

INTERNATIONAL JOURNAL OF
2147-4478

Research in Business & Social Science

VOL 10 NO 6 2021



**INTERDISCIPLINARY STUDIES
IN BUSINESS AND SOCIAL SCIENCE**



SSBFNET

Center for Strategic Studies in Business & Finance

RESEARCH IN BUSINESS AND SOCIAL SCIENCE
Peer-reviewed International Journal-IJRBS 2147-4478



Vol. 10

No. 6
September

Year: 2021

CONTENTS

Section 1:

Strategic Approach to Business Ecosystem and Organizational Development pp. 01-92

Section 2:

Organizational Culture, Leadership and HRM pp. 93-152

Section 3:

Financial and Economic Studies pp. 153-220

Section 4:

Interdisciplinary Studies in Humanities and Social Science pp. 221-316

Section 5:

Learning & Education pp. 317-348

Section 6:

Related Topics in Social Science pp. 349-402

CONTENTS

Current Issue

Vol. 10 No. 6 (2021): September

International Journal of Research in Business and Social Science (2147-4478), Vol 10, No 6, September, 2021

Published: 2021-09-28

Strategic Approach to Business Ecosystem and Organizational Development

Leadership and organizational distress: Review of literature

Eltigani Mohamed Ali Ahmed

01-18



Examining the impact of mobile telecom service characteristics on consumer satisfaction in urban Uganda

Fawz Manyaga, Umit Hacioglu

19-33



The influence of membership program on customer loyalty mediated by customer satisfaction

Fadhil Muhammad, Fatkhur Rozi, Achmad Sani Supriyanto

34-41



Determining the key success factors in the organization of BP Tapera

Dedy Dewanto Soeprapto

42-55



The effect of e-service quality on e-loyalty mediated by e-trust and brand image variables

A study on OVO E-Wallet application users in Malang City

Lusiana Pratiwi, Sunaryo Sunaryo, Mugiono Mugiono

56-62



CONTENTS

A systematic review of corporate governance and ownership

Tola Akinto

63-72

 PDF

Family ownership, information problem and firm performance

Reajmin Sultana

73-82

 PDF

An empirical investigation into organizational level antecedents of value co-destruction in Lisbon, Portugal: A hospitality sector case

Tinashe Chuchu, Maria Nascimento Cunha, Eugene Tafadzwa Maziriri

83-92

 PDF

Organizational Culture, Leadership and Human Resources Management

The mediating role of task-technology fit (TTF) in the effect of knowledge sharing intention on job satisfaction and employee performance

Desi Tri Kurniawati, M Abdi Dzil Ikhrum W, Pusvita Yuana

93-100

 PDF

The effect of work motivation, work environment, and job satisfaction on organizational citizenship behavior and their impact on employees performance of RSU Menteng Mitra Afia during the Covid-19 pandemic

Enrico Rinaldi, Setyo Riyanto

101-110

 PDF

An investigation of employee empowerment as an organisational culture in the South African public sector

Noluthando Mbangeleli, Hammed Olabode Ojugbele

111-120

 PDF

The impact of authentic leadership on employees' organizational citizenship behavior in Ethiopia public service

Hailay Shifare, Abreha Fyory , Nancy Githaiga

121-131

 PDF

Structural equations to analyze entrepreneur satisfaction as indicator of human resources management at the territorial level

Rodobaldo Martínez-Vivar, Alexander Sánchez-Rodríguez, Reyner Pérez-Campdesuñer, Gelmar García-Vidal

132-140

 PDF

Anticipating the demographic bonus from the perspective of human capital in Indonesia

Dewi Adriani, Tien Yustini

141-152

 PDF

CONTENTS

Financial and Economic Studies

Investment climate for MSMEs towards a green economy

Achmad Suparji

153-158



PDF

Determinants of FDI inflows to Next 11 countries: A panel data analysis

Nusrat Jahan, Sujan Chandra Paul

159-165



PDF

The convergence of financial sector in Asia

Maria Pinita Angelia, Rudi Purwono

166-173



PDF

External macroeconomic shocks and stock price behavior in Nigeria

Structural vector autoregressive approach

Mojeed Olanrewaju Saliu

174-180



PDF

Financial performance mediates the relationship of intellectual capital to firm value in Indonesian banking companies

Sigit Hermawan, Nisfatur Rokhmania, Ruci Arizanda Rahayu, Iffah Qonitah, Ratna Nugraheni

181-188



PDF

The effect of investment risks on stock return in the agricultural sector

Ali Sadikin, Fahmi Roy Dalimunthe

189-197



PDF

Selling price according to traditional traders in the practice of Jual Kase-Kase

Melati Sukma Dewi Labusang, Iwan Triyuwono, Bambang Hariadi

198-204



PDF

The effect of auditors' competence and moral reasoning towards audit quality with audit time budget as moderating

Selly Puspita Sari, Made Sudarma, Wuryan Andayani

205-212



PDF

The influence factors of the complementary level of financial and tax aggressiveness in Indonesia

Salsabila Anggiani Amriza, Nurul Aisyah Rachmawati

213-220

CONTENTS

Financial and Economic Studies

Investment climate for MSMEs towards a green economy

Achmad Suparji

153-158

 PDF

Determinants of FDI inflows to Next 11 countries: A panel data analysis

Nusrat Jahan, Sujan Chandra Paul

159-165

 PDF

The convergence of financial sector in Asia

Maria Pinita Angelia, Rudi Purwono

166-173

 PDF

External macroeconomic shocks and stock price behavior in Nigeria

Structural vector autoregressive approach

Mojeed Olanrewaju Saliu

174-180

 PDF

Financial performance mediates the relationship of intellectual capital to firm value in Indonesian banking companies

Sigit Hermawan, Nisfatur Rokhmania, Ruci Arizanda Rahayu, Iffah Qonitah, Ratna Nugraheni

181-188

 PDF

The effect of investment risks on stock return in the agricultural sector

Ali Sadikin, Fahmi Roy Dalimunthe

189-197

 PDF

Selling price according to traditional traders in the practice of Jual Kase-Kase

Melati Sukma Dewi Labusang, Iwan Triyuwono, Bambang Hariadi

198-204

 PDF

The effect of auditors' competence and moral reasoning towards audit quality with audit time budget as moderating

Selly Puspita Sari, Made Sudarma, Wuryan Andayani

205-212

 PDF

The influence factors of the complementary level of financial and tax aggressiveness in Indonesia

Salsabila Anggiani Amriza, Nurul Aisyah Rachmawati

213-220

CONTENTS

Interdisciplinary Studies in Humanities & Social Sciences

Does gender matter for household livelihood diversification in Ethiopia rural areas?

Kiros Tsegay, Hongzhong Fan, AM Priyangani Adikari, Hailay Shifare

221-232



Vendor rights and violence: Challenges faced by female vendors in Zimbabwe

Courage Mlambo

233-241



Is the Mzungu phenomenon a help or hinderance?

The repercussions of western childcare interventions among street children in Kampala, Uganda

Elle Bunyan

242-255



The role of incubator classification on performance of incubators in Kenya.

Miriti Jane Kinya, Kenneth Lawrance Wanjau, Nyagweth Ebenezer Odeyo

256-267



Public interaction of health workers during the Covid-19 pandemic

Tara Anglolenza Pricilly Dea, Aliefya Rachim Maharani

268-277



The role of tourism BUM Desa in the Pandemic era in increasing village original income

A case study in Jember Regency, Indonesia

Tomy Rizky Izzalqurny, Puji Handayati, Miftahul Jannah, Siti Khoiriyatul Fitriarningsih

278-284



Tourism policy, Purusa culture, and gender inequality in absorbing women's employment

Ni Ketut Sari Adnyani, I Wayan Windia, Ni Nyoman Sukerti, Anak Agung Istri Atu Dewi

285-294



Motivation and loyalty of Indonesian medical tourists toward Malaysian health services

Morissan Morissan, Gerald Goh Guan Gan

295-305



Legal protection justice collaborators in corruption justice system

Mochmad Ali Asgar, I Nyoman Nurjaya, Bambang Sugiri, Tunggul Anshari

306-316



CONTENTS

Learning & Education

Investigating the interplay between social presence, motivation, and knowledge sharing behaviour in virtual learning environment

Putra Endi Catyanadika

317-328



PDF

The Fraud triangle, misuse of information technology and student integrity toward the academic cheating of UM student during the pandemic Covid-19

Dodik Juliardi, Triadi Agung Sudarto , Rahmatullah at Taufiqi

329-339



PDF

Tourism education enrolment among Kenyan public universities: Socioeconomic aspects

Margaret Mungai, Damiannah Kieti, Isabella Mapelu

340-348



PDF

Related Topics in Social Science

Application of social network analysis for determining the suitable social media influencers

Mochamad Yudha Febrianta, Yusditira Yusditira, Sri Widianesty

348-354



PDF

Assessment of relationship between management policies and transfer of skills

A case of public secondary school heads in Nyeri County, Kenya

Frasiah Wangari Mburu, Alice W. Kamau, Stephen M. Macharia

355-368



PDF

Mapping evidence of individuals' sustainable consumption behaviour and energy or transport use in Africa: A scoping review

Peter Ansu Mensah, Monica Ansu Mensah

369-382



PDF

Factors affecting the policy for determining the retail selling price of gas oil in Indonesia

Yosephin Kharisma Erga, Ken Martina Kasikoen

383-393



PDF

Legal protection for debtors in determining the application requirements for suspension of debt payment obligations

Zeto Bachri, Suhariningsih Suhariningsih, Sukarmi Sukarmi, Iwan Permadi

394-402

CALL FOR PAPERS!

SSBFNET

ssbfnet.com

Peer-reviewed and open access

Call for papers!

2021, Vol. 10, No, 7
forthcoming issue in October

- High visibility/coverage
- Quick submission
- ORCID integration
- Effective editorial workflow

Research in Business and Social Science

IJRBS is an interdisciplinary and indexed journal.

IJRBS welcomes manuscripts on a broad range of topics including business analytics, business strategy, organizational theory, HRM, finance, banking, accounting, marketing, innovation, education, learning, leadership, organizational culture, international relations, international political economy, entrepreneurship, communication, logistics, cross-cultural studies, ethnicity, conflict, sociology and so on



Current Issue

<https://doi.org/10.20525/ijrbs.v10i6>
Published: 2020-28-09

Important Dates

Late submissions: 25 October
Notification of Acceptance: 10 November
Publication: 30 November

IJRBS is open access to the full text. The journal is Indexed and Registered in Index Copernicus, ProQuest, ProQuest Business Premium Collection, DOAJ, Ulrich's, RePEc, EconPapers, IDEAS, BASE, EDIRC, Scilit, Sherpa Romeo, Google Scholar, WorldCat, EuroPub, Asos Index, OAJI, Rice Bibliography, AqEcon, and WAICENTO.



Visit us at:
Center for Strategic Studies in Business & Finance- SSBFNET
School of Business, İMU, Istanbul, Turkey



Business & Social Science
IJRBS

High Visibility

The journal is open access to the full text. The journal is Indexed and Registered in:

IJRBS is open access to the full text. The journal is Indexed and Registered in Index Copernicus, ProQuest, ProQuest Business Premium Collection, DOAJ, Ulrich's, RePEc, EconPapers, IDEAS, BASE, EDIRC, Scilit, Sherpa Romeo, Google Scholar, WorldCat, EuroPub, Asos Index, OAJI, Rice Bibliography, AqEcon, and WAICENTO.

SSBFNET is a CROSSREF member.

contact our team at editor@ssbfnet.com



Investment climate for MSMEs towards a green economy



 Suparji

Postgraduate Study Program in Law, Al Azhar University Indonesia, Al Azhar Grand Mosque Complex Jl. Sisingamangaraja, Kebayoran Baru, South Jakarta 12110 Jakarta, Indonesia

ARTICLE INFO

Article history:

Received 23 August 2021
Received in rev. form 16 Sep. 2021
Accepted 18 Sept 2021

Keywords:

Investment, MSME, Green Economy

JEL Classification:

O15

ABSTRACT

Indonesia's development has not provided the optimum portion of the support to Micro, Small & Medium Enterprises (MSMEs), even though these MSMEs are the foundation of economic growth and as a supporter of the national economy of developing countries that are able to absorb up to 99% of the workforce, and are able to complement large industrial products in the local and local markets. The low government support makes MSMEs less empowered and less competitive in the global market. In this research problem, what is the role of Islamic economics and the green economy in increasing the capacity of MSMEs in order to advance the national economy? The limitation of the very cliché of MSMEs is the gap in accessing formal financial institutions in increasing capital, this is due to the weak management of MSMEs so that they are not bankable. Indonesia's financial inclusion as of 2019 was 76%, and 25% of it has not been served by formal financial services. This study uses a descriptive analysis approach, this study analyzes data obtained from secondary sources. The type of research used is based on a normative juridical approach. Normative juridical research is legal research that examines library data, including legal principles and legislation. According to the type of norm study research, data acquisition is sourced from literature research related to the problem being studied, such as books, laws, and others. The analytical method used is normative qualitative which examines and interprets and reconstructs the statements contained in the legislation. The theory used is the theory of people's welfare. The results of this study can be a recommendation and can be used by economic and financial policymakers in increasing the capacity of MSMEs based on sharia economics and making MSMEs the frontline in supporting national economic growth so that Indonesia advances without depending on foreign investment.

© 2021 by the authors. Licensee SSBFNET, Istanbul, Turkey. This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY) license (<http://creativecommons.org/licenses/by/4.0/>).

Introduction

Sustainable development is a development concept that has been applied for a long time in Indonesia, namely since 1970 where the concept of sustainable development that provides prosperity for present and future generations. balance is a key goal of sustainable development, namely balance in the economy, social and environment (Makmun, 2011) and to achieve this goal the government plays a role in the policy side that supports the three concepts as an interlinked helix.

Sri Adiningsih in Makmun said that the development carried out so far is more of short-term economic development oriented to GDP growth, without paying attention to the impact of environmental damage due to development and social inequality in society (Makmun, 2011).

MSMEs are the foundation of economic growth and as a supporter of the national economy of developing countries that are able to absorb up to 99% of the workforce, and are able to complement large industrial products in local and national markets. The development of MSMEs in Indonesia based on statistical data in 2013 states that the number of MSMEs is 57,895,721 with a workforce absorption of 114,144,082, the market capacity of MSMEs in regional and international markets is still relatively small, this can be seen from the contribution to the export value of only 9.29 %, so it is necessary to increase the capacity of MSMEs (Suparji, 2020).

* Corresponding author. ORCID ID: 0000-0001-5597-7095

Wijayanto in Suparji said that MSMEs are institutions that can survive in the midst of a crisis. This can be seen from the monetary crisis in 1997-1998 which could absorb 85-107 million workers until 2012, from a total of 56,539,560 companies, there were 99.99% of companies in the MSME category, as well as during the COVID-19 pandemic at the beginning of 2019 until now (Suparji, 2020).

Indonesia's progress is largely supported by MSMEs which contribute 97% of employment, so that in total, the contribution of MSMEs to the national economy is 60%, and accounts for 58% of total investment, and contributes to national exports by 14% of total exports. (Hartomo, 2020).

The desire to create prosperity for all people in the form of empowering the people's economy through strengthening MSMEs has been pledged since the beginning of the independence period and for that various development programs have been carried out, although until now there are still a group of people who are classified as poor. The not yet optimal success of economic development from regime to regime seems inseparable from the basic conception of development that has not fully prioritized the interests of people's economic empowerment (Azis, 2018).

In this research problem, what is the role of Islamic economics and green economy in increasing the capacity of MSMEs in order to advance the national economy. The role of MSMEs in progress in the national economy can be created if banking access (financial inclusion) and production efficiency and effectiveness can be increased in order to create competitive advantages in both local and global markets. One of the problems faced by MSMEs in increasing capacity is intense competition both on a local and global scale - they have to compete against imported products. Especially after the ratification of the world trade agreement (WTO) - the ratification of the WTO agreement based on Law no. 7/1994 and amendments to Law no. 17/2017 - as well as the Agreement on the implementation of the ASEAN Economic Community (MEA) which has been implemented since 2015 which creates consequences for implementing production effectiveness and efficiency in order to integrate with the global economy and to create competitive advantages (Orosz, 2017). In addition, MSMEs are faced with capital, so that the government's role is needed. Wimboh Santoso said that for that the government has rolled out an interest subsidy program for micro, small and medium enterprises (MSMEs) and has also placed government funds worth Rp.). and the low ability to pay due to mismanagement that has the potential to go out of business, for that it is necessary to restructure their debt, for that the government through the OJK has issued regulations related to relaxation of debt payments, for that the government is obliged to provide concessions for debtors in banks and financial institutions through a restructuring program. Currently, the program has been implemented by around 100 banks with a total of 6.75 million debtors with a debit balance of Rp. 776.99 trillion, and has provided a financing stimulus through PEN (National Economic Recovery) so that MSMEs can compete globally. almost all countries do the same for their MSMEs so that they can continue to develop and improve their national economy (Alfitri, 2012). As is the case in Thailand, they have restructured the debt of their MSME businesses due to the impact of the crisis so that MSMEs will continue to survive and be able to continue paying their debts because their economy is supported by two-thirds of their GDP contributed by the MSME sector (Kurniawan, et al., 2015).

The limitation of the very cliché of MSMEs is the gap in accessing formal financial institutions in increasing capital, this is due to the weak management of MSMEs so that they are not bankable. Indonesia's financial inclusion as of 2019 is 76%, and 25% of which has not been served by formal financial services, this can be seen from the capital structure of MSMEs in running their businesses, shown in the table below (Soesilo, 2007),

The government encourages the acceleration of digitalization of the financial sector in order to increase the capacity of MSMEs through facilities provided by the government through the National Economic Recovery (PEN) policy. The government seeks to help MSMEs with several incentives or assistance - providing interest subsidies, placing government funds in commercial banks for credit restructuring, guarantees for MSME loans, MSME final income tax borne by the government, investment financing to cooperatives through the Cooperative Revolving Fund Management Agency, Micro, Small and Medium Enterprises. and Medium (LPDB-KUMKM), and productive presidential assistance or assistance for micro-enterprises (Hartomo, 2020).

The research method used is normative juridical, namely conceptualizing law as what is written in laws and regulations (law in books) or law as a rule or norm which is a benchmark for human behavior that is considered appropriate. This type of legal research is carried out by examining secondary data in the legal field as library data using deductive thinking methods. The approach used in answering the problem is to use a statutory approach and a conceptual approach. The legal approach is carried out by examining all laws and regulations related to the legal issues under study. This legal approach will open up opportunities for researchers to study whether there is consistency and conformity between one law and another. The conceptual approach is based on the views and doctrines that developed in the science of law, by studying the views and doctrines of the doctrine in the science of law. An understanding of these views and doctrines is the basis for researchers in building a legal argument in solving the issues at hand.

The procedure for collecting legal materials used in this research is a literature study, namely data collection by reading laws and regulations, official documents and literature that are closely related to the problems discussed. The legal materials are then analyzed and formulated as supporting legal materials in this research. Processing of legal materials is carried out deductively, namely drawing conclusions from a general problem to the concrete problems faced. The legal materials obtained in this study will be analyzed qualitatively using the deductive method, namely general data about the conception of legal materials in the form of legal principles, postulates and teachings (doctrine) and expert opinions which are systematically arranged as a composition of legal facts.

The data analysis technique was carried out qualitatively, namely by collecting data, qualifying and then connecting theories related to the problem and drawing conclusions to determine the results. Data analysis is carried out by starting from research on the principles or principles as stipulated in the primary legal material, and then it will be discussed further using the means of the secondary legal material.

Strengthening MSMEs for a Green Economy

The development of economic digitization is a necessity in today's world economic development, so that the business world shifts from analog to virtual business. To encourage the economic development of MSMEs through the transformation of the use of information technology. President Joko Widodo said that digital transformation is the door for MSMEs to enter the marketplace, and can be part of a national or global supply chain. The momentum of the pandemic can be used to prepare MSMEs to advance to class. In line with existing data, recently there has been an increase in online sales transactions reaching 10-15 percent. Currently, there are 8 million of the 60 million MSME units connected to e-commerce and the development potential is very promising. Digital transformation helps people work faster and more efficiently and stay productive in the midst of limited interaction. The acceleration of digital transformation, starting from digital government, digital economy, to digital society, and digital infrastructure needs encouragement from the government (Farisa, 2021).

The magnitude of Indonesia's natural wealth should be able to make a major contribution to the progress of the nation based on economic, social and environmental balance – but the optimization of the management of the three helixes – green economy, social economy and financial economy – has not gone well. It is undeniable that the growth rate of Indonesia's GDP and controlled inflation in Indonesia continues to increase from year to year but the degradation of natural resources is also getting higher, as well as social inequality.

Green The green economy no longer invests in speculative securities such as hot papers, stocks, bonds and derivative products, but instead leads to clean and green investment that relies on clean technology to reduce carbon emissions. The green economy approach has begun to become a trend of economic policies carried out by developed countries. In contrast to Indonesia, the owner of the world's largest renewable natural resource potential - In addition to biodiversity, we also have the second longest coastline after Canada which can be a source of solar cell and wave power energy - not yet have a clear green economy concept through an integrated policy between all sectors and sub-sectors of Government.

The great potential in the green economy can guarantee the creation of jobs (pro jobs) and become the engine of the nation's economy that continues to grow sustainably (pro growth). For example: Indonesia has 19.5 million hectares of critical land (in forest areas) and 10.6 million hectares (outside forest areas). This critical land can be used to create environmentally friendly oil palm plantations, ethanol fuel, and organic agricultural land. Even the quality of bioethanol obtained from critical land is predicted to meet the daily fuel needs in Indonesia. The bioethanol produced is obtained from sources of corn, cassava, wheat, and sugar cane. How many local communities around this critical land will be absorbed if the green economy development is managed seriously, especially the people who are included in the MSME business (Panjaitan, 2010).

Social inequality can be measured based on the Gini ratio, which was still around 0.381 in March 2020. Nationally, the value of Indonesia's Gini Ratio during the period March 2013–September 2014 fluctuated and began to decline in the period March 2015 to September 2019. This condition indicates that during the March period 2015–March 2019 saw an improvement in the distribution of expenditure in Indonesia. However, due to the Covid-19 pandemic, the Gini Ratio value increased again in March 2020 (Badan Pusat Statistik, 2020).

Pearce et al in Makmun said that failure in pragmatic and short-term development has the effect of environmental damage and the shrinking value of natural resources encourages every country to develop a green economy in order to develop a country's economy with low carbon, one of which is the development of ethanol and reducing the housing system. In accordance with the agreement of the United Nations organization – UNEP, the United Nation Environment Program which was founded in 1972 based in Nairobi, Kenya – has encouraged the implementation of the Green Economy Initiative (GEI) in 2008 (Makmun, 2011).

The Green Economy model is believed to be able to create green jobs and promote the concept of sustainable development, and be a way out for creating a clean and pollution-free environment, overcoming extractive resources through energy efficiency mechanisms and environmentally friendly products, and avoiding environmental degradation. Indonesia has the best biological natural resources in the world. The fact is that countries on the equator that have heavy rains and the sun shines throughout the year are very rich in biodiversity compared to countries with four seasons (Panjaitan, 2010).

Law cannot be separated from its habitat, so there is a continuous interaction between law and other factors, namely economic, social, cultural, political in the development of society. The failure of the law in the past (the New Order) to carry out its role in addition to the fact that the law always sided with the authorities, so solely to serve the continuity of power, also because the way of thinking used was more of a traditional legal approach pattern that emphasized the normative juridical aspect. Conventionally, these things cause the law to be trapped in rigid administrative corridors and the law to dry up because the law has been uprooted from its root habitat, namely its sociological elements (Sutrisno, 2005).

Oseny, Mc Aucley in Suparji and Aris Machmud said that technological developments in various fields as a result of the development of the 4.0 era encourage increased applications in the field of financial inclusion (fintech - digital-based financial technology) or an economic industry designed by a company that uses technology so that the system more efficient finance (Suparji & Machmud, 2019). Where this fintech has two conflicting sides, on the one hand it is a blessing where people who do not have access to banking can be served through the application, but on the one hand it causes many problems if the risks are not mitigated and can disrupt the financial system at a macro level. Fintech became known in the late 1900s and early 2000s where the first time with the concept of direct-to-consumer loans (peer to peer (P2P)) was initiated by Nepter and Zopa in the UK and in Indonesia developed in 2010 through the Go-Jek company.

The Islamic economy in technological development can be seen from the development of the sharia-based financial industry, this Fintech provides convenience for MSMEs and the public who have not been reached by banking services, considering the requirements are quite complicated, with this fintech financial inclusion can be served to remote corners of the country. Oseni Umar A. Ali S. Nazim in Suparji and Aris Machmud said that financial technology is also developing in the Islamic finance-based financial industry as follows so that a regulation is needed that can guarantee legal certainty and guarantee the development of the financial industry in particular: "Fintech is changing our lives for the better through unending technological applications in the finance industry. The daily lives of human beings, and even nonhumans, are now tied to technological applications where robots have taken over the roles of financial advisors. While regulators and lawmakers try to catch up with the rapid developments in financial technology, it appears the rapid rate of development in the fintech sector is outpacing regulatory frameworks. This uncertain situation is more complicated in a niche industry such as the Islamic financial services industry, which has additional faith-based filters in its product-development process. This therefore makes a case for the need for thought leadership in relation to this uniquely important subject in order to guide policymakers, regulators, and practitioners on the dynamics of fintech in Islamic finance, and provide a good understanding of the Shari'ah and legal and regulatory parameters for fintech solutions." For this reason, the Indonesian government through Bank Indonesia issued a regulation to fill the void in existing regulations (*Ius Constituendum*) by issuing Bank Indonesia Regulation Number 19/12/PBI 2017 concerning financial technology.

MSMEs Pillars of the Welfare State

JG Andersen in Elviandri, Khuzdaifah Dimiyati, and Absori said that the welfare state is a state in which organized power is intentionally used (through political and administrative policies) in an effort to ensure the welfare of individuals and families to obtain a minimum income based on a decent life and guarantee the need for social services to the community. poor individuals and families, and guarantees all citizens to get their rights. The welfare state is closely related to policies concerning social policies, social protection policies and social security policies (both in the form of social assistance and social insurance), social safety nets policies (Elviandri & Khuzdaifah Dimiyati, 2019).

Bessant, Watts, Dalton and Smith in Oman Sukmana that the basic idea of the welfare state dates back to the 18th century, Jeremy Bentham - the father of welfare states - promotes the idea that the government has a responsibility to ensure the greatest happiness (or welfare) of the greatest number. of their citizens. Bentham uses the term 'utility' to describe the concept of happiness or well-being - Bentham argues that something that gives rise to extra happiness is something good. On the other hand, something that causes pain is bad, so government action should always be directed at increasing the happiness of as many people as possible.

The concept of a welfare state was pioneered by Otto Von Bismarck, according to Triwibowo & Bahagio in Oman Sukman that in Europe and America, the idea of a welfare state had clashed with the concept of a capitalistic liberal state. produce prosperous countries, especially in Western Europe and North America, where people live in prosperity.

The welfare of a country is determined by the country's economic development, economic development will not be achieved without legal reform (Rajagukguk, 2003). The welfare state is associated with the fulfillment of basic needs - the fulfillment of social security, health, housing and education - which is a government policy that adheres to the welfare state. Economic growth in Indonesia is determined by the synergy and balance of development between the center and the regions, Java and outside Java. Invitations related to investment and autonomy are expected to encourage investment in the regions, so that employment opportunities can be opened again to solve the unemployment problem. However, economic actors need certainty to make economic decisions. Business people will always think the importance of certainty. In socialist countries, the welfare state also includes job security and the administration of prices for goods and services at the consumer level. The concept of the welfare state is therefore usually based on the principles of equality of opportunity, equitable distribution of wealth, and public responsibility for those who are unable to provide for themselves the minimum needs for a decent life. The term welfare state is very general and can include various forms of social and economic organization.

The welfare state has been given much attention by many parties because it is considered the most appropriate answer to the form of state involvement in advancing people's welfare. The Welfare State is assumed that the state has responsibility for guaranteeing a minimum standard of living for its citizens, in Indonesia as stated in the preamble to the 1945 Constitution of the Republic of Indonesia Article 27 (2), Article 28A, 28B, 28C, 28H, 31, 33, and Article 34.

Bessant, Watts, Dalton, Smith, Oman Sukmana in Aris Machmud that the basic idea of the welfare state dates back to the 18th century, Jeremy Bentham - the father of welfare states - promotes the idea that the government has a responsibility to ensure the

greatest happiness (or welfare) of the greatest number of their citizens. Bentham uses the term 'utility' to describe the concept of happiness or well-being - Bentham argues that something that gives rise to extra happiness is something good. On the other hand, anything that causes pain is bad, so government action should always be directed at increasing the happiness of as many people as possible. The concept of a welfare state was pioneered by Otto Von Bismarck, according to Triwibowo & Bahagio in Oman Sukmana that in Europe and America, the idea of a welfare state had clashed with the concept of a capitalistic liberal state. produce prosperous countries, especially in Western Europe and North America, where people live in prosperity. Suharto and Husodo in Oman Sukmana argue that the welfare state can be defined as a social welfare system that gives the state (government) a greater role to allocate part of public funds to ensure the fulfillment of basic needs and the government is responsible for guaranteeing a minimum standard of welfare for every citizen. country (Sukmana, 2016).

TH Mashall in Oman Sukmana that the establishment of a welfare state is one of the essential pillars of a democratic state - a democratic state must present the fulfillment of social rights for each of its citizens, inherently as the responsibility of a democratic state - in line with the substantial democratic goal of providing fulfillment of living standards good social welfare, so that he can use his civil and political rights in full. The basic objective of promoting the principle of social rights is that citizens can fully actualize all their potential abilities and avoid the process of structural impoverishment. The philosophical idea of social justice is mainly related to distributive justice - the policy of the welfare state aims to distribute income fairly to all citizens, to ensure the worthiness of its citizens. To guarantee the right to a decent life for every citizen, it is necessary to have an active initiative and the responsibility of the government to maintain and realize the fulfillment of these social rights.

Even in the welfare state, the principle of the balance of public and economic authority and economic efficiency is carried out, where the free market cannot be left alone to regulate the complexities of public life. When the free market mechanism is allowed to run without restrictions and regulations, it actually widens the gap in social inequality, poverty and injustice, and destroys the basic foundations of public life that depart from the bonds of social relations. In contrast to the free market knowledge regime, the welfare state paradigm emphasizes the importance of the role of the state as a political authority acting as an agency that moves and regulates public life. The state is not anti-free market, but the role of the state is needed as a regulator so that it functions properly and does not marginalize common interests (Sukmana, 2016).

The Welfare State is the state's commitment to provide decent income to all its citizens without exception, avoiding unemployment or work incapacity due to illness, old age, basic health insurance services and adequate education guarantees, as Dorothy Waddernburn said: "The welfare state implies a state commitment of some degree which modifies the play of wealth in order to ensure a minimum real income for all. By implication, if not explicitly, this is done to protect individuals against the hazards of incapacity for work arising through sickness, old age, and unemployment. There is also a general agreement that the objectives of the welfare state will include a guarantee of treatment and benefit for sickness and injury, and the provision of education"(Dorothy Wedderburn, 1965).

Conclusion

The welfare of the people is achieved through economic and economic development depending on the roles of the legal functions - "stability", "predictability" and "fairness". The welfare state is achieved through the development of laws that protect the weak - because the state protects the interests and basic needs of its citizens. MSMEs are the driving force of the people's economy that are not accommodated in the formal sector - and consumer protection and protection of the environment besides that there is a need for legal reform if it is suspected that there is still neglect of weak rights. A democratic country, with a fairly explicit commitment to broad goals of economic development, full employment, equal opportunity for youth, social security, and protected minimum standards not only in terms of income, but also nutrition, housing, health and education, for people from all regions and social groups.

In order to increase efficiency and effectiveness in creating an investment climate towards a green economy, in the era of free markets, the government as the authority holder, must be able to create a conducive business climate. Conducive conditions will help SMEs to develop their business in a better direction. A safe and peaceful situation coupled with real support from the Government and elements of society is a very important capital for the development of the business climate in Indonesia. Aspects that create a business climate are funding, infrastructure, business information, partnerships, business legalization, business opportunities, trade promotions, institutions and health. The government is expected to expand sources and access to funding and provide convenience in funding for MSMEs. So that MSMEs can get the opportunity to enjoy these facilities to develop their business.

References

- Alfitri. (2012). Ideologi Welfare State dalam Dasar Negara Indonesia : Analisis Putusan Mahkamah Konstitusi Terkait Sistem Jaminan Sosial Nasional. *Jurnal Konstitusi*, 9(3), 450-472. <https://doi.org/10.31078/jk%25x>
- Azis, M. H. M. (2018). *Pembangunan Ekonomi & Pemberdayaan Masyarakat*. Makassar, CV. Nur Lina.
- Badan Pusat Statistik. (2020). Gini Ratio Maret 2020 tercatat sebesar 0,381. Retrieved from <https://www.bps.go.id/pressrelease/2020/07/15/1748/gini-ratio-maret-2020-tercatat-sebesar-0-381.html>
- Elviandri & Khuzdaifah Dimiyati, A. (2019). Quo Vadis Negara Kesejahteraan: Meneguhkan Ideologi Welfare State Negara Hukum Kesejahteraan Indonesia. *Mimbar Hukum*, 31(2), 252-266. Available on <https://jurnal.ugm.ac.id/jmh/article/download/32986/25629>

- Farisa, F. C. (2021). *Jokowi Sebut Transformasi Digital Pintu Masuk UMKM ke. "Marketplace"*. Accessed on 26 February 2021. Retrieved from <https://nasional.kompas.com/read/2021/02/26/16523401/jokowi-sebut-transformasi-digital-pintu-masuk-umkm-ke-marketplace?page=all>
- Hartomo, G. (2020). *Terkuak, Ini Kontribusi UMKM bagi Perekonomian Indonesia*. Accessed on 26 February 2021. Retrieved from <https://economy.okezone.com/read/2020/10/20/455/2296549/terkuak-ini-kontribusi-umkm-bagi-perekonomian-indonesia>
- Kurniawan, L.J., Sukmana, O. and Abdussalam, M. (2015). *Negara Kesejahteraan dan Pelayanan Sosial: Kebijakan sosial dan Pekerjaan Sosial dalam Penyelenggaraan Jaminan Perlindungan Warga Negara*. Malang, instrans Publishing.
- Makmun. (2011). *Green Economy: Konsep, Implementasi, dan Peran Kementerian Keuangan*. Retrieved from <https://media.neliti.com/media/publications/77730-ID-green-economy-konsep-impelentasi-dan-per.pdf>
- Orosz, Á. (2017). Development Of Welfare State Theory: A Review of The Literature. *PRO PUBLICO BONO – Magyar Közigazgatás*, 2, 176–191. http://real.mtak.hu/89368/1/10-Development-of-Welfare-State_PPB_2017_220web-10.pdf
- Panjaitan, L. T. (2010). Saatnya Green Economy, Indonesia. Accessed on 26 February 2021. Retrieved from <https://news.detik.com/opini/d-1401687/saatnya-green-economy-indonesia>
- Rajagukguk, E. (2003). Hukum Ekonomi Indonesia Memperkuat Persatuan Nasional, Mendorong Pertumbuhan Ekonomi dan Memperluas Kesejahteraan Sosial. Presented at the VIII National Law Development Seminar and Workshop, organized by the National Legal Development Agency, Ministry of Justice and Human Rights, Denpasar 14-18 July 2003. Retrieved from <https://adoc.pub/hukum-ekonomi-indonesia-memperkuat-persatuan-nasional-mendor.html>
- Soesilo, H. I. (2007). Stratedi UMKM dalam Mengatasi Sistem Prosedur Kredit komersial. *Jurnal Development*, (1), 1–14. Retrieved from <http://jurnal.umjambi.ac.id/index.php/JD/article/download/39/39/>
- Sukmana, O. (2016). Konsep dan Desain Negara Kesejahteraan (Welfare State). *Sospol: Jurnal Sosial Politik*, 2(1), 103–122. <https://doi.org/10.22219/sospol.v2i1.4759>
- Suparji, A. & Machmud, A. (2019). Application Of Regulation And Completion Of Fintech Dispute In Legal Certainty. *the 3rd international conference on Islamic epistemology, 8 October 2019*. Jakarta, Center for Islamic Integration on Scientific Paradigm, University of Al-Azhar Indonesia.
- Suparji. (2020). Implementation of Intellectual Property Right to Strengthen Small and Medium-Sized Enterprise Business Capacity in Global Competition. *Academic Journal of Interdisciplinary Studies*, 9(6), 139–147. <https://doi.org/10.36941/ajis.2020.v9n6r>
- Sutrisno, E. (2005). Mengukuhkan Paradigma Hukum Di Era Orde Reformasi. "Syariah" Jurnal Ilmiah Fakultas Hukum Universitas Swadaya Gunung Jati, 1(1), 1-12. Retrieved from <http://jurnal.ugj.ac.id/index.php/SYARIAH/article/view/1160/737>
- Wedderburn. D. (1965). Fact And Theories Of The Welfare State. *The Socialist Register*, 2, 127–146. Available on <https://socialistregister.com/index.php/srv/article/view/5952/2848>

Publisher's Note: SSBFNET stays neutral with regard to jurisdictional claims in published maps and institutional affiliations.



© 2021 by the authors. Licensee SSBFNET, Istanbul, Turkey. This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY) license (<http://creativecommons.org/licenses/by/4.0/>).

International Journal of Research in Business and Social Science (2147-4478) by SSBFNET is licensed under a Creative Commons Attribution 4.0 International License.



Suparji suparji <suparji.fh@gmail.com>

[ijrbs] Submission Acknowledgement

Umit Hacıoglu <editor@ssbfnet.com>

12 September 2021 20.49

Kepada: Achmad Suparji <suparji.fh@gmail.com>

Achmad Suparji:

Thank you for submitting the manuscript, "INVESTMENT CLIMATE FOR MSMES TOWARDS A GREEN ECONOMY" to International Journal of Research in Business and Social Science (2147- 4478). With the online journal management system that we are using, you will be able to track its progress through the editorial process by logging in to the journal web site:

Submission URL: <https://www.ssbfnet.com/ojs/index.php/ijrbs/authorDashboard/submission/1360>

Username: suarji

If you have any questions, please contact me. Thank you for considering this journal as a venue for your work.

Umit Hacıoglu

[International Journal of Research in Business and Social Science \(2147- 4478\)](#)



Suparji suparji <suparji.fh@gmail.com>

[ijrbs] Editor Decision

Editorial Office at SSBFNET <editor@ssbfnet.com>

14 September 2021 16.15

Kepada: Achmad Suparji <suparji.fh@gmail.com>

Dear Achmad Suparji:

On behalf of the editorial board, it is our pleasure to announce that we have reached a decision regarding your submission to International Journal of Research in Business and Social Science (2147- 4478), "INVESTMENT CLIMATE FOR MSMES TOWARDS A GREEN ECONOMY".

Our decision is to: Accept Submission

Indexing will start sooner following the release of the issue. We anticipate closing the editorial workflow as soon as we complete the copyediting process of accepted papers. Therefore, it is crucial to make necessary revisions to your article and send the 130 USD article processing fee at your earliest convenience (**No more than 17 September**).

Full content will be indexed in Index Copernicus (Journal Master List), ProQuest, ProQuest ABI Collection, ProQuest Business Premium Collection, DOAJ, RePEc, EconPapers, Ulrich, IDEAS, EDIRC, BASE, AOI, SciLit, EuroPub, Asos Index, Google Scholar, Sherpa/Romeo, and some other field indices will start indexing your paper. A particular DOI number will be assigned to identify your article in scholarly networks by CrossRef.

Please kindly find attached the managing editor's requirement list below this email. Requirements are mainly related to the paper's methodology and organization of the text which must be checked. IJRBS's editorial office kindly expects you to adopt the required changes accordingly with the journal methodology.

Following the receipt of **the revised version of your manuscript and the proof of payment**, we will assign a copyeditor to your article. A copyeditor will also manage the *typesetting process* before the final production phase. At this stage, please kindly send the final revised paper and the proof of payment to our editorial office at editor@ssbfnet.com. We also need a separate word file listing revisions made by authors.

In your revised paper, **please provide full affiliation information** (Associate Professor, School of Business, X University, City, Country) and an **ORCID ID**. If you do not have any ID yet, please visit www.orcid.org

Please kindly note that IJRBS is currently under the review process of WOS. Therefore, please especially pay more attention for

- language check,

- revise your paper as requested and accordingly with journal methodology,

-and **check all of the references (on paper and bibliography)** that **must perfectly fit APA style**, including DOI numbers. Here is a good example for bibliographic listing:

Kiambati, K. (2020). The Levels of transparency and county service delivery in Kenya. *International Journal of Research in Business and Social Science*, 9(3), 14-25. <https://doi.org/10.20525/ijrbs.v9i3.617>

IJRBS is an open-access journal and requires a 130USD Article Processing Charge for accepted articles. We will appreciate it if you make the payment and send the final version of your paper at your earliest convenience (**No more than 17 September**) Visa and Mastercard payments are available as the securest and cheapest way of fee transferring.

Scheduled publication for your paper:

The copyediting process: 17-20 September

Production Process: 15-23 September

Indexing Process: Sooner following the release of the current issue.

We attached the payment options, sample title page, and review reports for your consideration.

Kindly **confirm** the receipt of this email.

We look forward to hearing from you.

Best Regards

Editorial Office

Umit Hacioglu, Ph.D.
Professor of Finance at IHU
Managing Editor/SSBF
Center for Strategic Studies in Business and Finance

[Orcid ID](#)
[Scopus ID: 55734704100](#)
[Researcher ID](#)
[Google Scholar](#)
[Editorial 1: SSBFNET](#)
[Editorial 2: BUSSECON International](#)
[Editorial: Springer](#)
[Editorial: IGI Global](#)

SSBFNET

Center for Strategic Studies in Business and Finance
www.ssbfnct.com

Editorial Requirements

We believe this paper fits the scope and requirements of the International Journal of Research in Business and Social Science. However, there should be some improvements based on the structure, organization of the text, literature review, methodology, and author's implications.

- **The title** is very important and must be reflecting the quality of the paper. If authors summarize the title in order to reflect the topic's importance, generic contribution, or logical connection with the research question, It would be much more interesting and attracting the readers. The title should not be too long or confusing.

- **The paper's structure** should be revised based on a methodological basis. For instance, *for empirical studies*, IJRBS uses ILRIC methodology for research papers (Abstract, Introduction, Literature Review, Methodology, Implications, and Conclusions). Please check your paper's structure. *For theory-based studies*, ILRIC is not a necessity. Instead of ILRIC, you can build clear titles and subtitles. But titles should be in harmony or reflecting inductive or deductive methods.

- **The abstract** is also very important. We know readers first concentrate on the abstract before deciding to read the whole text. It should be summarized into 250-270 words max., including research objective, method, model or analysis, primary findings, and the underlined conclusion in the study. The abstract should not be in separate paragraphs. JEL classification is also essential to classify the field.

- **Introduction** is not a literature background. It should be improved. Authors should be defining the problem, importance of the topic, subject matter of the study referring to the most recent bibliography, research gap, data, methodology and organization of the text in the last paragraph. Please also note that the Introduction is not the summary of the Literature review. It is vital for authors that they should clarify the motivation behind the research and study, research objectives, methods, samples, hypothesis and finally, you should end it up by giving details of the text's organization.

- a **literature review** is necessary for empirical studies. You should examine the theoretical background and empirical studies, and the hypothesis should be linked to studies for empirical studies. For empirical studies, authors should consider segmenting the literature review part into two main divisions: Theoretical background and conceptual framework, and Empirical Review and Hypothesis development. For theory-based studies, a logical connection between the components is essential.

- The **methodology** is an essential part of empirical studies. Therefore, we suggest you provide more information about data, sample, method, model, components, variables, hypothesis testing and so on. For the conceptual papers, no need to give titles of methodology. Instead of this, the conceptualization of labels is critical.

- Illustration of values in figures and tables is very important. Therefore, We expect you to build tables and figures into your text if it is necessary. Data, figures, and tables will improve the conceptual studies. However, they must be in an editable format in MS word.

It would help if you prepared all equations in Microsoft Formula. Please do not draw the figure by hand or MS word. Instead of improper use of figures and tables, you may prefer using the draw.io for brilliant figures and schemas.

- For empirical studies, empirical data and analysis should contain documentation background, and the results have to be observed.

- **Results and discussion** should explain the results, and implications should be clear and contributory for research papers.

- **Conclusions** are critical. It is not a summary. Original thoughts belong to authors are very important and place here. We expect you also evaluate the obtained results, including a proven working hypothesis, assessment of the research and results, analysis, attention to specific problems, guidelines for future research, suggestions, and recommendations.

- **References** must be checked and revised accordingly with APA style.

[International Journal of Research in Business and Social Science \(2147- 4478\)](#)

Investment climate for MSMEs towards a green economy

by Suparji Suparji

Submission date: 13-Jan-2022 03:30PM (UTC+0700)

Submission ID: 1741030667

File name: Investment_climate_for_MSMEs_towards_a_green_economy.docx (101.71K)

Word count: 5112

Character count: 28742



Business & Social Science
IJRBS

Research in Business & Social Science

IJRBS VOL 10 NO 6 ISSN: 2147-4478

Available online at www.ssbfnct.com
Journal homepage: <https://www.ssbfnct.com/ojs/index.php/ijrbs>

Investment climate for MSMEs towards a green economy



 Suparji

Postgraduate Study Program in Law, Al Azhar University Indonesia, Al Azhar Grand Mosque Complex Jl. Sisingamangaraja, Kebayoran Baru, South Jakarta 12110 Jakarta, Indonesia

ARTICLE INFO

Article history:

Received 23 August 2021
Received in rev. form 16 Sep. 2021
Accepted 18 Sept 2021

Keywords:

Investment, MSME, Green Economy

JEL Classification:
O15

ABSTRACT

Indonesia's development has not provided the optimum portion of the support to Micro, Small & Medium Enterprises (MSMEs), even though these MSMEs are the foundation of economic growth and as a supporter of the national economy of developing countries that are able to absorb up to 99% of the workforce, and are able to complement large industrial products in the local and local markets. The low government support makes MSMEs less empowered and less competitive in the global market. In this research problem, what is the role of Islamic economics and the green economy in increasing the capacity of MSMEs in order to advance the national economy? The limitation of the very cliché of MSMEs is the gap in accessing formal financial institutions in increasing capital, this is due to the weak management of MSMEs so that they are not bankable. Indonesia's financial inclusion as of 2019 was 76%, and 25% of it has not been served by formal financial services. This study uses a descriptive analytical approach, this study analyzes data obtained from secondary sources. The type of research used is based on a normative juridical approach. Normative juridical research is legal research that examines library data, including legal principles and legislation. According to the type of norm study research, data acquisition is sourced from literature research related to the problem being studied, such as books, laws, and others. The analytical method used is normative qualitative which examines and interprets and reconstructs the statements contained in the legislation. The theory used is the theory of people's welfare. The results of this study can be a recommendation and can be used by economic and financial policymakers in increasing the capacity of MSMEs based on sharia economics and making MSMEs the frontline in supporting national economic growth so that Indonesia advances without depending on foreign investment.

© 2021 by the authors. Licensee SSBFNET, Istanbul, Turkey. This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY) license (<http://creativecommons.org/licenses/by/4.0/>).

Introduction

Sustainable development is a development concept that has been applied for a long time in Indonesia, namely since 1970 where the concept of sustainable development that provides prosperity for present and future generations. balance is a key goal of sustainable development, namely balance in the economy, social and environment (Makmun, 2011) and to achieve this goal the government plays a role in the policy side that supports the three concepts as an interlinked helix.

Sri Adiningsih in Makmun said that the development carried out so far is more of short-term economic development oriented to GDP growth, without paying attention to the impact of environmental damage due to development and social inequality in society (Makmun, 2011).

MSMEs are the foundation of economic growth and as a supporter of the national economy of developing countries that are able to absorb up to 99% of the workforce, and are able to complement large industrial products in local and national markets. The development of MSMEs in Indonesia based on statistical data in 2013 states that the number of MSMEs is 57,895,721 with a workforce absorption of 114,144,082, the market capacity of MSMEs in regional and international markets is still relatively small, this can be seen from the contribution to the export value of only 9.29 %, so it is necessary to increase the capacity of MSMEs (Suparji, 2020).

* Corresponding author. ORCID ID: 0000-0001-5597-7095

© 2021 by the authors. Hosting by SSBFNET. Peer review under responsibility of Center for Strategic Studies in Business and Finance.
<https://doi.org/10.20525/ijrbs.v10i6.1360>

Wijayanto in Suparji said that MSMEs are institutions that can survive in the midst of a crisis. This can be seen from the monetary crisis in 1997-1998 which could absorb 85-107 million workers until 2012, from a total of 56,539,560 companies, there were 99.99% of companies in the MSME category, as well as during the COVID-19 pandemic at the beginning of 2019 until now (Suparji, 2020).

Indonesia's progress is largely supported by MSMEs which contribute 97% of employment, so that in total, the contribution of MSMEs to the national economy is 60%, and accounts for 58% of total investment, and contributes to national exports by 14% of total exports. (Hartomo, 2020).

The desire to create prosperity for all people in the form of empowering the people's economy through strengthening MSMEs has been pledged since the beginning of the independence period and for that various development programs have been carried out, although until now there are still a group of people who are classified as poor. The not yet optimal success of economic development from regime to regime seems inseparable from the basic conception of development that has not fully prioritized the interests of people's economic empowerment (Azis, 2018).

In this research problem, what is the role of Islamic economics and green economy in increasing the capacity of MSMEs in order to advance the national economy. The role of MSMEs in progress in the national economy can be created if banking access (financial inclusion) and production efficiency and effectiveness can be increased in order to create competitive advantages in both local and global markets. One of the problems faced by MSMEs in increasing capacity is intense competition both on a local and global scale - they have to compete against imported products. Especially after the ratification of the world trade agreement (WTO) - the ratification of the WTO agreement based on Law no. 7/1994 and amendments to Law no. 17/2017 - as well as the Agreement on the implementation of the ASEAN Economic Community (MEA) which has been implemented since 2015 which creates consequences for implementing production effectiveness and efficiency in order to integrate with the global economy and to create competitive advantages (Orosz, 2017). In addition, MSMEs are faced with capital, so that the government's role is needed. Wimboh Santoso said that for that the government has rolled out an interest subsidy program for micro, small and medium enterprises (MSMEs) and has also placed government funds worth Rp.) and the low ability to pay due to mismanagement that has the potential to go out of business, for that it is necessary to restructure their debt, for that the government through the OJK has issued regulations related to relaxation of debt payments, for that the government is obliged to provide concessions for debtors in banks and financial institutions through a restructuring program. Currently, the program has been implemented by around 100 banks with a total of 6.75 million debtors with a debit balance of Rp. 776.99 trillion, and has provided a financing stimulus through PEN (National Economic Recovery) so that MSMEs can compete globally. almost all countries do the same for their MSMEs so that they can continue to develop and improve their national economy (Alfitri, 2012). As is the case in Thailand, they have restructured the debt of their MSME businesses due to the impact of the crisis so that MSMEs will continue to survive and be able to continue paying their debts because their economy is supported by two-thirds of their GDP contributed by the MSME sector (Kumiawan, et al., 2015).

The limitation of the very cliché of MSMEs is the gap in accessing formal financial institutions in increasing capital, this is due to the weak management of MSMEs so that they are not bankable. Indonesia's financial inclusion as of 2019 is 76%, and 25% of which has not been served by formal financial services, this can be seen from the capital structure of MSMEs in running their businesses, shown in the table below (Soesilo, 2007),

The government encourages the acceleration of digitalization of the financial sector in order to increase the capacity of MSMEs through facilities provided by the government through the National Economic Recovery (PEN) policy. The government seeks to help MSMEs with several incentives or assistance - providing interest subsidies, placing government funds in commercial banks for credit restructuring, guarantees for MSME loans, MSME final income tax borne by the government, investment financing to cooperatives through the Cooperative Revolving Fund Management Agency, Micro, Small and Medium Enterprises. and Medium (LPDB-KUMKM), and productive presidential assistance or assistance for micro-enterprises (Hartomo, 2020).

The research method used is normative juridical, namely conceptualizing law as what is written in laws and regulations (law in books) or law as a rule or norm which is a benchmark for human behavior that is considered appropriate. This type of legal research is carried out by examining secondary data in the legal field library data using deductive thinking methods. The approach used in answering the problem is to use a statutory approach and a conceptual approach. The legal approach is carried out by examining all laws and regulations related to the legal issues under study. This legal approach will open up opportunities for researchers to study whether there is consistency and conformity between one law and another. The conceptual approach is based on the views and doctrines that developed in the science of law, by studying the views and doctrines of the doctrine in the science of law. An understanding of these views and doctrines is the basis for researchers in building a legal argument in solving the issues at hand.

The procedure for collecting legal materials used in this research is a literature study, namely data collection by reading laws and regulations, official documents and literature that are closely related to the problems discussed. The legal materials are then analyzed and formulated as supporting legal materials this research. Processing of legal materials is carried out deductively, namely drawing conclusions from a general problem to the concrete problems faced. The legal materials obtained in this study will be analyzed qualitatively using the deductive method, namely general data about the conception of legal materials in the form of legal principles, postulates and teachings (doctrine) and expert opinions which are systematically arranged as a composition of legal facts.

The data analysis technique was carried out qualitatively, namely by collecting data, qualifying and then connecting theories related to the problem and drawing conclusions to determine the results. Data analysis is carried out by starting from research on the principles or principles as stipulated in the primary legal material, and then it will be discussed further using the means of the secondary legal material.

Strengthening MSMEs for a Green Economy

The development of economic digitization is a necessity in today's world economic development, so that the business world shifts from analog to virtual business. To encourage the economic development of MSMEs through the transformation of the use of information technology. President Joko Widodo said that digital transformation is the door for MSMEs to enter the marketplace, and can be part of a national or global supply chain. The momentum of the pandemic can be used to prepare MSMEs to advance to class. In line with existing data, recently there has been an increase in online sales transactions reaching 10-15 percent. Currently, there are 8 million of the 60 million MSME units connected to e-commerce and the development potential is very promising. Digital transformation helps people work faster and more efficiently and stay productive in the midst of limited interaction. The acceleration of digital transformation, starting from digital government, digital economy, to digital society, and digital infrastructure needs encouragement from the government (Farisa, 2021).

The magnitude of Indonesia's natural wealth should be able to make a major contribution to the progress of the nation based on economic, social and environmental balance – but the optimization of the management of the three helixes – green economy, social economy and financial economy – has not gone well. It is undeniable that the growth rate of Indonesia's GDP and controlled inflation in Indonesia continues to increase from year to year but the degradation of natural resources is also getting higher, as well as social inequality.

Green The green economy no longer invests in speculative securities such as hot papers, stocks, bonds and derivative products, but instead leads to clean and green investment that relies on clean technology to reduce carbon emissions. The green economy approach has begun to become a trend of economic policies carried out by developed countries. In contrast to Indonesia, the owner of the world's largest renewable natural resource potential - In addition to biodiversity, we also have the second longest coastline after Canada which can be a source of solar cell and wave power energy - not yet have a clear green economy concept through an integrated policy between all sectors and sub-sectors of Government.

The great potential in the green economy can guarantee the creation of jobs (pro jobs) and become the engine of the nation's economy that continues to grow sustainably (pro growth). For example: Indonesia has 19.5 million hectares of critical land (in forest areas) and 10.6 million hectares (outside forest areas). This critical land can be used to create environmentally friendly oil palm plantations, ethanol fuel, and organic agricultural land. Even the quality of bioethanol obtained from critical land is predicted to meet the daily fuel needs in Indonesia. The bioethanol produced is obtained from sources of corn, cassava, wheat, and sugar cane. How many local communities around this critical land will be absorbed if the green economy development is managed seriously, especially the people who are included in the MSME business (Panjaitan, 2010).

Social inequality can be measured based on the Gini ratio, which was still around 0.381 in March 2020. Nationally, the value of Indonesia's Gini Ratio during the period March 2013–September 2014 fluctuated and began to decline in the period March 2015 to September 2019. This condition indicates that during the March period 2015–March 2019 saw an improvement in the distribution of expenditure in Indonesia. However, due to the Covid-19 pandemic, the Gini Ratio value increased again in March 2020 Badan Pusat Statistik, 2020).

Pearce et al in Makmun said that failure in pragmatic and short-term development has the effect of environmental damage and the shrinking value of natural resources encourages every country to develop a green economy in order to develop a country's economy with low carbon, one of which is the development of ethanol and reducing the housing system. glass in accordance with the agreement of the United Nations organization – UNEP, the United Nation Environment Program which was founded in 1972 based in Nairobi, Kenya – has encouraged the implementation of the Green Economy Initiative (GEI) in 2008 (Makmun, 2011).

The Green Economy model is believed to be able to create green jobs and promote the concept of sustainable development, and be a way out for creating a clean and pollution-free environment, overcoming extractive resources through energy efficiency mechanisms and environmentally friendly products, and avoiding environmental degradation. Indonesia has the best biological natural resources in the world. The fact is that countries on the equator that have heavy rains and the sun shines throughout the year are very rich in biodiversity compared to countries with four seasons (Panjaitan, 2010).

Law cannot be separated from its habitat, so there is a continuous interaction between law and other factors, namely economic, social, cultural, political in the development of society. The failure of the law in the past (the New Order) to carry out its role in addition to the fact that the law always sided with the authorities, so solely to serve the continuity of power, also because the way of thinking used was more of a traditional legal approach pattern that emphasized the normative juridical aspect. Conventionally, these things cause the law to be trapped in rigid administrative corridors and the law to dry up because the law has been uprooted from its root habitat, namely its sociological elements (Sutrisno, 2005).

Osney, Mc Aucley in Suparji and Aris Machmud said that technological developments in various fields as a result of the development of the 4.0 era encourage increased applications in the field of financial inclusion (fintech - digital-based financial technology) or an economic industry designed by a company that uses technology so that the system more efficient finance (Suparji & Machmud, 2019). Where this fintech has two conflicting sides, on the one hand it is a blessing where people who do not have access to banking can be served through the application, but on the other hand it causes many problems if the risks are not mitigated and can disrupt the financial system at a macro level. Fintech became known in the late 1900s and early 2000s where the first time with the concept of direct-to-consumer loans (peer to peer (P2P)) was initiated by Nepter and Zopa in the UK and in Indonesia developed in 2010 through the Go-Jek company.

The Islamic economy in technological development can be seen from the development of the sharia-based financial industry, this Fintech provides convenience for MSMEs and the public who have not been reached by banking services, considering the requirements are quite complicated, with this fintech financial inclusion can be served to remote corners of the country. Oseni Umar A. Ali S. Nazim in Suparji and Aris Machmud said that financial technology is also developing in the Islamic finance-based financial industry as follows so that a regulation is needed that can guarantee legal certainty and guarantee the development of the financial industry in particular: "Fintech is changing our lives for the better through unending technological applications in the finance industry. The daily lives of human beings, and even nonhumans, are now tied to technological applications where robots have taken over the roles of financial advisors. While regulators and lawmakers try to catch up with the rapid developments in financial technology, it appears the rapid rate of development in the fintech sector is outpacing regulatory frameworks. This uncertain situation is more complicated in a niche industry such as the Islamic financial services industry, which has additional faith-based filters in its product-development process. This therefore makes a case for the need for thought leadership in relation to this uniquely important subject in order to guide policymakers, regulators, and practitioners on the dynamics of fintech in Islamic finance, and provide a good understanding of the Sharī'ah and legal and regulatory parameters for fintech solutions." For this reason, the Indonesian government through Bank Indonesia issued a regulation to fill the void in existing regulations (*Ius Constituendum*) by issuing Bank Indonesia Regulation Number 19/12/PBI 2017 concerning financial technology.

MSMEs Pillars of the Welfare State

JG Andersen in Elviandri, Khuzdaifah Dimiyati, and Absori said that the welfare state is a state in which organized power is intentionally used (through political and administrative policies) in an effort to ensure the welfare of individuals and families to obtain a minimum income based on a decent life and guarantee the need for social services to the community. poor individuals and families, and guarantees all citizens to get their rights. The welfare state is closely related to policies concerning social policies, social protection policies and social security policies (both in the form of social assistance and social insurance), social safety nets policies (Elviandri & Khuzdaifah Dimiyati, 2019).

Bessant, Watts, Dalton and Smith in Oman Sukmana said that the basic idea of the welfare state dates back to the 18th century, Jeremy Bentham - the father of welfare states - promotes the idea that the government has a responsibility to ensure the greatest happiness (or welfare) of the greatest number of their citizens. Bentham uses the term 'utility' to describe the concept of happiness or well-being - Bentham argues that something that gives rise to extra happiness is something good. On the other hand, something that causes pain is bad, so government action should always be directed at increasing the happiness of as many people as possible.

The concept of a welfare state was pioneered by Otto Von Bismarck, according to Triwibowo & Bahagio in Oman Sukmana that in Europe and America, the idea of a welfare state had clashed with the concept of a capitalistic liberal state, produce prosperous countries, especially in Western Europe and North America, where people live in prosperity.

The welfare of a country is determined by the country's economic development, economic development will not be achieved without legal reform (Rajagukguk, 2003). The welfare state is associated with the fulfillment of basic needs - the fulfillment of social security, health, housing and education - which is a government policy that adheres to the welfare state. Economic growth in Indonesia is determined by the synergy and balance of development between the center and the regions, Java and outside Java. Invitations related to investment and autonomy are expected to encourage investment in the regions, so that employment opportunities can be opened again to solve the unemployment problem. However, economic actors need certainty to make economic decisions. Business people will always think the importance of certainty. In socialist countries, the welfare state also includes job security and the administration of prices for goods and services at the consumer level. The concept of the welfare state is therefore usually based on the principles of equality of opportunity, equitable distribution of wealth, and public responsibility for those who are unable to provide for themselves the minimum needs for a decent life. The term welfare state is very general and can include various forms of social and economic organization.

The welfare state has been given much attention by many parties because it is considered the most appropriate answer to the form of state involvement in advancing people's welfare. The Welfare State is assumed that the state has responsibility for guaranteeing a minimum standard of living for its citizens, in Indonesia as stated in the preamble to the 1945 Constitution of the Republic of Indonesia Article 27 (2), Article 28A, 28B, 28C, 28H, 31, 33, and Article 34.

Bessant, Watts, Dalton, Smith, Oman Sukmana in Aris Machmud said that the basic idea of the welfare state dates back to the 18th century, Jeremy Bentham - the father of welfare states - promotes the idea that the government has a responsibility to ensure the

greatest happiness (or welfare) of the greatest number of their citizens. Bentham uses the term 'utility' to describe the concept of happiness or well-being - Bentham argues that something that gives rise to extra happiness is something good. On the other hand, anything that causes pain is bad, so government action should always be directed at increasing the happiness of as many people as possible. The concept of a welfare state was pioneered by Otto Von Bismarck, according to Triwibowo & Bahagio in Oman Sukmana that in Europe and America, the idea of a welfare state had clashed with the concept of a capitalistic liberal state. produce prosperous countries, especially in Western Europe and North America, where people live in prosperity. Suharto and Husodo in Oman Sukmana argue that the welfare state can be defined as a social welfare system that gives the state (government) a greater role to allocate part of public funds to ensure the fulfillment of basic needs and the government is responsible for guaranteeing a minimum standard of welfare for every citizen. country (Sukmana, 2016).

TH Mashall in Oman Sukmana that the establishment of a welfare state is one of the essential pillars of a democratic state - a democratic state must present the fulfillment of social rights for each of its citizens, inherently as the responsibility of a democratic state - in line with the substantial democratic goal of providing fulfillment of living standards good social welfare, so that he can use his civil and political rights in full. The basic objective of promoting the principle of social rights is that citizens can fully actualize all their potential abilities and avoid the process of structural impoverishment. The philosophical idea of social justice is mainly related to distributive justice - the policy of the welfare state aims to distribute income fairly to all citizens, to ensure the worthiness of its citizens. To guarantee the right to a decent life for every citizen, it is necessary to have an active initiative and the responsibility of the government to maintain and realize the fulfillment of these social rights.

Even in the welfare state, the principle of the balance of public and economic authority and economic efficiency is carried out, where the free market cannot be left alone to regulate the complexities of public life. When the free market mechanism is allowed to run without restrictions and regulations, it actually widens the gap in social inequality, poverty and injustice, and destroys the basic foundations of public life that depart from the bonds of social relations. In contrast to the free market knowledge regime, the welfare state paradigm emphasizes the importance of the role of the state as a political authority acting as an agency that moves and regulates public life. The state is not anti-free market, but the role of the state is needed as a regulator so that it functions properly and does not marginalize common interests (Sukmana, 2016).

The Welfare State is the state's commitment to provide decent income to all its citizens without exception, avoiding unemployment or work incapacity due to illness, old age, basic health insurance services and adequate education guarantees, as Dorothy Waddeburn said: "The welfare state implies a state commitment of some degree which modifies the play of wealth in order to ensure a minimum real income for all. By implication, if not explicitly, this is done to protect individuals against the hazards of incapacity for work arising through sickness, old age, and unemployment. There is also a general agreement that the objectives of the welfare state will include a guarantee of treatment and benefit for sickness and injury, and the provision of education" (Dorothy Wedderburn, 1965).

Conclusion

The welfare of the people is achieved through economic and economic development depending on the roles of the legal functions - "stability", "predictability" and "fairness". The welfare state is achieved through the development of laws that protect the weak - because the state protects the interests and basic needs of its citizens. MSMEs are the driving force of the people's economy that are not accommodated in the formal sector - and consumer protection and protection of the environment besides that there is a need for legal reform if it is suspected that there is still neglect of weak rights. A democratic country, with a fairly explicit commitment to broad goals of economic development, full employment, equal opportunity for youth, social security, and protected minimum standards not only in terms of income, but also nutrition, housing, health and education, for people from all regions and social groups.

In order to increase efficiency and effectiveness in creating an investment climate towards a green economy, in the era of free markets, the government as the authority holder, must be able to create a conducive business climate. Conducive conditions will help SMEs to develop their business in a better direction. A safe and peaceful situation coupled with real support from the Government and elements of society is a very important capital for the development of the business climate in Indonesia. Aspects that create a business climate are funding, infrastructure, business information, partnerships, business legalization, business opportunities, trade promotions, institutions and health. The government is expected to expand sources and access to funding and provide convenience in funding for MSMEs. So that MSMEs can get the opportunity to enjoy these facilities to develop their business.

References

- Alfitri. (2012). Ideologi Welfare State dalam Dasar Negara Indonesia : Analisis Putusan Mahkamah Konstitusi Terkait Sistem Jaminan Sosial Nasional. *Jurnal Konstitusi*, 9(3), 450-472. <https://doi.org/10.31078/jk%25x>
- Azis, M. H. M. (2018). *Pembangunan Ekonomi & Pemberdayaan Masyarakat*. Makassar, CV. Nur Lina.
- Badan Pusat Statistik. (2020). Gini Ratio Maret 2020 tercatat sebesar 0,381. Retrieved from <https://www.bps.go.id/pressrelease/2020/07/15/1748/gini-ratio-maret-2020-tercatat-sebesar-0-381.html>
- Elviandri & Khuzdaifah Dimiyati, A. (2019). Quo Vadis Negara Kesejahteraan: Meneguhkan Ideologi Welfare State Negara Hukum Kesejahteraan Indonesia. *Mimbar Hukum*, 31(2), 252-266. Available on <https://jurnal.ugm.ac.id/jmh/article/download/32986/25629>

- Farisa, F. C. (2021). *Jokowi Sebut Transformasi Digital Pintu Masuk UMKM ke "Marketplace"*. Accessed on 26 February 2021. Retrieved from <https://nasional.kompas.com/read/2021/02/26/16523401/jokowi-sebut-transformasi-digital-pintu-masuk-umkm-ke-marketplace?page=all>
- Hartomo, G. (2020). *Terkuak, Ini Kontribusi UMKM bagi Perekonomian Indonesia*. Accessed on 26 February 2021. Retrieved from <https://economy.okezone.com/read/2020/10/20/455/2296549/terkuak-ini-kontribusi-umkm-bagi-perekonomian-indonesia>
- Kurniawan, L.J., Sukmana, O. and Abdussalam, M. (2015). *Negara Kesejahteraan dan Pelayanan Sosial: Kebijakan sosial dan Pekerjaan Sosial dalam Penyelenggaraan Jaminan Perlindungan Warga Negara*. Malang, intrans Publishing.
- Makmun. (2011). *Green Economy: Konsep, Implementasi, dan Peran Kementerian Keuangan*. Retrieved from <https://media.neliti.com/media/publications/77730-ID-green-economy-konsep-impelentasi-dan-per.pdf>
- Orosz, Á. (2017). Development Of Welfare State Theory: A Review of The Literature. *PRO PUBLICO BONO – Magyar Közigazgatás*, 2, 176–191. http://real.mtak.hu/89368/1/10-Development-of-Welfare-State_PPB_2017_220web-10.pdf
- Panjaitan, L. T. (2010). Saatnya Green Economy, Indonesia. Accessed on 26 February 2021. Retrieved from <https://news.detik.com/opini/d-1401687/saatnya-green-economy-indonesia>
- Rajagukguk, E. (2003). Hukum Ekonomi Indonesia Memperkuat Persatuan Nasional, Mendorong Pertumbuhan Ekonomi dan Memperluas Kesejahteraan Sosial. Presented at the VIII National Law Development Seminar and Workshop, organized by the National Legal Development Agency, Ministry of Justice and Human Rights, Denpasar 14-18 July 2003. Retrieved from <https://adoc.pub/hukum-ekonomi-indonesia-memperkuat-persatuan-nasional-mendor.html>
- Soesilo, H. I. (2007). Stratedi UMKM dalam Mengatasi Sistem Prosedur Kredit komersial. *Jurnal Development*, (1), 1–14. Retrieved from <http://jurnal.umjambi.ac.id/index.php/JD/article/download/39/39/>
- Sukmana, O. (2016). Konsep dan Desain Negara Kesejahteraan (Welfare State). *Sospol: Jurnal Sosial Politik*, 2(1), 103–122. <https://doi.org/10.22219/sospol.v2i1.4759>
- Suparji, A. & Machmud, A. (2019). Application Of Regulation And Completion Of Fintech Dispute In Legal Certainty. *the 3rd international conference on Islamic epistemology*, 8 October 2019. Jakarta, Center for Islamic Integration on Scientific Paradigm, University of Al-Azhar Indonesia.
- Suparji. (2020). Implementation of Intellectual Property Right to Strengthen Small and Medium-Sized Enterprise Business Capacity in Global Competition. *Academic Journal of Interdisciplinary Studies*, 9(6), 139–147. <https://doi.org/10.36941/ajis.2020.v9n6r>
- Sutrisno, E. (2005). Mengukuhkan Paradigma Hukum Di Era Orde Reformasi. "Syariah" Jurnal Ilmiah Fakultas Hukum Universitas Swadaya Gunung Jati, 1(1), 1-12. Retrieved from <http://jurnal.ugj.ac.id/index.php/SYARIAH/article/view/1160/737>
- Wedderburn. D. (1965). Fact And Theories Of The Welfare State. *The Socialist Register*, 2, 127–146. Available on <https://socialistregister.com/index.php/srv/article/view/5952/2848>

Investment climate for MSMEs towards a green economy

ORIGINALITY REPORT

20%

SIMILARITY INDEX

19%

INTERNET SOURCES

3%

PUBLICATIONS

6%

STUDENT PAPERS

PRIMARY SOURCES

1	archives.palarch.nl Internet Source	6%
2	www.mukpublications.com Internet Source	5%
3	journals.ums.ac.id Internet Source	3%
4	repository.uai.ac.id Internet Source	3%
5	lup.lub.lu.se Internet Source	1%
6	Submitted to New Lanarkshire College Student Paper	1%
7	academicworks.cuny.edu Internet Source	1%
8	Submitted to Sultan Agung Islamic University Student Paper	1%

Exclude quotes On

Exclude matches Off

Exclude bibliography On