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REVITALIZING SUMITRO DJOJHADIKUSUMO'S ECONOMIC LEGACY: PATHWAYS TO INDONESIA'S ECONOMIC SELF-RELIANCE IN THE DIGITAL AND GLOBALIZATION ERA

Muhammad Said¹, Syahriyah Semaun², Ahmad Dzul Ilmi Syarifuddin³, M.
Minhajuddin Madi⁴, Rafly Al Farezy Arif

^{1,2,3,4} Institut Agama Islam Negeri Parepare, Indonesia

⁵ Universitas Al Azhar Kairo, Mesir

Email : muhammadsaid@iainpare.ac.id¹, syahriyahsemaun@iainpare.ac.id²
ahmaddzulilmi@iainpare.ac.id³, minhajuddinmadi@iainpare.ac.id⁴, raflirafly1710@gmail.com⁵

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Abstract :

This study aims to develop a conceptual framework for revitalizing the economic thought of Prof. Dr. Sumitro Djojohadikusumo as a strategic roadmap toward Indonesia's economic sovereignty in the digital and globalization era. Using a qualitative approach based on library research, this study systematically examines primary and secondary literature on Sumitro's thought, development theory, and contemporary digital economic dynamics through content analysis. The findings introduce the concept of "Digital Economic Nationalism" as an adaptation of Sumitro's development trilogy economic growth, national stability, and equitable development into the digital context, operationalized through the "Digital Gotong Royong Economy" model. This model integrates rural digital infrastructure, local economic platforms, digital cooperatives, sustainable financing, and the protection of national economic value. The results demonstrate that Sumitro's intellectual legacy remains relevant and offers a theoretical and practical alternative to the dominant neoliberal model in the digital economy, while opening new avenues for nationally grounded digital political economy studies.

Keywords : *Digital Economic Nationalism, Sumitronomics, Digital Gotong Royong Economy, economic sovereignty, digital transformation.*

INTRODUCTION

The global economic transformation driven by the digital revolution has placed Indonesia at a strategic crossroads between immense opportunities and fundamental challenges. As the largest economy in Southeast Asia, Indonesia is not only required to adapt to the dynamics of globalization and digitalization, but must also formulate a development model rooted in domestic strength. (Sulistyowati et al., 2025). In this context, the intellectual legacy of Prof. Dr. Sumitro Djojohadikusumo offers valuable inspiration. Through his concept

of the “development trilogy” economic growth, national stability, and equitable development Sumitro emphasized the importance of a balanced foundation between long-term vision and pragmatic needs. The relevance of this thinking becomes even more evident as Indonesia targets an ambitious economic growth rate of 8% by 2025, which can only be achieved through a strategy that combines strategic industrialization with digital innovation. Thus, a reinterpretation of “Sumitronomics” is crucial to ensure that this intellectual legacy remains relevant in the face of digitalization, which now dominates the global development landscape.(Tercantum, 2025).

Primary literature discussing Indonesia’s economic sovereignty in the digital and globalization era, particularly in relation to Sumitro Djojohadikusumo’s economic thought, has been explored in various works. Poppie Yolanda Sulaiman, in “President Joko Widodo’s Efforts to Make Indonesia the Largest Digital Economy in Southeast Asia,” highlights government initiatives such as MSME digitalization and infrastructure development to support regional ambitions.(Sulaiman & Paksi, 2022). Afifi et al. , in “Re-Viewing Sumitro’s Policy and Industrial Maturity,” revitalize Sumitro’s policies through the lens of industrial maturity, focusing on downstreaming and manufacturing for sustainable growth, and connecting these with growth and development theories.(Afifi, Adrian, Azami, & Farid, 2024). Suharyono Soemarwoto’s paper, “Strengthening the Digital Economy to Enhance National Resilience,” emphasizes the need for Indonesia to accelerate information technology transformation and strengthen digital economic infrastructure to foster economic independence and national resilience, aligning with Sumitro Djojohadikusumo’s legacy of promoting national economic sovereignty amid globalization. (Soemarwoto, 2022). “Anita Asnawi’s work, “Indonesia’s Readiness to Build a Digital Economy in the Era of Industry 4.0,” does not specifically discuss Sumitro’s economic legacy or the path toward Indonesia’s economic sovereignty in the digital and globalization era. Instead, it focuses on Indonesia’s readiness for the digital economy amid challenges and government initiatives.(Asnawi, 2022)

However, existing literature tends to be general and partial, lacking in-depth integration of Sumitro’s thought with the specific challenges of the digital era. For instance, Suharyono (2020) and Anita (2022) focus on digital strategies but do not detail specific technological advancements or provide in-depth analysis of e-business infrastructure. Meanwhile, Poppie (2022) lacks discussion on success metrics, implementation barriers, and external factors such as global trends. Afifi et al. (2024) offer a strong historical perspective on industrial maturity but provide minimal adaptation to digital disruptions such as dependence on foreign platforms.

This study aims to develop a conceptual framework for revitalizing the economic thought of Prof. Dr. Sumitro Djojohadikusumo as a strategic roadmap toward Indonesia’s economic sovereignty in the digital and globalization era. The research focuses on three key aspects. First, analyzing the relevance and adaptability of Sumitro’s economic principles in responding to the digital

transformation that is reshaping the national and global economic structure. Second, identifying strategies for operationalizing Sumitro's development trilogy economic growth, national stability, and equitable development so that they can be effectively implemented within the digital economic ecosystem. Third, formulating a model for integrating the people's economy with a sustainable digital ecosystem, ensuring that digitalization becomes not only a driver of modern sector growth but also a means to strengthen the grassroots economic base. Thus, this research not only reactualizes Sumitro's classical ideas but also positions them within the rapidly evolving framework of Indonesia's digital economic development.

The novelty of this research lies in the development of a new perspective that connects Indonesia's classical economic thought with contemporary digital economic challenges. First, this study is pioneering in constructing a theoretical synthesis between Sumitro's economic ideas and digitalization strategies an approach that has not been systematically attempted before. Second, it introduces the concept of "Digital Economic Nationalism," which revitalizes Sumitro's economic nationalism in the context of the digital era, offering an alternative to the neoliberal approaches that have long dominated digital economic discourse. Third, this research enriches development economic theory by introducing the concept of the "Digitized People's Economy" as an evolution of the people's economy, integrating digitalization with community-based economic empowerment. Fourth, practically, this study provides concrete policy recommendations to strengthen Indonesia's digital economic sovereignty without losing its national identity and economic values.

The contribution of this research to the advancement of knowledge lies in its effort to enrich the discourse on Indonesia's digital political economy from a perspective rooted in national values. This study not only adds a new dimension to academic discussions but also presents an analytical framework that can serve as a reference for formulating digital economic policies aligned with the nation's character and needs. Moreover, this research strengthens the theoretical foundation for economic sovereignty strategies amid the tide of digital globalization, making it a significant basis for future studies and practices in Indonesia's economic development. In other words, this research not only fills existing research gaps but also opens new avenues for further studies in the field of digital political economy and national development studies.

RESEARCH METHOD

This study employs a qualitative approach using library research, chosen because the focus is on conceptual, historical, and theoretical examinations of Sumitro Djojohadikusumo's economic thought and its relevance in addressing the challenges of the digital and globalized era. The qualitative approach allows the researcher to interpret the meaning embedded in the ideas contained within the literature, to explore the dynamics of classical

Indonesian economic thought, and to construct theoretical frameworks that can serve as the foundation for developing the concept of digital economic independence. Through an in-depth analysis of available texts and documents, this research seeks to formulate a conceptual framework that connects Sumitro's economic principles with contemporary economic development strategies, thereby providing a comprehensive understanding of the relevance of his ideas to national policy. The type of data used in this study is qualitative, consisting of texts, ideas, and thoughts contained in various sources of literature. The primary sources include books, journal articles, and scholarly works that discuss Sumitro Djojohadikusumo's economic thought, offering profound insights into the principles of industrialization, equitable development, and economic independence. In addition, this study draws upon literature on development economics, theories of economic independence, as well as studies on globalization and the digital economy, which help situate Sumitro's ideas within a contemporary context. Data are also obtained from official documents, archives, and relevant national economic policy reports, ensuring that the analysis is not only theoretical but also considers practical implications for Indonesia's economic development strategies. Thus, this research presents a strong conceptual synthesis while providing a foundation for policy recommendations that are adaptive to the dynamics of the global digital economy.

The data sources in this research are divided into three complementary categories to ensure comprehensive and accurate analysis. The primary sources include the original works of Sumitro Djojohadikusumo, such as his book *Perkembangan Pemikiran Ekonomi: Dasar Teori Ekonomi Pertumbuhan dan Pembangunan* (1957), along with various writings, lectures, and official documents containing his economic ideas and concepts. The secondary sources consist of academic literature, including books, journals, scholarly articles, theses or dissertations, and research reports discussing development theory, economic independence, globalization, and digitalization. These serve to reinforce and contextualize Sumitro's thought within the contemporary framework. Meanwhile, the tertiary sources comprise encyclopedias, economic dictionaries, indexes, and other supporting publications, which help strengthen the understanding and interpretation of both primary and secondary data, thereby ensuring a more holistic analysis.

In terms of analytical techniques, this study applies content analysis with systematic stages. First, the identification stage, in which literature related to Sumitro's thought and development theories is comprehensively collected. Second, the classification stage, where the literature is categorized according to key themes such as Sumitro's thought, economic independence, the digital era, and globalization to facilitate data processing. Third, the interpretation stage, where the content of the literature is critically examined to identify the relevance between Sumitro's intellectual legacy and the challenges and opportunities within the digital and global economic context. Finally, the synthesis stage, where a new conceptual framework is formulated, illustrating

the revitalization of Sumitro's thought as a strategy to strengthen Indonesia's economic independence in the era of globalization, while simultaneously providing both theoretical and practical contributions to national economic policy development.

FINDINGS AND DISCUSSION

Relevance and Adaptability of Sumitro Djojohadikusumo's Economic Thought in the Digital Era

Sumitro Djojohadikusumo's economic ideas remain highly relevant amid today's rapid digital transformation. Whereas he once championed national self-reliance, strategic industrialization, and equitable development, these concepts now acquire fresh, contextual forms. The economic sovereignty he advocated is reincarnated as digital sovereignty: Indonesia must no longer be a mere market for foreign technologies, but must build its own digital infrastructure, innovations, and ecosystems. (Soemarwoto, 2022). The measured protectionism embodied in his "Benteng" programme resurfaces in local-content (TKDN) regulations and in incentives that help domestic tech industries compete with imported products. Industrialization, previously centred on manufacturing, evolves into digital industrialization, evident in the Making Indonesia 4.0 roadmap and in a vibrant start-up ecosystem that has spawned national unicorns. Sumitro's enduring vision of equitable development is revived through village digitalisation, technology-based MSME empowerment, and digital-literacy programmes that open economic opportunities to remote communities. (Herdianto, 2023). Thus, Sumitro's intellectual legacy is not confined to history; it serves as a strategic compass ensuring that digital progress delivers not only growth, but also justice, self-reliance, and shared prosperity.

Digital Economic Nationalism" can be understood as an updated version of Sumitro Djojohadikusumo's grand vision often termed "Sumitronomics" now tailored for the digital age. Where Sumitro once stressed national self-reliance through strategic industrialisation, the digital landscape translates this into building digital sovereignty, mastering technology, and strengthening domestic innovation capacity. (Holle, Toatubun, Pellu, & Karanelan, 2023). The concept rests on three mutually reinforcing pillars. First, mastery of digital technology: significantly increasing local R&D investment in universities and research institutes so Indonesia can control core technologies such as semiconductors, artificial intelligence, and blockchain. Concurrently, the state must provide tangible incentives for tech start-ups tax breaks, venture capital, and incubation facilities to create nationally owned digital firms capable of competing globally. (Wahyu, Hadisukmana, & Rosalina, 2025). Second, data sovereignty: a critical issue when citizens' data are routinely stored and managed by foreign companies overseas. Following Sumitro's principles, this requires robust data-localisation policies that mandate sensitive data be kept on domestic servers to protect national security and citizens' privacy. Strong personal-data-protection laws are essential to guarantee rights and penalise

violations.(Fauzi, Citra, Marwenny, & Alfitrianti, 2024). Third, building domestic innovation capacity: establishing frontier technology-research centres in strategic cities that bring together academia, industry, and government to craft national-priority solutions and strengthen the innovation ecosystem. Equally vital are nationwide digital-literacy and skills programmes targeting workers, students, and rural communities to narrow technology-access gaps and expand digital employment.(Gulyamov, Babaev, & Zaynobiddinova, 2024).

To operationalise this vision, the state must act not only as regulator but also as facilitator, strategic buyer, and guardian of digital justice. It should set technical standards, offer fiscal incentives to local platforms, and prioritise domestic data sovereignty and innovation.(Fischer, 2023). As a strategic buyer, government must preference nationally made technologies in all development projects, thereby creating a sustainable domestic market for start-ups and local firms. Digital justice further requires a nationwide broadband network, affordable data, and low-cost devices so that the 3T regions (frontier, outermost, and disadvantaged) are not left behind.(Hasan & Sazali, 2025).

With this approach, “Digital Economic Nationalism” not only updates Sumitro’s ideas for the digital era but also ensures that technological transformation delivers economic self-reliance, inclusive growth, and shared prosperity for all Indonesians. The digital era offers Indonesia significant opportunities for economic development, yet it also introduces new challenges that demand a reinterpretation of Sumitro Djojohadikusumo’s ideas commonly known as Sumitronomics. (Nasution, Japina, & Amrizal, 2025). Three major challenges stand out and deserve serious attention. First, the dominance of foreign platforms in Indonesia, led by global tech giants such as Google, Facebook, and Amazon. While their presence accelerates technology adoption, it also channels a large share of economic value abroad, narrowing the space for local players to grow. This not only squeezes the domestic market but also reduces the ability of national entrepreneurs to create added value within the digital ecosystem.(Fauzi et al., 2024) Second, heavy dependence on overseas digital infrastructure. Most cloud-computing services, data centres, and backbone networks are still controlled by foreign firms, creating acute vulnerabilities in data sovereignty and cyber-security. Indonesian citizens’ data are stored and processed beyond the state’s supervisory reach, increasing the risk of data breaches and information manipulation while limiting government control over strategic digital assets.(Mitchell & Samlidis, 2021). Third, the widening technology-access gap between urban and rural areas, including the 3T regions (tertinggal, terdepan, terluar disadvantaged, frontier, and outermost). Cities enjoy fast, stable internet, whereas rural communities struggle to access digital services, acquire technology-based skills, or participate in online markets. This disparity widens the development divide and prevents the digital economy from delivering its promise of inclusive growth.(Setyanti, Prestianawati, & Fawwaz, 2025).

To meet these three challenges, Sumitro’s principles of national self-reliance, strategic industrialisation, and equitable development must be

reimagined for the digital age. Such a reinterpretation should prioritise strengthening digital sovereignty, building domestic technological capacity, and delivering ubiquitous digital infrastructure so that every segment of society can benefit from the ongoing economic transformation.

In the digital age, the role of the state can no longer be seen merely as that of a regulator setting rules; it must evolve into a strategic actor that actively builds, protects, and strengthens the national digital ecosystem. This function mirrors the part played by government during the industrialisation period envisioned by Sumitro Djojohadikusumo, but is now recalibrated for the needs and dynamics of modern technology. (Ciuriak & Ptashkina, 2021). As a digital-infrastructure provider, the state must guarantee nationwide broadband availability, reaching remote areas and the 3T regions (tertinggal, terdepan, terluar) through fibre-optic roll-outs and satellite launches. It should also ensure the establishment of domestic data centres and sovereign cloud services to reduce dependence on foreign providers and to safeguard data sovereignty. (Pane, Rizky, Putri, & Hambali, 2023). At the same time, government should act as a progressive regulator that not only sets standards but also nurtures innovation. This involves issuing flexible technical and cyber-security norms, enforcing data-localisation policies, strengthening personal-data protection, and offering fiscal incentives tax holidays or research subsidies to digital firms that meet sovereignty criteria and contribute to local innovation. (Fauzi et al., 2024). Furthermore, the state must operate as a strategic buyer, using its procurement budget to create a robust home market for local digital products and services. Procurement of hardware and software should prioritise high-local-content (TKDN) national goods, while tenders for smart-city, e-government, and e-health projects should be designed to give domestic start-ups and IT vendors room to grow.

Equally important, government is obliged to invest in human-capital and research capacity. This can be achieved by establishing digital centres of excellence that bring together academia, industry, and government, and by running mass digital-literacy and certification programmes for students, workers, and rural communities (Syafuddin & Meidina, 2023). In addition, the state must serve as a guardian of digital justice, ensuring equitable technology access through data-tariff subsidies, affordable devices for low-income groups, and sustainable Desa Digital programmes that provide technical assistance and open online market access for village-based MSMEs. By simultaneously acting as regulator and strategic actor, the state can lay the foundations for a digital ecosystem that is self-reliant, inclusive, and globally competitive a vision that resonates with Sumitro's industrialisation spirit, updated to meet the challenges of the digital era. (O'Sullivan, Clark, Marshall, & MacLachlan, 2021)

The alignment between the concept of "Digital Economic Nationalism" and contemporary development theories demonstrates that technological sovereignty and domestic innovation capacity have become essential prerequisites for achieving national economic independence. This perspective corresponds with three important theoretical frameworks. (Chistov & Gontar,

2025). First, Endogenous Growth Theory emphasizes that the primary driver of long-term growth is not merely the accumulation of physical capital, but also knowledge, skills, and research and development (R&D) activities. This implies that the greater the investment in local R&D and the stronger the support for innovation, the greater the likelihood that a nation can sustain its growth momentum. In this context, fiscal incentives, research funding, and support for digital start-ups under the framework of *Digital Economic Nationalism* represent a concrete application of this theory.(Wardhani, 2024). Second, the Capability Approach evaluates development success based on the extent to which individuals possess the real ability to seize available opportunities, including access to technology. Mass digital literacy programs, skills certification, and digital village initiatives not only expand access but also provide practical skills, enabling people to participate actively in the digital economy. In other words, such policies ensure that digital development is not exclusive to certain groups, but rather inclusive and empowering for all segments of society.(Gigler, 2015). Third, studies on Techno-Nationalism assert that countries controlling key technology value chains such as semiconductors, data centers, or cloud infrastructure gain advantages in safeguarding their economic sovereignty while strengthening global competitiveness. Within this framework, data localization policies and the establishment of national data centers can be viewed as strategic instruments for asserting sovereignty, echoing Sumitro's idea of the state's control over strategic sectors.(Edler, Blind, Kroll, & Schubert, 2023).

Thus, the adaptation of Sumitro's thought into the concept of *Digital Economic Nationalism* is not only historically relevant as a continuation of his vision of national independence but also synergizes with modern development theories. Both emphasize the importance of technological mastery and the strengthening of domestic innovation capacity as the foundation for sustainable economic self-reliance.

The core relevance of Sumitro Djojohadikusumo's thought in the digital era lies in the spirit of anti-dependence that he emphasized since the early phase of Indonesia's industrialization. This principle remains alive and indeed becomes even more critical when applied to the digital economy, which today is largely dominated by global powers.(Afifi et al., 2024). This spirit drives the development of domestic digital platforms as an effort to reduce the dominance of foreign tech giants while preventing the continuous outflow of economic value abroad. Furthermore, the relevance of Sumitro's ideas can be seen in efforts to enhance the competence of the digital workforce through literacy programs, training, and mass certification that strengthen national innovation capacity. This ensures that society is not merely a passive user but also an active creator of value within the digital ecosystem.(Holle et al., 2023).

Moreover, the anti-dependence principle is reflected in the protection of strategic sectors such as data, digital infrastructure, and technology industries from foreign domination or acquisition. Policy instruments such as data sovereignty regulations, fiscal incentives, and support for local products

represent concrete adaptations of Sumitro's principle of strategic industrialization into the digital era. By revitalizing the value of national self-reliance in this new form, Indonesia can build a digital ecosystem that is independent, inclusive, and geopolitically resilient, while ensuring that technological growth does not give rise to new forms of dependence that undermine national sovereignty.

Operational Strategies for Implementing Sumitro's Trilogy of Development in the Digital Economy Ecosystem

The digital economic transformation opens new pathways for Indonesia to realize sustainable growth, in line with the spirit of industrialization once emphasized by Sumitro Djojohadikusumo. The difference lies in orientation: while past industrialization focused on processing physical resources, today the emphasis shifts to creating value added through technology and creativity.(Farliana, Murniawaty, & Hardianto, 2023). First, through digital industrialization, traditional manufacturing is directed toward Industry 4.0 by leveraging technologies such as the Internet of Things (IoT), artificial intelligence, and big data analytics. The digitalization of production processes enables firms to enhance efficiency and machine productivity through predictive maintenance, reduce operational costs via automation and integrated digital supply chains, and simultaneously produce high value-added products tailored to consumer needs using data-driven design.(Edverton, 2024). Second, the digital creative economy offers vast opportunities for the growth of new subsectors, ranging from online content, gaming, and digital arts to application-based services. A unique feature of this sector is its ability to penetrate global markets without requiring large physical capital, thus making it easier for local players to compete internationally. Moreover, the synergy between local cultural assets and digital platforms strengthens national identity on the global stage, while offering innovative monetization opportunities such as subscription models, microtransactions, and intellectual property rights.(Martial, Pahlevi, Badrudin, & Sitompul, 2024). Third, the development of a robust startup and local unicorn ecosystem is key to achieving digital economic independence. Both government and private sectors must enhance venture capital financing, provide incubators and accelerators that facilitate technology transfer and business networking, and implement pro-national policies such as tax incentives and the enforcement of local digital content requirements (TKDN). These strategies will nurture local unicorns billion-dollar technology companies rooted in national innovation that will serve as the backbone of Indonesia's digital self-reliance.(Lytvyn, 2022).

By integrating digital industrialization, the creative economy, and a resilient startup ecosystem, Indonesia can reinterpret the principles of *Sumitronomics* industrialization based on domestic resources into a new form of digitalized value creation. This provides a crucial foundation for sustainable economic growth and represents a pathway toward technological independence in the digital era.(Yanti, 2025). National stability in the digital era can no longer be understood merely in terms of physical and economic security,

as emphasized in Sumitro's classical framework of dynamic stability. It must also be expanded to encompass data sovereignty, cybersecurity, and the resilience of digital payment systems. Data sovereignty forms the primary foundation, as the flow of information has now become a strategic asset that determines the trajectory of national development. (Jamil, 2025). Therefore, the state must establish national data centers and sovereign cloud infrastructure to ensure that sensitive citizen and institutional data remain managed domestically. This effort is reinforced by *data localization* policies, requiring that the storage and processing of data be carried out within domestic infrastructure as both a safeguard and an affirmation of digital sovereignty. (Prasad, 2021).

At the same time, the growing complexity of cybercrime threats demands the presence of a single authoritative body namely, a National Cybersecurity Agency to coordinate protection strategies across ministries and institutions, as well as to facilitate public-private collaboration in intelligence sharing and integrated incident response. These measures must be supported by significant investment in the development of cybersecurity human resources through internationally standardized training and professional certification, thereby ensuring that Indonesia has skilled experts capable of safeguarding its digital defenses. (Salman & Alsajri, 2023). Moreover, the resilience of digital payment systems plays a critical role in national stability, as the dominance of foreign platforms risks undermining monetary sovereignty. To address this, Bank Indonesia is developing a Central Bank Digital Currency (CBDC), or Digital Rupiah, as a legitimate means of payment fully under domestic authority. The implementation of CBDC must be supported by centralized standards of security and interoperability to ensure that digital transactions remain safe, sustainable, and protected from service disruptions or financial data breaches. (Kochergin & Dostov, 2020).

Thus, the reinterpretation of Sumitro's principle of dynamic national stability in the modern digital context underscores that state control over strategic sectors must now include mastery of data infrastructure, cybersecurity, and digital monetary sovereignty as the main pillars of national independence and sustainable development. Equitable development in the digital era requires a redefinition of Sumitro's concept of a people's economy so that it aligns with the dynamics of technological transformation. This redefinition can be formulated as the Digitized People's Economy, a model that emphasizes empowering communities through digital technology tailored to local needs and domestic resources. In this way, economic growth is not concentrated only in major urban centers but also spreads evenly to remote regions.

A key pillar of this model is the strengthening of digital MSMEs as the backbone of the people's economy. By providing digital literacy training and e-commerce management assistance, MSMEs can enhance their online marketing capacity. Such support must be accompanied by inclusive financing access through digital microcredit or local crowdfunding mechanisms that prioritize businesses rooted in domestic technology. The presence of national e-commerce

platforms with a high level of local content (TKDN) further strengthens MSMEs by enabling direct interaction with consumers, shortening distribution chains, and increasing profit margins. (Perdana et al., 2024). At the same time, digital transformation must extend to rural areas through sustainable Digital Village programs. This begins with mapping infrastructure needs and local skills, followed by providing internet access, devices, and technical assistance to support both business development and public services. (Kosasih & Sulaiman, 2023). To ensure sustainability, villages should be equipped with local incubation models involving universities and NGOs to foster startups based on local potential, such as digital agro-tourism or e-commerce for traditional crafts. Equitable digital development must also manifest through technology-based public services. Telemedicine and e-health can expand healthcare access in remote regions, e-learning platforms broaden opportunities for quality education, and e-government services improve transparency, bureaucratic efficiency, and real-time monitoring of village development. (Al Ariyah, 2025).

Thus, the Digitized People's Economy serves not only as a strategy to accelerate economic growth but also as an instrument for ensuring that the benefits of digital transformation are distributed equitably across all layers of society. This represents a concrete reinterpretation of the spirit of Sumitronomics, where national independence and equitable development are no longer anchored solely in traditional real-sector activities but are increasingly realized through the inclusive and sustainable use of digital technology for people's empowerment.

Model of Integrating the People's Economy with the Digital Ecosystem

The first pillar of the Digital Gotong Royong Economy model is the development of Digital Village Infrastructure, which serves as the primary foundation for building an inclusive and sustainable digital economic ecosystem. (Ikbāl, Erfina, Lawelai, Lubis, & Darlis, 2025). Without adequate infrastructure, the idea of equitable digital benefits will remain rhetorical, as the technological access gap continues to pose a significant challenge in Indonesia, particularly in the 3T regions (disadvantaged, frontier, and outermost areas). (Setyanti et al., 2025). The initial step, therefore, is to provide affordable internet access with sufficient speed through a combination of fiber optic, satellite, and cellular networks, ensuring that rural communities are no longer isolated from the global flow of information. Equally important is the availability of hardware and software. The distribution of computers, tablets, and simple IoT devices tailored to local needs such as for smart agriculture, digital MSME development, or village e-government services enables villagers to utilize technology in line with their socio-economic context.

However, physical infrastructure alone is not enough without comprehensive improvements in digital literacy. Through training programs facilitated by "digital ambassadors" volunteers or trained facilitators at the village level communities can acquire essential skills ranging from productive internet and social media use, to e-commerce platform utilization, and even basic awareness of cybersecurity. (Jang, 2025). All of these initiatives are

centralized in the Digital Village Hub, which functions as the intersection between technology and community. This hub provides co-working spaces, training centers, and incubation facilities for village-based digital enterprises. Beyond being a physical facility, it also symbolizes the spirit of gotong royong (mutual cooperation) in fostering community-driven innovation. Thus, the development of Digital Village Infrastructure is not merely about providing technological facilities, but about establishing a socio-economic foundation that empowers rural communities to become active participants in the Digital Gotong Royong Economy. In this way, digitalization truly serves as an instrument of equitable development and national self-reliance.(Farliana et al., 2023).

The second pillar of the Digital Gotong Royong Economy focuses on the development of Local Economic Platforms designed to establish a community-based digital ecosystem. This ensures that trade activities, business collaboration, and the distribution of economic value operate more fairly and remain oriented toward rural communities. This concept is realized through several concrete initiatives.(Fatimah, Wibowo, Irfaniah, Harahap, & Panggabean, 2025). The Village Community Marketplace, collectively managed by cooperatives or community groups, enables MSMEs and farmers to directly market their products to consumers without relying on lengthy distribution chains. Features such as standardized catalogs, digital payment systems, and customer reviews foster trust and enhance the competitiveness of local products. In addition, the Smart Agriculture Application strengthens the agricultural sector by providing access to weather data, market prices, land-use recommendations, and agronomy services, ultimately improving production efficiency and farmers' incomes.(Huda & Ikaningtyas, 2025). The Digital Cooperative Hub revitalizes the traditional role of cooperatives by offering an integrated platform for financial record-keeping, member management, and access to microcredit. This is linked to a village e-wallet system, allowing faster, more transparent, and accountable capital flows. This pillar also encompasses a Local Delivery System, a community-based logistics model that utilizes residents' vehicles to distribute marketplace products while simultaneously creating additional employment opportunities within villages. To further reinforce the spirit of gotong royong, the platform includes Learning and Community Features such as discussion forums, e-learning modules, and local webinars. These serve as collaborative spaces for sharing best practices, introducing product innovations, and enhancing digital marketing skills. Thus, the development of Local Economic Platforms ensures that digitalization not only expands market access but also strengthens community-based economic solidarity, maximizes the added value of village products, and reinforces the independence of the people's economy within the framework of mutual cooperation. (Hasbullah & Bareduan, 2021).

The third pillar of the Digital Gotong Royong Economy, namely the Digital Cooperative, represents a fundamental transformation of the traditional cooperative into a modern, technology-driven entity. In this model,

cooperatives are no longer limited to serving as savings-and-loan institutions or distribution hubs, but also function as integrated centers for data management, financing, and logistics. Through cloud-based data management, every member transaction, inventory record, and savings or loan activity can be documented in real time. This enables faster decision-making, more transparent internal audits, and direct access for members to financial reports without long delays. Furthermore, the cooperative also serves as a digital financing platform by offering crowdfunding and peer-to-peer lending schemes, allowing members or village diasporas to directly invest in productive community ventures while reducing reliance on conventional bank loans, which are often inaccessible.(Sukardi et al., 2024).

On the distribution side, cooperatives are connected to the Local Delivery Network and community marketplaces, so that ordering, stocking, and product delivery processes can be automated within a single integrated system. This transformation is further strengthened by the introduction of digital financial services through cooperative e-wallets, which facilitate everyday transactions such as paying member contributions, purchasing agricultural inputs, and selling products. These services are supported with features like top-ups and cash withdrawals via village cooperative agents.(Said, Madi, Hajrawati, & Taufiq, 2025). To ensure transparency and accountability, lightweight blockchain technology can be applied to record key transactions such as savings and loans as well as profit-sharing distributions allowing every member to independently verify data authenticity. Equally important, the cooperative also acts as a capacity-building hub for its members through online training modules covering financial literacy, business management, and the application of digital technologies. With this transformation, the Digital Cooperative not only preserves the spirit of solidarity inherent in *gotong royong*, but also emerges as a key driver in building an inclusive, efficient, and highly competitive village economy in the digital era.(Minzar & Mishra, 2024).

Sustainable Financing within the framework of the Digital Gotong Royong Economy is a strategic effort to ensure more inclusive, equitable, and sustainability-oriented access to capital for grassroots economic actors, particularly MSMEs, farmers, and village communities. By leveraging financial technology (fintech), financing is no longer concentrated in conventional financial institutions but becomes accessible through a variety of digital innovations.(Said et al., 2025). For instance, peer-to-peer lending platforms enable micro-investors to directly channel funds to entrepreneurs using alternative credit assessment algorithms, which evaluate creditworthiness not only based on assets or collateral but also on transaction data, cooperative reputation, and informal payment records. Furthermore, social and reward-based crowdfunding provides opportunities for communities, diasporas, and other stakeholders to participate in village development projects ranging from agro-tourism and handicrafts to community infrastructure. (Nisar, Prabhakar, & Torchia, 2020). Other innovative schemes, such as payment-linked loans, connect credit facilities with digital payment systems in cooperatives and

community marketplaces, allowing credit limits to increase automatically in line with members' sales performance. At the same time, the integration of sustainability principles is realized through green financing and ESG-based funding, supporting environmentally friendly projects such as solar panels, organic farming, and the circular economy, with lower interest rate incentives. Meanwhile, digital sharia-compliant instruments such as blockchain-based micro-sukuk provide transparency and broaden investment access for small-scale investors to support rural development. All of these schemes are reinforced by digital financial literacy education and consumer protection mechanisms through interactive modules, automated loan ceilings, and micro-insurance services. Thus, Sustainable Financing is not merely an economic instrument but also a means of empowerment that fosters social solidarity, reduces inequality, and ensures the economic independence of rural communities in the digital era.(Wongtrakool & Kim, 2025).

The protection of national economic value within the framework of the Digital Gotong Royong Economy aims to ensure that digitalization not only delivers convenience and efficiency but also safeguards domestic economic value creation so that it continues to circulate within the country. One key instrument is the implementation of value-sharing regulations, which require digital platforms particularly aggregator models such as ride-hailing and global e-commerce to fairly distribute revenues with local partners and to pay royalties or special fees on cross-border transactions involving domestic data and services. The concept of Digital Local Content Requirements (Digital TKDN) also represents a strategic measure, extending the principle of local content to the digital domain by mandating that platforms utilize a minimum of 40–60% local content, services, and software.(Indonesia, 2025b). Furthermore, the government can strengthen fiscal independence by imposing digital service excise taxes on global platforms providing streaming, advertising, or cloud services, with the revenues allocated to support grassroots initiatives such as Digital Villages and Digital Literacy programs. This protection is reinforced through the establishment of local security and interoperability standards, preventing foreign platforms from creating closed ecosystems that lock data and transactions abroad, while requiring them instead to remain open and integrable with domestic solutions.(Indonesia, 2025a). At the same time, the government must prepare domestic market protection incentives such as subsidies, tax reductions, and anti-monopoly regulations to foster the growth of local digital platforms and strengthen the role of MSMEs in the national value chain. Thus, this pillar underscores that digitalization must not become an elitist process or serve only the interests of large corporations, but rather function as a tool of mass empowerment that preserves national independence, enhances Indonesia's position in the global economy, and upholds the spirit of the people's economy envisioned by Sumitro Djojohadikusumo.

CONCLUSION

This study emphasizes that the economic thought of Sumitro

Djojohadikusumo which highlights national independence, strategic industrialization, and equitable development remains relevant and even more crucial in addressing the challenges of the digital economy. Through the concept of Digital Economic Nationalism, the three main pillars of Sumitronomics are transformed into: (1) mastery of digital technology and domestic innovation capacity, (2) data sovereignty and cybersecurity, and (3) equitable access to and distribution of digital benefits across all segments of society. The model of the Digital Gotong Royong Economy, developed through the integration of village-level infrastructure, local economic platforms, digital cooperatives, sustainable financing, and national economic value protection, represents the concrete operationalization of Sumitro's vision in the digital context. Theoretically, this approach aligns with the Endogenous Growth Theory, the Capability Approach, and Techno-Nationalism, while simultaneously offering a practical framework for Indonesia to build a digital ecosystem that is independent, inclusive, and competitive. Thus, Sumitro's intellectual legacy is not merely an archival record of history but serves as a strategic compass for the nation in navigating digital transformation without compromising sovereignty, justice, and shared prosperity.

The implications of this research may serve as a policy foundation for the government in designing a national digital strategy that prioritizes the people, while also providing a reference for other developing countries facing the dilemma between technological dependence and aspirations for independence. The limitations of this study lie in its conceptual nature, as it has not yet been empirically tested in the field. Further research, particularly through pilot projects in frontier, outermost, and underdeveloped regions (3T), is necessary to examine operational feasibility, policy effectiveness, and community responses to the Digital Gotong Royong Economy model.

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