faced by businesses and the accounting professions are to create metrics to measure corporate sustainability and seek the new forms of accounting and accountability [8].

The allocation of resources is fully controlled by the state which is used as much as possible for the prosperity of the people. This is different from the liberal/capitalist economic system which is subject to market mechanisms which give freedom to everyone to earn profits and accumulate capital. It is clear that this liberal system is very different from the kinship principle that we adhere to. In "kinship" the value of humanity is upheld, the state will become a universal protector of economic inequality that occurs, so that if there are "families" who experience difficulties (the poor and abandoned children), they will be supported by the state, or it can also be done by "rich families” (entrepreneur/individuals). Based on this value, this study builds an accounting concept that has the character of local wisdom that is ideological and constitutional in accordance with Pancasila and the 1945 Constitution which is then referred to as Indonesian accounting.

2. Methodology

The Indonesian economy is an activity carried out as a joint effort, the meaning of the word “joint” ascertains that the people are included; this is in line with article 1 of the 1945 Constitution which affirms that sovereignty is in the hands of the people. According to [9] the provisions of the 1945 Constitution which provide the authority to the country to control *“... production branches that are important for the country and control the livelihood of the people...”* is not intended for the sake of power solely from the state, but has the intention that the state can fulfill its obligations as stated in the Preamble to the 1945 Constitution, namely; *“...to protect all Indonesians and the entire homeland of Indonesia and to improve the general welfare...”* and also *“...to create social justice for all Indonesian people...”*. The right of state control in article 33 of the 1945 Constitution justifies the state to exploit natural resources related to public utilities and public services. On the basis of philosophical considerations (the basic spirit of the economy is a joint effort and kinship), strategic (public interest), political (preventing monopolies and oligopolies that harm the country's economy), economic (efficiency and effectiveness), and for the sake of the general welfare and the greatest prosperity for the people [10] Therefore, the constitution can not only be seen as a political document that only has civil and political dimensions, but also has social, economic and cultural dimensions [11].

The government must be reminded to return to the spirit of article 33 of the 1945 Constitution, as we read in the Elucidation of Article 33 of the 1945 Constitution "… The economy is based on economic democracy, prosperity for all. Therefore, the production branches which are important for the country and control the livelihood of the people must be controlled by the state. Otherwise, the power of production will fall into the hands of those in power and the people will be oppressed ...". In this explanation, the fathers of the nation have predicted that those in power will abuse their power to violate the 1945 Constitution and neglect the principle of kinship. Isn't there the socio-economic injustice against the people because of the absence of the principle of kinship or brotherhood among us? In togetherness and the principle of kinship, socio-economic justice is implicit in it. It is time for us to work hand-in-hand to restore the constitutional mandate of article 33 of the 1945 Constitution: The economy is structured as a joint effort based on the principle of kinship. Production branches which are important to the country and which affect the livelihood of the people are controlled by the state. The land, water and the natural resources contained therein are controlled by the state and used for the greatest prosperity of the people.

Equitable distribution is an attitude of obedience to God that understands the wealth of the earth as a gift handed down to all mankind in order to fulfill common needs fairly. The management of these resources is always based on the "kinship" principle. This principle is the concept of the accommodation of the divine value which indicates the country's rejection of secularism, materialism and capitalism. In this principle, the content of humanization values is very thick because humanity is the main thing in achieving a goal, not merely measuring the amount of material value that is obtained.

Basing distribution on the principle of "kinship" means that the distribution that is carried out always embraces and accommodates the stakeholders in designing and deciding mutual needs by deliberation. The involvement of the people in deliberation like family members will fulfill the community's sense of justice because they feel they are being treated well by the company. Justice will grow along with the familial relationships that exist between stakeholders without having to be measured by the amount of material provided by the company because the humanism side is the bottom line. All of this can be manifested with the value of our own nation's wisdom, not plagiarism of values from other nations. This concept is certainly very relevant to be applied in our economic system to build people's welfare.

Distribution of resources based on the "kinship" principal for employees must be with a fair remuneration system by taking into account the contribution of employees and their needs. Employees are not only rewarded with the quantity of wages they receive as in conventional accounting which recognizes it as a fee that is charged periodically but should be treated as "investors" with the expertise and energy they serve to advance the company. Employee labor is not bought by the owner of capital but as profit sharing for mutually beneficial cooperation, so it is more appropriate to call it a partnership. This relationship can be reflected as a "family" relationship to provide for each other in a fair and humane proportion.

The community as stakeholders who have a strong family culture cannot be denied will be influenced by the company's commercialization culture. Local culture is slowly being eroded by materialistic culture so that it will affect the social behavior of the community which tends to also calculate the profit and loss for all impacts caused by the company's mining activities. This situation will continue if the relationship between the company and the community does not receive attention and solutions. The pattern of intense communication by the company is the key to the solution. Involving the community in important decisions will help dispel suspicion and restore public trust. Cultivating the kinship principle by adopting the values of local cultural wisdom, namely "*sipakatau (to respect one and another), sipakatuo (to support lives), sipakale'bi (to appreciate one and another)* and *sipakinge' (to remind each other)"* can be a surefire strategy to build contributions that value justice in the eyes of the community.

The treatment towards nature and its sustainability is also very important to be carried out with the concept of kinship. Togetherness will lead to accountability for environmental sustainability and future generations. As a family, it is an obligation to protect the existence of nature and future generations. Exploitation of nature must prioritize sustainability considerations, where the humanity factor is very dominant as the main goal. The determination of production targets does not have to be based on the achievement of profits that will be obtained but rather on consideration of the adequacy of needs that considers the human dimension for sustainability.

The economic system that is applied is ambiguous because the right to control by the state can be delegated to large private sectors or state-owned corporation made by the government itself, without consultation or approval from the people. "Ambiguous" because with this delegation, the role of the private sectors in the management of natural resources becomes so large, where the accumulation of capital and wealth occurs in private companies that have the right to manage these natural resources. Meanwhile, the notion of "for the greatest prosperity of the people" becomes narrow, namely only in the form of taxes and royalties collected by the government, with the assumption that state income from these taxes and royalties will be used for the greatest prosperity of the people. People's involvement in resource management activities only in the form of employment by natural resource management is not a top priority in natural resource management policies in Indonesia.

The trust that the people give to the authorities is then delegated to private actors through giving a very large role to the private sectors, and eliminating the involvement of the people in its implementation. Such an economic system seems ambiguous because on one hand it rejects capitalism but monopolistic practices continue to occur. The solution is, our nation must be more confident in its national identity in building a just and prosperous society based on the principle of economic democracy and the principle of kinship which is more built on the basis of humanity, kinship, emotional and spiritual.

This research was conducted on a state-owned company in the South Sulawesi region, namely PT. ABC as the largest manufacturing SOC in South Sulawesi. PT. ABC is the largest state-owned company in Eastern Indonesia which occupies an area of 715 hectares which is about 68 kilometers from the city of Makassar. The company, which has an installed capacity of 5,980,000 tons of product per year, has four factories.

Informants were selected from the local community, company leaders, non-governmental organizations, government, and academics as well as local community leaders who understand the local wisdom of the local area. Data collection uses the method of documentation, archival records, interviews, direct observation, and participating observation.

This study uses a critical paradigm, with the perspective of the Political Economy of Accounting (PEA), which is a concept used to understand the role of accounting in economic, social and political contexts, or examines how the role of accounting in certain contexts, both organizational and wider environment [12]. Indonesian PEA becomes a critical perspective in identifying conventional accounting practices that are in the interests of capitalists to build accounting concepts that are more prosperous for the people, employees, and the environment. The analytical tool used in critical theoretical approaches is the Political Economy of Accounting (PEA). PEA was first introduced by [13] which further developed this PEA study with the emergence of other researchers, namely [14 - 19].

Several analytical steps were carried out by exploring the concept of Indonesian Accounting with article 33 of the 1945 Constitution, namely: first, understanding by revealing the meaning and importance behind the use and distribution of resources including profit figures from informants based on their understanding, feelings, vision, experience, assessment and their perception. The second step is to conduct a critical review of the use and distribution of these resources and profits by using the perspective of article 33 of the 1945 Constitution as an analytical tool in justifying the concept of social justice. Justice in all joints and stages of human life is in accordance with the noble ideals of the Indonesian as contained in Pancasila.

3. Result and Discussion

Carrying out business practices in accordance with generally accepted accounting principles gives the impression that the problem has been resolved. The resulting report is claimed to show the perfection of the information that is needed by the users. Is the information generated from the accounting system really needed and useful for all stakeholders? The obvious answer is that if the information is provided to owners, management, creditors and suppliers, it will be useful according to their needs. Why? Since they all have a business interest, remember “only business”.

What about other stakeholders; community, nature, and future generations as parts of which also affects and is influenced by accounting practices. They only become subordinate objects, parts that are considered less important, do not contribute materially, so they only become a burden for the company if they have to be considered. Accounting standards also do not require providing special treatment in business, because the business must be efficient, according to fair value, the cost-benefit principle must be a real measure in accounting calculations so that capital can be maintained and continue to bring profits to its owners.

To make changes in accounting behavior, the most blamed thing is the accounting standards that are considered to be the basis for their application. So is it necessary to change accounting standards? [20] said that there are two reasons why this regulatory change will not fix the crisis of financial reporting. First, this crisis is substantially an independent matter, apart from problems/disruptions caused by regulations. In [20] problem analysis conducted by [21] regarding "creative compliance" with accounting regulation, it is clear that the problem lies in the attitude. Second, although a little away from the reason why we should not blame accounting principle for the problem of the financial reporting crisis lies in our different views on moral principle and moral considerations.

Accounting practices can eliminate the moral dimension and we see this crisis as the basis for a crisis of moral authority and judgment [20]. We see accounting regulations losing their moral legitimacy power. Moral does not seem to be for accounting but only for religious activities or in Pancasila education which cannot penetrate the fortress of accounting which is coated with the "steel of capitalism". Why should accounting science be far from society and nature, while its existence departs from the social reality of environmental interactions? It is power that can change all that and the most powerful is money. It is the rich who have the potential to reduce moral values in accounting for the bottom line of profit to accumulate wealth without distributing it for the common welfare. SOCs as government companies are also powerless to escape from the conventional accounting system, why? The accounting system has been very well established both in terms of theory and practice so that it has been schemed so systemically. The roots are like tangled threads that are difficult to find the knots. This does not mean that the accounting system, especially SOCs, cannot change according to the values of the nation's wisdom. For example, PT ABC's good deeds are willing to share with underprivileged communities around the company in the form of "foster children" activities. This program is driven by Mr. Abdul Azis Tahir as the CSR Manager which according to him, was initiated by him and his fellow employees through discussions. According to him, this program is non-budgetary, meaning that it is not financed from the company's budget but purely from the salary of each employee, which is deducted every month for each adopted child, which is at least one person per employee. Another program with the same scenario is to teach/teaching in high school every Saturday which is held once a month. The waste-bank program is also an employee initiative program.

PT. ABC employees carry out social programs as a matter of pride for their commitment to community and the environment. This situation can also be used as a starting point as a corporate culture. As employees they are very aware that the company should be able to become an economic and ecological solution for the community and the environment. If this program is part of the company's performance, it will greatly contribute to the surrounding community and will foster empathy for the company. PT ABC's social commitment which has been formally implemented until now by the community still gets various responses, some will find it useful, and some will think it's normal and less useful. It is undeniable that this program will certainly benefit the community, but they feel that they have not touched the needs of the community. Mr. Alam Simuang Ago as the Head of Biring Ere Village (the location of the PT ABC factory) revealed that:

> *"Ehhh…* thank goodness for the PT. ABC for me, they contribute enough but it's just that you know, we expect more. In quotes expecting more because we are exposed to the impact of this (pollution of dust) daily)."

Mr. Alam's view as the village head as well as the community shows that they are dissatisfied with the company's contribution, although they still appreciate the benefits of the program. Mr. Alam sees the need for synchronization between community expectations and the program, meaning that the company's assistance program should be implemented proportionally according to the level of negative impact they cause.

This program is not just an image, but requires a program that is based on “love” to the community and their environment. Community is an active energy that has a critical power over what they experience. They can feel what's really going on; they can tell the truth from lies. The rights of those who have been "deprived" actually will not be questioned by them if it is directly proportional to their economic and social impact. The irony is that article 33 of the 1945 Constitution emphasizes the state's control over natural wealth which is used as much as possible for the prosperity of the people, but it becomes a paradox with the company's practice.

SOCs accounting is also distorted by the capitalist system that is already well established. The lack of distribution to the community, which is reinforced by statements from the village government and community leaders, indicates that a revamp of the accounting concept is needed. The purpose of accounting is not only to report financial information about company performance that is intended for business management or investment decisions, but more broadly to achieve people's prosperity as mandated in article 33 of the 1945 Constitution.

Reports on the welfare of the surrounding community are important to pay attention to because they are directly related to company resources as production inputs as well as communities that are directly affected by negative externalities from the company. Reporting the number of distributions to the community every year is indeed important but needs to be evaluated whether the contribution has an effect on community welfare. Therefore, it is very necessary to report the economic development of the surrounding community from year to year as a result of the company's contribution.

Manifesting this goal requires character building based on the nation's own ideology so that accounting becomes part of the inter-connection of national ideals and goals based on Pancasila, namely achieving a just and prosperous society which is also stated in the second paragraph of the Preamble to the 1945 Constitution. This goal will be achieved by state and the people so that the accounting system must be derived from these ideals and goals.

3.1. Building the Spirit of Indonesian Accounting

Character is the values that underlie human behavior based on religious, cultural, legal or constitutional norms, customs, and aesthetics (Kemendiknas, 2010). If it is associated with accounting science, then building Indonesian accounting character is a planned effort to make the content of accounting values embedded in knowledge, awareness and actions to implement values towards God, oneself, society, and the environment, as well as with the state. Scientific model that has Indonesian characteristics, namely religious (religious), humanitarian (humanist), social (social), and have a national commitment.

Accounting with the character of Indonesia is accounting that relies on divine values. This concept is the basis that believes that needs are not only material but also great importance to non-materials. Building a sense of justice will be impossible if you only measure it with material abundance but must be supported by spiritual satisfaction. Thus, Indonesian accounting is very synonymous with recording and reporting systems that have divine accountability that serve the needs of all stakeholders with the aim of manifesting social justice.

Humanity is the basis of practice that is applied as an achievement strategy to always uphold the human limitations of each individual. Accounting alignments are proportional to human interests (investors) without discrediting other humans (employees and society). Humane accounting is accounting which in practice recognizes equality, equal rights and obligations proportionally, loves each other, respects and cooperates with each other. This attitude is a reflection of the principle of kinship as in the mandate of Pancasila and the 1945 Constitution.\

The cultivation of these values is expected to shape the character of accounting science and will subsequently influence the behavior of accounting actors. The Indonesian character in the context of accounting means that we have to move away from a system that only serves the owners of capital and rulers, but must be able to change the view from just a profit orientation to a national orientation and love for the homeland which not only prioritizes profit but is also very empathetic towards God, humanity, society and also the sustainability of nature. This value becomes very important as an Indonesian character that will be a differentiator with other nations as the embodiment of national sovereignty that stands on its own. That is the self-image of Indonesian accounting.

Indonesia with its diversity, namely various differences in religion, race, ethnicity, culture, understanding, and level of education, should not be a weakness but a potential that must be utilized for mutual benefit. It is necessary to convince all national organs that our existence is always bound by a sense of nationality. Even though we have different religions, races, ethnicities, and cultures, we have one thing in common. We are all from Indonesia. It is natural for religion to teach us that loving our homeland is a form of manifestation of faith.

The Indonesian character in accounting practice can be manifested by changing the perspective on the functions and objectives of accounting itself. The purpose of the state in managing the natural wealth of the country is for the prosperity of the people, so that the management apparatus must also be in synergy with the goals of the state. Accounting in this case must be based on nationalism which must also serve the state in manifesting the prosperity of its people. The production system cannot be separated from the underlying values, the principles of togetherness and kinship must be formed in every accounting entity. If only with "spiked bamboo", Indonesia can achieve independence from the invaders, then why should we be pessimistic about our own abilities? In the colonial era where the people were in complete limitations, it turned out that they were able to stand up and fight bravely to repel the invaders. The heroism of the Indonesian people should be a lesson for elements of the nation to always maintain national values which have been proven to be effective in bringing Indonesia out of colonialism.

As a nation that has a long history, the forms of Indonesian nationalism awareness are in the form of awareness of pride as a nation that has independence and courage, honor, awareness against colonialism, awareness of sacrifice for the sake of the nation, awareness of nationalism and regional awareness towards Indonesianness. Modern colonialism is no longer taking up arms but the ability to continue to fight the undermining of foreign ideologies that dominate our economic system.

3.2. Designing a Constitutional Accounting Concept with Togetherness and Kindshi

Some views that the price of the market mechanism is misleading information because it is proven by perfect competition which then becomes absurd due to information asymmetry [2]. If the price can indeed describe expectations, why should there be a recession or economic crisis that actually occurs in the established situation of the market system. [13] has also warned that efficiency does not occur due to market mechanisms but behind that political economy forces actually become dominant in influencing the business activities of a company. Efficiency in the meaning of free/neoclassical markets has proven inconsistent and will always have the effect of failure in building economic prosperity. This situation may be understood with a view [3] , that:

> The indicator of growth in national income per capita is actually not a good measure of progress and overall economic and social development. For those who insist that Indonesia must continue to pursue economic growth…, we would like to remind them of the dangers of political unrest that could arise at any time.

Returning to the nobility of Indonesian values according to Pancasila and the 1945 Constitution can be a solution if self-confidence in one's own character can become the attitude and behavior of the nation. Economists/intellectuals do not have to submit to liberalism or be proud of American-European thinking, but use it as an exploration material to finalize the concept of Indonesianness. The perspective of the economic constitution, article 33 of the 1945 Constitution views the concept of efficiency by the market *vis a vis* with the values of social justice as the Indonesian economy is structured on joint efforts and the principle of kinship. That is, from here a concept of efficiency can be formulated which is different from the conventional concept that has been practiced so far. The market mechanism cannot fully determine efficient prices as in the theory of the Efficient Market Hypothesis (EMH) but a mechanism is needed that is more in favor of the interests of togetherness and is carried out with a sense of "kinship".

The concept of an efficient market in the 1945 Constitution is a just efficiency that ensures the welfare of its people, not just investors. This concept by default may still be difficult to find if you witness economic injustice. The practice of state-owned companies (BUMN) is to carry out company operations that consider profit as the bottom line, so that the exploitation of natural resources, negative externalities, and labor injustice even come to the problem of reducing social values. Even the CSR practice is still just building an image to make it seem humanist and ecological with the aim of making a profit, as stated by Mr. Abdul Azis as CSR manager that:

> "……yes, because it is an investment, everyone knows, when people talk about investment, people don't think 'I have to spend money because what we invite is definitely bigger than what we spend'. So understanding CSR as an investment, if people already know that CSR is an investment, although there are still few who believe this, that what we actually spend is, what we get is much bigger."

Even companies with social commitments are not selfless, but still have a utilitarian nature that always views the principle of benefit, all of which have business reasons in it.

This condition is the focus of the community around the company, who considers the company to only exploit the natural resources around it without providing balanced compensation for the surrounding community as part of the nature. As stated by Mr. Sidda S.A. in an interview with him who looked so pessimistic when the author asked questions about people's expectations of PT ABC. He said as follows:

> "…yeah, but try to look at it, sir. The Biring Ere Mountain, right? The soil of Biring Ere has been exploited massively, all of the community's mountains here, after becoming the industrial's goods, they (the people) don't get it directly, yeah, except they buy it with the high price. They should share some so that the people enjoy the benefits a bit as well, what is being enjoyed by the Tonasa, the community/people of Biring Ere should enjoy too".

People's expectations for the company's contribution are certainly very large considering that the natural wealth managed by the company is the property they have been living on. The company needs to pay special attention to the community by imposing a special price below the market price as compensation for their position in the company's exploration and exploitation land. The principle of kinship is important to be applied to the surrounding community as part of the big family of PT ABC. Reference to the state constitution should be revitalized; not just a silent sheet that only exists in book texts and speeches but is very isolated from existing practice.

The accounting position on these "unconstitutional" practices (not in accordance with the 1945 Constitution) plays a major role in creating socio-economic inequality. Accounting as part of decision making contributes to the interests of the power owner. The viscosity of the values that bind it (value laden) makes accounting flexible where it is practiced. If Indonesia prides itself on the values of kinship, mutual cooperation, and people's welfare, then accounting can also be formed based on Indonesian principles or values. Problems always arise regarding the difficulty of implementing article 33, the capitalist power is already very dominating, and they are in the seats of power, regulators, even on behalf of the people. The difficulty of implementing the 1945 Constitution is certainly as difficult as building an Indonesian accounting concept.

The difficulty of implementing accounting that serves the welfare of the people does not mean stopping the struggle. Indonesian ideas need to always be revived to form people's awareness of the latent danger of capitalism which at times becomes a nation's colonialist, usurping people's rights in the name of the interests of the state. Efficiency with justice is the hope of the people through article 33 of the 1945 Constitution. Efficiency that balances the interests of the company and its stakeholders is not free market efficiency as has been practiced so far in companies.

This dominant position of the capitalist system will continue to occur and will further distance the ideals of social justice as in the fifth principle of Pancasila. The sovereignty of the people's economy will be disturbed and even eliminated and replaced by a foreign system imported from the country of capitalists who adhere to liberalism which is actually very irrelevant to Pancasila and the 1945 Constitution. The strength of their capital is able to crush the local order which does seem fragile. The practice of the principle of kinship can be seen from cooperatives by observing two cooperative principles, namely the principle of voluntary and open membership. That means, everyone who has an interest in the field of cooperative business can become a member of the cooperative. Furthermore, the cooperative also applies the principle of democratic control by members. Meaning, each member of the cooperative has the same voting rights, one person one vote [22]. By practicing these two principles, it is clear that the guarantee of individual freedom rights is guaranteed which is free from the domination of capital and individualism. The case of workers and employers where workers are always exploitative objects will not occur by the principle of kinship which in turn becomes a cultural system of cooperative organization with the principles of togetherness and mutual cooperation.

Why are SOCs not managed like cooperatives to implement the principle of kinship? The direction of our business always reflects to the western world and on the other hand cooperatives have not shown good performance and in many cases they have gone out of business because they are managed only half-heartedly. It is different if SOCs (BUMN) as a company is backed by business professionals and a strong capital structure, it will certainly have a tremendous effect. If the principle of kinship is applied, then the participation of workers, management and the community can be connected to each other as a bulwark for the sustainability of the business and its stakeholders. Indeed, what is most decisive is the existence of laws that are actually derived from the mandate of the 1945 Constitution, not "outsmarting" instead, with interpretations as if they are in accordance with the constitution for the interests of certain parties.

3.3. Indonesian Accounting Construction: Kindship-Based Accounting

Thinking of Indonesianism with one Godas the head will give birth to the idea that God is the highest stakeholder, so corporations should have an awareness of divinity which has always been the spiritual values in building divine accountability. The concept of divinity will then give birth to the concept of the company's RahmatanLil‟alamin to stakeholders. Without using the sharia label, the value of divinity becomes a bottom line according to the Pancasila ideology which can then be the basis for connecting values between society, the environment and companies for mutual prosperity. In relation to PT. ABC, building social responsibility based on divine values will ensure the sustainability of all aspects of life, ensuring harmony, security and welfare of the community and employees without having to formally declare that they adhere to the sharia system, because this is a manifestation of the actualization of Pancasila value which is believe in Almighty God.

In the context of Indonesia's economic development based on Pancasila which cannot be separated from the kinship values itself, the 1945 Constitution complexly mandates that the economic system that we will build together must be based on the principle of kinship, not based on the principles of individualism and collectivity alone which will prioritize certain individuals or certain groups. On the basis of the field problems that occurred, it is necessary to change communication by applying the principle of kinship to the accounting system that makes Pancasila and the 1945 Constitution the basic principles that will affect its practice. This principle is at the same time a bulwark for the teachings of secularism which are completely outside the values of Pancasila. The distribution of wealth in accounting does not only prioritize the interests of a handful of capital owners but also to the wider interests, namely as much as possible for the prosperity of the people. The natural wealth in the bowels of the earth or in Indonesian waters is all owned by the state whose designation is for the welfare of its people. The company in running its business is not only concerned with profit for the company and separates itself from stakeholders.

The concept of entity theory considers the entity as something separate and different from the investors in the company. The business unit is the center of attention that must be served, not the owner [6] This theory makes the company as the party that owns an asset, thus Entity theory only views the use of assets for the benefit of the company and the owner only. This kind of concept should be reduced in order to create an even distribution. Therefore, the principle of the company must adhere to the principle of kinship in which the company, capital owners, and stakeholders become an inseparable part. The existence of each will be intertwined in harmony, mutual respect, mutual assistance, mutual support, responsibility, and care for others. This concept is in line with enterprise theory which views the company as aiming to provide welfare to several groups of people who have an interest in the company [6].

Enterprise theory opens up opportunities for value added statements (VAS) to be accommodated as an alternative income statement or as a complement. VAS can provide information about the added value obtained by the company during a certain period and to whom the added value is distributed. The reporting principle is not only to present value added reports to investors/owners but to all parties (stakeholders) who contribute to creating added value. This theory will greatly support the manifestation of the concept of Indonesian accounting which has an orientation towards achieving a just and prosperous society. Enterprise theory is in line with the meaning of "kinship" as the social character of the Indonesia which has been stated in the constitution. If the Indonesian accounting concept can be applied, the VAS can be an important part of the financial statements presented.

Changing the view from entity to “kinship” will build a harmonious relationship between the company and its stakeholders, so that the going concern principle will also experience a renewal of meaning as a continuous sustainability for the prosperity of the people. This means that the existence of the company will continue to be protected by the government and the community because it is efficient for the benefit of the people. Likewise, the disclosures made by the company are no longer merely providing information for investor decision-making but more so as a form of accountability to God, society, government, environment and other stakeholders. Following is a table of Indonesian accounting structure.

Table 1. Indonesian Accounting Construction

Accounting Characteristics	Conventional	Indonesiaism
Accounting Principle	Secular *(Value Free)*	Pancasila and UUD 1945 *(Value Laden)*
Distribution Principle	Priotize the stakeholders	As much as possible for the prosperity of the people
Entity Principle	Separation of businesses and owners	Kinship
***Going Concern* Principle**	Take place continuously based on the existence of assets	Take place continuously for the prosperity of the people
Disclosure	For decision-making	As a manifestation of accountability for God, society, environment and other stakeholders
Reporting	Financial Reporting	Financial Reporting, Added Value Report and Community Welfare Reporting
Equity	Investor	Investor and community

Source : Analysis and processed data results

Presenting Indonesian values in accounting as a spirit, will make it a conceptual framework, so that it has the potential to be applied in standard form. Conventional accounting principles today do not mean bad but are deemed necessary to complement them so that they are correlated with the ideals of Pancasila and the 1945 Constitution, namely a just and prosperous society. This Indonesian accounting construction will be a hope for the fulfillment and completeness of a financial reporting system that presents the company's economic performance as well as reports on social performance in the form of a Value Added Report and a report on the development of community welfare. The "kinship" spirit will also accommodate the community as one of the owners of capital with consideration as an inseparable part of the surrounding natural wealth.

The Indonesian value reflected in the form of financial reporting is a concrete solution as a consistency to implement it in the company. The value added statement is required as a part or replacement of the income statement. The weakness of the income statement is that it only provides information for creditors and shareholders, while the value added report assumes that all parties involved in the company's performance have the right to get a share in accordance with the sacrifices given. The following illustration of the difference between the income statement and the value added statement is presented as follows:

Table 2. Conventional Income Statement versus Value Added Statement

Conventional Income Statement		*Value Added Statement*	
Sales	*2000.000*	*Sales*	*2000.000*
Less: Material Used 200.000		*Less: Bought In Material 200.000*	
Wages	*400.000*	*Service Purchase*	*600.000*
Service Purchase	*600.000*	*Depreciation*	*80.000*
Interest	*120.000*	*VA To Distribute*	*1.120.000*
Depreciation	*80.000*	*Distributed :*	
Profit Before Tax	*600.000*	*To Employees*	*400.000*
Less: Income Tax(20%)	*120.000*	*To Capital Provider:*	
Profit After Tax	*480.000*	*Interest*	*120.000*
Less: Deviden Payable	*200.000*	*Dividen*	*200.000*
Retained Earnings For The Year	*280.000*	*To Government*	*120.000*
		Community	*80.000*
		Retained Earnings 200.000	

Source: [23]

The value added report thus, measures the increase in value to all stakeholders while the income statement only presents the increase in the wealth of the owners/shareholders. The distribution of surplus values that are obtained transparently can be shown and accounted for. All parties that are deemed to have financial or non-financial contributions have the right to get a share of the wealth that are generated by the company. This report has the principle of enormous benefits for the welfare of stakeholders in maintaining mutual sustainability.

The value added statement has shown the distribution to the community as the company's main stakeholder which is very important to pay attention to. Whether the distribution have an effect on the welfare of the community, then to support and measure the influence of the distribution it is necessary to present the development of economic welfare. Commitment to contribute to the welfare of the people is the basic foundation for making it happen. Community Welfare Reporting is the implementation of the commitment to implement article

33 of the 1945 Constitution, in which the earth, water and the wealth contained therein are utilized as much as possible for the prosperity of the people. The concept of the report is as follows"

Table 3. Community Welfare Report

	Financial	Welfare Development (%)		
		TS-2	TS-1	TS
Expenditure to the Community:				
Facility Establishment	xx			
Public Health Program	xx			
Education Program	xx			
Partnership Program	xx			
Housing and Environmental	xx			
Charity	xx			
Total Welfare Funds	xx	xx	xx	xx
Job Creation		xx	xx	xx
Community per capita income		xx	xx	xx
Community Development Index		xx	xx	xx

Source: Analysis Result

Reports on the distribution of resources by companies are important to be presented in detail in kinds of forms the expenditures take and their benefits need to be measured. So far, the company's CSR program has been considered as a waiver of obligations because it is not accompanied by measures of achievement. With this community welfare report, it is easier for the company and all stakeholders to evaluate the company's social performance. The ideals of social justice are no longer mere jargon but are actually concrete in the form of programs that are monitored by reports on public welfare. Accounting practice is thus bound and devoted to Indonesian values, not liberalism and capitalism. The idea of Indonesianism will always live and will have enormous power if it gets government support in manifesting the mandate of Pancasila and the 1945 Constitution.

According to Hamka, the goal of state formation is to bring social justice into reality [24] so it is appropriate that social justice as the last precept of Pancasila. Hamka continued that social justice will only be manifested if the leader is able to hold the mandate. A trustworthy leader is a leader who has faith who is always afraid of the Creator. The divinity in the first precept is the justification of Indonesia as a country that prioritizes divine values as the basic foundation of the state which rejects forms of secularism. Pancasila and the 1945 Constitution contain a definite goal, namely social justice for all Indonesian people and the state is obliged to help its citizens be able to achieve a decent standard of living [3]. Here, it is clear that the relationship between social justice and government is a symbiotic mutualism. The role of the government is ensured as a necessity that must exist in making it happen, not based on market mechanisms. The government is very responsible for the mandate of Pancasila and the 1945 Constitution as the philosophical basis and state constitution.

"Kinships" not only concerned with material things but fosters justice with a non-material distribution so that it is very far from the nature of materialism which is full on the nature of greed. The prosperity of the people does not have to wallow in material things because an attitude of gratitude for everything that is obtained can give a sense of satisfaction for a sense of togetherness. Next is, a thing for thinking is how to eliminate the attitude of dependence on material. According to [25] to change behavior in the company, the performance evaluation system must be changed. Thus, material-based performance will give birth to materialistic behavior, so if you want to create fair satisfaction, performance must also be measured by non-material aspects. Treatments become the starting point to provide a portion of humanity through "kinship".

"Kinship" then becomes the conceptual framework for building a financial report based on a social justice mission. The presentation of financial statements and supporting reports that are equally important can be manifested in the form of a value added statement, a Community Welfare Report and including the accommodation of the community as shareholders. If this report is presented, the optimism for business sustainability will be maintained and nurtured. Furthermore, equitable distribution will be fulfilled to the government, investors, employees, communities, communities as well as the sustainability of nature and future generations.

These basic Indonesian values will be the difference in viewing the distribution system of resources that will manifest social justice. Social justice is also the concept of 'justice' that is contained in Pancasila and the 1945 Constitution, as interpreted by [3] in his definition as follows:

Social justice is a condition of the atmosphere of community life where every citizen feels safe and peaceful, physically and mentally, because the principles of justice that are considered valid and approved by the community, are recognized, and carried out in an orderly manner by all members of the community.

The concept of justice does not necessarily have to be measured by the fulfillment of material needs, but can be a feeling, a value order that provides a sense of humanity and peace. The Indonesians describe the society that is aspired to as "social justice" for all Indonesian people, which means that all people, large, small and from any group and class must be able to enjoy a sense of security and peace so that a just and prosperous society can be manifested.

4. Conclusion

The company's commitment to the benefit of its stakeholders requires a different concept from conventional practice. Pancasila teaches the concept of divinity, so that stakeholders must also include God in it which will become the strength of the ukhuwah of the stakeholders. This structure then strengthens social life to achieve social justice as a condition of a prosperous society. Therefore, Pancasila is an adhesive solution for harmonization of companies and stakeholders that emphasizes its adherents to apply the implementation of justice in the life of the nation and state. By making the value of Pancasila in compiling and building a company, social justice is the company's main strategy as an indicator of the company's social performance in building and developing its business.

Building the concept of Indonesian Accounting is needed as a critical effort of accounting which is believed to still be materialism because of the reference that is used by capital power. The case of Indonesia with its national wisdom can be used to construct the concept of Indonesianism Accounting. The divinity in Pancasila is the basis of values to be applied in the concept of Indonesian Accounting. The affirmation of the values in the 1945 Constitution, especially Article 33, namely "kinship", the principle of people's prosperity, and the principle of sustainability for future generations and with an environmental perspective are the basis for distributing corporate resources and profits to create social justice for all Indonesian people in accordance with the precept 5 of Pancasila.

Indonesian accounting is an accounting system that is committed to the achievement of social justice. Indonesian accounting has a "kinship" characteristic as a distinct difference from individualism. Support will always be given to the common interest of the company, investors, society, the environment and the state. Accounting reporting supports the accommodation of welfare reports and capital ownership by the community. This realization will only be carried out if it is supported by the state, in this case the government, which always carries out the people's mandate, Pancasila and the 1945 Constitution.

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