

Marxian Meritocracy: A Development Alternative of Econometrics

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Abstract—This analysis examines economic collectivization, which is one of the problems in modern economic studies, and reconstruction efforts through a Marxian economic approach with an emphasis on meritocracy. This analysis highlights criticism of modern economic approaches which tend to be abstract, ignore practical aspects of economics, and ignore social problems. The Marxian economic approach is seen as an alternative that prioritizes use-value in economics rather than simply exchange-value. Through Marxian meritocracy, it is hoped that collaboration between econometrics analysts and human resources can produce more relevant economic analysis, consider forgotten social aspects, and support sustainable economic collectivization.

Keywords: Econometrics, Marxism, Meritocracy, Macroeconomics

Economic collectivization is a policy or process in which society and the state unite various economic activities, both in the agricultural sector, joint ownership, and the state's collective control of all economic activities. In Indonesia, we are familiar with cooperatives which have the principles of kinship and mutual cooperation - in practice they are still not implemented well - in practice, consolidation of micro economic actors, agricultural land, and production equipment is needed to produce a larger business unit. Large and returns to the principles of collective management. Various economic concepts, both philosophical and practical, have been attempted to create a better economic order, but at a certain point the position of economic studies is increasingly far from real analysis and tends to be trapped in very strong mathematical analysis, especially in the development of modern or neo-economics. -classic, where there is no serious attention to aspects of economic practice, thereby ignoring the economic potential and risks that can arise due to neglect. As a result, social inequality gets worse and causes problems when the study of economics releases itself into a more abstract world.

This has also caused more and more social problems to surface, starting from increasing crime rates to threatening political instability. Characteristics of social disappointment, especially in Indonesia, can be seen in their "disinterest" in politics and government. Some people argue that it is better to take care of themselves and focus on earning money to meet their living needs, because

whether or not leadership in government changes will not have such a comprehensive influence on every level of society. This is reinforced by a report from the Central Statistics Agency which succeeded in recording the number of Indonesian people who chose to abstain, for example in 2019 as many as 34.75 million or around 18 percent of the total registered voters chose to abstain, and in 2014 as many as 58.61 million or around 30 percent of the total registered voters chose to abstain. This is a result of the study of economics which does not provide a sense of satisfaction and answers that are able to solve real problems in society. We can see that modern economists currently tend to ignore important aspects of human involvement in the economy, by arguing for a cardinalist approach and ordinalist which hinders concrete economic development.

Classical and Neo-Classical Economics

There are quite serious problems in the economic sector, especially when uncertainty about whether someone will be prosperous is a real threat to all countries, especially in Indonesia. A government based on oligarchic concepts is a real threat to the country's development, both politically and economically. The freedom of experts to carry out economic and democratic development cannot be separated from an oligarchic government, thus pushing this development towards decline. This is characterized by weak economic growth in Indonesia which can then trigger stagflation. If we talk about economics, then it doesn't seem legitimate if we don't talk about values. In various books and economic studies, almost all of them will begin with analysis and identification of value which then provides various definitions and roles in each economic system - from classical to neoclassical economics - where we can also see the differences between classical and neo-classical economics in defining the "measure" which contains value.

For classical economics, *value* This can be measured by using work as the substance in the measurement to achieve a "measure" that is considered equal, for example a sack of corn is considered equivalent to half a sack of cotton because both are the result of work in a particular society or group. Meanwhile, modern economics is more in agreement with utility as a substantial thing in the measurement of "size" for carrying out commodity exchanges. This is more psychological in nature because it is based on the preferences and evaluation of potential consumers so that the commodity is considered to have value, as a result one of the basics of measurements carried out in modern economics is utility-value. These differences cause quite

serious problems, where modern economics relies more on psychological (abstract or antirealism) thereby pushing the production mode to a very risky stage.

Reconstructing the Marxian Economic Approach

The Marxian economic approach is contained in Karl Marx works—*The capital*—which later became the basis for Marxist economics. We can see that modern economics or capitalism is full of contradictions, so that it is impossible for capitalism to become an absolute economic system to support change in society. One of the contradictions that will become a problem in society is the contradiction between use-value and exchange-value where the capitalist system takes precedence exchange-value compared with use-value, this will encourage large-scale production solely to pursue profit and not based on the interest of meeting human needs. The real implication of this action is the increasingly widespread distribution of marketing methods that psychologically make people feel that they "need" an item, even though in reality they are only acting impulsively to buy the item at the expense of a sum of money that could be allocated to greater needs. useful or commodity that does use-value.

The reconstruction of the Marxian economic approach—in the author's opinion—aims to reduce the orientation in modern economics which is anti-realist or abstract towards modern economics which is more based on real sectors and use-value so you can push econometrics who apply mathematical methodology pay more attention causal *inference* in the community economy. Where one of the policies contained in the Marxian economic approach is to develop communities that own or control the means of production so that this is based on collective ownership by workers and society, so that it will encourage the elimination of excess production (*exchange-value*) and directed at production to meet the needs of society (*use-value*), which will have an impact on improving the quality of life of a community and trigger changes in the economic structure based on real sectors using a mathematical methodology that is made easier for people to understand causal *inference*.

Collectivization through Marxian Meritocracy

Achieving economic development and economic collectivization through Marxian meritocracy is viable alternative research and development econometrics through human resources who have

capabilities and achievements in accordance with their fields, especially economics. Basically, meritocracy gives everyone the opportunity—with equal opportunities—to utilize and develop the talents they have, if every action they take can encourage development and efficiency in the economy. As explained previously, Marxian reconstruction can have the impact of encouraging the development of Marxian meritocracy as a response to the failure of modern economics in reducing the number of social inequalities and economic problems because it only focuses on individualism and exchange-value. Meanwhile, today, the need for commodities and collective economic policies that are sensitive to causal relationships is very necessary so that errors in interpretation in econometrics can be reduced to a smaller level. In Indonesia itself, we still seem confused in determining motives for economic activity - people-based or capitalistic - so this gives rise to doubts in society to become more involved in developing business sectors or MSMEs.

Several people with capabilities or a good understanding of a community will be involved in the Marxian meritocracy system coming from a certain population (population in region X) which will be drawn into a sample (sample Y from region in the population or make an estimate that can be used as a tool to explain the details of the problem—mathematically or qualitatively—for example, someone who is a selected sample in a Marxian meritocracy system can describe the problem of the level of wages earned by someone with their level of education (wages) . In this way, real problems in the economy can be detected through more focused development and analysis use-value and work activities that are more concrete in nature to describe "size" problems - as discussed at the beginning - compared to the basis of modern economics which is inadequate to be used to solve crucial problems in society.

Econometrics which is closely related to mathematical analysis which relies on *Ordinary Least Square* as a tool that is considered adequate to be used to analyze the sample, assuming that the analysis and evidence brought by the selected sample in a Marxian meritocracy does not contain autocorrelation, so it can be said to be *Best Linear Unbiased Estimators* or BLUE. In this condition, economic collectivization becomes possible because fundamental problems within a community have been brought to the surface and exposed—where economists no longer need to be busy with cardinalist and ordinalist debates—to reduce inequality and increase opportunities for gradual creation of social prosperity. At an earlier stage, analysis of selected samples in a Marxian

meritocracy can carry out initial testing so as to ensure whether each piece of evidence brought (criteria) is met or not to proceed to the testing stage.

Econometrics the People's

A little explanation above will give meaning to everyone econometrics will always be decorated with strict mathematical calculations, but please be aware that this will become more so when overshadowed by modern economics with a capitalistic motif. This will encourage the ego of each entity to save and analyze problems in its community by ignoring internal factors (workers or laborers) and external factors (CSR and ecology), thereby giving rise to problems that will not be resolved and perpetuating the exploitation of society. This action will have a wide impact, including social conflict if the situation does not improve and could possibly destroy the state's regularity in implementing democratic principles. Through Econometrics which is developed collectively and does not rely on the upper classes (ruler, bourgeoisie, capitalist), will enable MSMEs to develop gradually, in particular increasing the capability of each member in the community to contribute to society and the country, especially to develop a sustainable economy. *Econometrics* no longer takes a position that is bound to be a branch of the economics discipline that is considered "elite" because it can only be used and utilized by an intellectual minority group that favors the upper class, at this point it is hoped that reversal of econometrics to produce new meanings and mathematical approaches that do not only focus on abstraction or psychological spaces as in modern economics, but towards developments that pay more attention to "work" or "*use-value*" as ontological economics.

Conclusion

This view of economic development, especially in the context of economic collectivization and Marxian meritocracy, highlights the complex problems in the current economic order. Criticism aimed at the modern economic approach is based on the dissatisfaction felt because it is only limited to mathematical analysis and ignores the real and practical aspects of economics. Where the development of modern economics, especially neo-classical economics, is often considered trapped and bringing society into a vortex of abstract analysis (read: *neuroeconomy* and utility-value). This abandons human involvement in economics, and debates theories without providing real solutions to the accompanying social problems. The Marxian economic approach is considered

an alternative that offers inclusive and based solutions use-value in economics to avoid pursuit of exchange-value which is arbitrary.

Marxian meritocracy tries to achieve collaboration between research *and development econometrics* and human resources who are experts in their fields. The biggest hope of this alternative is to create more relevant economic analysis, where mathematical analysis is not only focused on theoretical aspects but also implementation and readability in society. Using econometrics discusses social aspects that were not previously considered, then this can be understood use-value and there is causal *inference* to form a more comprehensive and emancipatory basis for sustainable economic collectivization.

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