

# The role of law in national economic development through partnerships in facing the global era for improving community welfare

Hamdan Azhar Siregar<sup>1\*</sup>, Untoro<sup>1</sup>, and Ahmad Munawir Siregar<sup>1</sup>

<sup>1</sup>Jakarta Islamic University, Indonesia

<sup>2</sup>Medan Area University, Indonesia

<sup>3</sup>University of Muhammadiyah Prof. Dr. Hamka Jakarta, Indonesia

\*Corresponding author: [hamdan\\_sir@yahoo.co.id](mailto:hamdan_sir@yahoo.co.id)

## KEYWORDS

Law

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**ABSTRACT** Economic liberalization is currently the lifeblood of the global economy. Conceptually, a market that can run perfectly is the most ideal way to achieve normative goals, namely, the prosperity of the people as envisioned. This pact is very interesting to study considering how the role of partnerships in building the economy, and how the role of law in development provides prosperity for the community. This research uses normative juridical research, with the nature of descriptive analysis research, while data collection techniques are through library studies or document studies, but field data is also used to support and complement library data. After the data is collected, it is analysed in a qualitative juridical way. In Indonesia, there are three economic actors: Cooperatives, BUMN and Private. The law must play a role in building togetherness or partnership among the three economic actors; the rules need to provide direction to economic actors. This is where the law is expected to really play a role in eliminating these differences through partnerships. This partnership is important to build cooperation, because cooperatives, BUMN and Private are three economic actors who live in the community. The goal that must be achieved by the partnership is to provide access to sources of capital, technology and information, as well as to the marketing of the products of its members, and to foster the power of its human capabilities and to overcome management and organisation. This is needed in connection with the threats to the world economy in the era of globalization, as well as opportunities.

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## 1. INTRODUCTION

Law and development are two things that always go hand in hand and influence each other. On the one hand, the law can be realised in a development process itself. In addition, the law functions as a stabiliser that creates balance in society with the aim of smoothing the wheels of development, and as a legal dynamizer, it has the function of driving and accelerating development itself. When the law is in place, it must serve the admirable goal of ensuring and establishing safety and order in all social interactions (Hamzani et al., 2022). Economics provides a normative reference for evaluating laws and policies, while laws are not just arcane, technical arguments, but tools for achieving important social goals. To recognize national development as a renewal of attitudes, traits, or values is necessary (Kusumaatmadja, 2002), because not necessarily development can be done without doing careful planning (Soekanto, 1989). In this case, a mature process must be made with continuity so that development can be felt and the welfare of all citizens.

The idea of public welfare is also an integral part of the ideal of social welfare as stated in the 1945 Constitution, where Chapter XIV of the 1945 Constitution contains

basic laws regarding the National economy and social welfare, and is strengthened by Chapter I on state sovereignty, specifically Article 1 Paragraph (3) that Indonesia is a State of Law. If read in one breath, then the 1945 Constitution actually aims to form a sovereign and prosperous state of law; strengthened by the following 1945 Constitution, which gives everyone the right to obtain guarantees and protection of fair legal certainty and equal treatment before the law (Atmasasmita, 2015).

The nation's goals are based on the ideals of the 1945 Constitution, legal politics should bring about changes in the direction of new values in the Indonesian legal system, namely the values of the nation's relations based on a new national legal system and can adapt to international relations on the one hand and on the other hand, can maintain and maintain state sovereignty including in all aspects of life, from threats and challenges both from within and from outside (Atmasasmita, 2015).

To implement legal politics, this can be seen from the implementation of partnerships based on legal aspects that can provide welfare by Pancasila and the 1945 Constitution, especially Article 33 of the 1945 Constitution, and likewise as regulated in PP No. 17 of 2013, is a reflection of the imple-

mentation of the mandate of Pancasila and the 1945 Constitution Justice can be achieved in partnerships if the law can run by its function. The functioning of the law in this case must be regulated in the form of a partnership agreement that can provide a perspective for increasing the competitiveness of various businesses based on justice and welfare. Because it is by way of partnership that inequality can be eliminated among other business actors, the law of partnership in development must be able to provide welfare for the community. To achieve this, the law must integrate with economic development. Indonesian economic law is related to planned development efforts. In this case, economic law organises the course of planned development or planned economy in order to achieve the goal of prosperity for the community

## 2. PROBLEM FORMULATION

1. What is the role of partnership in economic development?
2. How does the role of law in development provide prosperity for the community?

## 3. METHOD

This research uses normative juridical research, with the nature of descriptive analysis research, while the data collection technique is through library studies or document studies, which are related to the object under study, but field data is also used to support and complement library data, after the data is collected, it is analyzed in a qualitative juridical way.

## 4. RESULT AND DISCUSSION

### 4.0.1 The Role of Partnerships in Developing the Economy

The entry of the private sector in almost all sectors of the economy did not come out of nowhere, but the role of the government helped encourage the private sector to participate in the development of the nation. This is because the government cannot possibly move by itself with limited capital and a development budget. So, the government opens up to all economic actors to participate in building and managing Indonesia's natural resources. What is important is that the role of the private sector in developing Indonesia and managing Indonesia's natural resources does not prioritise personal interests as economic actors, but the private sector must also play a role in encouraging other business sectors to improve the living standards of the Indonesian people. Moreover, the tendency of the government to provide all of this is because in the structure of the political economy in Indonesia, the provision of facilities is something that is difficult to avoid. The problem is that until now, the existing legal instruments have not been able to prohibit the habit of sharing these facilities (Anoraga, 2023), This has allowed private companies to control all sectors of the Indonesian economy.

If you look at the provision of facilities by the state to the private sector, it is not something that is excessive and can be considered a conducive policy. This is only natural. As long as the provision of facilities does not damage the legal joints that result in jealousy among business actors, because if so, it will disrupt the cooperation of economic

actors, or in other words, it will cause jealousy over policies taken by the government.

In order for the business sector to grow and develop, partnerships are needed as a vehicle to improve the weaknesses in access to elements of progress. Furthermore, it is explained that in order to overcome these weaknesses, it is necessary to create harmonised partnerships in all fields of business and with other parties. The goals that must be achieved with partnerships are that all business actors have access to sources of capital, access to technology and information, as well as to the marketing of their members' products, can foster their human capabilities and also overcome management and organisation (Anoraga, 2023). In the broader context, partnerships are sufficiently firmly rooted in the nation's constitution (Irawan, 2018). It is also noteworthy that most of the partnerships are dyadic, with one business entity and one humanitarian organization running them (Nurmala et al., 2018).

By building a healthy partnership pattern, all business actors are expected to develop and advance. A collaborative partnership pattern emphasises interpersonal relationships and a deep understanding of local contexts which may enhance the achievement of innovations related to inclusive disaster risk reduction (Rahatiningtyas, 2025). This is necessary in connection with the increasingly massive threats to the world economy in the global era, as well as opportunities for all business actors. With the emergence of cooperative and competitive businesses and the development of new forms of cooperation in the era of globalization, all business actors are expected to be able to face and respond to these dynamics, as a measure of their existence in the Indonesian economic system.

Thus, it is necessary to harmonize partnerships between business actors such as: cooperatives, BUMN and private sector, so it is expected that the weaknesses between business actors will be overcome, so that all parties will be able to create added value, efficiency, business productivity and profitability, which will strengthen the national economy and will also be created and improved transfer of knowledge, skills, management and technology. The partnership will benefit greatly if the partnership is based on economic interests or business motivation of all parties (Anoraga, 2023)

To bridge the three economic actors, cooperatives, state-owned enterprise (BUMN), and private can be done by means of partnerships. This partnership is expected to encourage and strengthen business actors, this can be seen from this chart of Cooperation procedures in accordance with the 1945 Constitution.

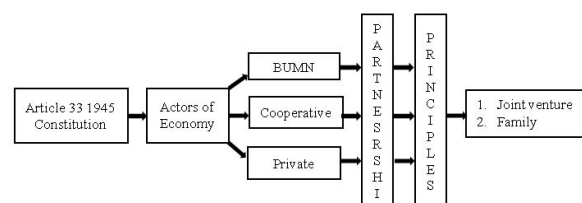


Figure 1. Aripin Sitio, Halomoan Tamba, modified based on research results.

From the description of the scheme above, it can be seen that all national economic actors (BUMN, Cooperative, Private) must carry out the basic principles set out in

the 1945 Constitution, especially Article 33, namely cooperation/ partnership in building the national economy, because by means of the partnership of the national economy, it is expected to eliminate jealousy and injustice among economic actors, and can work together in the face of economic globalisation. Togetherness and kinship must be able to foster nationalism in building the economy, only in this way is outlined by the 1945 Constitution, which is based on joint ventures (Ropke, 1992) and Kinship. Kinship means that these three economic actors must be able to unite and help each other so that the Indonesian economy can compete in the global era among the economy, private joint ventures, cooperatives and state-owned enterprises must be based on the principle of family. family. The late President Soeharto said that the spirit of Article 33 of the 1945 Constitution requires that the economic power of the state sector, the private sector and the cooperative sector should constitute one big family and not be separated. Together, the three sectors must be continuously developed in order to become a strong national force and property. One should not kill the other. Instead, one should support the other. The ideal will only become a reality if we truly implement the principle of kinship, which is based on the awareness of our togetherness and the determination to realise a sense of justice (Suharto, 2004).

Concretely, the meaning of kinship in the form of partnership in the 1945 Constitution, Article 33 Paragraph (1) reads "The economy is structured as a joint venture based on the principle of kinship" the word structured, implies a constitutional duty that the economy must be structured, not left by itself arranged and developed without being arranged. (Swasono, 1985). This role is in accordance with the joints of the Indonesian economy. All forms of companies and Indonesian society play a role, because this is the mandate of Article 33 of the 1945 Constitution. The spirit of Article 33 of the 1945 Constitution requires that the economic power of the state sector (BUMN), the private sector and cooperatives should be a large family that is intact and not separated. As a whole, these three sectors are continuously developed in order to become a strong and resilient national property, this partnership is also to increase competitiveness in economic globalisation, by means of this partnership it is hoped that all business actors can strengthen their business, and this partnership cooperation is one of the democratic ways to develop in a shared way. With the principles of mutual need, mutual trust, mutual strengthening and mutual benefit.

Therefore, for the success of an economic society, a country must be able to encourage cooperation among its economic actors so that synergies are formed that can encourage growth and equity among existing economic actors for the realisation of social welfare for all Indonesians.

#### 4.1 The Role of Law in Development

In the provisions of Article I, number 4 of Government Regulation No. 17 of 2013, partnership is cooperation in business linkages, both direct and indirect, on the basis of the principles of mutual need, trust, strengthening and mutual benefit involving Micro, Small and Medium enterprises and Large Enterprises.

Law in the process of society requires change, because almost all changes in society, including the economy, that occur must be followed by changes in legal norms. It is fully realised that in a large society, the field of community life

has now been normed as a form of human behaviour, so that the law covers all fields. The penetration of law into society is so thick that demands for change and development of the law itself and its relationship with other community problems will also become increasingly intensive (Sutrisna, 2013).

Law and economic society as a doctrine to change the legal system in the process of society can be examined in more depth. The doctrine can be understood as the intersection of current thinking in the scope of economic theory, legal ideas, which can play a role in regulating society itself, because the law must be able to provide welfare for the community as well as policies and practices of community institutions (Sihombing, 2010). The three related fields of science above, namely, law, economics and society, can be seen analytically as separate from one another, but practically, the three disciplines are interconnected (Sihombing, 2010).

Law in developing countries is very central because it is closely related to its function, which helps to determine the direction of society for the future of the nation, which generally lags behind developed countries. For developed societies, the law is no longer a problem. Moreover, they want to see the rule of law in the true sense of what is written in the statutory provisions. In developed countries the law can already play a role and have a role in development, countries that are developing are not the right example to be seen as a state of law, because the law in developing countries is not well organized, its implementation is often half-hearted, and most of the apparatus still has a weak mentality (Sihombing, 2010).

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Economic and Business Law will support an economic society because, through economic and business law, the community is formed or directed to do certain things or not to do certain things to achieve the desired goals of the

economic society (law as a tool of social engineering). Obstacles to an economic society, such as excessive bureaucracy, corruption, collusion, nepotism, and unfair competition, can be prevented and eradicated through the implementation of economic and business law (Dahlan, 2000). Business law and ethics are the same as the guidelines we follow to operate our company in accordance with current regulations and avoid hurting anyone (Mahaputra & Saputra, 2021)

Observing the important role of law in an economic society, the law can not only regulate and provide sanctions, but also must be able to encourage all economic sectors to participate in providing welfare for the community. The form of welfare law must be able to regulate all sectors in order to play a role and function in organising and providing opportunities with rules to contribute to the economic community. At the national and regional levels, law plays a crucial role in a nation's economic development, especially when it comes to ensuring business and investment confidence (Thamrin, 2000).

The law must play a role in building togetherness or partnership among the three economic actors; the rules need to provide direction to economic actors. This is where the law is expected to really play a role in eliminating these differences through partnerships. This cooperation is important because cooperatives, state-owned enterprises and the private sector are the three main actors of the economy that live in the community. In order to prevent the gap from getting sharper, the government must be able to mobilise its role to regulate it.

Thus, the law in development is expected to play a role, the role is to provide certainty in the field of business and can also provide welfare for the community. Welfare and justice are expected in accordance with the 1945 Constitution and Pancasila, so that poverty and backwardness in the economic field can be overcome, and ultimately, the community can feel prosperity in accordance with the mandate of the Constitution of the Unitary State of Indonesia.

## 5. CONCLUSION

Partnership is a healthy pattern both in organising and building the economy; all business actors are expected to develop and advance. This is necessary in connection with the threat to the world economy in the era of globalization, as well as opportunities in economic competition. With the harmonization of partnerships among business actors such as: cooperatives, BUMN and private, it is expected that the weaknesses among business actors will be overcome, so that on all sides will be able to create added value, efficiency, business productivity and profitability, which will strengthen the national economy and will also be created and improved transfer of knowledge, skills, management and technology. The partnership will benefit greatly from advancing the Indonesian economy and ultimately the welfare of the Indonesian people.

The role of law in development is very instrumental, especially in the midst of a developing country, which is very central because it is closely related to its function, where the law can determine and direct the direction of development for the future of the nation. For developed countries, the law has become an instrument that can determine where the direction of development is and does not cause problems. Indonesia as a state of law should be an instru-

ment to determine the direction of development, especially if you see the Indonesian state as a state of law in the true sense both written in statutory provisions and laws that live in society, as a state of law, because the law in developing countries is sometimes not well organized, its implementation is often half-hearted, and most of the apparatus still has a weak mentality.

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