

LITERATURE REVIEW ON THE EFFECTIVENESS OF SOCIAL ECONOMY LAW: ANALYSIS AND PRACTICAL IMPLICATIONS

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Abstract

This literature review aims to analyse the effectiveness of social economic law in realising economic justice and improving people's welfare. The study method in this research uses literature. The results show that the effectiveness of social economic law is influenced by factors such as regulatory quality, institutional capacity, public participation, and synergy between stakeholders. Although social economy law has the potential to promote more inclusive economic growth, reduce poverty, and improve people's quality of life, its implementation also faces various challenges, such as conflicts of interest, resistance to change, limited resources, and institutional weaknesses. To optimise the positive impact of social economy law, it requires strong political commitment, transparency, accountability, and active participation from the private sector and civil society. With a comprehensive approach, social economy law can be an effective instrument in realising more equitable, inclusive and sustainable development, and strengthen the foundation for a more stable socio-economic order in the future.

Keywords: Effectiveness, Social Economic Law.

Introduction

Social economic law is a legal concept that aims to regulate and direct economic activities in line with the principles of social justice and community welfare. This concept becomes important in the context of sustainable and equitable economic development.

Sustainable and equitable economic development is one of the main goals in an effort to improve people's welfare. This concept emphasises economic growth that is not only oriented towards increasing income and production, but also pays attention to aspects of environmental sustainability and equitable distribution of development benefits to all levels of society. Sustainable and equitable economic development is needed to ensure the quality of life of present and future generations, as well as to reduce social and economic disparities in society. (Tsytsorina & Aseev, 2024).

In the global context, sustainable and equitable economic development is also one of the important agendas in the Sustainable Development Goals (SDGs) agreed by countries in the world. The SDGs emphasise the integration of economic, social and environmental dimensions in the development process. This suggests that economic development cannot be separated from efforts to preserve the environment and realise social justice. (Beloglazov, 2024).. Therefore, commitment and synergy from various parties, including the government, the private sector, and the community, are needed to

jointly realise sustainable and equitable economic development in order to achieve equitable and quality welfare for all people. However, the effectiveness of social economic law in achieving its goals is still debatable and requires further study. (Suryo et al., 2023)..

In practice, the application of social economy law often faces various challenges. One of the main challenges is the conflict of interest between social and economic objectives. Social economy law seeks to balance the protection of the rights of workers, consumers and society at large with the interests of business and economic growth. However, there is often a tug-of-war between the two objectives, where policies that favour social welfare are perceived to hinder investment and business growth. Care is needed in formulating and applying social economic laws in order to achieve an optimal balance between social and economic goals. (Panov, 2023).

Another challenge in implementing social economy law is limited resources and institutional capacity. The implementation of social economy law requires infrastructure support, competent human resources, and an effective monitoring system. However, developing countries often face limitations in this regard. As a result, enforcement of social economy law is sub-optimal and vulnerable to violations. (Thuy & Tam, 2023). In addition, the public's awareness and understanding of their rights in the context of social economy law also needs to be improved. Continuous efforts are needed to strengthen institutional capacity, improve resources, and socialise and educate the public so that the application of social economy law can run effectively. This condition can hinder the achievement of the objectives of social economic law in realising community welfare and equitable economic development. (Isaev, 2024).

Previous studies have examined the effectiveness of social economy law from various perspectives, but there are still limitations in comprehensively analysing the factors that influence the effectiveness of social economy law and its practical implications in the context of economic development and community welfare. (Dzhancharova et al., 2023)..

Therefore, this research aims to conduct an in-depth literature review on the effectiveness of social economic law, by analysing the factors that influence the effectiveness of social economic law, both in terms of legal substance, legal structure, and legal culture.

Research Methods

The study in this research uses the literature method. Literature research method is a systematic approach in collecting, analysing, and synthesising information from various written sources relevant to the research topic. (Sahar, 2008); (Arikunto, 2000). The steps in conducting literature research include: (1) determining the topic and formulation of the research problem; (2) conducting a search for relevant literature through academic databases, scientific journals, books, and other reliable sources; (3) selecting literature that matches the established criteria; (4) reading and critically analysing the literature to identify themes, patterns, and gaps in knowledge; (5) synthesising findings from various literatures to answer the formulation of the research problem; and (6) compiling a research report that contains a comprehensive literature

review, including discussion of findings, implications, and recommendations for future research. (Fadli, 2021).

Results and Discussion

Effectiveness of Social Economic Law

Social economic law is a branch of law that regulates the relationship between economic activities and the social interests of society. This law aims to realise social justice and general welfare by regulating and limiting economic activities to be in line with social values. Social economic law covers various aspects, such as labour law, consumer protection law, environmental law, anti-monopoly law, as well as policies relating to the distribution of wealth, access to goods and services, and the protection of economically vulnerable groups in society. (Shokhista, 2023).

The main objective of social economic law is to realise social justice and general welfare in economic activities. It seeks to address economic inequality, protect vulnerable groups in society, and ensure equitable distribution of wealth and access to goods and services. By regulating and restricting economic activities, social economic law aims to prevent practices that harm social interests, such as monopoly, unfair competition, labour exploitation, and environmental damage. In addition, social economy law also aims to encourage corporate social responsibility and promote sustainable development. (Afanasiev & Gusev, 2023)..

The underlying principles of social economic law include: (1) social justice, where every individual has equal rights to gain access to economic resources and welfare; (2) social solidarity, which emphasises the importance of cooperation and mutual support in society; (3) subsidiarity, which regulates the division of responsibilities between individuals, community groups, and the state in achieving shared prosperity; (4) sustainability, which ensures that economic activities not only meet the needs of the present, but also take into account the interests of future generations; and (5) participation, which encourages the active involvement of communities in economic decision-making that affects their lives. By adhering to these principles, social economic law is expected to create a more just, inclusive, and sustainable economic system. (Kharakoz, 2023).

The effectiveness of social economy law depends on various factors, including a strong legal framework, consistent law enforcement, and support from various stakeholders. In practice, the application of social economy law often faces challenges, such as conflicts of interest between economic actors and society, limited resources, and the dynamics of rapid social and technological change. Nevertheless, the existence of social economic law remains important as a foundation for realising social justice and general welfare in economic activities. (Aduloju & Adedoyin, 2024)..

One indicator of the effectiveness of social economy law is its ability to reduce economic inequality and improve people's access to essential goods and services. Policies such as consumer protection, price regulation, and social security programmes can help ensure the availability and affordability of basic needs for economically vulnerable groups. In addition, strict enforcement of harmful practices, such as monopolies, cartels, and

labour exploitation, is also important to create a fair and sustainable business climate. (Saydivalievich, 2020).

However, the effectiveness of social economy law also requires the active participation of various parties, including governments, businesses, trade unions, civil society organisations, and the general public. Cooperation and constructive dialogue between stakeholders can help identify problems, formulate solutions, and ensure effective implementation and monitoring. In addition, educating and raising public awareness about their rights in the context of the social economy is also important to encourage participation and oversee the fair implementation of the law. (Schabas, 2021).

In the long term, the effectiveness of social economy law also depends on its ability to adapt to changing times and new challenges that arise. Technological developments, globalisation, and issues such as climate change and food security require innovative and responsive approaches in social economy regulation. Social economic law needs to be continuously reviewed, updated and aligned with dynamic social and economic realities. Thus, social economy law can remain relevant and effective in realising social justice and general welfare amidst evolving challenges.

Practical Implications of the Effectiveness of Social Economic Law

The practical implications of the effectiveness of social economic law can be seen in various aspects of community life. One of the main implications is the improvement of the quality of life and welfare of the economically disadvantaged. With effective consumer protection policies, price regulation and social security programmes, access to essential goods and services such as food, housing, health and education becomes more affordable and equitable. This can help reduce economic inequality and increase people's purchasing power, thereby promoting more inclusive economic growth. (Naidenov & Naidenova, 2023).

The effectiveness of social economic law also has implications for a fairer and more competitive business climate. Strict law enforcement against harmful practices such as monopolies, cartels, and labour exploitation can create a level playing field for business actors, especially small and medium enterprises. This can encourage innovation, productivity, and overall economic competitiveness. In addition, the protection of workers' rights, such as decent wages, social security, and safe working conditions, can improve labour welfare and productivity, and reduce the potential for industrial conflict. (Petersmann, 2022).

Another practical implication is increased public participation and awareness in overseeing the implementation of social economic law. With effective education and socialisation, people become more aware of their rights as consumers, workers or business actors. This can encourage the community to be more active in monitoring and reporting violations of the law, as well as being involved in the process of formulating and evaluating social economy policies. Strong community participation can be a countervailing force and social control over market forces and government policy (Enaifoghe et al., 2024)..

However, the practical implications of the effectiveness of social economy law also depend on adequate institutional capacity and resources. Consistent enforcement

requires judicial and oversight institutions that are independent, professional and have integrity. In addition, adequate human resources, budgets and infrastructure are needed to effectively implement social economy policies and programmes. Without strong institutional support and resources, the effectiveness of social economy law may be hampered and the benefits to society limited. (Konchakova, 2024). Therefore, commitment and cooperation from all stakeholders is essential to realise the positive practical implications of social economy law in the long term.

In addition to the aforementioned implications, the effectiveness of social economy law can also contribute to social and political stability. When economic disparities are reduced and access to basic needs is more secure, the potential for social conflicts and political tensions stemming from economic discontent can be minimised. More prosperous societies tend to have higher levels of trust in state institutions and are more constructively engaged in democratic processes. This can strengthen the legitimacy and good governance of the state. (Spitsina, 2023).

However, the effectiveness of social economy law also faces challenges in implementation. Conflicts of interest between different economic groups, resistance to change, and limited resources and institutional capacity can hinder the implementation of progressive policies. Strong political will, transparency and accountability in the management of public resources are needed to overcome these challenges. In addition, synergy and coordination among government agencies, as well as the active involvement of the private sector and civil society, are essential to optimise the positive impact of social economy laws. (Samarina, 2023).

As such, the effectiveness of social economy law has broad and significant practical implications for community welfare, economic justice, and socio-political stability. Through consistent law enforcement, progressive policies, and active participation from all stakeholders, social economy law can be an important instrument in realising more inclusive and sustainable development. However, it requires strong political commitment, adequate institutional capacity, and synergy between actors to overcome challenges in its implementation. Thus, the effectiveness of social economy law can not only improve people's quality of life, but also strengthen the foundation for a more just and stable socio-economic order in the future.

Conclusion

The effectiveness of social economy law shows that it has an important role in realising economic justice and improving people's welfare. Through various legal instruments, such as laws and regulations, fiscal policies, and social programmes, social economy law seeks to address economic inequality, protect vulnerable groups, and ensure access to basic needs. The effectiveness of social economy law depends on a number of factors, including regulatory quality, institutional capacity, public participation, and synergies between stakeholders. When effectively implemented, social economy laws can promote more inclusive economic growth, reduce poverty, and improve people's quality of life.

However, the effectiveness of social economy law also faces challenges in its implementation. Conflicts of interest, resistance to change, limited resources, and

institutional weaknesses can hinder the implementation of progressive policies. Therefore, strong political commitment, transparency and accountability in the management of public resources, as well as active participation from the private sector and civil society are required to optimise the positive impact of social economy laws. By addressing these challenges and applying a comprehensive approach, social economy law can be an effective instrument in realising more equitable, inclusive and sustainable development, and strengthen the foundation for a more stable socio-economic order in the future.

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