

THE DYNAMICS OF SOCIAL ECONOMIC LAW: A THEORETICAL AND PRACTICAL EVALUATION THROUGH LITERATURE REVIEW

Loso Judijanto *

IPOSS Jakarta, Indonesia

losojudijantobumn@gmail.com

Rita Hayati

Universitas Muhamnadiyah Bengkulu

ritahayati@umb.ac.id

Abstract

Social economic law is a branch of law that regulates the relationship and interaction between economic and social aspects of society. It focuses on policies and regulations that aim to achieve a balance between economic growth and social justice, as well as ensuring the protection of vulnerable groups and the reduction of economic inequality. The results of this study show that despite the challenges, well-implemented social economy law can be an effective tool to achieve a more just and prosperous society with adaptive and inclusive strategies.

Keywords: Dynamics, Social Economic Law, Theoretical and Practical Evaluation.

Introduction

Social economic law is a branch of law that regulates aspects of the economy that relate to social welfare. Its main focus is to ensure that economic activities are not only profit-orientated, but also take into account social welfare, distributional justice, and the protection of vulnerable groups. Social economic law includes regulations that aim to reduce economic inequality, promote social inclusion, and safeguard sustainable economic development. (Grimaud et al., 2024)..

In the context of globalisation and rapid economic development, social economic law is receiving increasing attention. This is due to the need to ensure that economic activities are not only profit-orientated, but also make a positive contribution to the welfare of society. The economy has a very significant role in improving the welfare of society. (Buhai & Leij, 2023). One of the main positive contributions of the economy is job creation. With strong economic growth, various industrial and service sectors expand, thus opening up employment opportunities for the community. By obtaining decent work, individuals and families can fulfil their basic needs, such as food, clothing, shelter, education and health. This increase in income also enables people to enjoy a better standard of living and to participate more actively in economic and social activities. (Coglianese, 2022).

In addition, a healthy economy encourages investment in infrastructure and public services that are essential to people's well-being. The government and private sector can invest resources in the construction of roads, bridges, health facilities,

education, and the provision of clean water and reliable energy. Good infrastructure not only facilitates economic activity, but also improves the quality of life of citizens. (Lester, 2020). For example, better access to health facilities improves the overall health of the community, while adequate education opens up opportunities for the younger generation to thrive and contribute to the economy in the future. Thus, sustained economic growth can create a positive cycle that strengthens the overall well-being of the community (Tushnet, 2022). (Tushnet, 2022).

Over the past few decades, countries have implemented a wide range of policies relating to social economic law. These policies include regulations on labour protection, wealth redistribution, natural resource management, and empowerment of the poor. Nonetheless, the implementation of social economy law often faces various challenges, such as differences in legal interpretation, political interests, and economic constraints. (Udombana, 2023).

Research on the dynamics of social economy law is important to identify and understand the factors that influence the effectiveness of social economy law policies. Theoretical and practical evaluations are needed to provide a comprehensive view of how these laws work in different contexts and provide insight into potential improvements for the future. (Yang, 2024).

Literature review offers an effective approach to evaluate the dynamics of social economy law. Through theoretical and practical analyses based on secondary data from various sources, researchers can capture various perspectives and relevant empirical findings. This will help in understanding the implementation process as well as the impact of social economy law on society and the economy.

Despite these efforts, there is still a gap between theory and practice in social economic law. Many policies are well designed but do not work as expected when implemented. Therefore, this research aims to answer the crucial question of how the dynamics of social economy law evolve from a theoretical and practical perspective, and identify factors that support or hinder its success.

Research Methods

The study in this research uses the literature method. The literature research method is an approach used to collect and analyse information from various existing written sources, such as books, scientific journals, articles, reports, and other documents relevant to the research topic. The purpose of this method is to gain an in-depth understanding of a particular topic based on pre-existing research and theory. (Firman, 2018); (Suyitno, 2021). Researchers identify, evaluate, and synthesise information obtained to build conceptual frameworks, identify knowledge gaps, and inform theoretical frameworks or new hypotheses. This process involves selecting credible and relevant sources, and critically assessing the content and contribution of each source to the research question. Literature research methods provide a solid

foundation for further research and help researchers to develop more informed arguments or conclusions. (Jelahut, 2022).

Results and Discussion

Dynamics in Social Economic Law

Social Economic Law is the field of law that studies and regulates the relationship between economic activities and the social aspects of society. This definition includes the regulation of how economic policies, business actions, and market activities affect social welfare and how the law can be used to protect the public interest and maintain social justice. (Harrijvan & Weerdestein, 2020). These laws cover a large number of subjects, such as labour rights, consumer protection regulations, social security, fair tax policies, and market regulation to prevent monopolistic and cartel practices. The aim is to ensure that economic growth does not only benefit the few but also supports inclusive and sustainable social development. (Kuszewska, 2022).

The scope of Social Economic Law is vast and covers various aspects relating to the interaction between the economy and social justice. Examples include labour laws that protect workers' rights, including minimum wages and safe working conditions; consumer protection regulations that ensure products and services provided in the market do not harm society; and laws regarding economic redistribution policies, such as progressive taxation and social subsidies, which aim to reduce economic inequality. (Chen & Lin, 2021). In addition, it also includes regulations relating to sustainable development, natural resource management, and corporate social responsibility. As such, Social Economic Law endeavours to create a fair, balanced, and sustainable economic system to improve the well-being of the entire Society. (Navalna & Tymchenko, 2020)..

The dynamics in Social Economic Law reflect the continuous changes in the way the law responds to economic and social developments taking place in society. One of the main factors influencing this dynamic is globalisation and international economic integration. With increased cross-border trade and the movement of capital and labour, social economy law must continually adapt to address new challenges such as the protection of migrant workers' rights, the regulation of multinational corporations, and the impact of globalisation on local social and economic well-being. This requires the harmonisation of international rules and standards, as well as collaboration between countries to achieve broader socio-economic goals. (Anbrekht, 2023).

In addition, technological developments also play an important role in changing the legal landscape of the social economy. Innovations such as automation, artificial intelligence (AI), and the gig economy are affecting the structure of work and livelihoods. This has triggered changes in labour law, including protections for gig and freelance workers, as well as adjustments in the social security system to address the new reality of more flexible but less stable employment. Technology has also

necessitated stricter protection of personal data and consumer privacy, as well as regulation of financial innovations such as cryptocurrencies and fintechs that are changing the way transactions are conducted. (Ferraro et al., 2021).

Demographic change is also another factor that affects the dynamics of social economic law. Population ageing in many developed countries, for example, requires adjustments in social security and health policies. The implementation of sustainable pension programmes and adaptive social welfare policies are key in dealing with increasing long-term care needs. On the other hand, countries with young populations must create adequate employment and education systems that can prepare young people to compete in the global labour market, while also protecting their rights and ensuring equal access to economic opportunities. (Olipra, 2024).

The dynamics in social economic law also include efforts to address increasingly glaring economic and social inequalities. Fair redistribution policies through progressive taxation systems, subsidies, and social assistance programmes are important steps in reducing income and wealth disparities. In addition, strict enforcement of laws against monopolies and unfair business practices is necessary to maintain fair competition in the market and protect the interests of consumers (Argentiero et al., 2014). (Argentiero et al., 2021).. In all of this, active public participation and transparency in the policy-making process of social economic law is crucial to ensure that the law truly reflects the needs and aspirations of society at large, rather than serving the interests of a powerful few. (Boyle, 2020).

Furthermore, the dynamics of social economic law are also influenced by ideological and political policy shifts that occur in various countries. Governments with different policy orientations - from neoliberal to social democratic - will adopt different approaches to economic regulation and social policy. A change in government can bring significant changes in the way the country regulates markets, provides social protection, and addresses economic inequality. Pro-market policies tend to emphasise economic liberalisation, deregulation and privatisation, while pro-social policies place more emphasis on state intervention to ensure social justice and protect vulnerable groups. (Ferguson, 2022).

It is also important to note that the dynamics of social economy law do not only occur at the national level, but also at the local and regional levels. At the local level, local governments often have the authority to implement policies that suit the specific needs of their citizens. These policies can include economic greening programmes, support for small and medium enterprises (SMEs), and initiatives to address poverty and unemployment. At the regional level, cooperation between countries within the framework of organisations such as ASEAN, EU, or NAFTA can promote harmonisation of social economy laws and create a platform to collectively address regional challenges. (Boyle, 2020).

Environmental pressures also exert a significant influence on the legal dynamics of the social economy. The climate crisis and efforts to achieve sustainability demand changes in the policies and regulations that govern the economy. Environmentally friendly regulations, such as carbon taxes, incentives for renewable energy, and protection of ecosystems, are becoming increasingly important in formulating social economic law that is responsive to environmental challenges. Green economy and sustainable growth have become the main agenda that directs the formulation of policies and regulations in various countries, with the aim of maintaining a balance between economic growth and environmental sustainability. (KAKAULINA, 2020).

Overall, the dynamics in social economy law reflect the continuous adaptation to changes taking place in various aspects of life. Factors such as globalisation, technological developments, demographic changes, shifting political ideologies, and environmental pressures all interact and influence how social economy law is shaped and implemented. Emerging challenges and opportunities require innovative and adaptive policies, as well as active participation from various stakeholders to ensure that these laws can continue to be relevant and effective in meeting the needs of society. Harmonisation between economic and social policies, both at the national and international levels, is key to achieving social justice and sustainable economic prosperity.

The Impact of Social Economic Law on Society and the Economy

Social economic law has a significant impact on society and the economy, reflecting how regulations and policies implemented by governments can determine the course of resource distribution, economic opportunity, and social welfare. One of the main impacts is the improvement of social protection for vulnerable groups, such as workers, the poor, and individuals who are below the minimum welfare level. (Thomas, 2022). Regulations related to minimum wages, social security, and occupational health and safety standards help ensure that their basic rights are protected. With these legal protections in place, people can feel a safety net that provides a sense of security in the face of various economic and social risks. (Othman & Salehhin, 2024)..

In addition, social economic laws also have an impact on income distribution and economic balance. Progressive taxation policies, for example, can help reduce economic inequality by redistributing wealth from the richer to the less well-off through welfare programmes. Subsidies in health, education and housing also play an important role in providing fairer opportunities to access these basic resources. By reducing income disparities and providing more equitable access to public services, social economy laws contribute to social stability and cohesion. (Bischi et al., 2020).

In the economic sector, social economy laws encourage business development and innovation with social welfare in mind. Regulations that favour small and medium-sized enterprises (SMEs), for example, can create a more conducive environment for

inclusive economic growth. Policies that incentivise SMEs and protect them from unfair competition with large companies can strengthen economic competitiveness. In addition, regulations that encourage social entrepreneurship also foster the emergence of innovations that focus on solving social problems, improving the overall quality of life in society. (Deng et al., 2022)..

However, the application of social economy laws can also pose challenges, especially in terms of financing and implementation. Large government expenditure on social welfare programmes may require higher tax collection or increase the budget deficit. Other challenges include ensuring that the regulations are applied fairly and effectively across society. (Hatcher, 2024). Nevertheless, the long-term benefits of social economy laws in creating a more inclusive and prosperous society remain a strong argument in favour of their sustainability. The smooth implementation of these laws depends on strong political will and effective co-operation between the public and private sectors. (Abbott, 2022).

Furthermore, it is important to highlight how social economy law not only impacts the economic side, but also has profound psychological and social implications. With social protection in place and a fairer distribution of resources, people can experience an increased sense of justice and mental well-being. The sense of security that comes from guaranteed social protection and access to basic services can reduce stress and anxiety levels among the population. (Cole & Cooley, 2023). In addition, with regulations in place that support social inclusion, people can build stronger trust in government and economic institutions, which in turn strengthens social cohesion and political stability (Udombana, 2023). (Udombana, 2023).

On the other hand, the negative impacts that may arise from the implementation of social economic law also need attention. Mismanagement or corruption in the implementation of social policies can reduce the effectiveness of these regulations and even undermine public trust. In addition, economic policies that overburden the productive sector with high taxes or excessive regulations have the potential to hinder economic growth. Therefore, it is crucial for policymakers to find a balance between rules that protect social welfare and policies that promote sustainable economic growth. (Varughese & Bairagya, 2021)..

Based on the evaluation of the above impacts, it can be concluded that the existence of social economy law has a critical role in building an equitable society and an inclusive economy. Good regulations can provide necessary protection for vulnerable groups while encouraging innovation and economic growth. It is also important to continuously evaluate and adjust existing policies to keep up with the ever-changing economic and social dynamics. In this way, not only does economic well-being improve, but so does the overall quality of life in a society. (Crucini & Telmer, 2020).

Ultimately, social economy law should be seen as a dynamic instrument that requires constant adaptation and improvement. Cooperation between the

government, private sector and civil society is crucial to ensure the successful implementation of this policy. With the right strategy and a commitment to achieving shared prosperity, social economy law can be a strong foundation for sustainable and equitable economic and social development.

Conclusion

The dynamics of social economy law show that sound policies and regulations in this area play an important role in creating a balance between economic growth and social justice. Social economy law theory emphasises the importance of state intervention to protect vulnerable groups, reduce inequality, and ensure more equitable access to economic resources. The literature also underscores that the effectiveness of social economy law relies heavily on proper and transparent implementation, as well as the existence of effective oversight mechanisms to prevent abuse and corruption.

On the other hand, a practical evaluation of the implementation of social economy law shows various challenges that must be faced, including resistance from certain sectors that feel burdened by regulations, as well as difficulties in achieving a balance between social protection and economic growth. Literacy and understanding of social economy law by the general public is also a key factor in determining the success of this policy implementation. Therefore, it is important for policymakers to continue dialogue with all stakeholders and adjust policies based on feedback and changes in economic and social conditions. In conclusion, a well-implemented social economy law can be an effective tool to create a more just and prosperous society, but it must be implemented with an adaptive and inclusive strategy.

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