

DOI: <https://doi.org/10.38035/dijefa.v5i3>Received: July 13th 2024, Revised: July 25th 2024, Publish: August 12th 2024<https://creativecommons.org/licenses/by/4.0/>

The Role of the Green Economy as a Strategy for Improvement Economic Recovery and Multilateral

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Abstract: The economic development has the potential to cause negative impacts on the environment. Environmental problems that occur urge policies to implement green economy as the most urgent and effective environmental management tool. Methodologically, conceptualizing, implementing, and critiquing the creation of a green economy paradigm towards society leads to the challenge of a global strategy that has the goal of sustainability, poverty alleviation, and inclusion of vulnerable social sectors. The influence of the green economy on the sustainability of life is still in the context of *grahita*. The purpose of this research is to determine the effect of the green economy on economic recovery and multilateral problems. Research objects in online libraries, Google Scholar, Mendeley and other academic online media. The research method with the research library comes from e-books and open access e-journals. The results of the study reveal that the application of a green economy is capable of driving national economic recovery as well as problems in the multilateral sector. In order for a green economy to be realized for the country, policy makers must be supported by various parties so that a sustainable green economy is formed. A green economy also contributes to maintaining a healthy environment and shaping ecosystems appropriately for present and future generations.

Keyword: Green Economic, Multilateral, Economic Recovery

INTRODUCTION

The government implemented a number of measures following the COVID-19 pandemic to lessen its detrimental effects on the economy and society. Mobility limits and other public health measures are required to combat the pandemic, which is the largest economic disaster the world has seen in over a century. The situation gets worse since pandemics have an impact on consumer behavior. The global economy shrank by almost 3% in the first year of COVID-

19, while poverty increased (IMF, 2021). To lessen the impact of the crisis on households, the administration is putting into practice a swift and thorough policy response through measures in the monetary and fiscal sectors.

In reaction to the first wave of pandemics, several nations enacted robust regulations using a variety of policy instruments and took emergency steps to lessen the pandemic's immediate effects. In order to mitigate the pandemic's effects on the economy, policymakers should make sure that they offer enough assistance to ease the crisis while simultaneously reducing the long-term financial and macroeconomic risks that could result from the increased debt levels brought on by the crisis. For impoverished communities, women, and small businesses to "justly recover," suitable policies must be put in place in order for them to bounce back from the losses of jobs, revenue, assets, and human capital. The COVID-19 pandemic has resulted in a rise in global inequality. In order to maintain a sustainable economic environment and safeguard the welfare of Indonesian citizens for the coming and future generations, governments need to give priority to green economy initiatives that generate employment and produce goods. As such, the notion of a green economy needs to be aligned with the interests of market participants in the country.

The objective of the green economy is to balance national economic growth with the improvement of public well-being. Governments should therefore use the concepts of green economies in the development of macro and micro economies. The study looks at how the green economy should be implemented as well as the function of the organizations that promote it. Fiscal policies are employed to promote economic recovery and climate mitigation in order to advance the green economy (Makmun, 2016). This study looks at the advantages of applying green economies to economic growth and tackling global issues in order to focus on policies that must be adopted in a green economy (Makmun, 2016). The Victory and Veterans research employs a green economy strategy from the Sovereign Wealth Fund to strengthen the economy. Both findings indicate that the green economy prioritizes immediate financial gains that can aid in the recovery of the national economy (A.K. & Setiawan, 2011). The findings of this study should be able to positively impact both research and understanding of how green economy policies are implemented (Pranowo et al., 2021).

METHOD

A library study can be thought of as a collection of tasks related to the procedures for gathering data from the library, as well as reading, logging, and analyzing research materials (Zed, 2003). In order to gain a theoretical foundation for the topics to be studied, libraries can be used to study a variety of reference books and similar past research results (Sarwono, 2006). A librarian study can also refer to a method of gathering data that involves examining books, articles, notes, and other reports that are relevant to the issues that need to be resolved (Nazir, 2003). Sugiyono claims that the theory, reference, and other scientific books pertaining to the society, customs, values, and evolving social conditions under investigation are all included in the study of a library.

Secondary data are the kind of data used in this investigation. One important source of information is a reputable journal publisher. Documentation, or searching for information about items or variables found in books, papers, journals, articles, and other materials, is the method used to collect data for this study (Arikunto, 2013). The author must then examine the facts in order to reach a conclusion after gathering all the necessary information. The author applies critical analytical methodologies to get precise data analysis results. According to the perspective of critical analysis, researchers are not free subjects while examining research. Therefore, a key factor in deciding how a text or set of facts is understood is the researcher's and the researchers' positions on the subject. One way that authors try to help readers

comprehend the truth is through analysis, where they examine the viewpoints of experts and then interpret the significance and content of those ideas.

RESULT AND DISCUSSION

Result

Economic and Multilateral Issues

The first threat to the world financial system is the COVID-19 epidemic. COVID-19 and procedures for detention. Real economic activity has abruptly stopped as a result of the government's incarceration policies implemented in response to the COVID-19 outbreak. This has placed extreme strain on the financial system and increased liquidity pressure. In response to growing economic uncertainty and risks to financial stability, policymakers must preserve financial resilience and guarantee a continuous supply of credit to the real economy, which will be followed by unparalleled policy actions to contain economic crises and stabilize markets. The global financial system, which has undergone significant development over the past ten years, has been impacted by COVID-19. The composition and operation of the financial system have been impacted by a multitude of variables, such as technology advancements, the expansion of non-bank financial institutions, and regulatory changes and market-driven modifications that followed the 2008 financial crisis. Under circumstances more severe than those of the 2008 financial crisis, the world financial system is about to descend into a pandemic. However, the pandemic experience also draws attention to variations in financial sector resilience. The emergence of COVID-19 shows certain problematic aspects of the financial system that may need more attention, even though the core of the system has been able to withstand and absorb the outbreak. Although macroprudential policy plays a significant role in addressing the conditions that increase the transmission of shocks in the financial system and real economies, procyclicality is an intrinsic feature of the financial system.

A Green Economy as A Step Out of The Crisis

The phrase "ecological economy," which sprang from the Spanish translation of "green economy," is related to the idea of the "green economy." In order to develop the green sector and alter the economic sector's animosity toward the environment, the United Nations Environment Programme (UNEP) championed the green economy at the end of 2008 as a comprehensive and workable operating mechanism through study and support of investment strategies. These days, a "green economy" is defined as one that uses sustainable ecological services and drastically lowers environmental hazards in an effort to promote social justice and human well-being. The three primary pillars of the green economy are cutting carbon emissions, maximizing the use of natural resources and energy efficiency, and halting the depletion of biodiversity and ecosystem services. The economy can attain low-carbon, resource-efficient, and socially inclusive development with this method. Political reforms, legislative adjustments, and investments from the public and commercial sectors are required to put this plan into action. For the sake of the economy and the public good, it is crucial to protect, enhance, and replenish natural capital. Political transformation, regulatory changes, and investment at the public and private sectors are all required to enable the strategy's implementation. For the sake of society and the economy as a whole, natural capital must be protected, strengthened, and rebuilt. One of the main goals of the green economy's sustainable development is the eradication of poverty, which ensures a higher standard of living without depleting natural resources. It is a mistake to propagate the notion of a "green economy" without considering the needs of vulnerable populations and the effects of natural disasters, since there is no guarantee of a short-, medium-, or long-term recovery in social and environmental dynamics. The excessive reliance on fossil fuels, the loss of natural resources, and environmental harm are the causes of the Green Economy, which encompasses wealth, technology, finance, and physical capital. Conversely,

the secret to green economic growth lies in natural capital. Eight important economic areas must be taken into account in order to shift to a green economy. These industries need to be capable of lowering poverty, boosting social fairness, promoting renewable energy and energy efficiency, investing in and enhancing natural capital, and creating jobs.

Multilateral Solutions to Global Challenges

COVID-19 has created the risky possibility of national divergence, which is still felt today. The majority of developing nations that have ever aimed for a high economic income rate are currently falling behind. (World Bank, 2021). In addition to impeding long-term progress in industrialized nations, these economic gaps can potentially raise economic migration and threaten global social stability. The effects of climate change are probably going to get worse. The IMF has identified three economic goals for international action that are critical to a robust, inclusive, sustainable, and environmentally friendly recovery. The vaccination comes first. The most significant economic policy of the modern era is vaccination policy. Probably the most profitable public endeavor is funding the rapid vaccination of everyone in the population. A faster pace of crisis resolution is expected to boost the world economy by \$9 trillion by 2025, generating over \$1 trillion in new tax income. The key to vaccine policy is international coordination. Foreign revenue Preventing tax competition and the spread of chaotic unilateral taxation is generally beneficial to both the state and the private sector. The Inclusive Framework, established by the OECD and currently include 139 nations, has already sparked multinational activities. Better incentive alignment, predictability, and simplification of complex systems are all possible with this kind of coordinated approach. Additionally, it will contribute to the establishment of a just tax system in the nation in which businesses operate. Policies can be put into effect by a carbon price, trading scheme, or similar measure that complies with regional policy preferences. Most significantly, if certain nations continued with strong pricing while others did not, such a basic price may prevent less effective border adjustments. Prioritizing a recovery that is more ecologically sustainable undoubtedly creates opportunities. However, the harsh reality is that this momentous shift could be lost by the developing nations. According to IMF analysis, low-income countries require \$450 billion spread over five years to combat the pandemic, maintain their economic lag, and reestablish their aspirations for better income levels. This is more than they can handle alone. Another significant endeavor to address debt fragility and provide low-income nations with policy leeway is the G20 General Framework. And in this case, financial institutions in the private sector have a crucial role to play in debt restructuring, both to assist prevent a protracted debt crisis that would be harmful to growth and to ensure more equitable burden sharing. Because every nation's greenhouse gas emissions have an effect on the entire world, climate change is a fundamental global concern. As a result, attempts made on a global scale to solve it are typically presented as a solution to the collective action issue. An international response to climate change that is coordinated on a large scale is undermined by this understanding. Regarding climate cooperation, it can be viewed as a multilateral achievement from an institutional standpoint. However, there is an acceleration of climate change. As of now, the effects of a calamity that will worsen significantly over the coming decades are beyond the control of the international multilateral system. A shared road map for a more sustainable future must underpin stimulus investments, which must be based on national realities and collaborative agreements. But cooperation from all parties is necessary for multilateralism to function. It necessitates openness, honesty, ownership, and optimism in addition to specific, nationally implementable goals and national initiatives that reinforce global objectives.

Policy Implications Projections

Green growth policies have the potential to enhance well-being in the long run by boosting productivity and resource management, promoting economic activity in locations that will benefit society most in the long run, and generating creative and novel approaches to achieving these objectives. Reducing air pollution emissions, capping the economy's energy and carbon intensity, cutting back on freshwater abstraction, and building more shelters are a few examples of how policies might be put into practice. Additionally, there is proof that CO₂ emissions and economic growth are completely unrelated. The examination of how green growth affects poverty and inequality is frequently behind schedule, and many nations lack comprehensive green growth plans for important industries like agriculture. Plans for development or the alleviation of poverty in emerging nations increasingly take environmental considerations into account. An essential force behind green innovation is green patents. Fast-growing industries or economies have a higher probability of producing successful breakthroughs. Consequently, policies that promote diffusion, bolster the market for innovative environmentally friendly products, and alter consumer behavior must be taken into account. The most effective tools appear to be those that regulate hazardous materials and activities, performance standards, green labels and certificates, and technology-based standards. In addition to ensuring economic viability and the distribution of environmentally friendly goods and services, public procurement and consumer subsidies can also be helpful. To guarantee that they encourage market creation rather than stifle it, such regulations must be carefully crafted. It calls for a variety of policies arranged within a logical framework. Many of the same requirements that apply to green innovation also apply to innovation in general. An effective system of intellectual property rights, for instance, is necessary to encourage innovation and the adoption of new technology. The best course of action is to combine broad legislation that targets the primary barriers to innovation with taxes levied directly on activities that harm the environment.

Discussion

A approach of economics known as "green economics" aims to address the demands of both nature and human life by reconciling them. This idea looks at conservation of wildlife, sustainable agriculture, healthy environments, and alternate energy sources. Additionally, the green economy plays a significant role in sustainable development initiatives aimed at reducing poverty. Three key components support sustainable development: social, environmental, and economic. Progress in the economy without compromising the fundamentals of the economy is what is meant by economic sustainability. A steady temperature and biodiversity are factors in environmental sustainability. Three-dimensional integration is required. Diverse evaluation tools are available to aid with this integration. That being said, as harmony is more vital in relationships than integration, the idea of a "green economy" may prove advantageous. In a green economy, public and private investments in assets, infrastructure, and economic activity are what fuel job and income growth. By making these investments, it is possible to lower pollution and carbon emissions, increase energy and resource efficiency, and stop the depletion of biodiversity and ecosystem services (UNEP, 2022). In summary, the goal of the green economy is to promote environmentally beneficial investments for the disadvantaged. This idea might assist in shifting the focus of the conversation from reconciliation to improved collaboration.

Since the green economy is the core of the issue and governs the economy in a way that is consistent with long-term dynamics and local and global ecological preconditions, it is essential for directing policies related to sustainable development. In the upcoming decades, humanity will face several difficult challenges, including rising inequality, biodiversity loss, and climate change. Because everything is interconnected, it is impossible to address this systemic global catastrophe independently, but our current economic structure is insufficient to

strike a healthy balance between social and environmental objectives. Economics is just a system of laws and customs that assign values to particular types of behavior. Our current economic system encourages excessive spending, weakens social ties, and depletes natural resources. However, this is not inescapable; the crucial aspect is that the economy must change in order to function. A fresh perspective on the economy is required to solve this issue. Within the planet's ecological bounds, wealth is available to everybody through the green economy. Each of the five guiding principles can direct economic reforms in a variety of circumstances and alludes to significant historical examples in foreign policy. First, the welfare principle: prosperity is created and enjoyed by all thanks to the green economy.

One of the most important macro-indicators for enhancing people's well-being is economic growth. In the case of small and medium-sized enterprises (SMEs), the creative industries micro-indicator is a business activity that emphasizes creativity and innovation. According to Yayan, et al (2019), innovation can be defined as a new finding that differs from what is already known or exists. According to Yayan, et al (2019), the creative industries have a crucial role in employment, economic growth, and the distribution of development outcomes. Pranowo, et al (2021) have noted that innovation significantly and favorably affects the performance of SMEs.

Palmer (2012) pointed out in his study the importance of economic growth for society, which is characterized by an increase in commodities and services that raise people's standards of living. Economic growth, according to Arkas (2021) aims to raise national income, which will enhance people's general well-being (Arkas, 2021). Every government must therefore aim for steady and positive economic growth. Among the nations experiencing steady and strong economic growth is Indonesia (Aminata, 2022). It appears that despite steady and healthy economic progress, societies have not benefited from growth in the now or the future. It has been demonstrated that economic growth has a wide-ranging and uneven effect. It is also necessary to quantify the effects of economic expansion for future societies. Similar to the Brundtland Report, future economic expansion will put an undue strain on the environment (Hajian & Kashani, 2021). Given that the environment has supplied a variety of resources that can support the creation of products and services for society, measuring the economic impact on the environment is crucial. Acquiring an understanding of the notion of green growth is one way to gauge and assess the effects of economic expansion on future societies. The term "green growth" describes an increase in economic activity that minimizes the negative effects of economic activity on the environment and ensures effective use of natural resources (WorldBank, 2012). Identifying and quantifying inclusive green growth-forming indicators has been the subject of numerous studies. The Green Growth Knowledge Platform comprises indicators related to natural assets, risks and resilience, efficiency and resource decoupling, economic opportunities and activities, and inclusiveness. The data includes the following: average household income, healthy life expectancy, labor productivity, and poverty rate. Due to the indicators' lack of comprehensiveness in incorporating essential variables to characterize inclusive green economic growth, some of these studies contain a number of flaws (ESCAP, 2014).

CONCLUSION

Particularly if wealth is determined by taking into account natural assets rather than merely productivity, the green economy turns into a model that spurs growth, income creation, employment, and attempts to change the relationship between economic advancement and environmental sustainability. The global eradication of poverty and the reduction of social inequality between nations are greatly aided by the green economy. According to the research conducted, the adoption of a green economy can result in technological advancements that make it possible to apply environmentally sustainable practices by making use of natural resources.

Additionally, waste from these endeavors can be recycled back into the production process, which helps to lessen the sources of pollution. Alternative green economic policies must be put into practice in order to meet that objective. These policies can be formed through the distribution of financial resources, the enactment of stricter environmental laws, the provision of subsidies, the promotion of eco-friendly businesses, and the streamlining of regional planning procedures. It cannot be achieved without compromising the core idea of sustainable development, which requires the construction of a new economic framework. In order to achieve economic development within the sustainable bounds of a fair and healthy environment, the green economy seeks to reduce poverty by incorporating social sectors that are at risk. Green economy development ideas are predicated on matching economic recovery initiatives with the accomplishment of medium- and long-term climate change mitigation and sustainability goals. In order to achieve economic decarbonization and climatic goals, renewable energy is a crucial industry. The public policy scenario to promote green recovery has some strength in this setting. Establishing outcome-oriented targets and guaranteeing a steady flow of funding for policy implementation and policy-making are two key ways that the state influences the adoption of policies in order to bolster pro-country policies.

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