

The Political Law of National Economic Development: A Nation of Law Perspective

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Abstract : Law and economic are the pillars of development. They must be compatible and aligned in the interests of the people. Accordingly, the policy direction of political and economic laws must have value. Thus, the objective of the law can be achieved. In addition, laws are made and built to regulate the business behavior done by investors. These are to protect their economic activities with laws. For these reasons, this research is formulated. This research focused on the following problems: First, how is the concept of law as the basis of economic development? Second, how is the policy direction of political law in National Economic Development? This research employed a normative method and conceptual and historical approach. The findings revealed two ideas: First, five elements such as stability, predictability, fairness, education, and the special development abilities of the lawyer must be developed so that law does not hamper the economy. Second, the policy direction of political law in national economic development is a reflection of the objectives of Indonesian development. Therefore, the development of economic law needs integrated and interdisciplinary skills that require tolerance.

Keywords: A Nation of Law, Economics and Development, Law

Politik Hukum Pembangunan Ekonomi Nasional dalam Perspektif Negara Hukum

Abstrak : Hukum dan ekonomi merupakan penopang dari pembangunan sehingga keduanya harus bisa serasi dan disejajarkan demi kepentingan rakyat. Maka itu arah kebijakan hukum politik ekonomi harus merupakan sesuatu yang mempunyai nilai guna agar tujuan hukum dapat dicapai. Karena hukum dibentuk dan dibangun untuk mengatur bagaimana hukum tersebut dapat mengatur perilaku bisnis yang dilakukan oleh investor agar kegiatan ekonomi yang mereka buat mendapat perlindungan oleh hukum. Penelitian ini dirumuskan dengan fokus permasalahan yakni Pertama, Bagaimana Konsep Hukum Sebagai Dasar dari Pembangunan Ekonomi? dan Kedua, Bagaimanakah Arah Kebijakan Politik Hukum Dibidang Pembangunan Ekonomi Nasional? Penelitian ini dilakukan menggunakan metode normatif dengan pendekatan konseptual dan historis. Hasil penelitian menunjukkan bahwa: Pertama, ada 5 unsur yang harus dikembangkan supaya hukum tidak menghambat ekonomi, yakni stability, predictability, fairness, education, dan the special development abilities of the lawyer. Kedua, arah kebijakan politik hukum dibidang ekonomi di Indonesia merupakan pencerminan dari tujuan dari pembangunan di Indonesia. Sehingga pembinaan Hukum Ekonomi memerlukan keahlian-keahlian yang terpadu dan interdisipliner yang membutuhkan toleransi.

Kata Kunci: Hukum, Ekonomi dan Pembangunan; Negara Hukum

INTRODUCTION

In the present day, we find many industrial technology builders and developments make changes in the traditional aspects.¹ Development is a positive change that was planned and aimed at making progress.² Development is basically strived to achieve social welfare. This is stated in the Preamble to the 1945 Constitution as the goal of the establishment of the Republic of Indonesia. The implementation of these welfares is stipulated in the provision of Article 33 paragraph (3) of the 1945 Constitution, the land, water, and all-natural resources in it are under the State and used for the greatest prosperity of the people.

¹ Ifrani dan M.Yasir Said, 2020, "Kebijakan Kriminal Non-Penal OJK Dalam Mengatasi Kejahatan Cyber Melalui Sistem Peer To Peer Lending", *Al-Adl: Jurnal Hukum*, Vol. 12, No.1, January 2020, Pg.61-76.

² Gatot Supramono, 1997, *Tindak Pidana Korupsi di Bidang Perkreditan*, Bandung : Alumni, Pg. 1

Development is a way to create people's welfare. Development has been developed since the new order to achieve economic progress. The developed economic levels are implemented to catch up with the economic backwardness. In line with these efforts, there is the need for so-called sustainable development. This is because the development transforms inexistence to existence. Such development is not only carried out from a physical or material perspective, but also in terms of developing the quality of human resources. By conducting a balanced development in terms of quantity and quality, it is expected that the desired welfare can be achieved.³ Basically, there are three stages of a country's development, the developing country to becoming a developed country, such as: the first stage of unification (unification) emphasizes how to achieve political integration. This is to create the unitary state; The second stage of industrialization focusing on the struggle for economic development and political modernization; And the third stage of social welfare. The state's main task is protecting the people from the negative side of industrialization and correcting mistakes in the previous stage. The main focus is the people's welfare.⁴

Based on Burg's analysis of law and development, there are five elements that must be developed so that the law does not hinder the economy, the stability, predictability, fairness, education, and the special development abilities of the lawyer. Burg's explained that the first and second elements are the requirements to make the economic system function properly. The stability is to accommodate and avoid competing interests. The prediction, on the other hand, is a need to understand the economic provisions of a country.⁵

The development discourse has also received support from academics through the contribution of thoughts such as theories on development and modernization. For example, W.W. Rostow views development as an evolutionary process of traditional to modern society covering five stages. Starting from the traditional community stage, preconditions to take-off, the take-off stage, drive to maturity, then finally at the age of high mass consumption. In the New Order era, economic experts, economic actors, and authorities saw the law as an obstacle to the continuity of economic activity. At that time, the law was not used as a basis, guide, and enforcer of activity of economic activities. The existence of the law was undermined by the authorities. This was only to defend the political economy in the New Order which served the economic interests of developed countries, conglomerates, and the Multi-National Corporation (MNC). However, after the monetary crisis devastated the economies of several countries, they began to realize the importance of legal authority in creating a conducive economic climate and attracting investment.⁶

In placing the law as an authoritative instrument to support economic development, it is necessary to understand the kind of roles from law existence in a society that the economic sector desire. Basically, legal instruments that are only applied as a repressive measure, are unable to achieve social welfare.⁷ Some economists expect the direction of legal development must accommodate the dynamics of economic activities,⁸ such as creating efficient and productive activities which includes predictability.

After all, law and economy are the pillars of development. They must be compatible and aligned in the interests of the people. Therefore, the policy direction of political and economic laws

³ *Ibid.*

⁴ Rita Yani Iyan, 2012, "Peran Hukum Dalam Pembangunan Ekonomi", *Jurnal Sosial Ekonomi Pembangunan* Tahun II No. 5, March 2012, Pg. 1

⁵ Leonard J. Theberge, 1980, "Law and Economic Development", *Journal of International Law and Policy* Vol.9, Pg. 232, in Adi Sulistiyono dan Muhammad Rustamaji, 2009, *Hukum Ekonomi Sebagai Panglima*, Sidoarjo: Masmedia Buana Pustaka, Pg. 20

⁶ Adi Sulistiyono dan Muhammad Rustamaji, *Ibid.*, Pg. 17.

⁷ Selama puluhan tahun berbagai persoalan hukum menjadi kendala negara untuk menyejahterakan rakyatnya. Ifrani, (2015), "Disharmoni Pengaturan Tata Kelola Kawasan Hutan", *Al-Adl: Jurnal Hukum*, Vol. 7, No.14, July-December 2015, PG.87. See also Ifrani, (2016), "Penerapan Undang-Undang Tindak Pidana Korupsi Terhadap Tindak Pidana Dibidang Kehutanan", *Al-Adl: Jurnal Hukum*, Vol. 8, No.3, September-December 2016, Pg.66

⁸ See Djunaedi Hadisumarto, "Sambutan Seminar Sehari Implikasi Reformasi Hukum Bisnis Terhadap Perekonomian Indonesia", Penyelenggara Program Studi Magister Manajemen Universitas Indonesia, 8 December 1993 in Adi Sulistiyono dan Muhammad Rustamaji, *Ibid.*, Pg. 18

must have value. Thus, the objectives of the law can be achieved. This is because the law is made and built to regulate the business behavior done by investors. These are to protect their economic activities with the law. In addition, to ensure legal protection, a legal principle is established in the investment sector in the form of legislation, doctrine, jurisprudence, treaties, and other agreements. These are to determine the policy direction of political and economic laws.

There is an urge need to harmonize the interaction between legal and economic development. In other words, the development of economic activities which has been relatively faster so far should be followed by the developments of legal arrangements. Several new economic activities with no existing laws and regulations are no longer providing stable certainty. Basically, the economic law studies are directed to increase the supporting capacity of laws or regulations governing the economic activities. The completeness of these legal instruments or statutory regulations will provide legal certainty for the implementation of legal relationships. For example, creating rights and obligations for legal subjects in general and in relation to economic activities in particular.⁹

Politics and economics can become legal products. It can be in the form of policies that must be followed by citizens. The position of political law in the country's economy can be described as an interrelated relationship. The implementation of legal politics has indirectly reformed the economic policy. The term development in Legal development refers to legitimacy and safeguards for economic development.¹⁰ This can be seen from the growth of the legal system, values and procedures, legislation, and the law enforcement bureaucracy. They not only portray the law as a development process condition but also become a strong support for political, economic, and social structures.¹¹ The research questions in this study are formulated as follows: How is the concept of law as the basis of economic development? And How is the policy direction of political law in national economic development?

RESEARCH METHODS

Generally, research in law sought to present legal developments in line with the needs of legal studies.¹² In practice, law subject continues to develop as the development of community behavior. Research conducted in the context of legal subject commonly about the application of law, legal processes, legal events, and the provisions of legal regulations substantially and procedurally.¹³

In making this research, the researcher employed normative legal research. This was because the researcher only involved literature study and used secondary data to analyze the existing problems. Meanwhile, the nature of this research was descriptive. This was because the researcher described the problems so that the reader can imagine or feel what the researcher saw and felt. Specifically, the concept of law as the basis of economic development and the policy direction of political law in national economic development.

RESULTS AND DISCUSSION

1. The Concept of Law as the Basis of Economic Development

Law has a very important position in providing conditions to spur the growth of economic development and to maintain relations between various elements and economic players. The role of law in economic development that brings discourse on an economic approach to law or vice versa is known as legal economic analysis. This legal economy analysis uses economic theory and considerations in solving legal problems. The approach is transnational and interdisciplinary. It

⁹ Sumantoro, 1986, *Hukum Ekonomi*, Jakarta: Universitas Indonesia, Pg. 23

¹⁰ Todung Mulya Lubis, "Perkembangan Hukum dalam Perspektif Hak Asasi Manusia", paper untuk Raker Peradin, November 1983

¹¹ Mulyana W.Kusumah, 1986, *Perspektif, Teori dan Kebijakan Hukum*, Jakarta: Rajawali, Pg.29

¹² Yati Nurhayati, (2013), Perdebatan Antara Metode Normatif Dengan Metode Empirik Dalam Penelitian Ilmu Hukum Ditinjau Dari Karakter, Fungsi, dan Tujuan Ilmu Hukum, *Al Adl: Jurnal Hukum*, Vol. 5, No. 10, Pg.15

¹³ Yati Nurhayati, Ifrani, & M. Yasir Said, (2021), Metodologi Normatif dan Empiris Dalam Perspektif Ilmu Hukum, *Jurnal Penegakan Hukum Indonesia*, Vol. 2, No.1, Year of 2021, Pg.1-20

focuses on the relationships between national and international socio-economic problems in an integral manner.¹⁴ As mentioned previously, based on Burg's research on law and development, stability and predictability are prerequisites for the economic system to function.¹⁵ Predictability plays an important role for countries that are just entering transnational economic relations. Meanwhile, stability is defined as a potential law to maintain balance and accommodate competing interests. Justice can be seen from the legal process, equality before the law, the standard of government treatment, and so on. These things affect the continuity of the market mechanism and prevent the dominance of the government. Education and the development of the legal profession, on the other hand, must be empowered. This is to produce legal experts for legal and economic development.¹⁶

This idea was supported by J.D. Mrs. Hart, who proposed the concept of law as the basis for economic development. Mrs. Hart explained six concepts in legal subjects that have an impact on economics.¹⁷ The six concepts include:

- a. Predictability: Laws should have the ability to provide a definite picture in the future of circumstances or relationships that are carried out in the present.
- b. Procedural capability: The procedural development of law or procedural law allows material law to be properly manifested based on the procedural laws. It covers not only the provisions of statutory law, but also all settlement procedures approved by the parties to a dispute, for example, the forms of arbitration, conciliation, and so on. All these institutions are expected to be able to work efficiently. That economic life wants to reach its maximum level.
- c. Codification of objectives. Legislation can be seen as a codification of the goals and objectives as desired by a country. For example, in the economic field, we will be able to find these objectives as formulated in several laws. This is directly or indirectly influence the economic sector.
- d. The balancing factor. Legal system must provide a balance between conflicting values in society. The legal system provides "awareness of balance" relate to the state's efforts to carry out economic development.
- e. Accommodation, a very rapid change will cause a long loss of balance in relationships between individuals and groups in society. This condition is necessary to restore this balance in one way or another. Here, the legal system which regulates the material and formal relationship between individuals provides an opportunity for the disturbed balance. This is to adjust to the new environment as a result of these changes. This recovery is made because in this state the legal system provides a grip on certainty through clear and definitive formulations. In addition, they open up opportunities for the restoration of justice through orderly procedures and so on.
- f. Definition and clarity of status. In addition to the legal function that provides predictability, the legal also function as clarity for determining the status of people and goods in society.

To date, the legal problems faced by economic players are legal uncertainty. In fact, legal certainty is a definite matter in calculating and anticipating risks. Even for a country, legal certainty becomes a supporting factor for economic resilience.¹⁸ In Indonesia, legal uncertainty becomes a common thing in legal practice.¹⁹ Considering the increase of social, economic, and

¹⁴ Rita Yani Iyan, *Loc.cit*

¹⁵ Leonard J. Theberge, *Loc.cit*

¹⁶ Rita Yani Iyan, *Loc.cit*

¹⁷ Satjipto Rahardjo, *Hukum dan Masyarakat*, Bandung, Penerbit Angkasa, 1980, in Adi Sulistiyono dan Muhammad Rustamaji, *Op.Cit.*, Pg. 20

¹⁸ Lihat Charles Himawan, "Mercusuar Hukum Bagi Pelaku Ekonomi", *Kompas*, April 21, 1998, in Adi Sulistiyono dan Muhammad Rustamaji, *Op.Cit.*, Pg. 22

¹⁹ Ifrani, F.A.Abby, A.H.Barkatullah, Yati Nurhayati, M.Yasir Said, (2019), "Forest Management Based on Local Culture of Dayak Kotabaru in the Perspective of Customary Law for a Sustainable Future and Prosperity of the Local Community", *Resources*, Vol. 8

environmental problems along with the development of industry and population in developing countries, the good of law enforcement needs to be realized.²⁰ The quality of welfare cannot be resolved only at the policy level. It should also through other aspects of the shift in the philosophical paradigm of society.²¹ Thus, the consideration of economic aspects in law must also be maximized. On this basis, many legal experts propose alternative models of case resolution that are substantially more efficient (in terms of cost, energy, and time) as part of the utilization of economic theory in law.²²

The government should take the responsibility to bring certainty in the law to the economic players. Accordingly, the law must be authoritative in a responsive manner and follow up on economic opinions and desires. Thus, in the future, it is expected that the law could be properly implemented as a guide to create a conducive economic climate. In addition, the continuous improvement in efficiency becomes one of the objectives of the economic system. Therefore, the law must always be endeavored to accommodate new ideas adapted to social and economic conditions. This is to obtain the highest level of efficiency. The performance of institutions that are not in line with efficiency must be optimized. Thus, they no longer obstruct the economic activity. To accommodate these needs, a legal institution must be able to play an important role in adapting to the rapid development of ideas and conditions.

2. The Policy Direction of Political Law in National Economic Development

Pound states law functionally serves as a tool to reconstruct social theory which known as law as a tool social engineering. This is in line with the concept of legal functional theory mentioning that the law will be used for certain purposes in line with its purpose. For example, laws are created to regulate business behavior done by investors. Thus, their economic activities are protected by law. In addition, to ensure the existence of legal protection, a legal principle in the investment sector is formed. This can be in the form of legislation, doctrine, jurisprudence, treaties, and other agreements.²³

The theory of reconstruction explains that if the building (the construction) changes, the function of the building will also change. The changes in economic construction can occur in a sustainable manner. This is because the Legal Development efforts functionally. The legal building which was originally formed with communist-socialist principles was overhauled with a liberal or capitalist building. This makes the function of the law change significantly. Meanwhile, the construction of the economy players would not change. Gradual changes in the legal structure of the economy are constrained by the length of time in anticipating the needs of economic and market players. For example, in Indonesia, several deregulations have been made. These are intended to adapt the regulations to conditions approved by society.²⁴

The law and the economy have a mutually influencing relationship. If the economy is not supported by law, there will be chaos. This is because if the profits are not pursued based on the legal norms, one party will be harm. Legal experts mention the law will always be behind the economy. Thus, every economic activity must be followed by legal norms. This becomes the guidelines for the implementation. The law that follows economic activity is a set of norms that govern the relationship of economic activity. This concept will always be influenced by the

(Issue 2), Pg. 78. Lihat juga Ifrani dan Yati Nurhayati, (2017), "The Enforcement of Criminal Law in the Utilization and Management of Forest Area Having Impact Toward Global Warming", *Sriwijaya Law Review*, Vol.1 Issue.2, July 2017, Pg.157-167.

²⁰ M. Yasir Said dan Ifrani, (2019), *Pidana Kehutanan Indonesia*, Bandung: Nusa Media, Pg. 1-8

²¹ Stewart, Richard and James E Krier dalam M. Yasir Said dan Yati Nurhayati, (2020), "Paradigma Filsafat Etika Lingkungan Dalam Menentukan Arah Politik Hukum Lingkungan", *Jurnal Al Adl* Volume VII Number 1 January 2020, Pg. 40

²² Nirmala Sari, Diana Haiti, dan Ifrani, "Mediasi Penal sebagai Alternatif Penyelesaian Perkara Tindak Pidana Lingkungan Hidup pada Lahan Basah di Provinsi Kalimantan Selatan", *Jurnal Al Adl*, Vol 8, No 1, January-April (2016), Pg.1

²³ Mulyana W.Kusumah, *Op.Cit.*, Pg.29

²⁴ *Ibid.*

country's economic system. In this way, the basis for Indonesian economic legal activity is laid on the foundation of Article 33 of the 1945 Constitution and its derivatives.²⁵

Caoter and Ulen state the interaction between law and economics cannot be separated. This is because both have similarities and are related to behavioral theories. They further explained economics provides a normative reference for evaluating law and policy. Meanwhile, the law is not only theory, argument, and technical but is a means to achieve social goals. The role of economics protects against policy efficiency.²⁶ Richard A. Posner explained that legal theories have assimilated many economic concepts, for example, incentive cost, opportunity cost, risk aversion, transaction cost, free riding, credible commitment, adverse selection, and others, specifically in contract law. On the other hand, economic concepts created legal principles such as litigation cost, property rules, strict liability, monetary sanctions, efficiency, and breach. For example, the implementation of economics in contract law, the bargaining theory becomes an interdependence bridge between law and economics. Based on an economic perspective, a contract is a legal transaction that includes the wealth maximization. To achieve this right, legal transactions are expected to be voluntarily involved in contracts. However, there is a need for strict regulations to protect the process of exchanging rights and obligations.²⁷

If the relationship between politics and law are connected, there will be a tug of war relationship. In this case, politics is dominantly affected by the law. This is because the political subsystem has a greater energy concentration than law. Thus, if you deal with politics, the law is in a weaker position. The etymological perspective views political law from a grammatical point. This is to find whether the grammatical concept will affect the value of understanding. Political Law comes from two words. Politics have various meanings. The political system of a country or which concerns the goals to be achieved in political life. Politics is a step taken by a country to form policies.²⁸

Organsky proposes several stages of political development. It starts from the political stages of primitive unification, industrialization politics, national welfare politics, and the politics of abundance. Based on the history of European and North American countries, they experienced a stage of growth a long time ago as described by Organsky gradually. Organsky's Theory on the stages of political development happens in most countries. In western Europe and North America, it is clear that the developmental stages of primitive unification began in the 16th century. This can be seen from the emergence of European colonies.²⁹

The next stage, the state entering the Industrialization Policy. This is marked with the beginning of development that aims to strengthen the economy through industrialization. This industrialization is seen as an ideal choice by developed countries. This development began with the industrialization process in England in the 18th century. This seen as a progress point where various technological innovations produce factory industrial machines. Industrialization is seen as the best choice because the strength of developed countries is in industrial products and technology. The politics of industrialization still occurs in Indonesia. This is because infrastructure development and industrial support are continual to be implemented since the crisis in 1998. The crisis rises were seen as an obstacle in this phase. Then followed by the politics of national welfare. This was fully considered as the politics of industrialized nations. At this stage, there was interdependence between the people and the government. This subsequently becomes complete.³⁰

²⁵ Abdul Manan, 2014, *Peran Hukum dalam Pembangunan Ekonomi*, Jakarta: Prenada Media Group, Pg. 7-8

²⁶ Fajar Sugianto, 2013, *Economic Analysis of Law, Seri Analisis Keekonomian tentang Hukum*, Seri I, Jakarta: Pranadamedia Group, Pg. 19. In Abdul Manan, *Ibid.*, Pg. 8

²⁷ Abdul Manan, *Ibid.*, Pg. 9

²⁸ Kaelan MS, 2004, *Pendidikan Pancasila*, Yogyakarta: Paradigma, Pg. 95

²⁹ Rita Yani Iyan, *Op.Cit.*, Pg. 170

³⁰ *Ibid.*

The last stage is politics of abundance or also known as the automation stage, that no country in the world has entered this stage. However, the United States and some of Europe's most developed nations have entered the gate of the political abundance stage. This stage is marked by the advances in technology, computers, and the life which are all fully automatic. Accordingly, industrial machines that were semi-automatic in the past can run automatically. As a result, the number of unemployed workers because of the machines was increased. At this stage, society is typically concentrating on economic power, the use of an expensive machines, and the efficiency of factory production. These characteristics can be found in several developed countries.³¹

The Constitution states that Indonesia's economic development must be implemented by including the role of society. This can be seen in Article 33 paragraph (4) of the 1945 Constitution which reads: The national economy is organized based on economic democracy and the principles of togetherness, efficiency of justice, sustainability, environmental knowledge, and independence. In addition, it can be done by maintaining a balance of progress and the unitary of national economic. At the statutory level which is the implementation of the 1945 Constitution, the will to carry out national development with all the funds and resources are clearly illustrated. Law Number 25 of 2004 on the Development of National Planning System clearly mention that national development in Indonesia must be carried out by all components of the Indonesian nation. This is to achieve the goals of the nation.³²

The meaning and the principle of togetherness stated in Article 33 paragraph (4) of the 1945 Constitution must be seen in a broader scope. The society must understand that the government has limited funds and resources to carry out economic development. This is because the development is very complex. Thus, it is expected that the mutual content between government and society can be created for the success of national development. The principle of togetherness mentioned in Article 33 paragraph (4) of the 1945 constitution places the responsibility for national development is not only on the government but with the society as well.³³

In line with aforementioned expert opinions, Sondang Siagian states that national development has the following meanings:³⁴

- a. Development is a process. Development is a continuous series of activities which consist of several stages, independent for one party and never ending for the other party.
- b. Development is an effort that is consciously defined as something to be implemented.
- c. Development is carried out in the long term, medium term and short term planned manner. Planning is making decision on what to do at a certain time in the future.
- d. The development plan implies growth and change
- e. Development leads to modernity
- f. The expected modernity achieved through various development in which each definition is multidimensional. This means that modernity covers all the life of the nation and state, money can manifest the politics, economy, socio-culture, defense and security.

In particular, Mochtar Kusumaatmadja mentioned the essence of national development lies in the problem of reforming ways of thinking and attitudes of life. Mochtar Kusumaatmadja related the need for a change in the mental attitude of all Indonesian people. This is to anticipate national development as it always covers new things. As a nation that has been colonized for hundreds of years, there was a period of transition from a closed society to open, dynamic, and advanced. The values inherited from the past are no longer suitable to support the success of national development.

³¹ *Ibid.*

³² Law Number 25 of 2004 concerning the National Development Planning System. In Abdul Manan, *Op.Cit.*, Pg. 21

³³ Jonker Sihombing, (2010), *Peran dan Aspek Hukum dalam Pembangunan Ekonomi*, Bandung: Alumni, Pg. 74. In Abdul Manan, *Op.Cit.*, Pg. 22

³⁴ Sondang Siagian, 2005, *Administrasi Pembangunan: Konsep, Dimensi, dan Strateginya*, Fourth Eddition, Jakarta: Bumi Aksara, Pg. 4-5.

Thus, a change is needed. Mochtar Kusumaatmadja's opinion was in line with the conditions of the newly independent Indonesian society at that time.³⁵

National development is development in all aspects that must be carried out continuously. Thus, Satjipto Rahardjo mentioned sustainable economic development as follows: "... development is not a piecemeal change. Even though we can show industrialization as the core of this change, in the end, it is not simply about increasing the number of industries quantitatively. In relation to community life structure, this industrialization invites changes in a qualitative manner." Apart from being intended to continue the national development program which was considered good and successful in the past, national development in the current Reform era is for building a populist economic system in the context of poverty alleviation, job creation, development of social security systems, empowerment of small and medium enterprises. and cooperatives. This is in line with the direction of national development stated in the 1945 Constitution. This is also in line with the goals of a welfare state. Economic development in the Dutch colonial era was directed towards all the potentials to obtain maximum profit from the Dutch East Indies, especially raw materials for industrial materials in the Netherlands. In a country, good development refers to the development that is implemented comprehensively. This means that development should not merely pursue economic growth. They must also pay attention to the implementation of guarantees for the protection of the human rights of their citizens. This is stipulated in the constitution of the country concerned, both civil rights and economic, social, and cultural rights. Thus, the development that has been, is being, and will be implemented by the Government will be able to attract public participation in its process.³⁶

The regulation of economic law must be in line with the direction and political policies of economic development, development law politics, and community development politics internally, transdisciplinary, holistically, and systematically. Thus, it can be said that the scope of economic law is broad. Besides, it also relates to the private and public interests at the same time. For this reason, an economic approach to law will be one way to prevent a legal lag in economic traffic within and between countries and other countries, nationally, regionally, and internationally.³⁷

CONCLUSION

Good development should be carried out comprehensively. In other words, the development should not merely pursue economic growth. They must also pay attention to the implementation of guarantees for the protection of citizen human rights. This is stipulated in the constitution of the country concerned. This includes civil rights, economic, social, and cultural rights. Furthermore, there are five elements that must be developed such as stability, predictability, fairness, education, and the special development abilities of the lawyers. Thus, the law does not hamper the economy. In Indonesia, the policy direction of legal politics in the economic sector is a reflection of the development goal. Thus, the development of Economic Law requires integrated or interdisciplinary skills that require tolerance. The role of law is stated in the politics of economic legal development. This becomes part of the national law development program. This has a tendency to create legal certainty, the creation of economic conditions in line with market needs.

SUGGESTION

Economic development has high mobility and dynamics. Accordingly, the laws cover in the economic law and regulation should be made as flexible as possible without deleting the principle of legal certainty. The government must carry out its function as a ruling institution to prevent fraud done by economic players. Thus, society is not harmed.

³⁵ Mochtar Kusumaatmadja, 2002, *Konsep-konsep Hukum dalam Pembangunan*, Bandung: PT Alumni, Pg. 10.

³⁶ Rita Yani Iyan, *Op.Cit*, Pg. 172

³⁷ *Ibid.*, Pg. 173

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