



**ORIGINAL RESEARCH PAPER**

**Commerce**

**ECONOMIC SUSTAINABILITY WITH BUSINESS ETHICS**

**KEY WORDS:** Key Factors, Business Ethics, Business Law, Economic Democracy, Business Sustainability, Economic Sustainability.

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**ABSTRACT**

This paper presents business ethics and its importance in the business environment, for a sustainable economic development. Although sustainability is now generally understood to be a combination of environmental, social and economic performance, this paper finds that economic sustainability is the most elusive component of the triple bottom line approach. There is not even universal consensus that businesses should be economically sustainable, though most concur that sustainability is desirable to prevent the devastating and inefficient impacts of corporate premature death. Ethics and Business Law are identical to the rules and procedures for running our business by existing laws not to harm any party. An excellent economic activity, of course, has complied with the regulations that have been set. The implementation of an affair, trade, industry or related financial activity carried out by a business entrepreneur. Business Law can determine the progress of a company or other entrepreneur in implementing their performance because every company has different principles. Of course, every country also has different business laws. As an increasingly developed country, Indonesia is expected to be able to implement business law enforcement evenly.

**INTRODUCTION**

In a running business in many sectors in the economic democracy, it is necessary to apply ethics and law for the sustainability of a business. Most companies are concerned not only with their immediate financial performance, but with their ability to continue long into the future being a player able to make positive contributions to their local community, broader society and planet as a whole.

Ethics is needed so that a good environmental condition is created in our business activities and can benefit our business or company. Ethics is needed so that a good environmental condition is created in our business activities and can benefit our business or company. Moreover, in ethics, norms or procedures for behaving and acting reasonably in business are also regulated. However, there are still people or business people who violate or do not apply ethics in their business; besides being able to threaten the sustainability of their business, they can also harm other people. Therefore, there is a need for a law that regulates the procedures for doing business in this economic democracy to create a good and healthy business environment, both among fellow business people and the community. In addition, the form of a country's economy also affects ethics and law in doing business. In this form of the economy, there are respective provisions on how to run their business. Some prioritize the interests of the business people themselves, there are those who take advantage of their natural resources for the benefit of their people. Moreover, in ethics, norms or procedures for behaving and acting reasonably in business are also regulated. However, there are still people or business people who violate or do not apply ethics in their business; besides being able to threaten the sustainability of their business, they can also harm other people. Therefore, there is a need for a law that regulates the procedures for doing business in this economic democracy to create a good and healthy business environment, both among fellow business people and the community.

Business Ethics in a company is a significant factor; a business, or company, if they want to run it successfully, does not only consider good management or good quality of human resources but must apply good ethics in its business. With the implementation of ethics in business activities, business people or companies can quickly gain the trust of other business people or the public. Because if we carry out ethics properly, we are seen as good or capable of running a business in the future. (Saputra & Ali, 2022)

socially and economically. Sustainability managers need to understand more thoroughly what makes business survive; what finance directors need to know and what other things they need to consider so that when a company sees things failing, sustainability programmes do not fall by the wayside.

The key findings are

- ❖ Most existing 'sustainability' management tools and systems are mainly written by environmentalists and social scientists. Some do refer to economic sustainability but are so sketchy that they would be inadequate for actually managing a real business.
- ❖ Fortunately, though, they are not really aimed at economic sustainability managers (ESMs), who instead have a relatively well-known (if limited and creaky) set of financial indicators to rely on. These are historical and focus mainly on turnover, profit, and for PLCs, market capitalisation and earnings per share.
- ❖ Unfortunately, in a harsh climate where corporate actions and investor expectations are at an all-time high, companies that manage financial performance using only these narrow indicators risk premature death.
- ❖ No amount of excellent social and environmental performance will prolong the life of a company that is economically unsustainable, nor are green and community values necessarily good gauges for longevity.
- ❖ A broader perspective on how to manage economic performance is emerging, based around brand, intangible assets, reputation, full cost accounting, ability to add value and the management of knowledge.
- ❖ It is still early days for the developers and promoters of workable management techniques, with technical, commercial confidentiality and political obstacles to overcome.
- ❖ Most approaches are still considered to be dark arts, not hard science, and surprisingly few companies even value their brand.
- ❖ The strategic import of environmental and social sustainability activities are rarely adequately explained to economic decision-makers or the City.
- ❖ Nor is it always easy for sustainability managers to influence the full strategic commercial realities in which they are operating.
- ❖ Probably as a result of this, there is quite a lot of enthusiasm for more guidelines on economic sustainability, almost as much as there is scepticism about whether that will be possible.

Application of Business Ethics and Business Law on Economic Democracy that Impacts Business Sustainability.

Sustainability is about long-term survival; environmentally,

➤ **Business Ethics**

The application of business ethics is essential from time to time; basically, ethics is an essential attitude or behavior when someone does business activities. Doing business, of course, must be mutually beneficial to various parties and must not violate the mutually agreed rules. Business Ethics is needed to avoid any disadvantaged party in business activities, between fellow people in business, the government, its people, and between the company and its employees. However, there are still violations of business ethics that include companies, employees, and the government. In the company's scope, there are still ethical violations in business. For example, it does not guarantee the safety of its employees and does not provide proper wages for its workers. In addition, the working hours provided by the company are also inappropriate, even though the working hours are an agreement between the company and employees. However, the company should understand the government's policies regarding employee working hours.

Violations of Business Ethics between entrepreneurs and the government are still often encountered in business activities in Indonesia, for example, in companies that do not pay taxes to the government. Then they cannot treat their production waste properly, thus creating waste carelessly, harming the surrounding environment. Then the mining business owners who do not reclaim their former mining pits, the company should be able to decide this step. (Romi & Umiyati, 2018)

Then also, the violation of business ethics by the government against the company. Sometimes the government limits policies that make it difficult for companies to move, making it difficult for companies to innovate. Moreover, sometimes, the economic policies are taken by the government only benefit their coalition; for example, a company gets full support from the government in the form of providing capital, licensing, and so on, even though it is known that the company violates many business ethics, such as excessive exploitation of natural resources.

➤ **Business Law In Economic**

The development of an increasingly modern era and the industrial revolution 4.0 is making many business opportunities arise, either making minor changes to existing products or creating the latest product innovations. It helped with easy requirements to form a business or business. Obstacles in doing business can also be solved in today's era. With the provision of capital from banks or the government, we can run the business previously planned. However, in running a business, some laws bind the business to bind, regulate, and control our business activities to create a good business atmosphere.

Many people want to become business people with high income or income, so someone competes to form their business entity. However, most of them create products not based on market research and market needs. So many cases arise regarding product plagiarism, both in packaging, product contents, and others. Therefore, it is necessary to apply Business Law which will later regulate every person's business activities. In addition to creating healthy business activities, business law in a democracy also creates an environment for healthy business competition.

➤ **Economic Democracy To Business Sustainability**

The current implementation of Economic Democracy is still considered less than optimal because many business activities are combined with the political interests of each person. Thus creating a goal that only cares about group members without thinking about the community's interests at large. In an economic democracy, the role of the government is enormous to determine fair policies for all groups, which will have an impact on companies and the economy. Then the political policies taken by the government regarding the

regulation of economic activities will also affect business continuity, for example, if the government starts implementing the use of green energy. Automatically, this policy will affect coal companies because coal is used as a commodity to generate electricity.

In addition, the Government is also the one that regulates procurement of tools, goods, and services for the needs of the ministries. The Government appointed PT Pindad Persero as a supplier for Indonesia's military equipment needs. Of course, PT Pindad Persero's business continuity will be pleasing. Because the Government appointed the company as a provider of government needs. Then, competitors who sell the same goods and services as PT Pindad not chosen by the Government will undoubtedly affect its Business Sustainability because the demand for goods or services will not be as much as PT Pindad Persero.

The Application of Business Ethics and Business Law to Economic Democracy that Impacts Business Sustainability. Several factors affect Business Sustainability, namely:

- 1) Marketing Performance:
- 2) Productivity:
- 3) Work Quality:
- 4) Customer Satisfaction:
- 5) Leadership :

❖ **Definitions Of Economic Sustainability**

"Tomorrow's Company uses its stated purpose and values, and its understanding of the importance of each relationship, to generate its own success model from which it can generate a meaningful framework of performance measurement"

RSA Inquiry Tomorrow's Company

"Maintaining high and stable levels of economic growth is one of the key objectives of sustainable development. Abandoning economic growth is not an option. But sustainable development is more than just economic growth. The quality of growth matters as well as the quantity."

UK Government Annual Report 2000, January 2001

Economic sustainability is integrally linked to the environmental and social outcomes an organisation achieves. And while good financial and broader economic performance might mean that companies survive in the short-term, it does not necessarily secure a long-term economic future, nor does it guarantee positive environmental or social outcomes. If the predictions about sustainable development are accurate, neglecting the environment and social issues may be a barrier to long-term survival at both the micro or macro level. Consequently, those companies that can effectively manage their environment and the social will also help make themselves economically sustainable.

However, economics is traditionally about how we allocate scarce resources. Economic sustainability, then, might be better described as the process of allocating and protecting scarce resources, while ensuring positive social and environmental outcomes.

The remainder of this report expands on the understanding of what economic sustainability means, why it is important and how it should be considered as part of an overall management system tool for sustainability.

**CONCLUSION**

It is essential to apply it in a democratic economy because with the implementation of ethics in the corporate environment, business environment, and government, and a business will run well. It is essential to implement it in a democratic economy, plus the current era of the industrial revolution 4.0. Everyone has the right to form their own business, so it will be easy to create plagiarism in society and also violations in business. To regulate this is Business Law. It is

a form of a country's economy, especially Indonesia, which adheres to this form of an economic system. Indonesia has not been able to maximize its economic democracy because there are still many government sides only to specific business groups, without prioritizing the interests of many people. It is primarily determined by the Government's Economic Policy and public participation. So to maintain business continuity, it is also necessary to apply ethics in business so that the business activities we run are always suitable.

The premise that animates the whole research is that, if all those directly or indirectly involved in commercial transactions benefit from added value, they can also contribute to the smooth running of the business environment.

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