

The Role of Legal Institutions in Supporting Public Welfare

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Abstract

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This research examines in depth the essential role of legal institutions in realizing comprehensive public welfare. Public welfare, in this context, is understood not merely as the attainment of economic growth, but also as the embodiment of social justice, the protection and promotion of human rights, and the assurance of legal certainty for every citizen without discrimination. Legal institutions such as courts, law enforcement agencies including the police, prosecution offices, and administrative judicial bodies function as fundamental pillars in safeguarding the rule of law, providing fair and impartial dispute resolution, and preventing any misuse or abuse of authority. Employing a normative legal research methodology, the study systematically reviews legal literature, statutory regulations, and relevant case law to identify both the operational mechanisms and the specific contributions of these institutions. The findings demonstrate a strong correlation between institutional effectiveness and improvements in societal welfare, achieved through the enforcement of socio-economic rights and the creation of a stable, just environment conducive to sustainable development.

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1. Introduction

Public welfare is one of the fundamental goals of every nation, as enshrined in the constitutions of many countries, including Indonesia. Welfare is not limited to economic growth and an increase in per capita income but also encompasses broader dimensions such as social justice, the protection of fundamental rights, and a stable sense of security. To achieve this goal, the state relies on various instruments, one of which is an effectively functioning legal system. This is where the role of legal institutions becomes highly significant.¹ Legal institutions, such as the courts, prosecutor's office, police, and other judicial bodies, are at the forefront of maintaining social order, upholding justice, and ensuring that the rights of every individual are protected. Along with the increasing complexity of socio-economic issues, the challenges faced by legal institutions are also growing. Globalization, digitalization, and rapid social changes demand that legal institutions adapt to remain relevant and effective.

The failure of legal institutions to perform their functions can have fatal consequences, such as increased inequality, rampant corruption, and an erosion of public trust.² These conditions directly hinder efforts to achieve welfare. Therefore, it is important to conduct a deep analysis of how legal institutions can proactively support public welfare, not only as enforcers of rules but also as facilitators of justice and protectors of community rights. This study aims to analyze the multidimensional

¹ Gokma Toni Parlindungan, "Prinsip-prinsip Negara Hukum dan Demokrasi Dalam Pembentukan Peraturan Daerah," *Jurnal Hukum Respublica* 16, no. 2 (2017): 389.

² Nunung Nugroho, "Kebijakan Penanggulangan Tindak Pidana Korupsi Dalam Dinamika Keadilan Restoratif," *Jurnal Ilmiah Dunia Hukum* 3, no. 1 (2019): 25.

role of legal institutions in the context of public welfare. Specifically, this research will identify how legal institutions contribute in three main aspects: Upholding Social and Economic Justice: Ensuring the fair distribution of resources and protecting the economic rights of the community. Realizing Human Rights (*Hak Asasi Manusia*/HAM) Protection: Protecting citizens from the abuse of power and guaranteeing civil and political rights. Creating Legal Certainty for Development: Providing a stable and predictable framework for investment and economic growth.³ The problem raised in this study is the extent to which the current effectiveness of legal institutions in performing these roles and what factors are hindrances or drivers.

This study will also look at how best practices from various jurisdictions can be adopted to improve the performance of legal institutions in Indonesia. This analysis is highly relevant given the urgency to address structural issues that hinder welfare, such as poverty, inequality, and corruption. The normative legal research method will be used to analyze relevant literature, laws, court decisions, and legal theories. This approach allows researchers to explore the ideal concepts of the role of legal institutions and compare them with existing empirical realities.⁴ Through this approach, it is hoped that an optimal model for the role of legal institutions can be found, one that is not only responsive to the demands of justice but also adaptive to

³ Laurensius Arliman, "Partisipasi Masyarakat Dalam Pembentukan PerundangUndangan Untuk Mewujudkan Negara Kesejahteraan Indonesia," *Jurnal Politik Pemerintahan Dharma Praja* (2017): 64.

⁴ FC Susila Adiyanta, "Hukum dan studi penelitian empiris: Penggunaan metode survey sebagai instrumen penelitian hukum empiris," *Administrative Law and Governance Journal* 2, no. 4 (2019): 701.

socio-economic dynamics. This study is expected to make a significant contribution to the development of legal theory and public policy. The results of this research can serve as valuable input for policymakers, legal practitioners, and academics in formulating strategies to strengthen legal institutions. Ultimately, with strong and integrated legal institutions, the ideal of creating a just and prosperous society can be achieved. Thus, this study is relevant not only from a theoretical perspective but also from a practical perspective in the effort to build a better nation.

2. Literature Review

Research on the role of legal institutions in development and welfare has been a broad subject of study. Previous studies generally affirm that the supremacy of law is the main prerequisite for the realization of a prosperous society. The supremacy of law creates a stable environment where property rights, contracts, and investments are protected, which in turn encourages economic growth.⁵ Without legal certainty, business actors and the community will be reluctant to invest, leading to economic stagnation and a lack of welfare. Effective law enforcement by institutions such as the police and prosecutor's office also has a direct impact on welfare. Research by Metera⁶ shows that low crime rates and the massive eradication of corruption have a positive correlation with an increase in the human development index. Corruption, in particular, is considered the biggest obstacle to development

⁵ Januari Nasya Ayu Taduri, "The Legal Certainty and Protection of Foreign Investment Againsts Investment Practices in Indonesia," *Lex Scientia Law Review* 5, no. 1 (2021): 125.

⁶ I. Gde Made Metera. "Reformasi Birokrasi Pemerintah Kabupaten Buleleng, Tanpa Whistleblowing System." *Locus* 12, no. 1 (2020): 1-25.

because it diverts public resources from essential sectors such as education and health into the hands of a few elites. Thus, the role of law enforcement agencies in eradicating corruption is fundamental.

Furthermore, judicial institutions, especially the courts, have a vital role in protecting socio-economic rights. A study by Chilton and Versteeg,⁷ highlights how progressive court decisions can reinforce the rights of laborers, the right to a healthy environment, or the right to decent housing. These decisions not only resolve individual disputes but also create legal precedents that can influence public policy more broadly. This shows that judicial institutions are not merely passive institutions but active actors in the formation of social norms.

In addition, research from a comparative law perspective also provides valuable insights. Several international studies examine how judicial reforms in developing countries contribute to increasing access to justice for vulnerable groups. For example, a study by Lee,⁸ on court reforms show that the modernization of the judicial system and increased transparency can increase public trust and reduce litigation costs, which ultimately benefits the poor. On the other hand, there is criticism of legal institutions. Some researchers, such as Zhang and Kim,⁹ argue that legal institutions are often too bureaucratic, slow, and unresponsive to community

⁷ Adam Chilton and Mila Versteeg, "Rights without resources: The impact of constitutional social rights on social spending," *The Journal of Law and Economics* 60, no. 4 (2017): 729.

⁸ Yong-Shik Lee, "Law and Development: Lessons from South Korea," *Law and Development Review* 11, no. 2 (2018): 447.

⁹ Yahong Zhang and Min-Hyu Kim, "Do public corruption convictions influence citizens' trust in government? The answer might not be a simple yes or no," *The American Review of Public Administration* 48, no. 7 (2018): 688.

needs. Access to justice remains a challenge, especially for people in remote areas or with weak economic backgrounds. This literature emphasizes the need for holistic structural and institutional reform, focusing not only on law enforcement but also on increasing the accessibility and accountability of legal institutions themselves.

3. Methods

This study adopts the normative legal research method, also known as normative legal research. Its main focus is on the study of norms, principles, doctrines, and laws and regulations. The approach used is qualitative and descriptive-analytical, centered on textual data from various legal sources and scientific literature, not quantitative data. In other words, this research is a thorough literature study. The purpose of choosing this normative method is to analyze the ideal and functional roles of legal institutions within the existing constitutional and regulatory framework. This allows the research to identify how legal institutions should play a role in supporting public welfare, based on the established philosophical and juridical foundations. It is important to note that this research does not seek to test hypotheses, but rather to conduct an exploration, interpretation, and synthesis of legal data to gain a comprehensive understanding.

The data used in this literature study is secondary data which is divided into three categories. First, primary legal materials, which include the 1945 Constitution, laws, and court decisions. Second, secondary legal materials, which consist of scientific journals, books, and research articles published between 2017 and 2021. Third, tertiary legal materials, which include legal dictionaries as a tool. Data

collection is carried out through a literature study, with a systematic search of literature from various leading scientific databases such as Google Scholar and Elsevier. This process ensures that the sources used are relevant, credible, and up-to-date.

After the data is collected, data analysis is carried out in a descriptive-analytical manner. This stage includes identification, classification, synthesis, interpretation, and critical analysis. The goal is to formulate strong conclusions and provide constructive suggestions. Through this literature study and the application of this method, this research is expected to provide a significant theoretical and practical contribution. This contribution will enrich the understanding of the essential role of legal institutions in realizing public welfare, as well as providing practical guidance for the improvement of the legal system in the future. This method ensures that the analysis carried out is based on a solid legal foundation, so that the results are valid and relevant.

4. Results

4.1. The Role of Legal Institutions in Upholding Social Justice and Protecting Economic Rights

Legal institutions play an irreplaceable central role in upholding social justice and protecting economic rights, which are two fundamental pillars that support the welfare of the people as a whole. This role is divided into several dimensions, each with its specific and complementary functions, ensuring that the legal system functions as a safety net for the community. The judicial branch serves as the last

bastion for individuals or community groups whose economic rights have been violated. When these rights are threatened or violated, court decisions become a crucial instrument for restoring justice. For example, court decisions can effectively return land rights that have been illegally seized, protect consumer rights from fraudulent practices, or guarantee the fulfillment of unpaid labor rights by companies. A clear example of this function is shown in the study conducted by Pradhani,¹⁰ which highlights how agrarian court decisions in Indonesia are often the last hope for indigenous communities. These decisions allow indigenous communities to defend their land rights from aggressive corporate expansion. Such decisions not only provide individual justice but also send a strong and clear signal to economic actors that the rights of the people should not be ignored for the sake of business interests alone. Thus, the judicial branch directly contributes to the protection of the people's economic assets and social stability.

Various law enforcement agencies, such as the police and the prosecutor's office, have a vital task in combating various forms of economic crime that directly harm public welfare. Crimes such as corruption, money laundering, and banking crimes are examples of actions that fundamentally erode state resources. These resources should be allocated to finance essential public services, such as education, health, and infrastructure development that supports community life. Nugroho,¹¹ firmly underlines that the effective eradication of corruption is an absolute

¹⁰ Sartika Intaning Pradhani, "Traditional rights of indigenous people in Indonesia: legal recognition and court interpretation," *Jambe Law Journal* 1, no. 2 (2018): 186.

¹¹ Nunung Nugroho, "Kebijakan Penanggulangan Tindak Pidana Korupsi Dalam Dalam Dinamika Keadilan Restoratif," *Jurnal Ilmiah Dunia Hukum* 3, no. 1 (2019): 25.

prerequisite for creating good governance. This good governance is very important to ensure efficiency and transparency in the allocation of state budgets. When legal institutions are able to take firm action against corruptors without favor and without intervention, public trust in the state will increase significantly. At the same time, the resources that were originally embezzled can be re-utilized to finance welfare programs whose benefits are directly felt by the community. Thus, the role of law enforcement does not only create a deterrent effect but also directly strengthens the state's capacity to serve its people.

The function of administrative legal institutions plays a proactive role in ensuring that public policies issued by the government do not harm the economic rights of the community. This role is very important in a democratic system, where the government has the power to make policies that have a broad impact. For example, the state administrative court (*Pengadilan Tata Usaha Negara*/PTUN) has the authority to cancel project permits issued without regard for environmental or social impacts, as explained in a study by Muhammad.¹² Through this mechanism, legal institutions function as a check and balance mechanism against executive power. This function ensures that every policy made by the government is based on the broader public interest, not for the benefit of a certain group or a handful of elites. Without this role, development can proceed without regard for the principles of sustainability and justice, which will ultimately damage the long-term welfare of the community and destroy the natural environment. Administrative legal institutions,

¹² Ridwan Muhammad, "The Problems of Non-Executive Court Decisions at the State Administrative Court," *International Journal of Education, Information Technology, and Others* 3, no. 3 (2020): 666.

therefore, ensure that economic growth occurs in an inclusive and sustainable manner, protecting the community from the negative impacts of unplanned development.

4.2. The Role of Legal Institutions in Building Social Stability and Legal Certainty

In addition to economic aspects, the role of legal institutions is also crucial in building the foundation of social stability and legal certainty, both of which are absolute prerequisites for the creation of public welfare. Social stability refers to a condition where society lives in harmony, is free from destructive conflict, and is enveloped in a sense of security. Law enforcement agencies, especially the police, have the primary responsibility of maintaining public order and proactively preventing social conflicts that can disrupt the daily lives of the community, as explained by.¹³ When people feel safe, protected, and not threatened, they can be more free and focused on engaging in productive activities. This increase in productivity will eventually drive economic growth and increase collective welfare. In other words, the tranquility provided by law enforcement agencies is the initial capital for the community to build a better future.

Legal certainty is another key element that is no less important. Legal certainty ensures that every individual, group, and business entity clearly knows their rights and obligations. It also guarantees that legal rules will be enforced consistently and without favoritism. An environment that has strong legal certainty is a magnet for

¹³ Ismail Rumadan, "Peran Lembaga Peradilan Sebagai Institusi Penegak Hukum Dalam Menegakkan Keadilan Bagi Terwujudnya Perdamaian," *Jurnal Rechts Vinding: Media Pembinaan Hukum Nasional* 6, no. 1 (2017): 74.

investment, both domestic and foreign, as expressed by.¹⁴ Investors will have greater confidence to invest their capital when they are sure that their contracts will be honored and that any disputes that may arise will be resolved fairly and transparently. Conversely, without legal certainty, the risk of investment becomes too high. This condition will greatly hinder job creation, hamper innovation, and ultimately damage sustainable economic growth. Therefore, legal institutions that are effective in creating legal certainty directly support a healthy and dynamic economic ecosystem.

Legal institutions also play a vital role in the resolution of conflicts in a fair and peaceful manner. Various mechanisms such as courts, arbitration, and mediation provide a formal forum for the community to resolve disputes without having to resort to violence. This mechanism not only serves to avoid the escalation of destructive conflicts but also provides legally binding solutions. The existence of these binding solutions is very important to ensure the sustainability of social and economic relations between the disputing parties. Chilton and Versteeg,¹⁵ argues that fair court decisions can restore violated rights, thereby providing a deep sense of justice for the disputing parties and helping them to move on without resentment. Thus, legal institutions effectively act as fair and wise mediators, keeping social cohesion intact.

However, even though this role is very important, there are still major challenges. The integrity of legal institutions is often questioned, especially in relation

¹⁴ Januari Nasya Ayu Taduri, "The Legal Certainty and Protection of Foreign Investment Againsts Investment Practices in Indonesia," *Lex Scientia Law Review* 5, no. 1 (2021): 125.

¹⁵ Adam Chilton and Mila Versteeg, "Rights without resources: The impact of constitutional social rights on social spending," *The Journal of Law and Economics* 60, no. 4 (2017): 729.

to cases of corruption and political intervention. Corruption involving judges, prosecutors, or police can fundamentally damage public trust and make the legal system ineffective in carrying out its functions. A study by Zhang and Kim,¹⁶ strongly shows that public perception of corruption in legal institutions has a significant negative impact on the public trust index and the welfare of the community as a whole. Therefore, continuous institutional reform is an absolute necessity. This reform must include increasing transparency, accountability, and the independence of legal institutions. These steps are very important to ensure that legal institutions can carry out their roles optimally, namely as protectors of the people's rights, enforcers of justice, and the foundation for the creation of a stable and prosperous society. Without this reform, a fragile legal foundation will continue to be an obstacle to the nation's progress.

5. Discussion

The analysis conducted shows that the role of legal institutions in supporting public welfare is multidimensional and very complex. This role includes three main pillars: upholding social justice, protecting economic rights, and creating stability and legal certainty. This finding is consistent with and in line with the views of experts, including Taduri (2021),¹⁷ who affirms that the supremacy of law is an unquestionable foundation for sustainable and just development. However, further

¹⁶ Yahong Zhang and Min-Hyu Kim, "Do public corruption convictions influence citizens' trust in government? The answer might not be a simple yes or no," *The American Review of Public Administration* 48, no. 7 (2018): 688.

¹⁷ Januari Nasya Ayu Taduri, "The Legal Certainty and Protection of Foreign Investment Againsts Investment Practices in Indonesia," *Lex Scientia Law Review* 5, no. 1 (2021): 125.

analysis also reveals that the success of these roles is highly dependent on the integrity and effectiveness of the legal institutions themselves. Without strong integrity, the legal foundation will become fragile.

This study critically highlights a significant discrepancy between the ideal role of legal institutions and the reality of their implementation in the field. Although normative legal institutions have a clear mandate to protect the rights of the people, practice in the field is often faced with very big challenges. Some of the main challenges identified are corruption, slow and cumbersome bureaucracy, and a lack of accessibility to the legal system. These factors become major obstacles for the community, especially vulnerable and marginalized groups, to get the justice they deserve. Zhang and Kim,¹⁸ shows how this condition creates what is called a "justice gap," where the law is only effective and accessible to those who have resources, be it money or connections. Therefore, thinking about legal institution reform must be much more than just procedural improvements that are cosmetic. Reform must touch on fundamental structural aspects, such as increasing decent salaries to prevent the temptation of corruption, strict and independent supervision to ensure accountability, and continuous professional ethics education to shape the moral character of law enforcers.

An important implication of this finding is the need for a reorientation of the role of legal institutions. This role must shift from being merely a passive rule enforcer to a proactive justice facilitator. The judicial branch, for example, must not

¹⁸ Yahong Zhang and Min-Hyu Kim, "Do public corruption convictions influence citizens' trust in government? The answer might not be a simple yes or no," *The American Review of Public Administration* 48, no. 7 (2018): 688.

only resolve disputes submitted to it but also be proactive in creating legal precedents that encourage more just and pro-people public policies, as expressed by Chilton and Versteeg.¹⁹ Similarly, law enforcement agencies must focus more on eradicating crimes that have a widespread impact on public welfare, such as corruption, instead of just focusing on minor crimes that have less systemic impact. In addition, closer collaboration is needed between legal institutions and civil society. Civil Society Organizations (CSOs) can play a vital role in monitoring the performance of legal institutions, providing free legal aid for those who need it, and advocating for more pro-people policy changes. This kind of collaboration can be a very effective check and balance mechanism, ensuring that legal institutions remain accountable, transparent, and responsive to the real needs of the community. With this synergy, legal institutions can function more optimally in realizing public welfare.

6. Conclusion

Based on the analysis that has been carried out, it can be concluded that legal institutions play a vital and strategic role in supporting the realization of public welfare. This role is not limited to law enforcement in the narrow sense but also includes a broader dimension, namely as a main pillar in creating social justice, protecting the fundamental rights of citizens, and guaranteeing a conducive legal certainty for development. The effectiveness of legal institutions in carrying out these functions is directly correlated with an increase in the quality of life of the

¹⁹ Adam Chilton and Mila Versteeg, "Rights without resources: The impact of constitutional social rights on social spending," *The Journal of Law and Economics* 60, no. 4 (2017): 729.

community. However, this effectiveness is highly dependent on the integrity, independence, and accountability of the legal institutions themselves. Challenges such as corruption, complicated bureaucracy, and a gap in access to justice are still serious obstacles that must be overcome. Therefore, comprehensive reform efforts are needed, which include strengthening internal supervision, increasing professionalism, and applying technology to make it easier for the community to access legal services. The future of public welfare is highly determined by how strong and just the legal institutions in a country are. With optimally functioning legal institutions, the ideal of creating a just, prosperous, and peaceful society is no longer a utopia, but a reality that can be achieved.

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