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The Influence of Sustainable Economic Development Policy Strategy on Economic Growth

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Abstract

This research study aims to determine the Sustainable Economic Development Policy Strategy in Regional Economic Growth. This research is a conceptual research using the Library Research method, namely collecting data from scientific articles, research reports or other things relevant to the topic. The regional economic development strategy can be grouped into 4 large groups, namely 1) physical/locality development strategy (Locality or Physical Development Strategy), (2) business development strategy (Business Development Strategy), (3) Human Resource Development Strategy (Human Resource Development Strategy), and (4) Community Development Strategy (Community-based Development Strategy)

Keywords: Policy Strategy, Economic Development, Regional Economic Growth.

INTRODUCTION

The number of publications on sustainability, particularly sustainability in development, has increased dramatically in the last 20 years. A common definition of sustainability is that it is based on three interrelated pillars: (1) social development; (2) ecological/environmental development; and (3) economic growth.



Figure 1. Tripartite Slice of Sustainable Development

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The four main points of the presentation are as follows: (1) the government's long-standing stance that human resources should not be prioritized to drive sustainable economic development; (2) regional governments have an important role in improving regional welfare and economic growth, especially in terms of state spending; (3) the current account deficit and trade balance, and the factors that influence them; and (4) the emergence of sharia economics in the digital economy. These four sections show the reader the need to develop sustainable development as a law that needs to be practiced and has an impact on society.Hamzah, MZ (Ed.). (2020).

To boost economic activity and create new jobs, local governments partner with the private sector and work with communities to manage existing resources. This approach is known as “regional economic development.” The overemphasis on endogenous development—development strategies that harness the potential of local people, institutions, and natural resources—is a core problem of regional development. These plans guide the implementation of local projects that are intended to boost the economy and create jobs. Regional economic development is a process. It is a process that involves seeking new markets, exchanging ideas, starting new businesses, creating alternative industries, upgrading the skills of the existing workforce to create better goods and services, and establishing new institutions. The primary goal of any regional economic development initiative is to help local communities achieve these goals by expanding the quantity and variety of employment opportunities available to them. The implementation of regional development projects requires collaboration between local governments and their communities. Definitions of some areas vary depending on the subject matter of the review. From an economic perspective, regions can be defined in three ways:

1. According to its definition, a region is an area that has the same characteristics as a whole, which is a place where economic activities occur. In terms of location, socio-cultural, per capita income, and other factors, the characteristics are similar. In this sense, the region is called a homogeneous region.
2. The spatial economy of a region is believed to be influenced by one or more economic centers. Regions are referred to as nodal areas in this context.
3. A region is a spatial economy within a particular government, for example a province, district, sub-district, etc.

In this sense, regions are called administrative regions or planning regions. In practice, when addressing regional economic development planning, the third phrase

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above is more often used because: Regional development policies and plans must be implemented by various government organizations. Therefore, dividing a country into several economic zones based on its current administrative divisions would make more sense. Administratively defined regions are easier to examine because administrative units serve as the basis for expansion, although data are usually collected from various regions within a country.

The advancement of sustainable development is considered essential to create and implement long-term policies that benefit the country and its citizens. The authors emphasize that policies should be made by the federal or local government based on the articles they publish. Public sector funding can be provided to local governments, especially in the areas of health and education, so that they can implement sustainable development initiatives that will improve the welfare of their communities.

RESEARCH METHODS

The research used is descriptive research with an emphasis on qualitative approaches and literature study techniques. The author tries to discuss theories and findings from literature searches related to sustainable economic development and growth strategies to maintain this tactic. Literature evaluation for this topic was obtained from various sources, including books, e-books, well-known national magazines, and international media.

RESULTS AND DISCUSSION

Sustainable Development Strategy

According toThe Greatest Showman (2016), various modern concepts can be used to provide fundamental ideas that underlie all aspects of sustainable development. There are four considerations that need to be taken in this situation: long-term perspective, integration, diversity, equity, and inclusion. expansion that ensures social justice and equality. Important pillars of development that prioritize social justice and equality include equalizing the roles and opportunities of women, equalizing land resources and production aspects, and achieving economic equality through equal distribution of benefits. However, achieving equality is not an easy task. Because justice is a relative concept, it is difficult to evaluate it precisely.

1. Development that ensures social justice and equality. The basic components of development that prioritize social justice and equality include equal distribution of

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land resources and production factors, equal distribution of women's roles and opportunities, and economic equality achieved by balancing welfare.

2. Development with diversity in mind. Conservation of biodiversity is essential if we want to preserve natural resources for the present and the future. It is also the starting point for maintaining environmental balance. Preserving cultural diversity will encourage equal treatment of everyone and facilitate understanding of customs from different cultures.
3. Development that follows an integrated approach. Ecological development emphasizes the interaction between nature and humans. The environment can be affected by humans in both beneficial and detrimental ways. only by utilizing knowledge of the many relationships that exist between natural and social systems. A more integrated approach to development implementation is the idea of putting these insights into practice to achieve development. This is a serious institutional obstacle.
4. Long-term thinking is necessary for development. Society typically places a higher priority on the present than on the future. The consequences of sustainable development provide the issues on which this assessment is based. Sustainable development requires discounting judgments that depart from conventional wisdom. The long-term view informs the sustainable development perspective. The short-term framework needs to be considered because it has shaped the thinking of economic decision makers to date.

Sustainable Development Policy

The following legal teachings are part of the realization of sustainable development, according to the International Law Association (ILA), which adopted the ILA New Delhi Declaration on Principles of International Law Relating to Sustainable Development on 2 April 2002: principles of justice within the framework of sustainable development. framework of sustainable development. principles of sovereignty and accountability of states; principles of diverse responsibilities for ordinary people (common but differentiated); and between generations (intra- and intergenerational equity). Sustainable development is based on several legal principles, as stated in the New Delhi Declaration: 1) It is the responsibility of states to ensure the sustainable use of natural resources. This is known as the principle of sustainable use, 2) The idea of justice for all, which includes equity and poverty eradication in addition to equity within and between generations, 3) The idea of common but differentiated obligations, also called the principle

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of common but differentiated responsibilities. 4) The precautionary principle also called the precautionary approach in relation to ecosystems, natural resources, and human health. 5) The idea of community involvement and access to justice and knowledge, especially the idea of community involvement and the availability of information. 6) The principles of good governance, or principles of good governance.

Pro social justice, pro economic welfare, pro environment, and pro environment are four indicators of sustainable development that can be used as guidelines, according to Sutisna (2006). By linking these three elements science and technology, human resources, and natural resources the process of sustainable development can maximize the benefits of these resources and remain sustainable." The term "sustainable development" refers to development that seeks to meet human needs while carrying out its activities. management of natural resources wisely and efficiently while still considering how the resources will be used. This shows that consideration of the quality of future humans is necessary if we are to improve the standards of humanity today. We need to take into account the limitations of the environment when using it to spur development. We must avoid greed so that our resources are not used up too quickly. The following conditions must be met for sustainable development to be possible: there must be environmental constraints; non-renewable natural resources must be utilized; and any development must improve the well-being of the present generation without compromising the well-being of future generations.Sutamihardja (2004)mentions the following six (6) sustainable development goals:

a. The equitable distribution of development benefits among successive generations is known as intergenerational equity. It suggests that in order to exploit natural resources for economic growth, the use of non-renewable resources should be reduced, the use of renewable resources should be emphasized, and acceptable limits should be adhered to when managing ecosystems or environmental systems.
b. To ensure a good standard of living for future generations, protect the environment, currently available natural resources, and avoid ecosystem damage.
c. The sole purpose of protecting and using natural resources is to promote economic growth while ensuring that these resources are managed fairly and sustainably for future generations.
d. Maintaining the welfare of a community or society over time (past, present, and future).

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e. Preserving for future generations the long-term or sustainable benefits derived from the management and development of the environment and natural resources.
f. According toMacEwan (2000), a democratic development approach that provides important roles and opportunities for communities to be actively involved in the political policy-making process that determines the direction of their economic life is the most practical and promising alternative. F. Maintaining human welfare in harmony with its environment across generations.

The Nature of Economic Growth and Development

To achieve the pleasure and prosperity of a country, it must first prioritize strategic economic growth and development. The nation's important ideals, Pancasila, are the foundation of an ideal economic system that can only be created through methodical interaction between the government and society. Only in this way can the welfare and prosperity of the country be achieved. Increasing national income is one sign of economic growth, which is generally understood as a change or progress in a country's economy over time.According to Boediono (1998),Economic growth is the process of increasing output per capita over a period of time. GDP/GNP growth is a measure of economic growth; it is not affected by changes in the structure of the economy or whether the growth rate exceeds or is lower than population growth.L. Arsyad (2015).

There were ups and downs in Indonesia's economic growth from 1961 to 2018. This is in accordance with the analysis report of katadata.co.id from the Central Statistics Agency. This shows that Indonesia's economic growth in 2017 did not reach the target of the 2017 Revised State Budget due to declining domestic consumption which ultimately had an impact on weakening corporate growth. Compared to the target of 5.2%, Indonesia's GDP increased by 5.03% overall in the first three quarters of 2017. Meanwhile, Indonesia wants to increase its economy by 5.4% in 2018. Since 1961, the Indonesian economy has continued to grow, with only two periods of decline. At the beginning of the New Order in 1968, Indonesia experienced the highest GDP growth rate, reaching 10.92%. Meanwhile, 2007 was the year of the highest economic growth (6.35 percent) throughout the reform era. However, the Indonesian economy also experienced several downturns or unfavorable events, especially in 1963 during the Old Order and in 1998 during the Asian financial crisis. The crisis caused the Indonesian economy to plummet drastically to -13.13% and was accompanied by riots throughout the country.

This shows that although the Indonesian economy is still growing, the country's ability to create highly skilled human resources is still unable to keep up with the growth

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rate. The creation or development of quality human resources is not in line with the government's efforts to achieve economic growth that only depends on the goal of quality economic development. If professional and quality human resources are developed along with economic development, then economic development will be a benchmark for economic progress. To manage economic development effectively, the main priority must be the development of superior human resources. Government involvement is also needed to create perfect and lasting harmony in this regard. Government involvement is needed to maintain an effective growth rateFCP Basukianto (2015). A complete process called economic development has the power to change the economic structure of a country dynamically and sustainably. In terms of power, one of the tactics that the government will do to manage the economy is economic growth. Over time, the process of economic growth causes an increase in per capita income of the population in a societySadono, S. (2001).

According to this definition, economic development is a process of continuous change caused by various actions taken simultaneously with the aim of increasing long-term results, especially increasing per capita income. Economic expansion is not only a hormonal process, but also occurs consistently and by itself. These changes cause economic expansion, especially in the trade and industry sectors.Kaufmann, J.A. (1949). Economic growth aims to improve the standard of living of the community and society as a whole through a continuous transformation process. Changes in the Gross Regional Domestic Product (GRDP) of a region, which is a measure of economic growth, are an indicator of the effectiveness of the implementation of macro development. The strength of a region's economic growth indicates the level of GDP growth at constant prices, which can be used to determine the level of economic activity of a region. Economic development requires a country to be able to develop economically. Economic growth is influenced by economic development and vice versa; economic development drives economic growth.

The economic development of a country is the result of its ability to balance population growth and technological progress. One of the factors that influence economic development is the development process. This means that all civilizations and countries must go through a phase of development. Three things can be characterized as development: 1) societal change; 2) efforts to increase per capita income; and 3) the role of society as a catalyst for social change, which can directly or indirectly support or inhibit growth. To increase per capita income, a country must actively pursue development as a business. 4) There needs to be progressive growth in per capita income. Therefore, the

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development of a country's economic system is greatly influenced by its economic growth and development. Changes in the allocation of inputs from various economic sectors, such as institutions, knowledge, social, and technical, as well as adjustments to the structure of production, cause changes in economic development. Conversely, economic expansion makes a more measurable contribution by increasing the standard of opinion and production results. To achieve national wealth in the current era of globalization, deliberate and strategic efforts are needed to build a global economic system. Therefore, the global economic framework must include the idea of economic development and progress.

Regional Economic Development Strategy

Providing employment opportunities to the community today is the main goal of any economic growth strategy. Current economic growth and job creation planning seeks to increase the number of jobs available to the community, rather than focusing on attracting new workers. Second, achieving economic stability in the region. If economic development can meet the various needs of the business world, then the development will be successful (eg: land, financial resources, infrastructure, etc.). This is to prepare for potential economic changes in certain industries, which in turn can impact the employment prospects of the community. Regional economic development initiatives can be divided into four main categories: 1) Development strategies for the business world; 2) Physical or local development strategies (Location or physical development), 3) Human resource development strategies, and 4) Community-based development strategies (community-based development)Siwu, HFD (2019).

1. Physical or Local Development Strategy

The development of the regional business community will be positively impacted by the efforts made by the local government to improve the local and physical environment in the region with the aim of encouraging trade, industry and development. To improve the local business community, the specific objectives of this physical/local development method are to improve the identity of the city or region, the attractiveness of the community, or the quality of life, as well as the attractiveness of the city center (or downtown). Among the instruments available to achieve the goals of physical development and localization in this region are:

- Establish a land banking system or land bank. This is to ensure that we are aware of any land that is underutilized, mishandled, undeveloped, etc. The process of

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developing regional policy will be very useful if we have an inventory of existing land and locations.

- Planning and supervising development. Proper implementation of this will improve the investment environment and public perception of local government.
- Urban planning, or landscaping. The development of commercial centers can be facilitated by improving street and shopping center facilities, such as planting beautiful trees and providing shade and establishing spatial specifications for storefronts.
- Well-implemented zoning and spatial planning will encourage regional economic growth. Land identification must be clear and precise; for example, it is necessary to include residential, commercial, industrial, and green zones.
- The benefits for the business world will be obtained by having a respectable home. In addition, the operation of this industry will create jobs.
- One of the attractions for potential investors and business partners is the availability of facilities such as parking lots, parks, clean water and electricity.

2. Development Strategy for the Business World

Since attracting business is the best approach to creating a strong regional economy, business development is essential to planning regional economic growth. maintaining, or revitalizing existing businesses. Among the instruments to advance this business world are:

- Establish laws and regulations that support corporate operations while stopping environmental damage in order to foster a positive business environment for the corporate sector.
- Establish an integrated information center that facilitates communication between local government representatives and business actors on various topics, especially building permits, licensing, local government, land availability, and economic development plans.
- Creating a small business advice and growth center. Small businesses are essential for growing entrepreneurship and job creation, but they often fail or struggle to grow. The main reason for this is inadequate small business management. To improve the performance of these small business owners, it is essential to establish an open small business advice and development center.
- Creating a cooperative marketing framework to stop production reaching unproductive scales, increase export competitiveness, and encourage a more cooperative attitude among industry players.

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- Establish an organization dedicated to research and development (R&D). Companies and local governments must continue to explore new product creation, technology development, and market expansion in today's increasingly competitive, knowledge-based world.

3. Human Resource Development Strategy

The most important element in the economic development process is human resources. Therefore, improving the quality and competence of human resources is very important. Efforts that can be made to improve the quality of human resources are as follows:

- Instruction through customized training programs. This type of specialized training program is created to meet the needs and goals of the company.
- Building a talent pool. Skill banks store information about the training and employment history of the unemployed in a particular field. Jobs that match the skills and abilities of the unemployed can be created with the help of this information. In addition, this data includes information about the skill reserve that can eventually be used to fill local job vacancies. Finally, cooperatives can be established using this knowledge bank.
- Foster an environment that supports the expansion of regional learning and skills development (L&D) facilities. Improving the quality of human resources in a profession indirectly benefits from the growth of educational institutions and subject matter knowledge in that field. Consider schools that offer, among other things, computer lessons, workshops, hospitality, and language instruction.
- Establish training centers that are easily accessible to people with disabilities. It is important for individuals with disabilities to have higher levels of self-esteem and self-confidence. In certain fields of work, people with disabilities can also benefit greatly.

4. Community Development Strategy

Providing more support to local community groups is the goal of this community development project. Nowadays, community empowerment is another term often used to describe such efforts. It turns out that the reason why such incidents are increasingly occurring in Indonesia is because the country's current economic policies do not sufficiently support certain socio-economic groups. For example, by developing labor-intensive initiatives to provide economic benefits, these activities seek to provide social benefits.

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CONCLUSION

The preparation of regional growth and development plans is very important to encourage economic growth and regional development. Therefore, depending on the circumstances and capacity of the region, the role of government is very important in encouraging and even increasing the potential for regional economic development. The government as a whole needs to use economic growth and development as a benchmark for improving people's living standards. Strategic and systematic community empowerment through people's economic education that emphasizes entrepreneurship programs, business unit development, improving the quality of human resources, and utilizing information and technology, can encourage increased economic growth and development.

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