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THE ROLE OF LAW IN ECONOMIC GLOBALIZATION IN INDONESIA

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ABSTRACT

Legal development has a more comprehensive and basic meaning compared to the promotion and renewal of law in the context of increasing the nation's competitiveness, legal politics in Indonesia directs legal development to encourage economic growth. The research objective is to determine economic growth, especially in the business world and in the industrial world which determines investment capacity, especially law enforcement and protection. The method used is normative juridical. The results of this study see Law as a social engineering tool that was born because the concept of law is taught to direct people to better understand change. Law as an instrument of development control includes development in the economic field. Enforcement of law and justice in particular in the economic development of activities and developing development in accordance with long-term government programs. The role of law in economic globalization in the 21st century is certainly expected aspects of globalization in legal and economic growth, the development of economic law also includes investment law, which of course must run in accordance with long-term development tools.

Keywords: Law, Development, Globalization, Economy.

INTRODUCTION

Indonesia as a developing country which is one of the countries belonging to the group of Southeast Asian countries (*Association of Southese Asian National*), which is a country whose level of economic development is not that advanced compared to developed countries, has a per capita income level above the average. Apart from that, Indonesia is also structuring its economy in accordance with Law Number 7 of 1994, namely Indonesia's participation in international trade. From 2 things mentioned above raises several complex social changes, for example the unemployment rate is relatively high, the poverty rate has not drastically decreased, productivity and quality of work are relatively low, and some small and medium enterprises that become economic growth are still looking for forms besides following economic growth.. The world in the last 5 years is considered unstable, which has attracted the attention of world law and economy which has an impact on the economy, especially in Indonesia, the need for improvement so that it needs to be ratified and follow existing laws, especially those related to the business and economic fields such as Law number 5 years 1999, in article 5 and article 17, the article is expected to run without any discrimination, in this article which has not been effective so far because there is still or has been found to have separate market control (monopoly).

Economic law, according to several existing references, emphasizes understanding law and economics in general, besides the question arises whether economic law must be studied comprehensively without legal regulation. Economic law departs from two different domains of study, which question whether economic law is a study of economics, law and economics, development economics law, economic law and so on. This is in line with the results of Abdul

Manan's research in relation to challenges in economic law (Abdul Manan, 2014). The risk approach is to examine the legal relationships of the parties according to the target in achieving business or business goals. According to Sunaryati Hartono, explaining that Indonesian economic law is the whole of the rules and regulations, legal decisions that specifically regulate the activities of Indonesian economic life (Sunaryati Hartono, 2008). The current globalization that has hit today has become a change in all aspects of human life, especially developing countries (such as Indonesia). The growth that occurs also automatically occurs with changes in law, because people's needs will change quantitatively and qualitatively. The problems that arise in the change of law are the extent to which the law is in accordance with these changes and how the legal order is not left behind with changes in society (Sri Rizeki Hartono, 2007)

Legal changes in the era of globalization in relation to changes in Indonesian law establish a national legal system based on Pancasila and the 1945 constitution, legal development is directed at producing national legal products capable of regulating general tasks of government and administering national development, supported by clean legal apparatus and authoritative, full of conscious dedication and obedient to the law, has a sense of justice in accordance with humanity and is professional, effective, equipped with adequate legal facilities and infrastructure (Abdul Manan, 2014).

Based on the above background, the writer can formulate the problem, How is the role of law in development in relation to national economic development. How is the relationship between national economic law and the development of economic law in the order of globalization.

METHODS

Methods in carrying out a research, the writer needs a method in the form of a research design in terms of its use qualitative, of course this writing will determine and adjust. In relation to research design, in the preparation and conduct of scientific work, of course, use a research design with qualitative methods that departs from existing theories as an explanation and ends with a theory. Data collection techniques are in the form of collecting reference materials and related documents including other scientific works from several experts in their fields. Analyzing data, making rules, manipulating, and responding to data so that it is easy to understand and read in terms of data analysis is dividing data or groups or categories, categories that are appropriate and complete, free and separate, in writing this scientific paper it is expected that descriptive data are sourced from writings or expressions and behavior that can be observed from humans.

RESULTS AND DISCUSSION

The Role of Law in Development Relating to National Economic Development.

Laws with different points of view and whose emphasis must be on different purposes. People's perceptions of the law vary from the point of view of which they are viewed. The judge views the law in accordance with the profession that he is engaged in. Scientists emphasize law from the point of view of the profession, the science it should be. From this different point of view, it is impossible for the spirit to make an understanding that can be accepted by all parties, in relation to immanuel khan as quoted by Akmad ali several centuries ago who said that *bejariffe van recht* there was no jurist who could make a The proper understanding of law for that depends on its use, law as an association, guidance for life, orders, legislation and customary law. Judging from the rule of law, it is given an understanding of law as an association, guidelines for life, orders and prohibitions that regulate

the order in a society, and should be obeyed by the members of the community concerned. This is consistent with Abdul Manan's understanding in 2010. This legal and economic relationship is not a one-way relationship, but a reciprocal relationship that affects each other. Economic activities that are not supported by law will result in chaos.

The constitution states that Indonesia's economic development must be carried out by including the role of society. This is in accordance with Article 33 paragraph 4 of the 1945 constitution. In a statutory framework it can be understood that national development is development that is comprehensive, has insight and seeks to improve welfare. On the other hand, he said that national development in Indonesia is an effort carried out by all components of the Indonesian nation in order to achieve the goals according to law number 25 of 2004 concerning long-term development. National development, among other things, means that national development is a process, development is an effort that is consciously defined as something to be implemented in a planned manner (Sondang Siagian, 2005)

We can see this potential from the abundant natural wealth on thousands of islands scattered throughout the archipelago. This large potential will contribute more to the world if it is supported by reliable and innovative human resources in developing ideas that can make Indonesia a world-recognized country. Of course there are many systems that must be improved, one of which is the legal system. The discourse on improving the legal system is actually nothing new in Indonesia. In accordance with the notes conveyed by the Indonesian Forum Foundation in early 2007 that in order to achieve the Indonesian Vision 2030 there are several requirements that must be met, namely tax reform, bureaucratic reform, legal system reform, good governance supported by all components of the nation, and the most important is the existence of a leader. Who has a vision and strong leadership.

Placing legal system reform as one of the requirements for achieving Indonesia's Vision 2030 is an appropriate strategic thought and step, because without prioritizing law as one of the main supporters to achieve the prosperity of the nation, the efforts taken will be in vain as has happened in the The new order.

According to a study conducted by Burg's regarding law and economic development, five elements must be developed in the nation's economic development, namely stability, predictability, fairness, education, and special development of legal scholars (*the special development abilities of the lawyer*).

Here "stability" serves to accommodate and avoid competing interests. The prediction is the need to be able to predict the provisions relating to the economy of a country. Burg's view above is in accordance with J.D Ny. Hart who also put forward the concept of law as the basis for economic development. Mrs. Hart argues that there are six concepts in legal science that have an impact on the development of economic life. The first concept begins with predictability in which the law must have the ability to provide a definite picture in the future regarding conditions or relationships that are carried out in the present. Both procedural skills. Procedural law is required to maximize the function of material law in dispute resolution. The three codifications of goals. Legislation can be seen as a codification of the objectives and purposes as desired by the state. for example in the economic sector, we will be able to find these objectives as formulated in several laws which directly or indirectly have an influence on the economic sector. Fourth, the balancing factor. The legal system must provide awareness of the balance in the state's efforts to carry out economic development. The fifth accommodation, here the legal system that regulates the relationship between individuals both materially and formally provides an opportunity for the disturbed balance to adjust to the new environment as a result of these changes. And sixth, the definition and clarity of status. In addition to the legal function that provides predictability, it can be added that the legal function also provides clarity regarding the status of people and goods in society. Furthermore, Mochtar

Kusumaatmadja with his theory of development law also explains the role of law in development, namely providing pathways for development (political, economic, and socio-cultural).

Another legal function is to maintain order and security and to create an atmosphere of just legal certainty in society. Of course the flow of such analysis is based on a frame of mind that the legal system and the economic system of a country / nation always interact. The interplay between the two systems can be positive, but it can also be negative if the legal system is not good.

Based on the legal theories above, it can be concluded that law plays an important role in the economic development of a nation, but in order for the law to be able to play its role in providing legal certainty to economic actors, the government as policy maker for the law is responsible for making law authoritative by responding and Following up the improvement of the legal system by collaborating with the theories put forward by experts so that in the future it is hoped that the law will be able to play its role as a guiding factor, supervision, and creating a conducive climate in the economic field.

The Relationship between National Economic Law and Economic Law Development in a Globalization Order

The existence of economic law in the development of development is easier to understand in a country with the Anglo Saxon state system. In this country, the legal system is based on a common law system. The development of law at that time was easier to administer and the emergence of economic law was not a problem but in evaluation grew with the development of this habit. Legal knowledge is fields strictly implemented by the constitutional legal system (Article 33 Paragraph 4 of the 1945 Constitution).

Legal development in the development of economic globalization (21st century) is a globalization century which consists of changes, openness, and habits in various lives. Globalization is taken from the word global, which means to note universally or globalization is a change that must be followed according to developments. Globalization also means a shift in thinking towards a more modern direction. Globalization According to Muhammad Abid Al Jabiri (2012) that globalization means making something at the world level or changing from a limited and actual position.

The current globalization that has hit the world today has changed in all aspects of human life, especially in developing countries including countries in Asia (Indonesia). The changes that occur naturally also occur in legal changes because the community's need for quantitative and qualitative changes must be based on clear legal rules. In the development of globalization of national law, especially legal reform in Indonesia (PJP II) in the framework of establishing a national legal system based on Pancasila and the 1945 constitution, legal development is directed at producing national legal products capable of firmly regulating the administration of government in national development. In terms of economic development, national and international economic growth and development, law is a tool to regulate and limit economic decisions with the aim that economic development does not compromise the rights and interests of the people. Thus it can be said that the law is not only a regulation on economic activity but also how the economy affects the law.

Legal development is directed at supporting the realization of sustainable economic growth, regulating problems related to the economy, especially the business world and industry, as well as creating investment certainty, especially law enforcement and protection. Legal development is also directed at eliminating the possibility of criminal acts of corruption and being able to completely handle and resolve problems related to KKN. Legal development is carried out through the renewal of legal materials, while still paying attention to the plurality

of the prevailing legal order and the effects of globalization as an effort to increase legal certainty and protection, law enforcement and human rights, legal awareness, and legal services that have the core of justice and truth, order and welfare in the context of the administration of the State which is increasingly orderly, orderly, smooth and globally competitive. In addition, the development of economic law and the management of Indonesia's natural resources must be able to create a balance of development between the center and the regions, Java and outside Java. The existing Investment Law is expected to encourage investment in the regions, so that employment can open again to solve the unemployment problem. Regional upheavals throughout the history of the Republic were mainly caused by regional dissatisfaction with equitable development. However, the misinterpretation of autonomy can also create disincentives for economic growth. Regional regulations should provide incentives for the economy in the region concerned and not the other way around. However, economic actors need certainty to make economic decisions. Business actors will always think the importance of certainty.

In order to position economic law to play a role in economic development and natural resource management, it is necessary to conduct an in-depth study related to economic development and natural resource management which is more pro-people, by making the law not only meet the demands of economic actors, but also be a means of prospering society , for example conducting an analysis of legislation in the field of economy and natural resource management that is not in line with the Preamble of the 1945 Constitution and Article 33 of the 1945 Constitution, encouraging the emergence of policies that favor small businesses, farmers and fishermen, criticizing and suppressing monopolistic practices carried out by companies transnational, in collaboration with the Ministry of Home Affairs and the Ministry of Finance to evaluate and improve local regulations that hinder investment in their respective regions. 32 Apart from provisions that can hinder investment, economic development must also be considered, such as the issue of labor protection and consumer protection. Low wages do not always mean cheap wages. All cheap labor wages compared to developed countries have provided comparative advantages for the export industries of South Korea, Taiwan and Hong Kong. Cheap labor wages accompanied by discipline of workers in a country that has just entered the level of an industrialized country, as is well known, is under a repressive government. The minimum wage that has been set by the government is still below the level of meeting basic needs, there are still many companies that do not comply, but workers who do not have a strong labor organization cannot fight for their rights. In addition, the intense competition in the labor market and the severe economic crisis have made workers not have the courage to fight for the improvement of their fate.

CONCLUSIONS

Law is an expression of awareness, law is born from the demands and will of society, the role of law in economic development, of course, public awareness and demands must be in line with law as social engineering, besides law as social control in the development of various economic aspects including in the investment sector. The development of national law in economic globalization must be in line with legal and economic development, if the two are not in line, then development will not run optimally, especially development in the business and investment sectors which are the ideals for the welfare of society in the current economic globalization.

Suggestions

1. It is expected that economic actors in developing their businesses should understand the systems and methods of guidance and legal objectives, especially in the fields of economy and investment in general.
2. It is recommended that the development of economic globalization not only benefit from one side (business actors) but also take into account various aspects that can benefit society.

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Legislation:

1945 Constitution

Civil Code (BW)

Commercial Law Code

Law Number 40 of 2007 concerning Limited Liability Companies

Law Number 5 of 1999 concerning Unfair Business Competition

Law Number 25 of 2004 concerning the National Development Planning System