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Identification of Economic Management Best Practices to Improve National Financial Development for Developing Countries

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***Abstract---****This study aimed to obtain scientific evidence by identifying the best economic governance practices to improve national economies in developing countries. To complete this project, we reviewed several publications in the form of books and scientific journals that we obtained electronically by searching with keywords such as economic development, national financial improvement, and developing countries. What we have done under a phenomenological approach, such as concluding to get the highest findings after discussing and looking for validity, we can finally conclude that there are several best practices that we have found, including if the country wants to develop the economy, the first thing is to identify education and skills to his people, the role in the ITC of citizen, the provision of infrastructure, capital market investment, funding for MSMEs, skills strengthening, and citizen education. Thus the results of this work become insights finding in the improvement of future studies.*

***Keywords---****best practices, developing countries, economic management, national financial development*

# Introduction

In 2019, the Indonesian economy was ranked 16th in the world with a Gross Domestic Product (GDP) of US$1.12 trillion and the highest in Southeast Asia. Even according to data from the World Economic Forum (WEF), in 2024, it is predicted that the Indonesian economy will be ranked 5th in the world with a GDP of US $ 5.3 trillion [(Fuchs et](#_bookmark0) [al., 2019).](#_bookmark0) The prediction is based on a significant increase in middle-class people and the productive workforce, increasing people's income and consumption. In addition, Indonesia also has a reasonably large population, encouraging high economic growth. GDP and People's Welfare. As is understood, GDP indicates the economy produced by a place or country in a specific range of years without focusing on what types of goods and services are produced. GDP is an indicator that tells the condition of economic development in the aggregate and also explains

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the level of the economic welfare of its people. So the process of calculating GDP is a calculation of the value of goods and services produced by a government system regardless of what products they produce, both by companies and from the community. So later, people will enjoy goods and services produced by their own country because some of the results will be exported by the country concerned [(Martínez-Galán, 2019).](#_bookmark0)

Other indicators are needed to measure the level of welfare of the people of a country. One of them is the gross national income per capita. Based on the gross national income per capita in 2018, Indonesia is ranked 120th in the world at US$3,840. In addition, according to the Central Statistics Agency, in March 2019, there was still a disparity in spending between the rich and the poor, as indicated by the Gini Ratio of 0.382 [(Riwukore et al., 2021).](#_bookmark0) However, the Gini ratio continues to decline. The smaller the Gini Ratio, the smaller the gap between the poor and the rich. In 2018, Indonesia's Gini Ratio was ranked 62 out of 139 countries (World Bank, 2018). However, inequality in Indonesia is better than in some ASEAN countries, such as Malaysia and Thailand.

The strategy to build an advanced Indonesia needs to achieve economic growth as predicted by the international institutions above. So that developers can improve people's welfare and reduce inequality between the poor and rich, the Government of Indonesia and all components of the nation must work hard and synergize to implement sustainable and equitable development [(Hidayat & Asmara, 2017),](#_bookmark0) Several strategies/policies that the government must take in national development are increasing national resilience, improving the quality of human resources, and changing the economic structure. In addition, the government also implements equitable development throughout Indonesia. National resilience is the ability of the Indonesian people to develop national strength in facing and overcoming all challenges, threats, and disturbances originating from within and outside that endanger the integrity and survival of the nation. National resilience must be increased. The development will be useless if national resilience becomes fragile and becomes useless [(Sachs, 2012).](#_bookmark0)

National resilience can be increased by instilling national values, namely Pancasila, Bhinneka Tunggal Ika, the 1945 Constitution, and the concept of the Unitary State of the Republic of Indonesia, to all components of the nation. These national values must be implemented in the life of society and the nation. The Indonesian nation, which consists of various tribes, religions, and cultures spread over 17,491 islands, must become one big family unit, namely the Indonesian nation [(Kawangung, 2019).](#_bookmark0) Two challenges are faced: a vast population and advances in information technology. The large population becomes a product market that can drive the national economy and people's welfare, provided that the product is domestic. HR must master information technology and capitalize on it to improve domestic products/services, including export orientation. To achieve high and sustainable economic growth, the government and the business world must strengthen the national economic structure by building infrastructure, encouraging investment, and strengthening export-based processing industries. The business world must leave the 'custom' of selling or exporting raw materials. Domestic industries must process raw materials/raw materials into finished goods that have high added value. In addition, the industry must be able to produce capital goods [(Sebayang et al., 2020).](#_bookmark0)

The government must also encourage MSMEs to grow and advance in class, considering the number of MSMEs, which reaches 99.99% of the total number of business actors and absorbs 97% of the workforce in the business world. In addition, imports of raw materials and capital goods must be reduced significantly. This step is very strategic, in addition to increasing domestic industry, reducing dependence on foreigners, as well as reducing state foreign exchange spending while at the same time maintaining rupiah stability and strengthening national economic fundamentals [(MacKinnon, 2000; Mahadevan & Asafu-Adjaye, 2007; Anike et al., 2017).](#_bookmark0)

According to government statistics beraue, the contribution of Indonesia's economic growth in 2019 was still dominated by the island of Java with a share of 59%, followed by Sumatra at 21.32%, Kalimantan at 8.05%, Sulawesi at 6.33%, Bali Nusra 3.06%, and Maluku and Papua at 2,24% [(Kustanto, 2020).](#_bookmark0) Meanwhile, there is still a difference in the poverty rate between the province with the lowest poverty rate, namely DKI Jakarta at 3.47%, and the province with the highest poverty rate, namely Papua at 27.53%. Therefore, the government has built infrastructure to accelerate equitable development, especially outside Java, including Papua. The infrastructure is also expected to open up restricted access and facilitate distribution and transportation. It is hoped that the government will prioritize developing underdeveloped, bordered, and marginalized areas following the third Nawacita 'Building Indonesia from the periphery by strengthening regions and villages within the framework of a unitary state [(Macfadyen et al., 2003).](#_bookmark0)

Prosperity is sure to be a goal for every nation. One of the essential parts is prosperity, which can be achieved through activities for economic development. Each nation ought to first develop an economic development strategy in order for economic development to proceed in a manner that is consistent with the goals that are intended to be achieved. The purpose of the development strategy is to select the main factors that will influence the development process[. Sahban's (2018),](#_bookmark0) book Collaboration on Economic Development in Developing Countries discusses five

new economic development strategies: distributional growth strategy. Traditionalists believe economic growth must be the primary focus of economic development strategies. This distribution-based growth strategy emerged due to the development's failure to prioritize income distribution alongside economic growth. If society's income distribution is unequal, high economic growth is useless. In short, this distributional growth strategy is a development strategy that also looks at how people's incomes are distributed and pursues a very high economic growth rate. This strategy aims to keep inequality from worsening by narrowing the gap between the rich and the poor. This development strategy can be implemented by focusing on MSMEs, investing in human resources, creating employment opportunities, and helping the poor [(Mukherjee, 2018).](#_bookmark0)

A development strategy based on meeting basic needs is the basic needs strategy. Food, a place to sleep, and clothing are all examples of basic needs. The term "basic needs" can encompass a broader range of things than just the essentials. The three broader basic needs are the ability to meet one's basic needs, the need to be appreciated, and the freedom to choose. This basic needs development strategy uses an economical and social approach to development. Independent development strategy an alternative to the dependency strategy, the independent development strategy emphasizes donor nations as the primary sources of capital through foreign debt. High dependence on developed nations could result from the dependency development strategy. As a result, opposition developed toward the independent development strategy [(Siddiqui, 2012).](#_bookmark0)

The term "independent" encompasses not only economic independence but also total independence. A development strategy that does not rely on other nations is independent. The sustainable development strategy the emergence of environmental issues coincided with the development of the sustainable development strategy. In essence, a strategy for sustainable development emphasizes the significance of protecting the environment. The pursuit of economic value is only one aspect of development; the future of ecology and society must also be considered. The Millennium Development Goals (MDGs) program and the sustainable development strategy are closely related. One of the global initiatives promoting sustainable development is the Millennium Development Goals (MDGs). The MDGs emphasize the significance of the change in comprehending development's meaning. Development's economic, ecological, environmental, and social aspects are considered [(Kanie & Biermann, 2017).](#_bookmark0)

Ethnic dimension development strategy the ethnic dimension development strategy was born out of ethnic conflict, as explained by [Mafruhah et al. (2019).](#_bookmark0) Indonesia is one of the nations where there are regular conflicts between people of different ethnicities. Malaysia is one of the nations implementing this development strategy. Malaysia's economic policy structure explicitly incorporates ethno-development to ensure that the benefits of development can be shared equally by all citizens, including those from the indigenous Malaysian, Chinese, and Indian communities [(Asafu-Adjaye, 2000; Ito, 2017; Jones, 1998; Sheng, 2017).](#_bookmark0)

From Indonesia's best economic perspective, sustainable development is economic activity centered on shared prosperity. Activities must be profitable for producers and consumers without significantly harming the environment. Success in economic development is defined. From Indonesia's best economic perspective, sustainable development is economic activity centered on shared prosperity. Activities must be profitable for producers and consumers without significantly harming the environment. If the rate of economic growth, as measured by GDP growth in a given year, is higher than the rate of population growth, then the development of the economy has been successful [(Byamugisha, 2013).](#_bookmark0)

# Research Method

Next, we describe the study's methodology, which begins with problem formulation and preliminary elaboration to identify several economic management best practices to increase national financial development in several developing countries [(Dźwigoł, 2019).](#_bookmark0) This study obtains several data from reviews in the form of books, journal publications, and other data sources that we examine in the phenomenological approach. The study procedures that we carried out included coding the data, carefully verifying the data, developing the data, and testing how the validity of this data was able to answer the problems of this study [(Syed & Nelson, 2015).](#_bookmark0) After we developed the data, we studied it and took an in-depth interpretation to get a valid one; then, we designed a qualitative descriptive report. Our data search is done electronically, which we encourage with the help of Google Scholar according to the keywords we want. Explain that in this qualitative design, we follow the rules of the design study approach to reviewing the literature review, which emphasizes understanding something phenomenal among the many data we review [(Harper, 2012).](#_bookmark0) This is a brief description of the ease of conducting the study to identify several best practices for managing national economic governance in developing countries.

# Result and Discussion

This section will describe the results of some literature sources discussing best practices for developing the country's economy. Moreover, our claims are supported by previous expert studies published in various journals and books.

*Literacy with the latest technology*

The rapid advancement of technology, especially Information and Communication Technology (ICT), over the last two decades has resulted in the transformation of the economy into a digital economy [(Leu et al., 2004).](#_bookmark0) As a result, the development of smart cities in Indonesia will significantly impact the city's economy—if not the country—in the long run. When Coordinating Minister for the Economy Darmin Nasution became the Keynote Speaker at the 2019 Smart Citizen Day event on Thursday, March 28, in Jakarta, he said, "One of the National Strategic Projects (PSN) that can accelerate national economic growth through the use of ICT is the Palapa Ring [(Hastuti, 2016).](#_bookmark0) The Palapa Ring is an ICT infrastructure project that will build a fiber optic network of 12,148 kilometers throughout Indonesia. The development was carried out by 57 Regency Capitals (IKK), which are included in the Government-Business Cooperation Scheme (KPS), which consists of the West, Central, and East Palapa Rings.

Providing high-quality, safe, and affordable broadband internet, the Palapa Ring is anticipated to encourage growth and equitable distribution of socioeconomic development, particularly in the 3T (underdeveloped, leading, and outermost) areas [(Ramli, 2020).](#_bookmark0) The development of ICT as an infrastructure that can support connectivity and as a space for economic creation was explained by Coordinating Minister Darmin to open up a variety of opportunities, including to begin to be a driving force behind the expansion of various business platforms. The top ten platform companies' current capitalization values are higher than those of conventional businesses and were achieved in a shorter time. Second, make business opportunities available. The sharing economy, in which assets are used together to increase economic value, is one business model that has changed due to digital developments. Thirdly, improve welfare as well. Applications for on-demand services like Go-jek aid in financial inclusion and the welfare of the community's drivers, SMEs, and farmers [(Shrestha & Nursamsu, 2021).](#_bookmark0)

In addition, according to Coordinating Minister Darmin, the utilization of ICT has the potential to alter economic activities in rural areas and ultimately promote inclusion. Coordinating Minister Darmin stated, "Currently, there are many platforms that try to encourage the agricultural sector in rural areas to use digital technology, like the Regopantes application for the agricultural sector and the Aruna application for the fisheries sector" [(Viana et al.,](#_bookmark0) [2016).](#_bookmark0) These platforms shorten the lengthy distribution chain, improve efficiency, and expand opportunities for farmers and fishermen through digital use. The Crowded application is one example of a fintech application that focuses on facilitating financial access for farmers. Utilizing technology in agribusiness can positively impact the well-being of farmers and fishermen and provide the best possible service to customers by offering fresh goods at competitive prices. The issue that requires attention is how digital development can best benefit local Small and Medium Enterprises (SMEs) and Human Resources (HR). As a result, strategic actions are required [(Prieto-Egido et](#_bookmark0) [al., 2022).](#_bookmark0)

First, widespread adoption and digital literacy." At the moment, 54.68%, or 143 million people in Indonesia, are connected to the internet. According to Coordinating Minister Darmin, "this figure can be a tremendous strength, both as a market and as a producer in the digital sector." Support for the innovation system follows next. This is necessary so that Indonesia's human resources can keep coming up with new ideas that help the community, improve it, and grow its economy. "Smart Citizen Day aims to introduce various uses of smart city technology solutions based on Artificial Intelligent (AI), Internet of Things (IoT), and data integration to deal with problems of cities, agencies, and multinational companies [(Schmallegger & Carson, 2010).](#_bookmark0)

Coordinating Minister Darmin also stated that the digital economy's development brings challenges and opportunities for Human Resources (HR) at the event, including 1,500 intelligent citizens and more than 20 speakers from the government and business. The advent of digital technology has presented several difficulties, one of which is the threat posed by the automation of human labor. On the other hand, digital technology also makes it possible to create new jobs, leading to new jobs [(Dwivedi et al., 2021).](#_bookmark0) Approximately 65% of students in elementary schools are employed in a field that does not yet exist—high demand and need for employees with digital expertise. Therefore, in order to face the development of the digital economy era, we need to encourage a brainwave-based industry. The development of Indonesian digital talent is crucial in order to have relevant competencies. In addition, it is also essential to prepare all Indonesian MSMEs to benefit from the development of the digital economy," said Coordinating Minister Darmin. In closing, Coordinating Minister Darmin advised that the spirit of cooperation is needed to face these challenges in the current digital era. The government understands that this information

technology-based economy is a cross-sectoral issue, so collaboration between ministries and institutions and related authorities, or multi-sectoral, is essential [(Unsworth, 2019).](#_bookmark0)

*Infrastructure*

The slow pace of infrastructure development, as evidenced by a lack of quantity and quality, is one of the obstacles currently impeding the Indonesian economy [(Gelvanovska et al., 2014).](#_bookmark0) Hard" infrastructure, which includes things like roads and airports, and "non-physical" or "soft" infrastructure, which includes things like electricity, social welfare, and health care, appear to have trouble driving rapid structural development. Indonesia is ranked 62 out of 140 countries in the World Economic Forum (WEF) Global Competitiveness Report for 2015–2016 in infrastructure development. While this ranking maintains the average country's standard, it presents some significant challenges to infrastructure development—the economy in Indonesia. In the late 1990s, Suharto's authoritarian New Order government was replaced by a reform era. As a result, Indonesia's infrastructure development has not kept up with the solid economic growth that followed Indonesia's recovery from the Asian financial crisis and the commodities boom in 2000. Indonesia's economic expansion has not reached its full potential due to a lack of infrastructure. In what ways does Indonesia's lack of infrastructure impede economic growth? [(Garnaut, 2015).](#_bookmark0)

A country's economy is operating in a highly inefficient manner when its infrastructure is in poor condition. Costs associated with logistics are incredibly high, resulting in businesses that are unable to compete. Not to mention the emergence of social injustices, such as the inability of some residents to access medical facilities or for children to attend school due to the expense or difficulty of the journey [(Opoku, 2010).](#_bookmark0) Therefore, infrastructure development is closely related to the economic impact which causes the expansion of economic development. Therefore the reciprocal relationship between infrastructure and macroeconomic development is always mutually supportive. So economic expansion requires infrastructure that will accommodate goods and services owned by the government and individuals that will improve the entire national economy. However, there is a problem that must be addressed, namely how to block economic growth, which will undoubtedly slow down the flow of progress, resulting in the condition of a country will be threatened with economic death, therefore if infrastructure and infrastructure accommodate quality improvements and economic projects, new infrastructure and infrastructure will continue to be built to achieve adequate quality [(Delmon, 2021).](#_bookmark0)

The situation is different if what is invested in a country is sometimes very expensive than the product produced by imports, which will explain why it is not successful in developing the country's economy. For example, several years ago, the people of Jakarta often complained that the fruit components in supermarkets made in the country were costly compared to the price of imported fruits from abroad [(Flaaen et al., 2020).](#_bookmark0) In addition, the high cost of domestic logistics can also cause a significant price difference between optimizing domestic goods and accepting imports only. Therefore, the additional cost will undoubtedly cause the price of domestic products so that, as end users, the public will certainly choose which one will allow them to get cheaper. In other words, the weakness of the domestic trade system, both from Java and this region, will contribute more to the pressure on domestically produced goods because the prices are costly. Likewise, the domestic investment climate is influenced by infrastructure, which, compared to abroad, is another issue. For example, suppose the electricity supplier is erratic or often turns on and off. In that case, the operation will be expensive, so investors will be reluctant to invest in Indonesia due to infrastructure reasons [(Krifa-Schneider & Matei, 2010).](#_bookmark0) Although it is said that Indonesia has a lot of energy surplus, when the management data has problems, eventually many investors leave, and eventually, economic growth will be hampered.

Refer to input from the chamber of commerce and logistics cost industry. Logistics costs reach 20% of the total production costs incurred by industries and businesses in Indonesia. In other words, if the percentage of capital is very high, neighboring countries' economies will provide a comparison. So many factors make investors leave the Republic of Indonesia and invest in places that are more expensive to produce. To that mantra, entrepreneurs themselves also experience this in developing their business production, which is often hampered due to a wasteful logistics process, incomplete transportation, as well as an ineffective monthly afternoon system with cargo, including clearance from the government, distribution and payment systems for banking support, which sometimes becomes obstacles in the industry domestic [(Straub, 2011).](#_bookmark0)

*Investing in the capital market*

In a lighter sense, the capital market is a financial market for long-term funding, a market related to buying and selling shares. The capital market is undoubtedly different from money marketing in that it relates to money

exchange tools and is a market that cannot be found with the naked eye [(Braun & Hübner, 2018).](#_bookmark0) The instruments used in the world of capital markets include bonds, stocks, and also the capital market in narrow Ardians somewhere in the world. It has a well-maintained physical property where valuable documents can be traded, often referred to as the Stock Exchange. So this understanding of the Stock exchange or stock exchange is an organized market system that often brings sellers and buyers directly through their delegations the supply system and demand service [(Braun](#_bookmark0) [& Hübner, 2018).](#_bookmark0)

The following functions of the stock exchange by providing all facilities for securities trading (facilitators). They are making rules about what happens on the stock exchange. Attempt to obtain instrument liquidity [(Aggarwal,](#_bookmark0) [2017).](#_bookmark0) They stop insider trading, collusion, the creation of unreasonable prices, and other prohibited practices on the exchange. Distribute information about the stock market. They are developing brand-new services and instruments. The following are the advantages of having a capital market: Facilitate an optimal allocation of funding sources while simultaneously providing a source of (long-term) financing for the business sector. Allow diversification efforts while providing investors with an investment vehicle. Provide leading indicators of the economic trends in the nation. It is crucial to bring business owners to the middle class of society [(Chambers et al., 2009; Hanushek, 2013;](#_bookmark0) [Al-Yousif, 2002).](#_bookmark0) A healthy business climate and attractive employment/profession are created by disseminating ownership, openness, and professionalism. They are given a chance to have prospects and a thriving business. Through openness, liquidity, and investment diversification, investment alternatives offer potential returns with calculated risks. By granting access to social control, we are fostering an environment of openness for the business community. The use of professional management is encouraged by open company management. Sources of issuers' long-term funding. Indonesian capital market management [(Jobst et al., 2008).](#_bookmark0)

*Capital market supervisory agency*

The following are the primary responsibilities of the Capital Market Supervisory Agency: Provide the Minister of Finance with policy considerations when exercising authority in the capital market sector following Law No.15 of 1992, which relates to the Stock Exchange [(Dedi Putra et al., 2019).](#_bookmark0) Provide the Minister of Finance with policy considerations as he exercises his authority over BUMN, PT (Persero) Danareksa following Presidential Decree No.52/1976. Agency for the Supervision of Capital Markets the responsibilities of the Capital Market Supervisory Agency (Bapepam), as stipulated by Presidential Decree No. The following is Section 53 of 1990 About the Capital Market: Keep up with developments and regulate the capital market so that investors and the public's interests are protected, and securities can be offered and traded on a regular, reasonable, and efficient basis [(Ene, 2017).](#_bookmark0)

Developing a country's capital market cannot be separated from discussions about it. The Indonesia Stock Exchange was established in 1912, a few years before the Singapore Stock Exchange, which was established just a few years after the Indonesia Stock Exchange [(James & Karoglou, 2010).](#_bookmark0) The Indonesia Stock Exchange went through a long period of inactivity during its development; it was only reactivated in 1977 with PT Semen Cibinong's public offering. The government has implemented several policies to expand the activities capital market. This gives the Indonesian people the impression that the capital market industry is new. The general public poorly understands the capital market, its institutions, and securities as the primary trading commodity [(Ghimire et al., 2015).](#_bookmark0)

Because capital is also a source of funding for development, the capital market needs to be able to help the market economy grow, and the private sector will become the engine of economic activity. The capital market must provide long-term development financing for the creation of national development. The rapid development in information technology since 1990 has given birth to a globally integrated form of the financial market. Concerning the issue of economic development, it is necessary to improve the capital structure of the business world in order to increase efficiency and strengthen the competitiveness of companies in order to face increasingly intense competition in the era of globalization, which is marked by the increasing flow of international trade and foreign investment [(Ghimire et al., 2010).](#_bookmark0) Following the "International securities lending system," which effectively supports transaction activities, securities lending, borrowing arbitrations, margin transactions, and market formation activities, the transfer of funds and securities has become very easy and quick. Changes in the global capital market conditions necessitate continuous adjustments by the Indonesian capital market. Technology and applicable laws and regulations have changed due to economic globalization, bringing opportunities and challenges that need to be addressed immediately. The principle of openness and legal protection for investors must be considered when developing the capital market. Because these principles are universal, it is necessary to have guarantees provided by transparent institutions, firm and fair law enforcement, and good law [(Idrus, 2017).](#_bookmark0)

*Funding Indonesian SMEs*

In the National Medium-Term Development Plan (RPJMN), the national entrepreneurship ratio should reach 3.9%, and new entrepreneurship growth should grow by 4% by 2024 [(Kurniawati et al., 2021).](#_bookmark0) Coordinating Minister for Economic Affairs Airlangga Hartarto reiterated President Joko Widodo's direction that 2021 will be a year full of opportunities, a year of national and global economic recovery" in the Leader, Executive, and Entrepreneur Program of the Industry & Business Institute of Management (IBIMA) program virtually on Wednesday (5/5). Airlangga concluded, "I appreciate IBIMA for carrying out this activity because it supports the government's program to facilitate the growth and development of entrepreneurship in the country [(Mirzanti et al., 2018)](#_bookmark0).

Coordinating Minister Airlangga stated that the retail sector's current performance had shown an increase in retail sales in the Q1-2021 period, in addition to the decrease in positive COVID-19 cases and the implementation of vaccinations. Supermarkets, restaurants, medical, household, and fashion are among the shopping subgroups that saw an increase in the first quarter of 2021. The Indonesian manufacturing sector experienced an acceleration of growth in April 2021, when it reached a record high of 54.6, up from 53.2 the month before, according to the release of Indonesian Manufacturing Purchasing Managers' Index (PMI) data. According to Airlangga, "it is hoped that the improvement in demand, both in the industry and in several retail shopping subgroups, can increase the enthusiasm of industry players and MSMEs to return to productivity." [(Kusharsanto & Pradita, 2016).](#_bookmark0)

The most important pillars of the Indonesian economy are MSMEs.The Ministry of Cooperatives and Small and Medium-Sized Enterprises' data indicate that the number of MSMEs currently stands at 64.2 million, contributing

61.07 percent of GDP, or 8,573.89 trillion rupiahs [(Tambunan, 2018).](#_bookmark0) The capacity to absorb up to 60.4% of the total investment and 97% of the workforce exemplifies how MSMEs contribute to the Indonesian economy. However, Indonesia's high number of MSMEs is also inseparable from the challenges that are currently in place. The Proudly Made in Indonesia National Movement (Germans BBI), Digitalization of MSME Marketing, Strengthening Alumni Entrepreneurs of the Pre-Employment Card Program through KUR Financing, and a long-term strategy to raise the MSME class through the Job Creation Law are some of the MSME support programs that the government has implemented in response to this challenge. Another effect of this pandemic is encouraging people to buy goods and services online rather than in stores, leading to a 15-20% rise in internet traffic [(Rao et al., 2018).](#_bookmark0)

Using this momentum, digital transformation can be accelerated. With 196.7 million internet users and the fourth- largest population in the world, Indonesia's digital economic potential is also vast. "Support, cooperation, and collaboration in building MSMEs and the nation's technology-based industry to enter the Industry 4.0 era need to be continuously improved. With the involvement of experts and business professionals, we believe that we all have the same passion for helping and developing MSMEs during this pandemic and digital era," concluded Coordinating Minister Airlangga [(Chattaraman et al., 2012).](#_bookmark0)

*Enhance education and skills*

According to the study's findings, there is a consistent and positive relationship between the level of economic life and the degree of education. In other words, the higher the level of education, the higher the level of economic life. However, it is unclear which factor came first, education growth leading to economic expansion or the other way around [(Suleiman et al., 2017).](#_bookmark0) Against this obstacle, it turns out that much evidence points to a relationship that influences each other, namely that education growth influences economic growth and vice versa; Education expansion is influenced by economic expansion. We assume in our development policy that the success of economic development can be applied to education development. In addition, consensus theory adherents and conflict theory adherents agree that the primary purpose of educational establishments in today's economic environment is to prepare young people for productive employment. According to [Mwasalwiba (2010),](#_bookmark0) the objective of adult education is to increase students' abilities so that they can deal with the issues that existed at the time. They acquire beneficial mental education, attitudes, skills, and knowledge. All societies go through this process, from the most ancient to the most modern.

The three educational institutions, namely the family, school, and community, perform different but complementary roles. The function of each of these institutions in a society that is still traditional is undoubtedly different in a society that has developed because the demands of the people it serves are different [(Ogunyinka et al.,](#_bookmark0) [2015).](#_bookmark0) In traditional societies, the family plays a significant role in preparing the younger generation to become independent human beings. Parents and other adults in traditional families function to nurture various skills and various traditions. In modern society, the family delegates a number of its functions in education to other institutions specifically tasked with handling this task. Parents and families limit their activities to primary care and cooperation

with schools in encouraging children and supervising their education [(Sahban & Abbas, 2018; Ferahtia et al., 2022;](#_bookmark0) [Chinyere, 2021).](#_bookmark0)

Meanwhile, in modern society, schools play a role in preparing workers who have special knowledge and expertise to answer the challenges of increasingly broad and sharp specialization. Schools become open to the wider community [(Gravemeijer et al., 2017).](#_bookmark0) The principle of "equal opportunity" in education is increasingly becoming a reality, although it still contains many hot issues. An elitist school turned into a "populist" through compulsory education programs. By itself, teaching materials and methods held in modern society will differ from those held in societies with traditional economic systems. At the same time, the selective and allocative functions also have differences. Schools with families play a role in preparing children and young people to assume various positions and jobs [(Parsons & Shils, 2017).](#_bookmark0)

*Buying bonds*

The Effect of Bonds on Economic Development in Indonesia. The public is increasingly choosing all types of investments as savings for the future. As is known, that investment influences the Indonesian economy. During slowing, world economic conditions, especially at certain times, such as the current COVID-19 pandemic, the type of bond investment is quite attractive to most Indonesians. After that, stocks and money markets followed [(Gerber,](#_bookmark0) [2013).](#_bookmark0) The decline in economic growth projections shows the sluggish situation in the world economy. In Indonesia alone, economic growth in the second quarter of 2020 contracted by 5.32%. This was the first economic contraction since the 1999 crisis on how Bonds Affect Economic Development in Indonesia. The economic growth of a country is a significant indicator that can affect the country's economic progress.

Therefore, it takes hard work for the government and its citizens to achieve this. However, if, in the process, the Indonesian economy is more dominant in receiving contributions from the foreign investment sector, it could impact global crises in the future [(Wisnumurti et al., 2018).](#_bookmark0) In addition, the high level of consumption of the Indonesian people can also be the reason that affects the occurrence of the global crisis. Then what efforts can the government make to improve economic development in Indonesia? In order to prevent the risk of foreign debt that can affect the stability of the rupiah exchange rate against foreign currency, the government must issue state bonds to increase the required capital stock. Now, the stock of capital from investors who have purchased the state bonds can be used by the state to pay off debts and meet production needs aimed at the community. In addition, export activities also play an essential role in increasing foreign exchange reserves and specialization and economic added value in international trade [(Amador & Cabral, 2016).](#_bookmark0)

People may now feel confused about which investment to choose. No need to worry; whatever type of investment people choose will still help improve the Indonesian economy. Starting from bonds, stocks, and money market mutual funds talking about bonds, one of the People the Government Securities (SBN). Soon Koin Works, the Super Financial App, will present a product that can be a solution for people to buy bonds or SBN online. Besides that, KoinWorks also has a variety of products that can grow funds while helping beginners learn investment fundamentals, namely KoinP2P. People will fund various loans through a peer-to-peer lending system, which is the same principle as investing. People will also learn how to analyze which loan to fund, then determine a funding strategy so that people can get maximum returns starting from 18% per year [(Dunning, 2014).](#_bookmark0)

# Conclusion

Finally, we can conclude that the purpose of this study is as described above. We examine several information documents from the economic management perspective to improve the financial development of developing countries. The critical points we have obtained are that we consider this to be the best practice in a developing country such as Indonesia to improve the national economy as a development goal in a country, namely improving the economy. Our first finding is how to use the latest technological literacy, in other words, ITC, where if a developing country wants its citizens to participate in economic development, then one of the essential skills is. The next best practice is the provision of adequate infrastructure; the community will make it easier to carry out various productions, the essence of which is the improvement and expansion of the economy.

The next best practice is that the government wants to foster an investment climate in the form of investors and local markets, such as activities to strengthen the community economically. Next, we look at the availability of the capital market, which gets guidance from the government so that people can become players, namely a profitable capital market bound by the rule of law, such as economic activities that are capital in nature. Next, we also found out how the government wants to show the economy by supporting MSMEs as has been done. Ultimately, we find

out how the government can differentiate its citizens through education and life skills. The last is how the government creates a climate for the community to buy bonds because this is one way to improve the economy.

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