Ethics And Economics: Synthesis For Business Implementation In Indonesia

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Abstract: The purpose of this paper is to see the ethics and economics perspectives to synthesis the business implementation in Indonesia. For the purposes of the paper, researchers analyzed and investigated the data and the extensive literatures. The data and review of the literature revealed that the condition of the business implementation in Indonesia from ethics and perspectives can be seen from various factors that have been discussed by the literature or the results of previous studies. There are 3 cases, namely: 1) Businesses that employ minors or children under age, 2) Unethical advertising, and 3) Gender discrimination in business. The contribution of this study is to provide solutions and recommendations according to the analysis or 3 cases of those literatures.

1. INTRODUCTION
If we hear the word business then we will associate with how a company or industry or business people look for profit economically. During this time, the concept that business can be said to be good is seen from 3 aspects, namely legal, economic and ethical aspects. A good business from the legal aspect is a business that is legal business, a good business from an economic aspect is a profitable business, we will definitely agree on this. How can we do business if we don't make a profit or even get a loss. Then, good business from an ethical aspect is ethical business, here means the intention is in accordance with the prevailing view in the community of a country, in this case for example in Indonesia. Ethical business is a business that does not harm others, honest, responsible business, does not disappoint consumers, the environment and company employees. In this article, researchers only discuss 2 aspects, namely economics and ethics. But the economic perspective is not only seen from the business side but also by consumers and workers. From the ethical aspects actually indirectly also related to legal aspects or rules that apply in society, so researchers discuss more deeply and limit the ethical and economic aspects only. We need a conception of ethics and economics including its implementation in business. We agree that (a) the traditional idea of a fundamental contradiction between economics and ethics, and (b) uses economics as a resource for re-thinking ethical concepts. Conceptually, business that is good economically and ethically is the opposite, meaning that sometimes companies are only profit-oriented but do not pay attention to ethical aspects, how companies must remain profitable by making others or other parties suffer. But there are also companies that continue to apply ethics in conducting their business. The company is not required to abandon its economic calculations, but rather to improve this calculation by taking into account long-term effects on its reputation.

Business ethics is an investment for some companies. If a manager is unable to use ethics for the company’s success then he is a bad manager. The ethics implementation for business means complete formal contracts and rules, but on the one hand, there are still incomplete contracts, gender discrimination, employing minors, etc. Based on this, the researcher wants to dig deeper into the ethical and economic concepts related to business and how they are applied in Indonesia.

2. LITERATURE REVIEW
According to Bertens, there are three concepts of understanding of ethics. First, ethics is used in the sense of moral values and norms that are a guideline for a person or a group in regulating his behavior. Second, ethics in the sense of a collection of principles or moral values or code of ethics. Third, ethics as a science of good and bad [2]. From some of these understandings, researchers can conclude that ethics is a science that explains the meaning of good and bad, shows the way to do what must be done, states the goals to be directed by humans in their actions and explain what humans should do to others. Business is an activity or business carried out by someone or a group of people to obtain income or income in order to meet the needs and desires of his life by managing economic resources effectively and efficiently. According to Skinner defines business as the exchange of goods, services, or money that is mutually beneficial or beneficial [12]. Meanwhile, according to Straub andAttner's view, business is nothing but an organization that carries out the activities of producing and selling goods and services desired by consumers to make a profit [19]. In business there are certain rules or laws that must be obeyed by business people, both written and unwritten rules. Likewise also in terms of ethics, there are ethics that must be run so that the business runs well. Without ethics in doing business, it can lead to monopolistic practices of trade, competition between companies can be unhealthy and unfavorable, environmental pollution, and consumers are disadvantaged. Business ethics is a guideline in determining whether or not an action or policy is carried out by a company or businessman in conducting his business. In recent times, economic actors have realized that economic growth will one day stop if economic activities or activities do not pay attention to social and environmental issues. According to Peter Fisk, economic actors need to pay attention to holistic economic, social and environmental challenges. All of that can be combined as forces that have the potential to create a better world. Therefore, the emphasis...
is that economic growth will only continue if economic activities are integrated with social and environmental priorities [7].

3. METHODOLOGY
This research is a literature review research study. For this purpose the researchers consulted numbers of national and international reviewed papers, online newspapers, book journals, and findings of research studies in order to find out the business implementation in Indonesia from ethics and economics perspectives and give recommendations.

4. RESULTS AND DISCUSSIONS
Some cases related to business in an ethical and economic perspective in Indonesia, namely:

1. Businesses that employ minors or children under age.
The case in Indonesia also still occurs, namely there are still companies that employ minors. Based on the data obtained it can be seen that:

| Table 1 Number Of Cases Of Employing Minors or Children In 2015-2018 |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Number of cases of employing minors or children | 2015 | 2016 | 2017 | 2018 |
| 1832 | 2511 | 2636 | 2721 |

Source: [3]

From table 1 above it can be seen that the case of employing minors every year in Indonesia is increasing. Children should not work, but there are a number of things that lie behind both the companies that employ them or even from the side of the children themselves. Not only working in companies, factories and so on, underage workers in Indonesia can also be seen from the many young artists who appear on television and other mass media. The data in table 1 above does not include work as a child artist. It seems these young artists enjoy their hobbies channeled or become famous people whose impact can increase their economy. However, keep in mind that they are only children, where children their age should still be playing and focusing to study in school. The presence of young artists in Indonesia lately is able to add color to each screen. Who would have thought that many young artists present in Indonesia with their talents. With his talent, these young artists are able to support his career in the entertainment world [6]. Children are not supposed to work, even as entertainers (artists). The Indonesian Child Protection Commission in 2014 once highlighted the emergence of young artists on television whose shoots took more than three hours. In fact, according to article 1 paragraph (1) of Law Number 23 of 2002 concerning Child Protection, the definition of a child is someone under the age of 18, including a child in the womb. Meanwhile, according to article 69 of Law No. 13 of 2003 concerning Manpower, children may be employed if they are 13 to 15 years old. However, there are conditions that must be met, including light work and does not interfere with physical health and mental development of the child. Plus, the employer also needs permission from the child's parents and there is a clear employment agreement. If the provisions are violated, then the action of the entrepreneur or businessman is called a crime. According to the Child Protection Act, the threat of a maximum sentence of 10 years in prison. Meanwhile, according to the Manpower Act, the threat of a maximum sentence of four years in prison [13]. Viewed from an economic perspective, in this case the economy from the worker's side. The case of employing minors or children can also occur due to various factors one of which is the family economy. The economics of a poor family is the background of parents allowing or even telling their children to help earn money and extra income with the aim of meeting the needs of family life. Researchers agree with Basu, that assumes that parents will not send their children to work if this is not economically necessary to sustain the family. If parents don't earn enough or are unemployed, children are more likely to be sent to work. Now if the country is relatively well off, then a total ban on child labor can be effective without having any negative effects: adult wages rise and adult unemployment goes down. The economy which had been caught in what Basu calls a ‘child labor trap’ [1].

Table 2 Percentage Of Population Living Below The National Poverty Line By Age Group in 2015-2018

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Percentage Of Population Living Below The National Poverty Line By Age Group</th>
</tr>
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<tbody>
<tr>
<td>&lt; 18 years old</td>
<td>2015</td>
</tr>
<tr>
<td>&lt; 18 years old</td>
<td>13.67</td>
</tr>
<tr>
<td>≥ 18 years old</td>
<td>10.01</td>
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</tbody>
</table>

Source: [3]

From table 2 above it can be seen that the percentage of population living below the national poverty line according to age groups both under 18 years (immature) and 18 years and above (adulthood) every year in Indonesia has decreased. This is contrary to the conditions of cases of underage child labor in Indonesia. Related to poverty, according to David Hulme, chronic poverty is related to the duration or the length of time of people trapped in poverty. At least, there are 4 criteria for chronic poverty, namely: (a) when a person experiences poverty for a lifetime, (b) when someone experiences poverty beyond 5 years, (c) when poverty is passed from one generation to the next, and where parents create for a child the basic assets that have led the child to be poor later in life and (d) when a person dies in a preventable death due to his poverty [10]. By referring to the 4 criteria described by David Hulme above, the case of employing a minor by his own family means that they have been trapped in chronic poverty. In Indonesia, poverty can be a legacy received by children from parents who used to live in poverty.

According to Pieris, there are two things that need to be underlined, namely (a) the fact that many people are poor; (b) imposed poverty, which means that there are large causes outside the poor themselves who force them to be poor, namely unjust political, economic and social structures [15]. Researchers see that to reduce or the solution needed to handle the case, it is necessary to have supervision from relevant parties in this case the government. Supported by the opinion of the head of The Indonesian Child Protection Commission that concerning supervisory and its functions, he said that the existing supervision did not work with the main duties and functions. Every city or district should be fully supervised by the province. However, this did not happen, so labor norms are needed along with high leverage. In the context of Indonesian society it must not have a partial perspective. On the other hand, in Indonesia there is a local...
value which is quite high where children who help parents work in the fields are an effort to instill character in children besides the family economy is also behind it [8].

2. Unethical advertising
The next case concerns unethical advertising. The purpose of advertising is economically clear is to promote goods or services and to sell more and more effective products to consumers that have an impact on the profits of business people and producers. However, if we look deeper into the economic aspects of advertising, it is very broad, not only producers or advertisers and the general public as consumers but also involves many parties, namely advertisers, advertising agencies, the media used for advertising, advertising researchers and policy, as well as the government. So it can be concluded that the benefits of advertising in economic aspects also directly affect the economic actors themselves. It is clear that the maximum profit is the goal that all companies and business people crave. But other benefits are also felt by other economic actors, for example, for consumers, advertising provides information about how and where goods and services can be sought, purchased and in accordance with their needs and are met easily and efficiently. In addition, advertising consumers can also educate consumers to be able to improve their standard of living. This of course has an impact on other economic actors such as workers in the company because with the production process that is always sustainable, against the background the higher standard of living of the community will have an impact on the higher level of demand for goods and services; and this in itself increases the productivity of companies. Then increasing productivity also benefits workers. Other benefits for economic actors are advertisers, agents and mass media used by advertisements, because by loading advertisements on mass media, production costs, taxes, or other financial problems that must be borne are relatively lighter. Thus, advertising can also benefit the mass media. The ad informs the public about the goods and services that the producer has just produced, their scarcity, and how to rationally obtain them. Advertising provides information about consumer decisions, creates efficiency in economic action, and cheapens prices. Advertising stimulates economic growth through expansion of business and commerce. All of this can contribute to the better life. Advertising helps finance publications, programs and productions in the information sector. Advertising can also entertain and arouse aspirations. Without us realizing it, advertisements are actually shown as economic and social forces that affect most of our lives, especially related to the efforts to get goods and services that satisfy needs [9]. If we look at the economic aspects of the advertising business, what is seen is profit for all parties. What about the ethical aspects? How is the application of ethics in the advertising business in Indonesia? The debate about the ethical or unethical nature of an advertisement generally revolves around the loss of the informative dimension or educational aspect of advertising intended that the reduction of advertising to solely persuasion and suggestion media. As Christina Slade said, the advertisements displayed in such a way in the mass media have one final goal to be achieved, namely the decision of the public or consumers to buy the goods and services offered in the advertisements. That the business of advertisers in turn is to sell their message. The implicit message of every advertisement is a call for action from those it is directed to. Usually it is a call to buy [16]. In fact, as Britt also emphasized, advertising from the beginning was not intended to enslave people to depend on each of the goods and services offered, but instead became masters of themselves and their own money, which then freely determined to refuse, postpone or instead buy goods and services offered in advertising [9].

The case that occurred in Indonesia is the number of cigarette advertisements that do not comply with the rules of display on the internet [14]. This is of course unethical because it is contrary to ethics or the prevailing view in the community, that advertisements related to cigarettes are taboo advertisements for young people especially those aged in the range of 5-15 years. At present, we know internet or youtube users who are filled with advertisements are children.

| Table 3 Percentage of Population Aged 5 Years and Over Who Have Accessed the Internet in the Last 3 Months by Age Group in 2015-2018 |
|-----------------|-----------------|-----------------|-----------------|-----------------|
| Age Group       | Percentage of Population Aged 5 Years and Over Who Have Accessed the Internet in the Last 3 Months by Age Group |
| Age Group       | 2015            | 2016            | 2017            | 2018            |
| 5 - 12 years old | 6.29            | 5.42            | 5.22            | 5.69            |
| 13 - 15 years old | 12.14          | 10.72           | 9.78            | 8.72            |

Source: [3]

From table 3 above it can be seen that the percentage of the population aged 5-12 years and the age of 13-15 years every year in Indonesia has fluctuated, in 2018 the percentage has decreased by 5.69 and 8.72, but if we examine deeper for a decrease in the percentage it could also due to a comparison with the population in that age range also increases every year. The Indonesian Broadcasting Commission asked broadcasters, especially television stations, to stop showing Hago game application advertisements. According to the Commissioner of the Central Indonesian Broadcasting Commission, Nuning Rodiyah, the advertisement display was not in accordance with ethics, manners and politeness that prevailed in Indonesian society. Illustration of the scene In the advertisement is about a teacher at an educational institution that treats students who are late entering in a special way. The treatment is because the student wins the game with the teacher. A special form of treatment for a teacher to students who win in an online game is a form of broadcast violations. Nuning also emphasized that, despite fulfilling the administrative requirements for ad serving in the form of censorship passes, every ad that airs in substance must respect the ethics and ethical views prevailing in society [4].

Another case related to unethical advertising in Indonesia is that at the end of August 2019, the Twitter timeline was enlivened by riots about the disappearance of a child. With the hashtag #JojoDimana, which is equipped with a contact person and there is an Instagram account that can be contacted if you find the missing child. In the photos circulated, it was written that the last missing child was wearing a white shirt and a green sarong around a green coconut stall. However, after finding out more, there are many irregularities that later emerged. Starting with the information reported by @aMrazing Twitter account which informs that the news circulating about the disappearance of a child is only part of a biscuit advertisement. The marketing strategy then gets a few
pros and a lot of cons. For the pros, it does not mean agreeing that the marketing strategy used is correct. But the cons can also be understood because after the information is known, resulting in a lot of blasphemy from netizens because using child info is lost in order to market something it feels unethical. In essence, many are one voice expressing disapproval of the marketing strategy used by ad makers because it implies insensitivity to those who actually lost a family member due to a kidnapping case [18].

3. Gender discrimination in business
Another case related to ethics and economics in business in Indonesia is about gender discrimination in business implementation. From the ethical aspect, the difference in the treatment of women who work both the salary given, certain jobs that are considered unable to be done by a woman and others are certainly not ethical. From the economic aspect, if the position of women in the family is the backbone, single parent and so on certainly affects the family economy. The ethical and economic aspects of gender discrimination in business implementation in Indonesia are closely related to each other. If it is not treated ethically it will have an impact on their economy. This can be seen in the data below.

From table 4 above it can be seen that the percentage of managerial distribution according to sex, for women in Indonesia has increased every year, while for men has decreased. But, still, if we look at the comparison of male managers and female managers, we get a ratio of 1:3 for that position.

From table 5 above it can be seen that the percentage of women as professionals every year in Indonesia has fluctuated, in 2018 the percentage was 47.02 compared to the previous year which was 46.31. This shows that many women have begun to enter the professional workforce even though they still have a small increase.

From table 6 above it can be seen that the percentage of formal labor according to sex, both for the percentage of men and women each year in Indonesia has increased. But, still for the number of male workers more than women.

| Table 6 Percentage of Formal Workers by Gender in 2015 – 2018 |
|--------------------|----------------|----------------|----------------|----------------|
| Sex                | 2015 (%)       | 2016 (%)       | 2017 (%)       | 2018 (%)       |
| Men                | 44.89          | 45.05          | 45.66          | 46.29          |
| Women              | 37.80          | 38.16          | 38.60          | 38.20          |

Source: [3]

From table 7 above it can be seen that the average hourly wage of workers according to sex, both for men and women, has increased every year in Indonesia. But, still for a nominal amount given to male workers is higher than female workers. This is also supported by the opinion of Selvita Ciwani that discrimination in the work environment can be defined as any different treatment or exclusion that has a negative impact on workers. Forms of discrimination in the corporate environment can be divided into two, namely formal discrimination which refers to the allocation of resources such as salaries, promotions and job responsibilities and the second is informal discrimination which refers more to interactions between employees who are intertwined due to age, race, ethnicity, and even to sexual orientation and gender [5]. The President of the Indonesia Business Coalition for Women Empowerment (IBCWE), Shinta Widjaja Kamdani, assessed that the whole world still has challenges in gender equality, including Indonesia. In fact, the recognition of gender equality can have a large positive impact. Therefore, various efforts were made to encourage companies to create a comfortable work environment for employees who have multiple roles, and support efforts to achieve gender equality in the world of work. The results of the World Bank study stated that the level of global welfare could increase by 21.7%, if able to implement gender equality. Conversely, losses on human capital wealth globally are estimated to reach US $160.2 trillion as a result of the ineffectiveness of gender inequality [17].

| Table 7 Average Wages per Worker Hour by Gender in 2015 - 2018 (Rupiah) |
|--------------------|----------------|----------------|----------------|----------------|
| Sex                | 2015            | 2016            | 2017            | 2018            |
| Men                | 11513           | 14101           | 15385           | 15892           |
| Women              | 11119           | 13458           | 13492           | 14142           |

Source: [3]

The proportion of women to occupy leadership levels in companies in Indonesia has decreased sharply to 20% which is below the global average (22%), while the average of developing Asia Pacific countries (23%). In fact, the fact last year the results could touch the level of 41%. That’s the result of research by Grant Thornton International Business Report (IBR) lately. The research also stated that the participation of Indonesian women at senior management level was below the ASEAN countries surveyed, including Thailand (27%), Singapore (23%), and Malaysia (22%). In the Asia Pacific region, Indonesia’s level is only slightly above New Zealand (19%) and India (15%). This situation is contrary to the results of research last year which placed Indonesia as the highest country with a level of women’s participation at the top management level compared to its neighbors. Responding to this, Johanna Gani, Managing Partner Grant Thornton Indonesia explained that the patrilineal system is very strong in dominating Indonesian culture. This condition is the same as Japan and India, this has hampered women from being able to reach higher levels of office in the business world [11].
5. CONCLUSIONS AND SUGGESTIONS
The conclusion that researchers can give is based on in-depth literature review both from national and international journals and online newspapers, finding of previous research and book journals, it can be said that business implementation in ethical and economic aspects in Indonesia is currently continuing to improve efforts both by the government and the private sector in the industrial sector itself include efforts to reduce the level of child laborers who are of working age who are still working in poor jobs and bring them to get more appropriate training and education and also limit and prohibit the circulation of product promotions in the form of advertisements that do not fit the designation and placements that match the categories of ads served.

There is an increase for women workers in Indonesia in terms of women who have worked professionally, occupying the top management level and also wages received, but when compared to men, there are still differences in the treatment of women workers in Indonesia where the comparison of the things mentioned above is still not according to the growth of male workers. There are several recommendations that researchers provide to reduce or tackle cases that occur in businesses in Indonesia, namely:

1. Recommendations for cases of children employed under age
   a. The government as the regulator has made a regulation regarding child labor because the work for children is not all bad, but there are also those who are in good condition. minimum salary and so on.
   b. Child laborers who are in poor work conditions should not continue the work and can be accommodated in homes or shelters / shelters in order to continue to get education according to their age and also be given skills that they can master so that at productive age they are able to be independent or work in a better place than before.
   c. The role of parents or relatives of child laborers so that they know and understand that children work is not in accordance with the constitution of the Indonesian nation and has been widely regulated in state regulations.
   d. It is necessary to increase socialization regarding regulations, legal sanctions, and the consequences of the existence of child labor to the community through existing private organizations and government institutions to reduce the number of child laborers.

2. Recommendations for unethical advertising
   a. Strengthening the role of the government in selecting advertisements that will circulate in the community by paying more attention to the prevailing norms.
   b. Tightening the rules held by ad associations in Indonesia so that the advertisements that are displayed are in accordance with the rules they make and minimize the deviations that occur.
   c. Increased understanding of the rules both legally and norms that apply to existing advertising agencies so that they know exactly what is permissible and how good to air it.
   d. It is expected that advertisers have a sense of control over themselves, because often clans are made in line with the warm things that are happening in the community, both in words, movements, songs and even memes, this must be considered for the advertisers themselves whether the advertisements are based things that are becoming hot topics can be entirely accepted by the public.
   e. Community participation to continue to pay attention to advertisements circulating, not only on television, radio, outdoor media, even currently on social media in order to maintain the prevailing norms both in terms of content and location and time of airing.

3. Recommendations for gender discrimination in business
   a. Indonesian women can be given more opportunities to be at the top management level regardless of history or culture in Indonesia which is more adherent to the patrilineal system.
   b. Giving recognition of gender equality for women to have equal career opportunities with men in terms of salary or income equality, health insurance, work leave according to their needs and others that can increase women's opportunities to increase their work potential.
   c. Companies must be able to release the existing stereotype that women only work in the household sector, not to enter the company.

6 REFERENCES


