

The Role of Development Towards a Sustainable Economy

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Abstract

The purpose of this study is to determine how the role of law in driving the dynamics of national economic development is reviewed from the principle of people's economy through several discussions on the urgency of national economic legal development, the second is how the role of law in driving the dynamics of national economic development is reviewed from the principle of sustainable economy, as well as national economic development strategies with the principle of sustainable economy. This type of research is Library Research, namely research through library or literature studies. The data source in this study is primary data, namely books that directly discuss the role of development towards a sustainable economy. The data analysis technique used to obtain conclusions is deductive, namely the method of drawing conclusions from general to specific. The results of this study The concept or role of law of the Indonesian national economy must adhere to the principle of family, people's sovereignty, Pancasila morals, and show partiality to the people's economy. This concept of sustainable development can only be guaranteed by law and this law that guarantees it must also continue to carry out development in order to be able to jointly carry out national development to prosper its people. Sustainable development strategies, which include development that ensures equity and social justice, development that respects diversity, development that uses an integrative approach, and development that requires a long-term perspective.

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INTRODUCTION

Several countries in the world adopt the welfare state concept and make it a national goal, as does Indonesia. One of the efforts to realize a welfare state is through national economic development. The foundation for Indonesia's national economic development can be found in the 1945 Constitution as a grundnorm and Pancasila in its position as a fundamental state norm. This can be seen in the opening of the 1945 Constitution which reads "The government protects all the people and all of our homeland, advances public welfare and educates the nation's life". In fact, building a welfare state concept is an obsession for most countries". In this case, law has its own role in efforts to grow a country's economy in order to achieve national economic development. Law plays a very important role in supporting the economic growth of Indonesian Law. As a social engineering tool as born from Roscoe Pound's concept of thought, the law that develops in society certainly has a role according to its function so that it can influence economic development as stated by Gunarto Suhardi. Economic development and legal development must be in line and balanced so that the function and role of law can accommodate the provisions that must be regulated by the economic sector. For example, in order to support the national economy, Indonesia cannot close itself off from the global market era, so that internationally agreed provisions must also be accommodated by legal provisions in Indonesia.

The discourse on development also received support from academics by contributing their thoughts in the form of theories on development and modernization. These theories include those from W.W. Rostow (1960) who saw development as a process of evolution

from traditional to modern society through 5 stages or a five-stage scheme. According to Rostow, these five stages start from the traditional society stage, then the pre-take-off conditions, followed by the take-off stage, then reaching the maturity stage of growth, ending at the high consumption society stage.

Indonesia as a developing country has characteristics that are certainly different from other developing countries. By ratifying international trade agreements, it is possible that it will produce different results compared to other countries. Friedman said that the legal culture of a society influences the enforcement of law in society. Things that influence these factors include politics, geographical location, educational background, culture, environment and no less important is the economy.

The impact of a nation's isolation by the international world is certainly very detrimental to the nation. Therefore, as a developing country, Indonesia must also be able to adapt to the current era of globalization so as not to be left behind by other countries. Indonesia is required to be able to compete with various other countries in the world so that economic development in Indonesia can develop and can move in a better direction by following existing rules. In early 2007, the Indonesia Forum Foundation conveyed the Vision of Indonesia in 2030 to the President and targeted that Indonesia's per capita income would reach 18,000 US dollars per year. The population of Indonesia in 2017 was recorded at more than 261 million people, thus we have hope that the world's fifth economic power after China, America, the European Union and India can be easily occupied by Indonesia. Optimism in occupying the world's fifth economic power is also accompanied by contradictory opinions, seeing the condition of the Indonesian economy which has not been able to reduce poverty and unemployment rates and minimal investment. The decline in Indonesia's economic conditions can also be seen from the high rate of corruption and the declining credibility of law enforcement and state institutions. A book *Social control through law* born from the thoughts of Roscoe Pound interprets law as a method that influences changes in social relations between humans in society or what is known as law as a tool of social engineering "law as a tool of social engineering".

The purpose of a modern state is essentially to realize the welfare of the people. In accordance with the initial theory of the agreement, the people surrender some of their rights to be regulated with the aim of prosperity. Prospering the people can be done in many ways and ways, one of which is carrying out National Development. National Development is interpreted as a joint effort between the people and the state to jointly improve themselves in a better direction than before. Therefore, the concept of national development itself, which is a conscious effort by the community to achieve its welfare is a natural thing for the community to achieve its own welfare. Unfortunately, currently, this national development has not been able to be realized in real terms in the daily lives of the community. National development carried out by the community in general is temporary and unsustainable development.

Based on this thinking, the researcher wants to conduct a more in-depth study on:

- a. What is the role of law in encouraging the dynamics of national economic development in terms of the principles of people's economy through a discussion of the urgency of developing national economic law?
- b. What is the role of law in driving the dynamics of national economic development in terms of the principles of sustainable economics, as well as national economic development strategies based on sustainable economic principles?

MATERIALS AND METHODS

The approach in this study is with a qualitative descriptive method, the type of research is library research, namely research through library or literature studies. The data source in this study is primary data, namely books that directly discuss the problem being studied, namely the study of the role of development towards a sustainable economy. The data analysis technique used to obtain conclusions is deductive, namely the method of drawing conclusions from general to specific.

RESULTS AND DISCUSSION

A. Economic Development Reviewed From Economic Principles

Bung Hatta's economic concept states that development is a process of humanization, humanizing humans, what is built is the people, where economic development is a supporter of people's development. The prosperity of the people is prioritized, not the prosperity of an individual. So that the economic development carried out is economic development for many people, for the whole community, not just for a part of the community. Kuznets, Chenery and several other authors conducted further investigations into changes in economic structure in the development process. Kuznets not only investigated changes in the percentage of the population working in various sectors and sub-sectors in economic development, but also showed changes in the contribution of various sectors to national production in the process. In relation to the SDGs, economic development can be seen from the absence of poverty, decent work and economic growth, development of the infrastructure industry, and so on.

Increasing the ability of the community to control the direction of the wheels of the economy which is the goal of the Indonesian nation which is in line with the identity of the Indonesian nation which adheres to the principle of family as a people's economic system. Mubaryo, who poured his thoughts into the book "Economic System Reform: from Capitalism to People's Economy", argues that people's economy is a democratic economy that aims to provide prosperity, especially to the common people. Zulkarnain believes that siding with people's economy is an important aspect that must be adopted in addition to justice and economic democracy for a country in using a people's economic system that is in accordance with the state philosophy.

Djamester A. Simarmata interprets economic democracy as equivalent to the people's economy adopted by the Indonesian people. The definition of people's economy can be found in the explanation of Article 33 of the 1945 Constitution of the Republic of Indonesia that people's economy is an economic system in which all levels of society have a contribution in the production process to be carried out by all members of society who have the opportunity to have it. Thus, the achievement of economic democracy can be marked by the participation of all members of society in every production activity.

By paying attention to Micro, Small and Medium Enterprises (MSMEs) in relation to economic activities, it means that an understanding of people's economy is beginning to form. So that small-scale economic actors will be more empowered. In addition to economic activities, the economic system approach by adopting economic democracy also needs to be continuously developed so that all economic activities will pay attention to economic democracy. The people's economic system can be simply interpreted as an effort to involve all levels of society as a driving force in national development. Thus, the principles of economic democracy can be implemented well to encourage national development.

The welfare of the Indonesian people is a source of pride, the result of the implementation of a people's economy that includes all levels of society in the production process, so that justice, economic democracy, and support for the people's economy are realized. Although it is still very far from being called a prosperous country, with a shared commitment and enthusiasm to realize it, it will bear sweet fruit. Pancasila and Article 27

paragraph (2), 28, 31, 33, 34 of the 1945 Constitution of the Republic of Indonesia are the legal basis that is very appropriate in accordance with the mandate of the founding fathers of the Indonesian nation. As an ideological foundation and value system of a nation, Pancasila can realize social justice for all Indonesian people.

B. The Role of Sustainable Economic Development Law and National Economic Development Strategy With Sustainable Economic Principles

The legal way to achieve national development that prospers its people is by implementing a sustainable national development concept. This is done so that the concept of national development is a sustainable development concept that aims not only for welfare in the present, but also the past, present, and future. This sustainable development concept can only be guaranteed by law and this law that guarantees it must also continue to carry out development in order to be able to work together with national development to prosper its people.

According to Mohammad Ali, sustainable development is a process to meet human needs now without sacrificing the fulfillment of human needs in the future. In order to achieve the goals of sustainable development, it is necessary to fulfill one of the requirements for sustainable development, namely ensuring equal and fair opportunities for everyone. Sustainable development is a process of change in which all activities such as resource exploitation, investment direction, technology development orientation, and institutional change are in harmony and increase present and future potential to meet human needs.

Almost everyone understands that economic activities end in profit, or what is commonly called profit. So the classical principle of economic activity that requires maximum profit with the least capital, is very different in principle from the law that is restrictive of human actions and behavior. Therefore, ancient Greek myths view economics and law as different and contradictory in principle. According to the author, this view is not always true, because law and economics as explained earlier are closely related and complement each other in the same goal of national development. The benchmark that can be used to determine whether a nation is a developing nation or a developed nation (developed countries) is by looking at the standard of living of its people. So that economic development is intensively carried out by developing countries to be able to improve the standard of living of their people. However, the birth of the World Bank, the International Monetary Fund (IMF) and the General Agreement on Tariffs and Trade (GATT) actually makes developing countries increasingly dependent on developed countries instead of following the previously developing countries to become developed countries. The bias of the World Bank, the International Monetary Fund (IMF) and the General Agreement on Tariffs and Trade (GATT) towards developed countries through economic policies that are born will actually benefit the developed countries even more. According to Prof. Dr. W. Verwey, several classical international economic principles are widely applied such as free trade, equality, reciprocity which result in small industries or micro, small and medium enterprises being unable to compete with large-scale international industries even domestically because they have controlled the market and all of that in the name of free trade, equality, reciprocity. This will gradually kill small, micro and medium industries in the country and make developing countries very dependent on developed countries. The proof is when retail businesses come to Indonesia from abroad or from within the country itself which are controlled by only a few people, they will definitely beat traditional retail. In several regions in Indonesia, this has become an everyday sight, so that traditional retail which has different characteristics from modern retail is increasingly sluggish and dies by itself.

Not only a domestic problem, Indonesian Sociologist Selo Soemardjan argues, "globalization is the formation of communication and organization between one society and another that is different throughout the world that has the goal of following the same new

rules." Indonesia must also accept the challenges that arise as a result of the economic globalization process so that between one country and another there are no more boundaries in carrying out economic activities in the large scope of free trade. It can also be imagined that economic competitiveness is no longer against domestic entrepreneurs but also foreign entrepreneurs internationally which is not limited to business activities of goods and services alone but also all of them. Logically, such high competitiveness requires the government to continue to be able to protect micro, small and medium enterprises that not only compete in the international market but also the domestic market. However, it is also a dilemma when a country's policy must not conflict with international provisions which even now still cause polemics. The international provisions that have been agreed upon require member countries to support and comply with these provisions. Protection of small domestic industries through trade barriers (subsidies and non-tariffs) must be seriously avoided so as not to be sued internationally. The information technology revolution cannot be stopped, so what must be done is to face it, the problems of e-commerce, Information Technology (IT), criminal activities carried out in cyberspace (cyber crime), online markets, distance selling or long-distance sales, digital certificates, corruption, Money Laundering, terrorism and the implementation of the ASEAN Free Trade Area (AFTA), readiness of regulation is needed that can be adjusted to the needs of the times such as legal regulations regarding arbitration and alternative dispute resolution, Limited Liability Companies, Multinational Companies, AFTA, antidumping, antitrust, monopoly and unfair business competition, legal protection for consumers, maritime law, air and space law, *ius constituendum* commercial law, protection of Intellectual Property Rights (IPR), information and communication technology, cyber law, and international regulations on trade and economics that must be adjusted to the substance of national law through ratification. Readiness of regulation should be able to protect domestic industry and also without creating trade barriers, both subsidies and non-tariffs. The focus on improving the standard of living of the people in Indonesia can be marked by the growth of the investment climate, efforts to increase per capita income of the population, which increase takes place in the long term. In order to avoid being left behind by other countries, economic development is a necessity that is attempted. However, it must be in line and in harmony with adequate legal development in Indonesia so that the Welfare state can be realized and is no longer a mere fantasy of a nation. The concept of the welfare state requires the government to intervene in the economic life of its people. This intervention is then manifested in the role of the government which limits the implementation of the principle of freedom of contract in a liberal economic system. Sunaryato Hartono argues that new legal rules emerged through development plans during the New Order era which had deviated from public law or private law, thus giving birth to a new branch of law. This implementation is the concept of law and economic concept that gives rise to a conflict of interest in efforts to implement national development.

Indonesia is a country of law (*rechtsstaat*) not a country of power (*machtsstaat*). We find this sentence in Article 1 Paragraph (3) of the 1945 Constitution of the Republic of Indonesia and is explained in the articles about its explanation. The practice of state administration was born from the concept of a country of law that places law as the commander.

The concept of a country of law that is closely associated with being a constitutional foundation that requires every citizen to obey the law and enforcement or supremacy of law must be implemented. One can imagine what it would be like if law had never been born in the midst of community life. Of course a nation would experience a state of chaos. The purpose of law is in the form of legal certainty, justice and benefits that will only be realized if there is a set of legal rules in community life.

The supremacy of law must be upheld through legal reform in substance, structure and culture. Almost simultaneously with respect for Human Rights, freedom of opinion makes society have a more critical and constructive mindset so that it carries out a control function over the government so that anyone who sits in the seat of government will not do things that violate the rights of the community.

Law is a "tool for social change" according to Roscoe Pound, in this case explaining that changes in society can be preceded by law. So that a condition that previously did not exist becomes present and can use law to engineer it. There are four (4) types of legal functions, namely:

- a. as a maintainer of order;
- b. as a means of development.
- c. as a means of enforcing justice; and,
- d. as a means of educating the community

Indonesia itself is currently faced with various kinds of resolutions regarding legal issues that must be resolved. This is certainly influenced by economic globalization in addition to the demands of the national legal system that is adjusted to economic globalization. Economic law functions to regulate and limit economic activities. Economic law was born from the increasing growth of the global economy. This economic development system is regulated by legal policies and is then expected to continue to pay attention to the interests and rights of the community as economic actors.

CONCLUSION

The concept or legal role of the Indonesian national economy must adhere to the principles of kinship, people's sovereignty, Pancasila morals, and show support for the people's economy. Indonesia's economic development should be carried out without neglecting the national economic system so that globalization that cannot be denied by Indonesia must also be adjusted to the people's economic system that supports the Indonesian people's economy.

The legal way to achieve national development that prospers its people is by implementing the concept of sustainable national development. This concept of sustainable development can only be guaranteed by law and this law that guarantees it must also continue to carry out development in order to be able to jointly carry out national development to prosper its people. Then the strategy of sustainable development, which includes development that guarantees equality and social justice, development that respects diversity, development that uses an integrative approach, and development that requires a long-term perspective.

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