International Journal of Society Reviews (INJOSER) https://injoqast.net/index.php/INJOSER
Vol. 3 No. 7 (2026), pages: 145~154 e-ISSN: 3030-802X

CROSS-SECTORAL GOVERNANCE AND ECONOMIC LAW: STRENGTHENING NATIONAL DEVELOPMENT AND EQUITABLE WELFARE

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Abstract

This study examines the role of cross-sectoral governance and economic law in strengthening national development and equitable welfare by integrating the banking, mining, and services sectors. Using a qualitative library research design, the study reviews recent peer-reviewed literature published between 2021 and 2026 from reputable academic databases, including Scopus, ScienceDirect, SpringerLink, Emerald Insight, and Taylor & Francis. The selected studies were analyzed using content analysis and thematic synthesis to identify patterns in regulatory coherence, institutional coordination, financial inclusion, mining governance, service accessibility, public accountability, and distributive justice. The findings show that fragmented sectoral regulations often lead to overlapping authority, policy inconsistency, weak implementation, environmental and social risks, and an unequal distribution of economic benefits. Banking regulation supports development when financial stability is combined with inclusive and responsible financing. Mining governance contributes to welfare when resource exploitation is linked to environmental protection, community participation, local development, and transparent benefit sharing. The service sector serves as the primary channel through which economic gains are translated into public services, employment opportunities, infrastructure, and regional development. The study proposes an integrated cross-sectoral economic governance framework consisting of regulatory coherence, interinstitutional coordination, responsible resource allocation, inclusive service delivery, and distributive accountability. It concludes that economic law should serve as a meta-governance mechanism to align sectoral policies with shared development goals. National development should therefore be evaluated not only through economic growth, investment, and production, but also through social inclusion, environmental sustainability, regional equality, service accessibility, and the fair distribution of development opportunities across society.

Keywords: cross-sectoral governance; economic law; national development; equitable welfare; regulatory integration; banking sector; mining governance; service sector

Introduction

National development is increasingly influenced by the quality of governance and the effectiveness of economic law in regulating interactions among strategic economic sectors. The banking, mining, and service sectors do not operate independently: financial institutions provide investment and financing, mining activities supply strategic commodities and state revenues, and the service sector supports distribution, employment, technology, and public consumption. However, the regulatory frameworks governing these sectors are frequently formulated through separate institutional and sectoral approaches. This fragmentation leads to a situation in which strong economic growth in one sector does not automatically generate inclusive development or equitable welfare. Regulatory quality is therefore determined not only by the existence of sector-specific laws but also by their coherence in directing investment, institutional performance, structural transformation, and the distribution of economic benefits (Kim & Sumner, 2021; Mishra & Kumar, 2023).

In the banking sector, digital transformation, financial technology, and the expansion of inclusive financial services have increased opportunities for individuals and businesses to access capital and participate in economic activities. Nevertheless, financial innovation also presents regulatory challenges related to consumer protection, data security, institutional accountability, market stability, and unequal access among regions and social groups. Banking regulation that places excessive emphasis on financial stability may restrict innovation and access, whereas overly flexible regulation may expose consumers and the financial system to new risks. Research demonstrates that inclusive banking products and technologies can improve access for financially vulnerable consumers. However, their contribution to welfare depends on consumer-oriented service design, institutional responsibility, and an effective regulatory environment (Ofori-Okyere et al., 2023). Consequently, economic law must balance financial innovation, prudential governance, and the social objective of financial inclusion.

Similar governance challenges can be identified in the mining sector, which contributes to national income, exports, industrialization, employment, and regional development but simultaneously generates environmental degradation, social conflict, community displacement, and unequal resource distribution. Mining governance cannot be limited to licensing, taxation, and corporate efficiency because extractive activities involve complex relationships among governments, corporations, local communities, investors, and civil society organizations. Domínguez-Gómez and González-Gómez (2021) emphasize that contemporary mining governance incorporates economic, environmental, ethical, participatory, and social-justice dimensions. Therefore, economic law must ensure that resource exploitation produces domestic value addition and public revenue while protecting environmental sustainability, community participation, accountability, and intergenerational justice. Without integrated governance, the economic benefits of mining may be concentrated among corporations and political-economic elites rather than distributed equitably to affected communities.

The main research problem arises from the limited coordination between banking regulation, mining governance, and service-sector policies in achieving shared national development objectives. Banking policies may promote investment without adequately considering the environmental and social implications of the activities they finance. In contrast, mining policies may prioritize production and downstream industrialization without sufficient integration with financial inclusion, public services, local entrepreneurship, and regional welfare programs. At the same time, service-sector regulation may prioritize market efficiency without ensuring affordable and equitable access for vulnerable communities. Cross-sector collaboration is not automatically effective because differences in authority, interests, organizational culture, and public legitimacy may create coordination problems and accountability gaps (Lee & Kim, 2024). State strategies must therefore combine authoritative, market-based, and collaborative governance mechanisms to manage the complexity and paradoxes inherent in cross-sector relationships (Olvik, 2024).

The research gap is evident in the fragmented orientation of the existing literature. Previous studies have examined the relationships among regulatory frameworks and sectoral performance; state-owned enterprises and industrial transformation; financial inclusion and vulnerable consumers; mining governance and sustainability; and cross-sector collaboration and public legitimacy. However, these studies generally discuss individual sectors, specific regulatory instruments, or particular governance relationships. Limited attention has been devoted to synthesizing how economic law can serve as an integrating framework that connects the banking, mining, and service sectors to national development and equitable welfare. Moreover, sectoral performance is frequently measured through investment, profitability, production, or economic growth, while the distributional consequences of regulation—such as access to finance, community welfare, regional equality, environmental justice, and the quality of public services—remain insufficiently integrated into regulatory analysis (Domínguez-Gómez & González-Gómez, 2021; Mishra & Kumar, 2023; Ofori-Okyere et al., 2023).

The research novelty or incremental newness of this literature review lies in its development of a cross-sectoral economic-governance perspective that positions economic law as a mechanism of regulatory integration rather than merely a collection of independent sectoral rules. The study integrates five principal dimensions: regulatory coherence, interinstitutional coordination, public and corporate accountability, economic inclusion, and distributive justice. Through these dimensions, economic law is conceptualized as a form of meta-governance that coordinates regulators, government institutions, financial institutions, mining companies, service providers, communities, and civil society actors. This perspective extends existing sector-specific studies by explaining how regulations in one sector produce direct and indirect consequences for other sectors. It also shifts the evaluation of economic regulation from narrow sectoral efficiency to its broader capacity to foster sustainable development, reduce inequality, protect public interests, and distribute economic opportunities more equitably.

The urgency of the research is heightened by the need to ensure that national economic transformation does not widen regional, social, and environmental inequalities. Evidence from Indonesia indicates that public-sector innovation is positively and significantly associated with regional economic growth and inclusive development, although innovation capacity and development performance remain uneven across regions (Hilmawan et al., 2023). This finding demonstrates that laws and governance institutions must be designed not only to facilitate economic activity but also to improve access, foster institutional innovation, and distribute development outcomes. Accordingly, this study aims to critically review the roles of cross-sectoral governance and economic law in harmonizing regulation across the banking, mining, and service sectors. Its findings are expected to provide a conceptual foundation for designing coherent, accountable, inclusive, and justice-oriented economic policies that strengthen national development and equitable welfare.

Research Method

This study employed a qualitative library research design, using a systematic literature review, to examine the role of cross-sectoral governance and economic law in strengthening national development and equitable welfare. The literature was collected from reputable academic databases, primarily Scopus, ScienceDirect, Emerald Insight, SpringerLink, Taylor & Francis, and Google Scholar. The search process used combinations of keywords, including *cross-sectoral governance*, *economic law*, *regulatory integration*, *banking regulation*, *mining governance*, *service-sector regulation*, *national development*, and *equitable welfare*. The inclusion criteria were peer-reviewed journal articles published between 2021 and 2026, written in English or Indonesian, relevant to economic regulation and governance, and providing theoretical or empirical findings on the banking, mining, and service sectors. Duplicate publications, non-academic articles, inaccessible full texts, and studies that did not directly address the research topic were excluded.

The selected literature was analyzed through content analysis and thematic synthesis. The analysis was conducted by identifying, classifying, comparing, and interpreting the main concepts, regulatory issues, governance mechanisms, and development implications reported in each study. The literature was then organized into several analytical themes, including regulatory coherence, interinstitutional coordination, financial inclusion, natural-resource governance, service accessibility, public accountability, and distributive justice. The findings from these themes were integrated to explain the relationship between economic law, cross-sectoral governance, national development, and equitable welfare. To maintain the reliability of the review, each source was evaluated for relevance, methodological quality, publication credibility, and contribution to the development of an integrated cross-sectoral economic-governance framework.

Results and Discussion

Results

The literature synthesis indicates that the principal weakness of economic governance is not the complete absence of regulation but the fragmentation of regulatory objectives, institutions, and implementation mechanisms. Banking, mining, and service-sector regulations are generally developed according to different administrative mandates, performance indicators, and supervisory structures. Banking regulation emphasizes financial stability, liquidity, risk management, and consumer protection; mining regulation concentrates on licensing, production, state revenue, and environmental obligations; while service-sector regulation focuses on accessibility, competition, innovation, and service quality. These differences create regulatory silos in which policies may be legally valid within a particular sector but inconsistent with broader national development objectives. Mishra and Kumar (2023) demonstrate that interactions among regulatory institutions, infrastructure, implementation capacity, and performance indicators influence sectoral performance. Therefore, the effectiveness of economic law depends on regulatory coherence rather than merely the number of legal instruments enacted. Cross-sectoral governance is particularly important because complex socioeconomic problems cannot be effectively addressed by a single institution or sector acting independently (Lee & Kim, 2024; Olvik, 2024).

The second finding concerns the banking sector's strategic role in connecting investment, entrepreneurship, regional development, and social welfare. Recent studies show that digital financial inclusion can improve the quality of economic growth by expanding access to financial services, encouraging entrepreneurial activity, reducing transaction costs, and improving the allocation of financial resources (Xi & Wang, 2023). Nevertheless, financial inclusion does not automatically produce equitable welfare because access may remain concentrated among urban residents, digitally literate consumers, established businesses, and regions with adequate technological infrastructure. Governance quality also moderates the relationship among information and communication technology, financial inclusion, and social inclusion, indicating that technological expansion must be supported by accountable institutions, consumer protection, digital literacy, and reliable public infrastructure (Bibi et al., 2024). The literature, therefore, suggests that banking regulation must move beyond institutional stability toward a developmental orientation. Financial institutions should be encouraged to provide responsible financing for micro, small, and medium-sized enterprises, downstream industries, community enterprises, sustainable mining activities, and essential services, without weakening prudential standards or exposing vulnerable consumers to excessive debt and digital financial risks.

The third finding reveals that mining-sector performance cannot be evaluated exclusively through production volume, investment realization, export value, or state revenue. Mining produces significant economic benefits, but it also causes environmental degradation, land-use conflict, livelihood disruption, public health risks, and unequal distribution of benefits. Domínguez-Gómez and González-Gómez (2021) explain that mining governance involves interconnected dimensions of management efficiency, ethical responsibility, environmental sustainability, institutional accountability, and stakeholder participation. Similarly, Suopajärvi et al. (2023) identify political, reputational, and local-acceptability risks as important determinants of mining-sector sustainability. These risks arise when regulations are inconsistent, communities are insufficiently consulted, environmental impacts are ignored, or the legitimacy of mining institutions declines. Evidence from East Kalimantan further demonstrates that excessive or inappropriate licensing and inadequate monitoring can contribute to deforestation, concession overlaps with settlements, boundary violations, insufficient reclamation, and risks to community safety (Werner et al., 2024). Consequently, economic law must ensure that mining benefits are converted into local employment, infrastructure, public services, environmental restoration, and long-term regional economic diversification.

The fourth finding concerns the service sector's function as the mechanism through which the economic benefits of banking and mining are transmitted to society. Public services, transportation, education, health care, digital infrastructure, business services, and administrative services influence whether households and local businesses can access economic growth. The review indicates that service-sector innovation can improve development performance by increasing institutional responsiveness, reducing administrative costs, expanding access, and addressing problems that market mechanisms neglect. Hilmawan et al. (2023) found that public-sector innovation in Indonesian local governments was positively and significantly associated with real per capita regional economic growth and inclusive development. However, innovation capacity was unevenly distributed, with regions in Java and Sumatra generally demonstrating stronger innovation productivity than regions in Kalimantan and eastern Indonesia. This finding implies that uniform service-sector regulation may reproduce territorial inequality when local institutions possess different levels of human resources, fiscal capacity, technology, and infrastructure. Economic law must therefore combine national service standards with differentiated institutional support, regional capacity building, digital connectivity, and fiscal redistribution to ensure comparable access to essential services across regions.

The fifth finding shows that cross-sectoral collaboration produces benefits only when institutional responsibilities, accountability mechanisms, and public-interest objectives are clearly defined. Collaboration among governments, banks, mining companies, service providers, local communities, and civil-society organizations can pool knowledge, resources, technology, and implementation capacity. However, collaboration may also increase transaction costs, create overlapping authority, obscure responsibility, and privilege actors with greater economic or political power. Lee and Kim (2024) found that cross-sector collaboration does not automatically yield greater public legitimacy than conventional public service provision, particularly when citizens perceive commercial interests as conflicting with public values. Olvik (2024) similarly identifies both the potentials and the paradoxes of combining authoritative, competitive, and collaborative governance strategies. Authoritative regulation can provide legal certainty but may limit participation; market competition can stimulate efficiency but intensify fragmentation; and collaboration can generate innovation but may produce coordination difficulties. Thus, effective cross-sectoral governance requires transparent decision-making, publicly accessible information, measurable responsibilities, conflict-of-interest controls, participatory monitoring, and sanctions for regulatory noncompliance.

The sixth finding produces an integrated relationship among economic law, cross-sectoral governance, national development, and equitable welfare. The synthesis suggests that economic law operates through five sequential but interconnected mechanisms: regulatory coherence, institutional coordination, responsible resource allocation, inclusive service delivery, and distributive accountability. Regulatory coherence aligns banking, mining, environmental, investment, competition, labor, and service policies with common development objectives. Institutional coordination connects the central government, the regional government, regulators, corporations, financial institutions, and community organizations. Responsible resource allocation directs capital and natural-resource revenue toward productive and sustainable activities. Inclusive service delivery converts economic resources into education, health, infrastructure, employment, financial access, and community development. Finally, distributive accountability evaluates who receives the benefits, who bears the social and environmental costs, and whether regulatory outcomes reduce regional and socioeconomic inequality. This framework confirms that national development and equitable welfare are not automatic consequences of sectoral growth. They depend on the capacity of economic law to integrate sectoral activities, control negative externalities, strengthen institutional accountability, and distribute development opportunities fairly (Hilmawan et al., 2023; Mishra & Kumar, 2023; Werner et al., 2024).

Discussion

The findings extend the conventional understanding of economic law by positioning it as an instrument of meta-governance. Economic law should not be treated merely as a collection of separate banking, mining, investment, competition, and service-sector rules. Instead, it should establish common principles, coordinate institutional authority, reconcile competing policy objectives, and evaluate the cumulative effects of sectoral decisions. This interpretation is consistent with Mishra and Kumar's (2023) conclusion that relationships among regulations, institutions, infrastructure, and implementation performance shape sectoral outcomes. It also corresponds with Olvik's (2024) argument that authoritative, competitive, and collaborative governance mechanisms must be combined to address complex public problems. Regulatory integration does not require eliminating sector-specific regulation because each sector has distinctive risks and operational characteristics. Rather, it requires an overarching framework that ensures sectoral regulations contribute to shared objectives, including productivity, environmental sustainability, employment creation, regional equality, consumer protection, and public welfare. Regulatory impact assessment should therefore examine both direct effects within the regulated sector and indirect effects on other sectors, communities, and future generations.

The relationship between banking and mining demonstrates why cross-sectoral regulation is necessary. Banks and other financial institutions determine which mining activities obtain capital, while mining operations generate deposits, investment returns, taxes, royalties, exports, and demand for financial services. When banking regulation evaluates only credit risk and profitability, financing may flow toward economically attractive projects that generate substantial environmental or social costs. Conversely, mining regulation that focuses only on licensing and operational compliance may ignore how financing structures influence corporate behavior. An integrated model would require financial institutions to assess environmental compliance, reclamation obligations, community impacts, human rights risks, and local development commitments before providing or renewing financing. Mining revenue should also be linked to service-sector development, local enterprise financing, workforce education, health services, infrastructure, and economic diversification. This arrangement transforms financial institutions from passive capital providers into participants in sustainable development while ensuring that mining contributes to long-term welfare rather than short-term extraction. Such integration is supported by literature emphasizing responsible mining governance, local acceptability, and the developmental potential of inclusive finance (Domínguez-Gómez & González-Gómez, 2021; Suopajärvi et al., 2023; Xi & Wang, 2023).

The findings also demonstrate that equitable welfare requires distributive, procedural, and corrective dimensions of justice. Distributive justice concerns the allocation of economic benefits, public revenue, employment opportunities, infrastructure, and social services. Procedural justice concerns community participation, transparency, access to information, and representation in regulatory decision-making. Corrective justice concerns compensation, environmental restoration, sanctions, and remedies for communities harmed by economic activities. The East Kalimantan evidence illustrates that high regional income generated by extractive activities can coexist with increasing inequality and substantial environmental and community risks when governance and enforcement are inadequate (Werner et al., 2024). Meanwhile, disparities in local government innovation suggest that regions with weaker institutional capacity may be unable to translate economic resources into inclusive development outcomes (Hilmawan et al., 2023). Consequently, economic law must include benefit-sharing mechanisms, transparent revenue management, mandatory reclamation guarantees, community grievance systems, regional capacity support, and minimum public service standards. Equitable welfare must be assessed through improvements in household conditions, environmental quality, service accessibility, employment security, and regional opportunity—not solely through aggregate economic growth.

The theoretical contribution of this review is the proposed cross-sectoral economic-governance framework, in which regulatory coherence and institutional coordination act as foundational conditions, responsible resource allocation and inclusive service delivery function as transmission mechanisms, and equitable welfare represents the principal outcome. Public accountability, participation, and regulatory enforcement operate as moderating mechanisms that can strengthen or weaken these relationships. From a policy perspective, governments should establish an intersectoral regulatory coordination body or a formal coordination mechanism capable of reviewing overlapping policies, integrating development indicators, sharing regulatory data, and resolving institutional conflicts. Joint digital monitoring systems could integrate banking supervision, mining licenses, environmental compliance, tax and royalty payments, reclamation obligations, employment data, and community development outcomes. Nevertheless, collaboration must not substitute for state responsibility or weaken legal enforcement. Cross-sector partnerships require clear authority, transparent performance indicators, and independent public oversight because collaboration alone does not guarantee legitimacy or equitable outcomes (Lee & Kim, 2024). Future empirical research should test the proposed framework across regions and economic sectors and measure the effects of regulatory coherence on economic growth, environmental sustainability, public service quality, and welfare distribution.

Conclusion

This literature review concludes that cross-sectoral governance and economic law play a decisive role in transforming sectoral economic growth into inclusive national development and equitable welfare. The fragmentation of banking, mining, and service-sector regulations often creates institutional overlap, policy inconsistency, weak accountability, and unequal distribution of economic benefits. Therefore, economic law should function as an integrative governance framework that harmonizes regulatory objectives, strengthens interinstitutional coordination, directs financial and natural resources toward productive and sustainable activities, and ensures equal access to essential services. Regulatory coherence, responsible financing, sustainable mining governance, inclusive service delivery, public participation, and distributive accountability are key mechanisms for reducing social, regional, and environmental inequalities. The effectiveness of cross-sectoral collaboration also depends on clear institutional authority, transparent decision-making, measurable performance indicators, consistent law enforcement, and meaningful community involvement. Accordingly, national development should be evaluated not only by investment, production, or economic growth but also by improvements in social welfare, environmental sustainability, regional equality, public service accessibility, and the fair distribution of development opportunities.

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