

CODE OF ETHICS POLITICAL PROSPECTS OF ECONOMIC  
LAW IN LEGISLATION

Pebriyana Nursyamsudin<sup>1</sup>, Fauzan Ali Rasyid<sup>2</sup>, Chaerul Saleh<sup>3</sup>

<sup>1,2,3</sup>UIN Sunan Gunung Djati, Bandung,

<sup>1</sup>[fnursyamsudin@gmail.com](mailto:fnursyamsudin@gmail.com), <sup>2</sup>[fauzan.ali.rasyid@uinssgd.ac.id](mailto:fauzan.ali.rasyid@uinssgd.ac.id), <sup>3</sup>[chaerulsaleh@uinssgd.ac.id](mailto:chaerulsaleh@uinssgd.ac.id)

Abstract

*The legal system in economics related to the national consensus on welfare is quite complex due to the existence of various legal and political analyses. This research focuses on economic and legal domains related to Indonesia's economic challenges. One thing that is important in politics is the importance of ethics and morality. Ethical considerations of government tend to operate more efficiently. When government officials have strong moral convictions, they take action and defend their integrity. This undermines honesty, integrity, and good judgment when performing government functions. In order to realize the goals of the country, professional and ethical state administrators are needed in order to carry out their functions and duties efficiently and effectively. To realize a professional state administrator, each state administrator must meet the requirements as a state administrator as specified in laws and regulations, while to realize an ethical state administrator, it is necessary to regulate ethics in laws and regulations. The arrangement must be general in nature so that it applies to every state administrator.*

**Keywords:** Code of Ethics, Political Law, Economic Law

1. INTRODUCTION

The legal system in economics related to the national consensus on welfare is quite complex due to the existence of various legal and political analyses. This research focuses on economic and legal domains related to Indonesia's economic challenges. As a state institution that determines the criteria for sanctions, Padmo Wadjono understands legal policy. These standards cover implementation, enforcement, and enforcement (Mahfud MD, 2010).

Based on this, legal policy studies have three main areas: (1) legal policies related to laws and regulations, (2) legal policies related to violations of law, and (3) legal policies related to violations of law. Because legislation functions as a subsystem within the broader legal system, the legislative process is closely linked to the evolution of legal doctrine (Mulya Lubis, 2007).

Jimly Asshiddiqie emphasized that any kind of law or policy basically contains legal norms and is a comprehensive legal policy that covers the principles of statehood, governance, and development. The constitution of legal policy is summarized in the provisions in the text (Ashiddiqie, 2010).

Many claim that the influence of the 1945 Constitution on legal policies governing the economic sphere resulted in a tendency towards socialism during the New Order era, when the 1945 Constitution became the main legal framework. However, even with socialist tendencies in this constitution, during the 32 years of the New Order government, an economic structure was established that strongly supported a free market interpretation. The economy is run by a class of businessmen who want healthy competition, but they also have to compete with other classes of businessmen who want to increase their power by granting privileges, permits, and other benefits. The rise of corporations and cronyisms never seen in economic history for 32 years is not surprising. The economic structure of the New Order.

The New Order economic system was criticized for impoverishing the people in 1998. After that, the Indonesian nation entered a period of reform or transition to become a democratic nation. Transition, the transition of a situation, place, action, etc., according to the Great Dictionary Indonesian (Arinanto, 2011).

In a political context, regime transition is related to political scandals that occur in many countries. During the transition period in Indonesia, the 1945 Constitution underwent at least four changes. Constitutional amendment, in English called amendment, is changes made to legislation, for the purpose of adding to, correcting, or modifying the operation of the legislation. K.C. Wheare mentioned the methods used in changing the constitution, among others through (Wheare, 1996):

1. Mechanism of formal amendment process;
2. Judicial decision process mechanism; and
3. Constitutional conventions.

The ethical concept of governance is based on laws related to the rights of war veterans as a social construct. The main points mentioned in the ethics of governance are as follows (Sample et al., n.d.):

1. Recognition of dignity as a human being, i.e. other human rights.
2. Be honest in private conversations and in polite interactions with others. When interacting with others, basic attitudes are what keep us going.
3. Emphasizes the importance of morality, chastity, and perseverance in overcoming obstacles and achieving goals.
4. Social and religious applicability, as well as the professional and ethical behavior expected of each individual, are examples.

One thing that is important in politics is the importance of ethics and morality. Ethical considerations of government tend to operate more efficiently. When government officials have strong moral convictions, they take action and defend their integrity. This undermines honesty, integrity, and good judgment when performing government functions.

## **2. IMPLEMENTATION METHOD**

This research uses qualitative research methods using the type of library research, which is based on sources and references generated from literature such as books, journals, research, and others (Ikhsan et al., 2023). The nature of this study is descriptive-analysis, while the data analysis technique in this study uses inductive data analysis techniques (Zed. M, 2018).

## **3. RESULTS AND DISCUSSION**

Political science is the study of politics or politics. Politics is the pursuit of a good life. Why is politics important? Because since a long time ago, society managed collective life well, considering that people often face limited natural resources, or need to find a way of distributing resources so that all citizens feel happy and satisfied (Nurjaman, 2020). Efforts to achieve political goals can be done in various ways that sometimes contradict one another. However, all observers agree that this goal can only be achieved if it has the power of a particular region (state or political system). That power needs to be spelled out in decisions on policies that will determine the sharing or allocation of available resources. Thus it can be said that politics in a country (state), related to issues of power (power), decision making (decision making), public policy (public policy) and allocation or distribution (allocation or distribution) (Budiarjo, 2003).

### **Political Prospects of Sharia Economic Law in Legislation**

The establishment of Law No. 21 of 2008 concerning Sharia Banking is also inseparable from the goals to be achieved. In Article 3 Chapter II concerning Principles, Objectives, and Functions, it is stated that Islamic banking aims to support the implementation of national development in order to improve justice, togetherness and equitable distribution of people's welfare. In the explanation of the article, it is explained that in achieving the goal of supporting the implementation of national development, Islamic banking still adheres to sharia principles as a whole (kaffah) and consistently (istiqamah). This means that the establishment of Law No. 21 of 2008 concerning Sharia Banking is part of national development in the field of law that relies on improving justice, togetherness and equitable distribution of people's welfare. However, in order to achieve this goal must remain based on the principles of sharia that are applied thoroughly (kaffah) and consistently (istiqamah) (Al-Maliki, 2009).

In its implementation, the Sharia Banking Law certainly experiences quite complex dynamics, for this reason, in examining how the legal politics of the implementation of the Sharia Banking Law on Sharia Banks in carrying out their business, it can be seen from philosophical, sociological, and judicial aspects. Where can be described in the following analysis (Azyumardi, 2016):

#### **1. Philosophical Aspects**

One of the principles that must be implemented in the principles of the Sharia Banking Law is the sharia principle. One element of the principle is transparency. Although it is not clearly stated, transparency is contained in the sharia principles in question. In its implementation, not all activities in Islamic banking carry out elements of transparency. For example, in deposit banking products using a mudharabah contract, customers are only given benefits in nominal form from the profit sharing process obtained. The customer is not informed that the mudharabah deposits used for business turnover in banking for profit are not explained in detail to the customer. This shows that sharia principles have not been fully implemented in Islamic Banking (Yoyok, 2018).

#### **2. Sociological Aspects**

In the sociological aspect, there are two main problems. First, the paradigm of society that still underestimates Islamic finance makes Sharia Banks in Indonesia not fully developed, the presence of Islamic finance is still considered only to mess with religious people in Indonesia. On the contrary, Islamic finance, especially Islamic banking, exists to protect the interests of the people of the season without neglecting non-Muslims in Indonesia. In fact, Islamic banking services can be used for all levels of society regardless of religious background. This is a common homework to provide wider education to the public that even the Sharia Banking Law does not classify or even prohibit non-Muslims from transacting at Islamic Banks. Second, related to human resources in charge of sharia finance is still very minimal in Indonesia. So that Islamic banks are still limping in running and expanding their business wings throughout the region, both nationally and internationally. In improving the competence of Islamic banking personnel, it will be stronger if the Sharia Banking Law guarantees legal certainty at the expense of Sharia Bank Companies to provide training facilities or competency development of Islamic banking personnel (Rozalinda, 2017).

#### **3. Juridical Aspect**

The national banking system that transforms from a single banking system to a dual banking system certainly requires readiness from the government to be responsive to the availability of supporting devices such as infrastructure, human resources and most importantly the completeness of legal instruments in the form of regulations regulated in laws and regulations on Islamic banking in a hierarchical manner that are tiered in accordance with regulatory functions. The legal basis of national Islamic banking can be seen in general and specifically (Suhrawardi K. Lubis, Farid, 2012).

### **Economic Legal Basis in Legislation**

The 1945 Constitution in the provisions governing the State Economy and the Principles of Economic Democracy;

1. Law Number 7 of 1992 concerning Banking as amended by Law Number 10 of 1998 concerning Banking;
2. Act No. 23 of 1999 concerning Bank Indonesia as amended by Act No. 3 of 2004 concerning Bank Indonesia;
3. Law Number 40 of 2007 concerning Limited Liability Companies;
4. Law Number 21 of 2008 concerning Sharia Banking;
5. Law Number 21 of 2011 concerning the Financial Services Authority
6. Bank Indonesia Regulation (PBI) and Financial Services Authority Regulation (P-OJK) as implementing regulations of the Law.

The legal basis of Islamic banking in particular hierarchically includes:

1. Law Number 21 of 2008 concerning Sharia Banking
2. Bank Indonesia Regulation (PBI) and Financial Services Authority Regulation (P-OJK) as implementing regulations of the Law.

In the juridical review, there are several dynamics that need to be the government's attention so that in the future legal certainty can be realized immediately. In relation to state politics towards Islamic banking policy in encouraging the country's economy, there are at least two things that can be an important concern of the Government in encouraging the country's economy through Islamic banking policy, namely the implementation of Islamic Corporate Social Responsibility (ICSR) or known as Islamic Corporate Social Responsibility (ICSR) and zakat obligations for Islamic banking. In the implementation of ICSR, the Government as a state regulator must formulate technical regulations in the implementation of ICSR. This is intended to ensure that Sharia Bank as a company that runs its business based on Islamic economic principles can apply these principles as a whole, and public welfare as the main objective of the Islamic economy can be achieved through Islamic banking (Mardani, 2011).

Second, zakat as one of the instruments to improve the country's economy in terms of community welfare should be regulated in the Banking Law. This is in line with Law Number 23 of 2011 concerning Zakat Management which states that Zakat is an asset that must be issued by a Muslim or business entity to be given to those who are entitled to receive it in accordance with Islamic law. This mechanism is the government's homework to be outlined in laws and regulations to be implemented by Sharia Banks in Indonesia. Because Sharia Banking is the fastest growing Islamic Economic entity today in Indonesia (Abdoeh, 2020).

### **Code of Ethics Political Prospects of Economic Law in Legislation**

The ethics of national life is a formulation derived from religious teachings, especially those that are universal, and the noble values of the nation's culture which are reflected in Pancasila as a basic reference in thinking, acting, and behaving in national life. The principles of ethics in national life prioritize honesty, trust, example, sportsmanship, discipline, work ethic, independence, tolerance, shame, responsibility, maintaining honor, and self-dignity as citizens.

The ethical dimension includes social and cultural ethics, political and governmental ethics, economic and business ethics, just law enforcement ethics, scientific ethics, and environmental ethics. Actualize the nation's noble religious and cultural values in personal, family, community, nation, and state life through formal, non-formal education, and exemplary example by state leaders, nation leaders, and community leaders (Sukarni, 2014).

In order to realize the goals of the country, professional and ethical state administrators are needed in order to carry out their functions and duties efficiently and effectively. To realize a professional state administrator, each state administrator must meet the requirements as a state administrator as specified in laws and regulations, while to realize an ethical state administrator, it is necessary to regulate ethics in laws and regulations. The arrangement must be general in nature so that it applies to every state administrator (Nurdin, 2017).

With the regulation of ethics in laws and regulations, these ethics must be a guideline for state administrators in carrying out their functions and duties as state servants and public servants. The regulated ethics must be imbued with the noble values of Indonesian culture in accordance with Pancasila and the 1945 Constitution of the Republic of Indonesia (Jurdi, 2022).

#### 4. CONCLUSION

From the explanation above, it can be concluded that economic development in Indonesia is still influenced by political factors that are not pro to the community, but pro to foreigners, the government seems unable to do anything if there is a request from foreigners. So that the resulting legal products are far from the spirit of the Indonesian constitution. Indonesia has not been independent in terms of meeting the needs of its people, as evidenced by salt that is still imported, whereas if the government is serious about the welfare of its people, the government can utilize the capabilities of the community. Self-serving people who are considered capable of doing so is like producing their own salt independently. So the country does not always depend on other countries. The state (government) can use reflexive approaches and Lawrence M. Friedman's theory to realize the procurement of local salt production.

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