

DEVELOPMENT OF LEGISLATIVE REGULATIONS ON CREATIVE ECONOMY EDUCATION AND INVESTMENT IN INDONESIA

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Abstract

Pancasila is the foundation of Indonesian philosophy to overcome every problem in the nation's life, including economic aspect. The progress of economy research must develop properly while still paying attention to the surrounding community. It is stated in Article 33 paragraph (3) of the 1945 Constitution of the Republic of Indonesia that the land and water and the natural resources contained therein are controlled by the state and used for the greatest prosperity of the people. So that as a country that has the potential for great wealth both from natural resources, human resources and cultural diversity in it, then in the framework of national development, various research, and innovation are needed to optimize the potential wealth that exists. The research formulations of this study are what is the relevance of economic growth and the implementation of interdisciplinary research; and how the development of the Indonesian government's seriousness in managing interdisciplinary research. In conclusion, interdisciplinary research is a form of investment from the government for better economic growth and economic progress based on interdisciplinary research can be used as an arena for Indonesia's promotion in the academic and economic fields globally.

Keyword: *Interdisciplinary research, education, economic*

INTRODUCTION

Indonesia is predicted to experience slowing economic growth, after recording the highest growth in 2022 at 5.31 percent. Several of Indonesia's trading partner countries are predicted to face a slowdown in growth and the possibility of experiencing a recession, except China. The revival of China's economy has the opportunity to become a driver for Indonesian exports, amidst falling commodity prices and the weakening economy of Indonesia's trading partners so far. The impact of handling inflation. Meanwhile, from the consumption side, the LNPR sector will grow as a result of the campaign and election period. All consumption indicators show growth, although there are several indicators that show a slowdown compared to the previous quarter, such as car sales and M2. On a year-on-year basis, CPI inflation showed improvement compared to the previous quarter. Then, several investment indicators that show growth in the first quarter of 2023 include investment credit, working capital credit, property credit, imports of capital goods and government capital expenditure. In addition, manufacturing PMI still shows expansion.

On a global perspective, Indonesia needs to be aware of global economic conditions with increasing uncertainty at the global level. The war between Russia and Ukraine is still not over, the trade war between the US and China is coloring global geopolitical conditions. The tightening of monetary policy that was implemented during 2022 pushed inflation downward in various countries, although in the first quarter of 2023 inflation was still above the inflation target at the global level. On the other hand, after the central bank raised benchmark interest rates in various countries, problems on the banking side began to emerge with banking failures in the US and the European Union, such as Silvergate Bank, Silicon Valley Bank, Signature Bank, First Republic Bank and Credit Suisse. From a business perspective, one thing to watch out for in terms of climate change is the El Nino phenomenon which is predicted to start around July 2023

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with a 62 percent chance, and reach a 90 percent chance by the end of 2023. The impact of El Nino on Indonesia's climate is the occurrence of drought in Indonesia. BMKG forecasts state that in June most of Java will experience low rainfall, namely below 100 millimeters per month. In July it extends to southern Sumatra. In August, almost all of Indonesia is in the low rain category. Meanwhile, the duration of El Nino was previously around 1 year, so it is predicted that there will be an influence from El Nino on Indonesian food production around Quarter III-2023 and Quarter IV-2023. Another subsector that may be affected is the phenomenon of forest fires which occurred frequently due to El Nino in 2015, which will reduce the production of forest products.

Current economic growth has led to the importance of non-capital assets originating from human resources. Pritchett (2001) and Becker (1964) explain how the accumulation of human resource skills is very influential in an investment. In aggregate, Romer (1989) further found that human capital is a determinant of economic growth. However, a large population does not guarantee that economic growth will increase. Thus, investment in human capital has been identified as a key policy instrument for increasing productivity growth both directly because skilled workers are more productive, and indirectly because human capital increases the country's ability to absorb new knowledge and generate externalities (Lucas, 1988). In line with research conducted by Barro & Lee (2013), this research focuses on the role of human capital as a factor in economic growth. Although human capital includes aspects of education, health and social capital, the main focus in this research is on education.

The analysis in this research emphasizes the urgency of the importance of educational aspects, especially those related to research collaboration or interdisciplinary study (Michel-Villarreal et al. 2023). According to Hanushek and Wossman, there are three theoretical mechanisms of economic growth where education can influence economic growth (Ramli, Boutayeba, and Nezai 2022). First, education can increase the human capital inherent in the workforce thereby increasing labor productivity (Goldin 2016). Thus the transmission of economic growth leads to a higher level of equilibrium output; Second, education can increase the innovative capacity of the economy and technological development, which drives economic growth, as in the endogenous growth theory by Lucas & Romer; Furthermore, education facilitates the diffusion and transmission of knowledge needed to understand and process new information and apply technology successful new projects designed by others, which also drive economic growth. Research that is closely related to the education sector, which is implemented by conducting several studies, is expected to be able to provide quality output both in the economic sector and in education itself.

RESEARCH METHODS

• Indonesian Economic Growth

Economic growth is an indicator in determining the success of a country in terms of increasing production of industrial goods, developing infrastructure, increasing schools, increasing production of capital goods and increasing the service sector (Palei 2015). According to Boediono, economic growth is defined as the process of increasing output per capita in the long term. According to him, economic growth is emphasized on three main aspects, namely process, output per capita, and the long term. In general, the measure for assessing a country's economic performance can be by looking at several main variables which are considered the most important in determining the level of economic growth of a country, including Gross Domestic Product, unemployment and inflation rates. However, the measure commonly used to measure a country's economic growth is Gross Domestic Product (GDP) with the concept of national income. GDP is usually defined as the total value of all goods and services produced in a region within a certain period of time (usually per year). As time goes by, Indonesia's economic conditions experience significant fluctuations. From 1965 to 1997,

Indonesia had fairly good economic growth with average annual growth reaching 7 percent. With this increase in economic growth, Indonesia has succeeded in moving out of the low-income country level and into the middle-income developing country level. However, the financial crisis that hit Asia at the end of the 1990s had a negative impact on the economic growth of Asian countries, one of which was Indonesia. As one of the countries affected by the financial crisis, Indonesia's economic growth as seen from Gross Domestic Product (GDP) decreased to 13.6 percent in 1998 and then rose 0.3 percent in 1999.

According to Todaro there are three components of economic growth which have important meaning for every society, including capital accumulation which includes all new investments in the form of land, physical equipment and human resources through improvements in the fields of health, education and work skills. Population growth will ultimately lead to growth in the workforce and the number of workers. And technological advances can simplify the production process in the context of labor efficiency. The components that have been mentioned. Theories regarding economic growth have been put forward by several economists, some of which are the Harrod-Dimar growth theory, the neoclassical growth theory put forward by Solow, and Schumpeter's growth theory. Harrod-Domar's economic growth theory is the simplest growth theory. This theory describes a simple economy. Where in this theory only uses capital and labor accumulation as factors that influence a country's economic growth. Apart from that, in theory the interest rate is considered constant or fixed.

Meanwhile, another economist, Solow, tried to develop the theory put forward by Harrod-Domar. Solow considers that interest rates can change or not be constant. So, changes in interest rates will affect the movement of savings and investment in society. The theory developed by Solow can describe how economic growth occurs in developing countries. Where Solow uses a combination of capital accumulation and labor. Apart from that, Solow also added technological factors in influencing the country's economic growth. Another theory that also explains economic growth is the theory put forward by Schumpeter. Similar to Solow's theory, Schumpeter also considered that capital accumulation was an important factor in determining a country's economic growth. However, Schumpeter also emphasized the role of entrepreneurs in carrying out every innovation to increase productivity.

Human resource factors as actors in economic activities, science and technology, as well as capital resources are important keys in Solow's neo-classical economic theory. Meanwhile, capital resources supported by human resources to carry out innovations in order to compete with other products and expand markets by exporting are important points in the growth theory put forward by Schumpeter. Based on these two theories, namely, Solow's neo-classical theory and Schumpeter's theory, the author wants to know how and how much influence each variable has on economic growth based on the criteria of each of these theories to see how each variable influences the Indonesia's economy today considering that these two theories both use capital accumulation as one of the factors driving the country's economic growth.

Economic growth is described as a process that cannot be assessed at any one time. The economy is seen as something dynamic, something that often moves over time with an emphasis on change or development itself. So the economy is seen as something that develops and changes over time. Economic growth is a general description of how economic activity in a country, from production to consumption, produces additional people's income in a certain period (Cypher 2014). This means that economic growth is a reflection of a country's economic capacity in terms of production of goods and services, people's purchasing power, the country's economic inflation rate, government spending, and so on . A country experiences economic growth when there is an increase in the output produced by that country which is used as a measure of a country's progress.

Economic growth based on the theory of Simon Kuznet states that economic growth for a country is one of the macroeconomic indicators that requires great attention. This is based on the reflection of an increase in a country's ability to increase the per capita income of the population as an indicator of economic growth. The tourism sector, as a sector with high potential in contributing to economic growth, has a strategic role in supporting sectors, such as the transportation sector, accommodation sector, entertainment sector, services sector and other supporting sectors. The role of other sectors influences the economic growth of the country concerned. Tourism, both in developed and developing countries, is a potential sector that is taken into account by the government. This also cannot escape the attention of governments in Maritime Southeast Asian countries due to their diverse natural and cultural resource base. The uniqueness of geographical and social factors has potential that is considered worthy of being developed by maximizing processing.

Indonesia's economic growth remains solid amidst the global economic slowdown and declining prices of key export commodities, influenced by the stability of Indonesia's economic activity (Verico 2024). This is reflected in the increasing mobility of the population, maintaining the stability of people's purchasing power, controlled inflation, strong export-import performance and stable production activities. From the expenditure side, all components showed positive growth. The main source of the highest economic growth is still household consumption, with a growth rate of 4.5 percent (YoY).

RESULTS AND DISCUSSION

• Interdisciplinary Research For Education Development And Creative Economic Investment In Indonesia

Pancasila is the foundation of Indonesian philosophy for overcoming every problem in the nation's life, even in the economic aspect. Intellectual results regarding the economy must develop well while still paying attention to the surrounding community (Inthaly, Risdhianto, and Sarjito 2022). It is stated in Article 33 paragraph (3) of the 1945 Constitution of the Republic of Indonesia that the earth and water and the natural resources contained therein are controlled by the state and used for the greatest prosperity of the people. So as a country that has the potential for great wealth from natural resources, human resources and cultural diversity within it, in the context of national development, various research, creativity and innovation are needed to be able to optimize the existing wealth potential. Therefore, it is hoped that an interdisciplinary research-based economy will be able to become an alternative economic growth for a more powerful and dignified Indonesia in the future.

Interdisciplinary studies are studies that combine or involve two or more disciplines or fields of study (combining or involving two or more academic disciplines or fields of study). A multidisciplinary approach to solving problems according to Wikipedia is an approach that involves a number of disciplines in solving problems outside those commonly used and is based on new understanding by considering various situations. Then it was stated, in short, that multidisciplinary is more holism than reductionism. The term multidisciplinary has recently been taken over by the name interdisciplinary, which essentially works holistically. The difference between interdisciplinary and multidisciplinary is that multidisciplinary is used for practical matters, while interdisciplinarity is used for academic matters.

Interdisciplinary research is a combination of disciplines, not usually carried out by a 'single researcher' who uses a number of disciplines methodologically to solve or respond to problems (Borrego and Newswander 2010). The starting point is because the problems being faced are so complex, that it is necessary to develop science and produce new knowledge to get closer to the right answer to the problems being faced. There are issues of social class, social structure, politics, geography, distance, and so on,

where researchers must use their knowledge and skills to present alternative answers using a number of disciplines to the problems being faced.

According to Hanushek and Wossman there are three theoretical mechanisms of economic growth where education can influence economic growth. First, education can increase the human capital inherent in the workforce thereby increasing labour productivity (Al-Saqqaf 2018). Thus, the transmission of economic growth leads to a higher level of equilibrium output. As in the neoclassical growth theory by Mankiw, Romer, & Weil. Second, education can increase the economy's innovative capacity and technological development, which encourages economic growth, as in the endogenous growth theory by Lucas (1988) & Romer (1990). Furthermore, education facilitates the diffusion and transmission of knowledge necessary to understand and process new information and successfully implement new technologies designed by others, which also drives economic growth such as Nelson & Phelps (1966) and Benhabib & Spiegel, (1994).

Education. Hanushek & Woessmann (2008) argue that education is not only based on the number of school enrollments or the average length of schooling. Quality of education is important in the education system to produce quality human resources, so that they are able to transfer technology well. Measuring the quality of education is not an easy thing. Ideally, education measurement is based on educational output, but this is difficult to do. So in several previous studies the education measurement used was through education input. Education is able to change people who initially do not have skills, become more productive. In addition, education is an important determining factor in which resources are used efficiently in producing goods and services. When the average level of education is still low, this results in the increasing application of new technology which may not be followed by an increase in output. Efficiency in the use of technology requires workers to have higher education. Education is able to change people who initially do not have skills, become more productive. In addition, education is an important determining factor in which resources are used efficiently in producing goods and services. When the average level of education is still low, this results in the increasing application of new technology which may not be followed by an increase in output. Efficiency in the use of technology requires workers to have higher education. Education can influence productivity and growth through several channels. According to Mankiw (1992) by making improvements to the quality of human capital, human resources can be developed. Human capital here refers to education. Education itself has a vital role in creating the ability of a developing country to obtain the latest technology and to create sustainable growth and development.

The government can influence the level of product. The role of educational aspects for economic growth: real gross domestic (GDP) by regulating the supply of production factors through government education expenditure plans (Due & Robert, 1966). There are several theoretical approaches to the relationship between education, educational expenditure and economic growth, including the neo-classical approach, which says that economic growth can be expressed by human capital factors, including in the model and role of human capital which is highlighted in the process of changing a country's income (Gumus, 2005). Likewise with Indonesia, the level of economic growth is increasing, but is still lagging behind other countries. It is interesting to examine the role of the education sector.

CONCLUSION

Human resources in Indonesia are quite large, including resources in the field of research. The reality in society today is that there is a distance between research and society, and it is not uncommon for research to seem like it is just a concept that is difficult to implement. Therefore, there is a need for openness of ideas and interpretation of these ideas to the community so that their implementation can run

optimally. One effort that can be made is through interdisciplinary research in the fields of economics, technology, earth sciences and culture, especially in Indonesia. Interdisciplinary research requires serious commitment from the Government, Universities and research institutions. The government's seriousness in this area must be in line with greater funding in the education sector. This is a form of investment from the government which can ultimately give birth to new, implementable journals. It is hoped that this journal will be able to increase the ranking of universities and education in Indonesia internationally and even initiate new foundlings to provide capital in strategic fields. Indirectly, research for better economic growth and economic progress based on interdisciplinary research can be used as a means of promoting Indonesia in the academic and economic fields simultaneously globally.

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