

## THE INFLUENCE OF SOCIAL ECONOMIC LAW ON SUSTAINABLE DEVELOPMENT: AN ANALYSIS BASED ON A LITERATURE REVIEW

**Loso Judijanto \***

IPOSS Jakarta, Indonesia

losojudijantobumn@gmail.com

**Melyana R Pugu**

Universitas Cenderawasih

puguratana@yahoo.com

### Abstract

Social economic law plays an important role in promoting sustainable development by regulating economic activities to align with social and environmental goals. Through various legal instruments, social economy law can direct economic behaviour to pay more attention to social and environmental aspects, and encourage the adoption of sustainable business practices. However, the effectiveness of social economy law in promoting sustainable development depends on consistent implementation and enforcement, as well as synergy and collaboration between various stakeholders. This literature review highlights the importance of social economy law as an effective legal framework to realise inclusive, equitable and sustainable development, with balanced attention to economic, social and environmental aspects.

**Keywords:** Social Economic Law, Sustainable Development.

### Introduction

Sustainable development is a concept that is the main focus of efforts to realise the welfare of society as a whole. This concept aims to fulfil the needs of the present generation without compromising the ability of future generations to fulfil their needs. The function of sustainable development is very important in ensuring the survival of humans and the environment in the long term. (Tsytsorina & Aseev, 2024).. The main function of sustainable development is to fulfil the needs of the present generation without compromising the ability of future generations to fulfil their needs. This is achieved by integrating economic, social, and environmental aspects in every decision-making and development policy. Through this approach, natural resources can be managed wisely, social inequalities can be reduced, and economic growth can be achieved without damaging the environment. (Beloglazov, 2024)..

In order to achieve these goals and functions, various aspects of life need to be considered, including legal, economic and social aspects. From a legal perspective, sustainable development is the basis for formulating policies and regulations that aim to protect the environment, guarantee community rights, and encourage responsible development practices. Laws with a sustainability perspective will ensure that economic and development activities are carried out with due regard to the carrying capacity of

the environment and the interests of future generations. With legal certainty that prioritises the principles of sustainability, development actors will have clear guidance in carrying out their activities more responsibly. (Suryo et al., 2023).

In the economic aspect, sustainable development is key to achieving inclusive and equitable economic growth. Through this approach, natural resources are managed efficiently and wisely to fulfil people's needs without compromising environmental sustainability. Sustainable development also encourages the development of environmentally friendly economic sectors, such as renewable energy, ecotourism, and organic farming. In the long term, sustainable development will create a strong and stable economic foundation, and reduce the risks associated with resource scarcity and climate change. From a social perspective, sustainable development plays a role in reducing poverty, improving people's quality of life, and ensuring justice and equality in the distribution of development benefits. (Panov, 2023). By placing people at the centre of development, this approach seeks to meet basic needs, such as education, health and housing, and empower people to actively participate in the development process. Sustainable development also recognises the importance of cultural preservation and local wisdom in maintaining harmony between humans and nature. Thus, sustainable development in social aspects will create a more prosperous, inclusive, and resilient society in facing future challenges. (Thuy & Tam, 2023).

However, in practice, these three aspects often do not work synergistically. Laws are sometimes not in line with the principles of sustainable development, such as environmental protection and the rights of indigenous peoples. Economic policies also often prioritise short-term growth over long-term sustainability. On the other hand, social inequality and the marginalisation of certain groups still pose challenges to inclusive development. (Isaev, 2024).

Therefore, a comprehensive study is needed to understand the legal, economic and social influences on sustainable development. A literature review is one approach that can be used to analyse the dynamics of these three aspects and formulate appropriate strategies in promoting sustainable development.

Based on this background, this research examines the legal, economic and social influences on sustainable development through an in-depth literature review.

## **Research Methods**

The study in this research uses the literature method. The literature research method is a systematic approach in collecting, analysing, and synthesising information from various literature sources relevant to the research topic. In this method, researchers conduct a comprehensive literature search through scientific databases, books, journals, and other reliable sources. (Sanusi, 2015); (Wekke, 2020). The collected literature was then selected based on certain criteria, such as relevance, quality, and novelty. Next, researchers conducted in-depth analyses of the selected literature to

identify patterns, trends, and relationships between concepts. The results of the analysis are then synthesised into a conclusion or new finding that can answer the research question or fill a knowledge gap in the field under study. Literature research methods are very important in developing theoretical foundations, identifying research problems, and providing context and justification for empirical research to be carried out. (Syafril & Erlina, 2018).

## **Results and Discussion**

### **The Relationship between Social Economic Law and Sustainable Development**

Law, economic, social and sustainable development have a close and interrelated relationship. Law acts as a regulatory framework that governs economic and social activities in line with the principles of sustainable development. Through appropriate regulations and policies, the law can encourage environmentally friendly economic practices, ensure equitable distribution of development benefits, and protect community rights. Law is also an instrument to control negative externalities from economic activities, such as pollution and environmental degradation, and preserve natural resources for the benefit of future generations. (Dzhancharova et al., 2023)..

From an economic perspective, sustainable development aims to achieve inclusive and equitable growth. This means that economic activities must take into account environmental and social aspects, and provide benefits to all levels of society. Law has a role to play in creating a conducive investment climate, encouraging green technology innovation, and developing economic incentives for sustainable practices. Through fiscal policies, such as taxes and subsidies, the law can steer economic behaviour in a more environmentally friendly direction and support the development of strategic sectors, such as renewable energy and the circular economy. (Shokhista, 2023).

In the social aspect, sustainable development aims to improve people's quality of life and reduce social inequalities. Law plays an important role in protecting people's basic rights, such as access to education, health and decent work. Through appropriate social policies, the law can promote equitable income distribution, reduce poverty, and strengthen social cohesion. Laws also play a role in ensuring people's participation in decision-making processes, and protecting vulnerable groups from discrimination and marginalisation. (Afanasiev & Gusev, 2023)..

In the context of sustainable development, law, economy and society must work in synergy and integration. Economic policies that favour the environment and society must be supported by a strong legal framework and effective law enforcement. In turn, a good rule of law will create a stable foundation for economic activity and encourage sustainable investment. (Kharchuk, 2020). Social aspects, such as education and community empowerment, should also be an integral part of a sustainable

development strategy. By integrating these three aspects, a balanced, inclusive and sustainable development is expected in the long run.

### **Influence of Social Economic Law on Economic Pillars**

Social economic law has a significant influence on the economic pillar in the context of sustainable development. This law plays a role in regulating and directing economic activities to be in line with the principles of sustainability, social justice and environmental protection. Through various legal instruments, such as regulations, policies, and incentives, social economy law can encourage responsible business practices, support inclusive economic growth, and minimise negative impacts on the environment. (Adulaju & Adedoyin, 2024).

One of the key influences of social economy law on the economic pillar is in creating a conducive and sustainable investment climate. Through a clear legal framework and effective enforcement, social economy law can provide certainty and protection for investors, and encourage capital flows to sectors that support sustainable development. This could include incentivising investment in renewable energy, green technology and sustainable infrastructure. As such, social economy laws can help attract socially and environmentally responsible investments and promote greener and more inclusive economic growth. (Saydivalievich, 2020).

Social economic law is also influential in developing innovative and sustainable business models. Through appropriate policies and regulations, laws can encourage companies to adopt environmentally friendly business practices, such as the implementation of environmental management systems, the use of renewable energy, and responsible waste management. In addition, social economy law can encourage the development of a circular economy, where waste and production residues can be reutilised as resources in a sustainable production cycle. Thus, social economy law can help create a more efficient, resilient, and environmentally friendly economic system. (Schabas, 2021).

In terms of social justice, social economic law plays a role in ensuring equitable and inclusive distribution of economic benefits. Through progressive taxation policies, the law can encourage wealth redistribution and reduce economic disparities. In addition, social economy law can regulate fair labour standards, such as minimum wages, social security, and decent working conditions. This can help protect workers' rights, improve people's welfare, and promote more inclusive and equitable economic growth. As such, social economy law can contribute to creating a strong and sustainable economic pillar that focuses not only on growth, but also on social and environmental aspects. (Naidenov & Naidenova, 2023)..

### **Influence of Social Economic Law on Social Pillars**

Social economic law has a significant influence on the social pillar in the context of sustainable development. This law plays a role in regulating and directing economic activities to be in line with the principles of social justice, equity and social inclusion. Through various legal instruments, such as regulations, policies and social programmes, social economy law can encourage the creation of a more just, equal and inclusive society. (Petersmann, 2022).

One of the key influences of social economy law on the social pillar is in ensuring equitable access to basic needs and social services. Through appropriate social policies and programmes, social economy law can ensure that every individual, regardless of their social and economic background, has adequate access to education, health, housing, and other basic needs. This can be done through the provision of quality public services, subsidies for low-income people, and policies that promote social inclusion. Thus, social economic law can contribute to reducing poverty, improving people's quality of life, and creating a more just and equal society. (Enaifoghe et al., 2024)..

Social economy law is also influential in protecting workers' rights and promoting decent working conditions. Through fair labour regulations and effective enforcement, social economy laws can ensure that workers receive decent wages, social security, and safe and healthy working conditions. This can include setting minimum wages, protection against discrimination in the workplace, and guaranteeing workers' rights to organise and bargain collectively. By protecting workers' rights, social economy law can encourage harmonious industrial relations, increase productivity, and promote social justice in the world of work. (Konchakova, 2024).

In terms of community empowerment, social economy law plays a role in encouraging the active participation of communities in the development process. Through policies and programmes that support economic empowerment, such as access to microcredit, skills training, and support for small and medium enterprises, social economy law can help communities to increase their economic capacity and independence. This can contribute to reducing dependency on social assistance, creating jobs, and promoting more inclusive and sustainable economic growth. By empowering people, social economy law can strengthen social pillars and create a more resilient and competitive society. (Spitsina, 2023).

### **Influence of Social Economic Law on Environmental Pillars**

Social economic law not only affects the social pillar, but also has a significant impact on the environmental pillar in the context of sustainable development. These laws play a role in encouraging environmentally friendly economic activities, promoting the conservation of natural resources, and reducing the negative impacts of economic activities on the environment. Through various legal instruments, such as regulations,

incentives, and environmental policies, social economy law can contribute to realising greener and more sustainable development. (Kharchuk, 2020).

One of the key influences of social economy law on the environmental pillar is in encouraging the adoption of environmentally friendly business practices. Through appropriate regulations and incentives, social economy law can encourage companies to implement clean technologies, reduce carbon emissions, and adopt effective environmental management systems. This can include the imposition of environmental taxes, the provision of subsidies for green investments, and the implementation of strict environmental standards. By encouraging environmentally friendly business practices, social economy law can help reduce the negative environmental impacts of economic activity, such as pollution, land degradation and climate change. (Samarina, 2023).

Social economy laws are also influential in promoting the conservation of natural resources and biodiversity. Through policies and regulations that protect protected areas, forests and other important ecosystems, social economy laws can ensure that natural resources are sustainably managed and preserved. This can include restrictions on the exploitation of natural resources, the enforcement of laws against environmentally damaging practices, and the promotion of economic activities based on the sustainable use of natural resources, such as ecotourism and agroforestry. By promoting natural resource conservation, social economic law can help maintain ecosystem balance, protect biodiversity, and ensure the availability of natural resources for future generations. (Huu, 2023).

In the aspect of waste management and pollution, social economy law plays a role in regulating and controlling the environmental impact of economic activities. Through strict environmental regulations and standards, social economy law can encourage companies to implement effective waste management systems, reduce pollutant emissions, and adopt environmentally friendly technologies in the production process. This can include the imposition of fines and sanctions for companies that violate environmental regulations, as well as incentivising companies that implement environmentally friendly practices. (Koroleva & Sokolova, 2024).. By controlling waste and pollution, social economy laws can help maintain environmental quality, protect public health, and promote cleaner and more sustainable development.

## **Conclusion**

Based on the literature review, social economic law has a significant influence on sustainable development. Social economic law plays a role in regulating economic activity so that it is in line with social and environmental goals, and encourages the creation of a balance between economic growth, community welfare, and environmental sustainability. Through various legal instruments, such as regulations, incentives and policies, social economic law can direct economic behaviour to pay more attention to social and environmental aspects, and encourage the adoption of

sustainable business practices. This includes the promotion of social justice, protection of labour rights, poverty reduction, and conservation of natural resources and environmental protection.

However, the effectiveness of social economy law in promoting sustainable development also depends on consistent implementation and law enforcement. A strong commitment is needed from the government, the business world, and the community to comply with and implement the principles of social economy law in economic activities. In addition, synergy and collaboration between various stakeholders, including government agencies, the private sector, civil society organisations and academia, are also needed to develop and implement policies and programmes that support sustainable development. Thus, social economy law can be an effective legal framework to realise inclusive, equitable and sustainable development, which takes into account economic, social and environmental aspects in a balanced manner.

## References

Aduloju, A. A., & Adedoyin, T. A. (2024). Economic Crisis in Sub-Saharan Africa and Its (Un)Sustainable Development Implications. *Management for Sustainable Development*, Query date: 2024-12-16 19:17:54, 117-136. <https://doi.org/10.1201/9781003505754-6>

Afanasiev, M. Yu., & Gusev, A. A. (2023). Economic complexity of regions and its interrelation with indicators of socio-economic development. *Sustainable Social Development*, 1(2). <https://doi.org/10.54517/ssd.v1i2.2225>

Beloglazov, N. L. (2024). Conducting esports competitions for students. *Strategies of Sustainable Development: Social, Legal and External-Economic Aspects*, Query date: 2024-12-16 19:17:54, 224-226. <https://doi.org/10.31483/r-109916>

Dzhancharova, G., Kosheleva, A., Drobysheva, N., Pasternak, S., Shelygov, A., & Lebedev, K. (2023). Economic and Legal Aspects of Foreign Economic Risks Within the Framework of Sustainable Development of Russian Enterprises. *Journal of Law and Sustainable Development*, 11(3). <https://doi.org/10.55908/sdgs.v11i3.317>

Enaifoghe, A., Maramura, T., Durokifa, A., Maduku, H., Ekanade, I. K., & Chiwarawara, K. (2024). EXAMINING THE CRITICAL ROLE OF YOUTH'S PARTICIPATION AS CATALYSTS FOR SUSTAINABLE SOCIAL AND ECONOMIC DRIVERS OF DEVELOPMENT. *Journal of Law and Sustainable Development*, 12(5). <https://doi.org/10.55908/sdgs.v12i5.1124>

Huu, N. D. (2023). Labour Mobility in the Asean Economic Community - A Story in Viet Nam's Sustainable Development Goals. *Journal of Law and Sustainable Development*, 11(11). <https://doi.org/10.55908/sdgs.v11i11.1747>

Isaev, E. E. (2024). Development strategies of procedural law in the sphere of public relations. *Strategies of Sustainable Development: Social, Legal and External-Economic Aspects*, Query date: 2024-12-16 19:17:54, 285-288. <https://doi.org/10.31483/r-112635>

Kharchuk, O. (2020). Economic component of the sustainable development concept. *Law Review of Kyiv University of Law*, 3, 378-382. <https://doi.org/10.36695/2219-5521.3.2020.70>

Konchakova, V. I. (2024). Financial Analysis in the Strategic Development of the Company. *Strategies of Sustainable Development: Social, Legal and External-Economic Aspects*, Query date: 2024-12-16 19:17:54, 141-144. <https://doi.org/10.31483/r-109648>

Koroleva, E. N., & Sokolova, U. A. (2024). Localisation of sustainable development goals in city strategies. *Strategies of Sustainable Development: Social, Legal and External-Economic Aspects*, Query date: 2024-12-16 19:17:54, 100-102. <https://doi.org/10.31483/r-109985>

Naidenov, N. D., & Naidenova, T. A. (2023). Ekonomika bol'she, chem den'gi. *Strategies of Sustainable Development: Social, Legal and External-Economic Aspects*, Query date: 2024-12-16 19:17:54, 31-37. <https://doi.org/10.31483/r-107536>

Panov, K. I. (2023). Construction Industry: Development Prospects. *Strategies of Sustainable Development: Social, Legal and External-Economic Aspects*, Query date: 2024-12-16 19:17:54, 96-97. <https://doi.org/10.31483/r-105218>

Petersmann, E.-U. (2022). European Economic Constitutionalism: Constitutional Approaches to Sustainable Development? *Transforming World Trade and Investment Law for Sustainable Development*, Query date: 2024-12-16 19:17:54, 164-206. <https://doi.org/10.1093/oso/9780192858023.003.0006>

Samarina, K. S. (2023). Ispol'zovanie poligrafa v ugolovnom protsesse. *Strategies of Sustainable Development: Social, Legal and External-Economic Aspects*, Query date: 2024-12-16 19:17:54, 315-317. <https://doi.org/10.31483/r-105215>

Sanusi, I. (2015). Bridging Qualitative and Quantitative Research. *Journal of Da'wah Science*, 4(13), 409-409. <https://doi.org/10.15575/jid.v4i13.400>

Saydivalievich, K. S. (2020). Economic Significance And Theoretical Fundamentals Of Sustainable Development Of Fruit And Vegetable Growth. *The American Journal of Social Science and Education Innovations*, 2(Query date: 2024-12-16 19:17:54), 11-15. <https://doi.org/10.37547/tajssei/volume02issue08-02>

Schabas, W. A. (2021). Economic, Social and Cultural Rights and Customary International Law. *Furthering the Frontiers of International Law: Sovereignty, Human Rights, Sustainable Development*, Query date: 2024-12-16 19:17:54, 326-335. [https://doi.org/10.1163/9789004459892\\_018](https://doi.org/10.1163/9789004459892_018)

Shokhista, T. (2023). ECONOMIC AND SOCIAL PARTICIPATION OF WOMEN IN ACHIEVING SUSTAINABLE DEVELOPMENT GOALS. *GOALS OF SUSTAINABLE DEVELOPMENT IN THE INTEGRATION OF SCIENCE AND EDUCATION*, Query date: 2024-12-16 19:17:54, 131-134. <https://doi.org/10.37547/goal-25>

Spitsina, D. V. (2023). Financial Stability Board as coordination institute of international economic regulation. *Strategies of Sustainable Development: Social, Legal and External-Economic Aspects*, Query date: 2024-12-16 19:17:54, 102-103. <https://doi.org/10.31483/r-105445>

Suryo, A., Toruan, S. L., Majid, A., & Widjayanto, J. (2023). Conflict Analysis and Papuan Policies from a Social, Economic and National Defence Perspective. *Journal of Law and Sustainable Development*, 11(8). <https://doi.org/10.55908/sdgs.v11i8.1429>

Syafril, S., & Erlina, N. (2018). *Preparing Interview Protocols, Selecting Informants and Probing in Qualitative Research*. Query date: 2024-05-25 20:59:55. <https://doi.org/10.31219/osf.io/pvsh3>

Thuy, L. T., & Tam, P. T. (2023). Determinants of Foreign Investment Attraction Contributed to Social Economic Development: A Case Study in Vietnam. *Journal of Law and Sustainable Development*, 11(1). <https://doi.org/10.37497/sdgs.v11i1.405>

Tsytsorina, A. A., & Aseev, D. V. (2024). Aktual'nye problemy nalogovoi otvetstvennosti. *Strategies of Sustainable Development: Social, Legal and External-Economic Aspects*, Query date: 2024-12-16 19:17:54, 351-353. <https://doi.org/10.31483/r-112275>

Wekke, I. S. (2020). *Qualitative Research Design*. Query date: 2024-05-25 20:59:55. <https://doi.org/10.31219/osf.io/4q8pz>