

LITERATURE REVIEW OF SOCIAL ECONOMIC LAW: POLICY, REGULATION AND SOCIAL IMPACT

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Abstract

Social economic law is a branch of law that governs policies and regulations that aim to address social inequalities and improve people's well-being. This often includes income redistribution policies, subsidies, and social welfare programmes designed to reduce poverty and inequality, while ensuring inclusive social and economic participation. Policy implementation faces challenges such as significant fiscal burdens and potential dependency of beneficiaries. Therefore, ongoing evaluation is required to ensure the policy is efficient and effective in achieving its social objectives. The results of this literature review provide important insights for better policy decision-making in the future.

Keywords: Law, Social Economy, Policy, Regulation, Social Impact

Introduction

The rapid development of the global economy has had a significant impact on various aspects of social life, including policies and regulations related to the economy. Social economic law is one of the important areas that connects economic policies with the social impacts caused. Economic policies that are not accompanied by good regulations can lead to social inequality, poverty, and other social problems. (Rist & Gide, 2022)..

Social economic law as a branch of law that regulates the relationship between economic aspects and social welfare in a society. It encompasses various regulations and policies that aim to create social justice through the distribution of wealth, protection of labour rights, and ensuring fair access to economic resources. Social economic law not only focuses on economic efficiency but also emphasises the moral and ethical dimensions of the economy, such as justice, solidarity, and social responsibility. (Boyle, 2020).

The role of social economic law in society is vital, especially in creating a balance between economic growth and social equality. By regulating and supervising economic practices, these laws help to ensure that the benefits of economic growth are shared by all, not just a few. In addition, social economy law serves to protect vulnerable groups, promote social inclusion, and reduce socio-economic disparities. (Gergen, 2022). Thus, this law is an important instrument in building a more just and prosperous society. This is reflected in the efforts of governments and international institutions in formulating policies that not only consider economic aspects, but also the social impacts. For example, policies regarding minimum wages, worker protection, and social security are some concrete examples where social economic law plays a role. (Sinfield, 2020).

However, the implementation of policies and regulations often faces various challenges. It is not uncommon to find policies that are good on paper, but less effective in implementation so that they do not have the expected positive impact. In addition, differences in the interpretation and implementation of laws in various countries also add to the complexity in the study of social economic law. (Maher, 2024).

One of the main challenges in the implementation of social economy legal policies and regulations is the lack of resources and capabilities of the government agencies responsible for overseeing and enforcing them. Many developing countries face budget, infrastructure and trained labour limitations that make enforcing social economy laws difficult. In addition, corrupt practices and nepotism often hamper the effectiveness of such policies, causing policies designed to improve people's welfare to fall short of their intended goals. (Pirie, 2023).

Another significant challenge is resistance from economic actors, especially large corporations and economic elites, who may feel threatened by strict and redistributive regulations. They often have the power to influence policy and undermine law enforcement efforts through political lobbying or even legal remedies. (Dewantara et al., 2021). In addition, the application of social economy law can create a conflict of interest between the need for rapid economic growth and the goal of achieving social justice. Various compromises and adjustments are often necessary, which can reduce the effectiveness of the policy. Therefore, to overcome these challenges, better coordination between the government, private sector, and civil society and a strong commitment from all parties to achieve the goal of shared prosperity are required. (Vu & Trinh, 2021)..

As such, this research will also look at how existing policies and regulations have contributed to social welfare, as well as the challenges faced in their implementation. By understanding these aspects, it is expected to provide a comprehensive and critical view of the role of social economic law in the development of a more just and prosperous society.

Research Methods

The study in this research uses the literature method. The literature research method, or literature study, is a research approach that involves collecting, evaluating, and synthesising information from existing written sources, such as books, scientific journals, articles, reports, and other documents relevant to the topic being researched. This method aims to deeply understand the background of the problem, identify trends and key findings from previous research, and find knowledge gaps that may exist to be filled in the new study. (Sahar, 2008); (Arikunto, 2000). In the process, the researcher will conduct a critical review of the existing literature, evaluate the validity, reliability, and relevance of the sources, and compile a comprehensive summary to support the current conceptual framework and research context. Literature research methods are essential to ensure that the research is based on a solid foundation and is up-to-date with existing scientific findings. (Fadli, 2021).

Results and Discussion

Social Economic Law Policies and Regulations Applied in Various Countries

National policy is an action or strategy taken by the government of a country to achieve certain goals related to the social, economic and political well-being of its citizens. It covers areas such as education, health, economy, defence and environment. The formation of national policies is usually based on local needs and conditions, as well as the country's short- and long-term development plans. (Aubert, 2023). For example, a national education policy might focus on improving the quality and accessibility of education for all levels of society, while a national economic policy might be designed to increase economic growth, create jobs, and reduce income inequality. The implementation of national policies often faces challenges such as budget constraints, resistance from the public, and domestic political dynamics. (Barak et al., 2024)..

International policy, on the other hand, involves the interaction and cooperation between states and international organisations in addressing issues of a global nature, such as trade, climate change, security, human rights and public health. International policy is shaped through negotiations and agreements between countries, and involves institutions such as the United Nations (UN), World Trade Organisation (WTO), and World Health Organisation (WHO). (Mozumder et al., 2023).. For example, in an effort to address climate change, countries may enter into international agreements such as the Kyoto Protocol or the Paris Agreement to reduce greenhouse gas emissions. International policies often require the agreement and commitment of multiple countries with diverse interests, so international co-operation, effective diplomacy and strong commitment from all parties are essential for successful implementation. Challenges faced in international policy include diverging national interests, economic disparities between countries, and complex geopolitical dynamics. (Siems, 2022).

Economic policies are measures taken by governments to regulate and direct their country's economy. They often include fiscal policy (taxes and government spending), monetary policy (regulation of money supply and interest rates), trade policy (tariffs and international trade agreements), and industrial policy (support for certain sectors of the economy). For example, the United States implements tax-cutting policies to stimulate investment and consumption, whereas China may focus more on policies that encourage exports and high-tech development. These economic policy frameworks aim to achieve economic stability, sustainable growth, and improved people's welfare. (Stone et al., 2023).

Social policy covers a wide range of measures and regulations that aim to improve people's welfare and reduce social inequality. Some examples of commonly implemented social policies include welfare programmes, social security, free or subsidised education, universal healthcare, as well as employment protection and minimum wages. (Gadinis & Miazad, 2020).. In Scandinavia, such as Sweden and Norway, comprehensive social policies and strong social security systems have resulted in one of the highest levels of public welfare in the world. Good social policies play an important role in creating a just and prosperous society, as well as reducing economic and social inequalities (Carroll, 2021).

In many countries, economic law regulations are designed to create a fair and efficient business environment, protect consumers and workers, and ensure fair competition. These regulations include rules on insolvency, intellectual property rights, taxation, banking, capital markets, and environmental protection. For example, the European Union has a large number of rules and regulations governing trade and investment between its member states to ensure an efficient single market. In the United States, antitrust laws are designed to prevent monopolies and maintain fair competition in the market. The strict application of economic laws helps create predictability and security for investors and businesses. (Bondarenko, 2020).

Social laws regulate various aspects of social life with the aim of protecting the rights of individuals and groups, as well as providing services and protection needed by society. These laws include laws on human rights, child protection, gender equality, labour rights, and health and welfare services. For example, in Germany, maternity protection laws provide paid maternity leave and employment protection for pregnant women. In many countries, including Canada and the UK, anti-discrimination laws are enforced to ensure that no individual or group is discriminated against in the workplace or in access to public services. Efficient and fair social legal regulations play an important role in creating an inclusive and harmonious society. (Vu & Trinh, 2021).

The implementation of social economic policies and laws often faces a variety of challenges, including political resistance, budgetary constraints and ideological differences. In some countries, issues of corruption and excessive bureaucracy can also hinder the effectiveness of policies and enforcement. For example, attempts to

implement progressive tax policies may face resistance from wealthier or politically influential groups. (KC, 2022). In addition, ambitious social policies, such as universal healthcare or increasing the minimum wage, often require substantial financing and broad political support. Collaboration between various stakeholders, including the government, private sector, and civil society, is crucial for the successful implementation of these policies and regulations (Teipen et al., 2022). (Teipen et al., 2022).

Globalisation has had a significant impact on social economic law policies and regulations in various countries. On the one hand, globalisation opens up opportunities for economic growth through international trade and foreign investment. On the other hand, globalisation can also widen economic and social disparities and create new regulatory challenges. For example, multinational companies may take advantage of regulatory differences between countries to avoid taxes or minimise production costs, while a more global labour market may lead to pressure on wages and working conditions. Therefore, countries need to work together in international forums to create more consistent and fair regulations in the era of globalisation. (Tisdell, 2020).

Thus, social economic policies and legal regulations play a very important role in shaping welfare and justice in society. The right economic policies can promote sustainable growth, while social policies ensure that the benefits of such growth are felt by all levels of society. Fairly implemented economic and social laws and regulations create a stable and healthy environment for businesses and individuals to thrive. However, the implementation of these policies and regulations is often faced with various challenges, including political resistance and resource constraints. Globalisation adds to these complexities, but also opens up new opportunities that can be harnessed with effective international cooperation. In the future, success in overcoming these challenges will largely depend on political courage, policy innovation and active participation from all stakeholders.

Social Impacts Caused by Social Economic Legal Policies

Social economic legal policies have a significant impact on the employment and wages of workers. Policies such as minimum wage setting and labour protection aim to improve workers' living standards and provide fairer working conditions. However, the implementation of these policies can also have several consequences (Mercuro & Medema, 2020). For example, while an increase in the minimum wage can help reduce poverty and income inequality, it can also encourage companies to reduce the number of workers or switch to automation to save costs. In the long run, such impacts may result in job instability for some groups of workers, despite the general aim of these policies to create more equitable welfare (Hariyanto et al., 2020). (Hariyanto et al., 2020).

Social economic legal policies are often designed to reduce social and economic disparities in society. Programmes such as health subsidies, free or affordable education, and social assistance for vulnerable groups help to reduce the economic burden on the poor and vulnerable. Redistributive policies, such as progressive taxes and cash transfers, seek to redistribute wealth from the rich to the poor, helping to create a more equal society. As a result, we can see a reduction in poverty rates and increased access to basic services, which overall improves the quality of life of the people. (Shaffer, 2021).

The implementation of social economic legal policies also affects the level of health and general well-being of the community. Policies that provide universal access to healthcare, for example, ensure that all people, regardless of economic status, can receive needed medical care. This not only improves individual health but also reduces the economic burden of disease and increases national productivity. In addition, policies that support affordable housing and healthy neighbourhoods contribute to people's physical and mental well-being, creating more stable and favourable conditions for long-term economic development. (Khan et al., 2023).

With inclusive social economic legal policies in place, people tend to become more participatory in social and political life. When people feel that their basic needs are met and that they live in a fair and equal environment, they are more likely to participate in democratic processes, such as elections and public policy discussions. This increased participation can result in policies that are more representative and responsive to people's needs. Conversely, without policies that support social justice, marginalised groups are likely to be alienated and less involved in decision-making processes, which can ultimately be detrimental to overall social and political development. (Ahsan, 2020).

While social economy law policies aim to achieve a fairer and more equitable welfare, there are a number of challenges and criticisms that need to be anticipated. According to some, these policies may create an over-reliance on government assistance, reducing incentives to work and innovate. In addition, the costs incurred to fund these programmes can put a strain on the state budget, potentially leading to increased budget deficits or higher taxes (Percival et al., 2024). Redistributive policies are also often controversial, especially among high-income groups who may feel disadvantaged by higher taxes. Therefore, it is important for the government to formulate policies that are balanced and can be implemented effectively and efficiently. (Nepal & Rogerson, 2020).

Overall, social economic legal policies have a complex and pervasive impact on society. On the positive side, they can reduce social disparities, improve living standards and welfare, and encourage greater social and political participation. Effective policies can lead to healthier and more productive societies, and create a fairer and more equal environment. However, it is also important to be mindful of potential challenges and criticisms that arise, such as over-reliance on government assistance or an increased

fiscal burden. By addressing these challenges sensibly and formulating balanced policies, governments can maximise the social and economic benefits of social economy law policies, towards a more prosperous and equitable society.

Conclusion

Social economic law shows that policies and regulations implemented in various countries play an important role in tackling social inequality and improving people's welfare. Often, these policies include income redistribution, subsidies, and social welfare programmes that aim to reduce poverty and inequality. Studies and empirical data show that these policies can have positive impacts, such as improved access to health services, education, and job skills. In addition, these policies can also encourage more inclusive social and political participation, which in turn will create a more just and equitable environment.

However, the implementation of social economy law policies is also not free from challenges and criticisms. On the one hand, the costs associated with funding welfare programmes can place a heavy fiscal burden on the government. On the other hand, there is a risk that beneficiaries may become overly dependent, reducing incentives to work and increase economic independence. Therefore, it is important for governments and policymakers to continuously evaluate the effectiveness and efficiency of any policies implemented, while ensuring that they are designed in a balanced way to maximise social benefits and mitigate potential negative impacts. Research and inputs from existing literature provide valuable insights in formulating better policy strategies in the future.

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