

The Role of Natural Resource and Environmental Economics in Achieving Sustainable Development

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ABSTRACT

Humans will use land, water, and air as natural resources to meet their needs. A few normal assets are inexhaustible, while others are non-sustainable. Because of this, humans are able to meet their daily needs with the limited resources they possess. Quantity and quality are examples of this limitation. Because of this, a nation's highest authority, the government, formulates policies to effectively manage and utilize natural resources. The purpose of this study is to learn more about how the government manages the environment through its policies. A qualitative descriptive analysis method was used in this study. The information that was used in the research comes from relevant previous research or studies. This study found that managing natural resources and the environment in a sustainable manner benefits from fair and firm environmental law enforcement.

Keywords: Natural Resources, Sustainable Development, Environmental Management

1. INTRODUCTION

One of the factors that must be considered in the dynamics of regional economic development is the ability to use or utilize resources, including human resources and natural resources, as effectively and efficiently as possible. The capacity to designate and use these assets is not entirely determined by the limits and accessibility of these assets, ultimately, the stock (in a quantitative point of view) and nature of the assets (in a subjective perspective) and the elements of their utilization must be outlined in a system of quality regional financial improvement strategies. The system should be fair, unpretentious and practical.

According to Law No. 22/1999 and Law No. 25, these are the main principles of the meaning of regional autonomy. Actually, the results achieved in the improvement of regional finances will obviously depend to a large extent on the level of accessible powers that can be simplified in their use. The period of territorial independence also shows the necessity of conducting a thorough deepening and deepening of the various assets that may be available, and will be utilized as a very fundamental cash flow to drive and empower the course of regional financial improvement and development.

Through their function as regular capital, natural resources play an important role in human existence and financial development. The economy's natural capital interactions can be unidirectional or reciprocal based on investment, labor supply, and the development process' need for natural capital (Saputra, 2025). The study of human activities that utilize the environment in such a way as to preserve or even improve environmental functions is improved over time is known as environmental economics.

Regarding the definition of "environment" in the Environmental Management Law No. 23 of 1997 is a unit of space that contains all living things, including humans and their behavior, as well as all objects, forces, and conditions that have an impact on the life, resilience and prosperity of the people and other living things. In fact, the main ability/job of the climate is as a source of unrefined substances to be processed into finished goods or for direct utilization, as an assimilator, precisely as a natural waste processor, and as a source of

happiness (comfort). The study of how people make decisions is what economists mean when they talk about the subject. So the financial aspect is the study of choosing between options.

It turns out that the functions and roles of the environment are diminishing over time and development is increasing for the benefit of human well-being; indicating that the ability of the natural environment to provide raw materials has declined and is now limited, that the ability of the environment to process waste is also declining due to the excess of waste that must be accommodated beyond the capacity of the environment, and that the carrying capacity of the environment to provide immediate pleasure and joy is also diminishing as a result of many natural resources and the environment being altered or more polluted. affecting physical health but also cultivating high-quality individuals.

Naturally, the capacity and capability of economic resources will largely determine the speed and optimization of regional development. The dynamics of regional economic development can suffer significantly when social, natural, human and man-made resources are insufficient. Disparities in regional economic development are caused by the lack of flexibility in the ability of regions to direct their economic development programs and activities as a result of the limited capabilities and capabilities of regional economic resources. This situation seems unavoidable, especially if it is associated with the current implementation of regional autonomy.

Anwar & Hadi (1996) found in a theoretical study that differences in the characteristics of the abundance of natural resources and human resources is one of the causes why different regions of Indonesia have different levels of economic development. Other important factors include demographic differences, location potential, accessibility, decision-making power, and market potential.

2. LITERATURE REVIEW

2.1. Basic Concepts of Natural Resource Economics

Natural resources are a very valuable asset for the country in development, especially economic development. Apart from being used to solve the problems of human life, natural resources also play a major role in state government assistance. Utilization is absolutely necessary both for production that produces additional forms and benefits and for the satisfaction of life needs. However, there are times when this utilization does not pay attention to the limits of the environment's ability to support the regeneration process, which is necessary for the continuation of biological, physical, ecological and economic life cycles. Overexploitation of natural resources will occur if the demand for products and services made from biological resources increases along with population growth. Therefore, to support the sustainability of natural resources, the most effective and environmentally responsible utilization and management of biological resources is required (Sukmawan, 2004).

In the management of natural resources and the environment, a balance between ecological and economic conditions can be achieved by utilizing economic aspects as an instrument for rational allocation of natural resources (Steer, 1996). If the value of land, including the value of labor and products produced and the value of climate, is known in money-related terms, land use and executive approaches will be more economical, proficient, and attractive. In addition, the calculation of the costs that must be incurred to reduce or work on natural effects and the benefits that will be obtained later will influence the approach to reducing ecological effects (El Serafy, 1997; Spash, 1997).

2.2. Environmental Quality

According to Suryani (2018), environmental quality refers to the condition of a particular area that maximizes its capacity to support human life. A comfortable and livable environment is one way to define environmental quality, allowing individuals to thrive in harmony and balance with their surroundings. Environmental quality analysis involves assessing not only whether ecological conditions are in good shape but also understanding their impact on the environment, ecosystems, and living organisms. Various aspects are examined, including building quality, vegetation, water, soil, air, and other environmental factors.

The availability of information regarding environmental conditions is crucial in establishing environmental quality standards, which serve as a preventive measure against deviations in environmental components or pollution. A high-quality environment is characterized by interactive and interdependent

relationships between its components, dynamic interactions, and the ability to maintain balance (homeostasis). In the context of sustainable development, maintaining good environmental quality is essential for human well-being and ecosystem sustainability.

2.3. Sustainable Development

The Bruntland Commission, chaired by Norwegian Prime Minister Gro Harlem Brundtland and working from October 1984 to March 1987, established the concept of sustainable development and resulted in the publication of the book "Our Common Future" in 1991 by the World Commission on Environment and Development (WECD) 1987 (Hadad, 2010).

The impact of the environment on economic and social progress was the subject of two revolutions in the 20th century. The primary turmoil (1) was between the 1960s-1970s when a worldview emerged that there was a conflict between the idea of development and the protection of natural assets and a climate in which any planned progress to further develop individual governments of aid was continually coupled with a double transaction of regular assets and the destruction of nature (Glades, Donella and Knolls, Nancy, 1972). Meadows and Meadows of the Rome Group published a book entitled "Limits to Growth." In the book, it was revealed that assuming there is no decrease in the utilization rate in the eyes of the surrounding society at that time, within 100 years the world will explode, because natural resources will be exhausted and the climate will face high contamination and very serious dangers.

At a meeting of nations in Norway in 1987, chaired by Norwegian Prime Minister Gro Harlem Brundtland, the idea of sustainable development emerged, defined as development for the present that does not require concessions to future generations. It was as if there had been a second revolution in the field of national development at that time, which stated that economic development does not solely damage the environment; on the contrary, economic development and environmental development can work together to achieve true prosperity. A country will be able to preserve its environment and avoid environmental damage as a result of economic growth that will have an impact on increasing national income; Conversely, good environmental conditions will support or sustain human life rather than absorbing development funds (Pearce & Warford, 1993).

2.4. Sustainable Development Goals

The Sustainable Development Goals (SDGs) exist to accommodate all the changes that have occurred since the Millennium Development Goals were set. The SDGs also include a number of new goals. The Sustainable Development Goals (SDGs) have broader goals than the Millennium Development Goals, which were only for developing countries. The 17 goals and 169 targets that make up the Sustainable Development Goals (SDGs) are defined in terms of social, economic, environmental and institutional dimensions. These goals and targets are then translated into various indicators used to evaluate progress. The broad and ambitious scope of the SDGs-from 67 to 241 indicators-and the areas of work-not only social, economic, and environmental but also the emergence of a new dimension, namely institutions-is one of the issues.

2.5. Sustainable Development Scheme

Development is dynamic and multifaceted. Development, by its very nature, will never have an end point because if it does, then everything stops. Because happiness is fleeting, people always want more than what they have. As a result, they are never satisfied with what they have achieved. what he has achieved. For this reason, consistent progress is manageable or feasible.

Now we need to think about how to get through the stages of development without incident and in a safe manner so that all development plans can be properly implemented. The problem is that we are still surrounded by many problems. In Indonesia, sustainable development still faces difficulties caused by social, economic, cultural and political issues that must be resolved sectorally and collectively. Therefore, a broader, more efficient and effective development movement is needed.

In order for us to always be able to take corrective action, we must use the unsuccessful development in the previous stage as experience. According to the biological perspective, this defensible progress should focus more on the regular balance and human resources, and from the human point of view, we should put more emphasis on changing the charming and energetic working environment with high morale and discipline as the general financial improvement.

3. RESEARCH METHODS

In this study the authors used a literature review. The literature review method is used to collect articles that are relevant to this research. In fact, all sources of data, information, and knowledge are collected and critically analyzed for this research. This research uses a writing survey technique by breaking down several articles and diaries related to the problems discussed. A literature review is a method for identifying, evaluating, and synthesizing research works and ideas that have been produced by researchers and practitioners. It is systematic, explicit, and reproducible. The purpose of a literature review is to identify untapped research opportunities by conducting an analysis and synthesis of existing information on the subject under investigation.

4. RESULTS AND DISCUSSION

4.1. Development History of Sustainable Development

The idea of Reasonable Enhancement was first presented as a social goal at the major Joint Meeting of States on Climate in Stockholm in 1972. The conference was triggered by concerns about persistent poverty, growing social injustice, food needs, global environmental issues, and the realization that natural resources to support economic development were limited. Sustainable development, according to the 1987 Brundtland Commission Report, is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

4.2. History of the Development of Sustainable Development in Indonesia

On August 10, 2002, sustainable development was incorporated into the fourth amendment of the constitution. The recognition of environmental rights as human rights and the application of sustainable development principles are key reasons why our constitution is referred to as the "Green Constitution." This perspective is embedded in the 1945 Constitution of Indonesia. The term "Green Constitution" can be found in phrases such as "Every person has the right to live and the right to defend their life and existence" in Article 28A of the 1945 Constitution, as well as in "Every person has the right to defend their life and existence" in Article 33, paragraph 4 of the 1945 Constitution. The principles of inclusivity, equitable efficiency, sustainability, environmental awareness, independence, and maintaining a balance between economic progress and national unity serve as the foundation for organizing the national economy.

From a conceptual perspective, Indonesia's economic progress began in 1969 with the Five-Year Development Plan (Repelita) and has been closely linked to the country's financial policies regarding capital, particularly foreign investment. Regional economic potential, often referred to as regional economic resources, can be utilized either as locally owned assets or as resources that provide benefits and serve as the foundation for regional economic development. These resources are generally categorized into four types: natural resources, human resources, artificial resources, and social resources.

4.3. Sustainable Development Based on Economic Aspects

To the extent that the nature of growth reflects the principles of sustainability, it is clear that economic growth is necessary for sustainable development in locations where these key requirements cannot be met. But in reality, widespread poverty and high productive activity can coexist. The environment can be harmed by these conditions. Consequently, sustainable development requires that people's needs are met by expanding their production capabilities while ensuring that everyone has equal access to opportunities.

According to Fauzi (2004), there are at least three main factors that must ensure sustainable economic development:

a) Moral

The current age values labor and products produced from natural resources and climate, so focusing on the accessibility of these natural resources for people in the future is ethically important. Therefore, monitoring the availability of these natural resources for future generations is a moral obligation.

b) Ecology

For example, biodiversity has significant ecological value. As a result, economic activities should not focus solely on the extraction of natural resources and the environment, as it may jeopardize ecological functions.

c) Economy

The economic component of carrying capacity itself is very confusing, so often the share of resilience from a financial point of view is limited to the estimated intergenerational government assistance expansion. Basically, the environment and natural resources can only accommodate so much. In other words, development problems will arise in the future if economic growth ignores the potential of the environment and natural resources. People must find ways to boost the economy in the long term without depleting regular capital to achieve economic sustainability. Economic sustainability is supported by equitable distribution of wealth, sustainable economic prosperity, and these three key factors.

4.4. Government Efforts in Realizing Sustainable Development from an Economic Aspect in Indonesia

Public authorities generally look for different ways for their relative governments to help and to address the various problems that exist in the country. On the economic side, the Indonesian government also actively supports the development of sustainable development. Here is an example of the government's efforts:

4.4.1. Poverty Alleviation Based on School Committee Empowerment

According to Law No. 25 of 2000 on the National Development Program for 2000-2004, education councils are required at the district/city and provincial levels, in addition to school committees at the education unit level, to empower and enhance community participation. School Committees are formed to accommodate and channel community initiatives to establish education operational policies and programs, increase community involvement in education delivery, and realize transparent, responsible, and sound-based conditions for the delivery of value training administration. Members of the School Committee include members of the teachers' council, implementing agencies, and Village Advisory Board, as well as alumni representatives, student representatives, parents and guardians of learners including leaders of educational organizations, businesses, communities, and the education profession.

4.4.2. Sustainable Development and Poverty Reduction

Emil Salim argues that in order to achieve sustainable development, economic goals should be directed towards poverty alleviation and balance: quality environmental life and fair social equity (social goals). Although various international events and major meetings have been attended and completed, the final picture of a manageable improvement concept in Indonesia is still unclear. However, in general, actions in the field of public policy are part of the process of realizing sustainable development in Indonesia. In Indonesia, the situation of millions of squatters and slums is the most obvious. These slum conditions indicate the seriousness of the political, environmental and socio-economic problems that contribute to poverty. Taking into account the goal of sustainable development, which is to achieve a prosperous society in a sustainable environment, environmental degradation is a significant threat to the sustainable development process.

4.4.3. The Role of the Agricultural Sector in Sustainable Development

The community's economy is heavily dependent on the agricultural area. The main contributions made by the agricultural sector, particularly in improving food security, reducing poverty, creating jobs and distributing income. Economic agribusiness (reasonable farming) is the implementation of the idea of a practical turn of events in agrarian areas. Indonesia is a nation that has a comparative advantage (comparative advantage) in agriculture which is very important for economic growth and must be supported and managed properly. The regional strategy to encourage economic growth that has a multiplier effect on other subsectors is to create superior agricultural commodities in a region.

In terms of food security, job creation, income growth, poverty alleviation, foreign exchange, economic growth, and environmental sustainability, the agricultural sector is critical to sustainable development. In terms of food security, job creation, income growth, poverty alleviation, foreign exchange generation, economic expansion, and environmental sustainability, it also plays an important role in sustainable development.

4.4.4. The Role of Economic Resources in Regional Economic Development

The speed and improvement of territorial or local progress will obviously remain up in the air by the limits and capabilities of monetary assets. The dynamics of regional economic development can suffer significantly when there are insufficient high-quality social resources, human resources, artificial resources, and natural resources. The inability of the region concerned to implement its economic development programs and activities results in disparities in regional economic development due to Lanang arising from the limited capabilities and abilities of regional economic resources. This situation is unavoidable, especially given the current implementation of regional autonomy. According to Anwar and Hadi's theoretical research, differences in the characteristics of places with natural resources and human resources are one of the factors causing regional differences in Indonesia's economic development. and decision-making ability as well as various aspects of market potential. Based on the pattern of data analysis, it can be concluded that Ahmad needs to accelerate the development process by managing the availability and implementing relevant policies and conferences.

5. CONCLUSIONS

The economic study of natural resources has a significant impact on human life, especially in the context of sustainable development. Natural wealth should be both a challenge and an opportunity for the Indonesian economy to move towards sustainable development as the country's natural resources have been misplaced in the development paradigm. The field of natural wealth is crucial to Indonesia's economic development as it has a major commitment to economic development and enjoys enormous advantages compared to other countries. Qualified human resources will transform into reliable workers, nimble entrepreneurs, and eager land and capital owners who see opportunities, making it an essential component of this economic development. The natural resource sector provides many employment opportunities so that high-quality goods can be produced and the economy can function.

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