

SOCIAL ECONOMIC LAW IN THE CONTEXT OF GLOBALISATION: A LITERATURE-BASED DISCUSSION

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Abstract

Social economic law is a branch of law that regulates the interaction between economic activities and social goals to ensure equitable wealth distribution, labour protection, and community welfare within a sustainable and inclusive regulatory framework. The research method used is literature. The results show that in the face of challenges such as income inequality and resource exploitation, countries are expected to adopt balanced and adaptive regulations to achieve sustainable development. The research also emphasises the importance of cross-sector collaboration and international cooperation to create a legal framework capable of effectively addressing global issues. Through inclusive policy formulation and a holistic approach, social economic law can serve as the foundation for achieving a more equitable and sustainable distribution of wealth in the global community.

Keywords: Law, Social Economy, Globalisation.

Introduction

Globalisation has brought significant changes in various aspects of life, including the economic and social fields. This phenomenon is characterised by increased economic integration between countries, faster exchange of information, and mobility of goods and services that are not limited by national borders.

The mobility of goods and services is one of the fundamental aspects of the globalisation process that shows the high level of exchange of commodities and services between countries around the world. This phenomenon is fuelled by factors such as the development of information technology, the lowering of tariff and non-tariff barriers through international trade agreements, and increased efficiency in global logistics and transport systems. The result is an increasingly integrated market, where goods and services can be produced in one country, sold in another, and contribute to more complex global value chains (Coglianese, 2022). However, while this mobility brings many benefits such as increased consumer access to different products and services, as well as increased opportunities for producers to reach new markets, it also poses challenges such as economic instability, trade inequities, and environmental

concerns that must be managed through appropriate regulations and policies. In this context, social economy law becomes a crucial element to regulate the new dynamics brought about by globalisation (Udombana, 2023a).

Social economic law refers to a set of regulations that govern economic relations while taking into account aspects of social welfare. Social economic law is a branch of law that regulates economic activities with the aim of achieving social justice and general welfare. It aims to balance economic interests with social needs, ensuring that economic activity is not only profitable for businesses but also contributes to the welfare of society at large. These laws include provisions related to labour rights, consumer protection, wealth distribution, access to basic services such as education and health, and environmental regulation. As such, social economic law serves as an instrument to create fair and inclusive economic conditions, while promoting sustainable and responsible economic development (Mustamin, 2022).

In the era of globalisation, the challenges of implementing social economy law have become increasingly complex. Countries are faced with a dilemma between maintaining domestic social welfare and remaining competitive in the global economy. This often leads to tensions between local regulations and international economic policies. Furthermore, economic and social disparities between countries are becoming more pronounced as globalisation progresses. Developing countries are often at a disadvantage, where they have to deal with pressures for market liberalisation while still trying to maintain their domestic socio-economic stability. Unbalanced regulation can lead to labour exploitation, environmental degradation and increased social inequality (Tushnet, 2022).

Therefore, there is a need for an in-depth literature review on how social economy law can be effectively implemented amidst rapid globalisation.

Research Methods

The study in this research uses the literature method. Literature research method, or often referred to as literature study, is a method used to collect, select, analyse, and present information from various written sources relevant to the research topic. These sources can include books, scientific journals, articles, reports, official documents, and credible online sources (Hidayat, 2009); (Afiyanti, 2008). The main purpose of this method is to understand the theoretical background and important concepts related to the research topic, as well as identify gaps in the existing literature. Through critical analysis of published works, researchers can develop a solid theoretical framework, establish the research context, and ensure that their research contributes to existing knowledge. Literature research methods are often used as the first step in many types of research to provide a solid foundation for further hypothesis development and research design (Syahrizal & Jailani, 2023).

Results and Discussion

The Impact of Globalisation on Social Economic Law

Globalisation is a process of interaction and integration between individuals, companies, and governments from different countries spurred by international trade, investment, and driven by the development of information technology. This phenomenon covers many aspects such as culture, economy, politics, and environment. Globalisation accelerates the exchange of goods, services, information and ideas, creating an increasingly connected and interdependent world. In addition, globalisation also includes the spread of international values and norms, as well as increased multilateral cooperation in various fields (Udombana, 2023a).

Globalisation has certain characteristics that distinguish it from more traditional forms of international relations. First, there is increased mobility of goods, services, capital and labour across geographical boundaries. Second, there is the integration of global financial markets that allow capital to move freely between countries. Third, there is the proliferation of information and communication technologies that allow for the rapid and transparent exchange of information. Fourth, there is an increased level of economic interdependence, where events in one country can have a significant impact on the global economy (Herdegen, 2024). Finally, globalisation is characterised by the spread of popular culture and values that influence the behaviour and outlook of people in different parts of the world. While globalisation brings many benefits such as increased access to goods and services and the creation of new economic opportunities, it also poses challenges such as economic inequality, erosion of local cultures, and complex environmental issues (Agustina, 2020).

Social economic law is a branch of law that regulates social relations arising in economic activities as well as the social impacts caused by these economic activities. As a combination of economic law and social law, this law aims to achieve social justice in the implementation of economic activities through regulations and policies oriented towards the welfare of society. Social economic law includes rules that govern the economic behaviour of businesses, governments, and individuals in an effort to promote sustainable and equitable economic development (Anbrekht, 2023).

The scope of social economic law covers various aspects related to economic regulation and social protection. Among these are regulations on labour that include workers' rights, working conditions, minimum wages, and social security. In addition, social economic law also includes regulations on consumer protection, which aim to protect the rights of consumers against unfair business practices. Furthermore, its scope extends to policies and regulations regarding wealth distribution, taxes, and subsidies in order to create a balance in income distribution and alleviate poverty (Savchyn, 2021). Not only that, it also includes the enforcement of environmental standards to ensure that economic activities do not damage the environment and ecosystems. Thus, social economic law plays an important role in integrating economic

aspects with social dimensions to create collective welfare and social justice (BEZPALENKO, 2021).

Globalisation has had a major impact on social economic law by encouraging the uniformity of legal standards in many countries. This process is often referred to as legal harmonisation, where countries adopt and implement best practices from different jurisdictions to create a more effective and efficient legal system. With easier access to information, legal documents, and international cooperation, countries can develop regulations that are more comprehensive and in line with global developments. In addition, globalisation also spurs stricter enforcement of regulations on the protection of labour rights and environmental standards, due to pressure from the international community and multilateral organisations such as the International Labour Organization (ILO) and the United Nations (UN) (Boyle, 2020).

Globalisation has led to an increased role for international organisations in formulating economic and social policies. Examples are multilateral trade agreements such as those facilitated by the World Trade Organisation (WTO), which have a significant impact on the formation of national economic regulations. Similarly, the International Court of Justice and arbitration tribunals provide legal precedents that influence national legislatures and judiciaries in handling cases related to international trade and investment. As a result, social economic law at the national level tends to be more adaptive and responsive to international norms and standards (BONDARCHUK, 2023).

However, globalisation also brings challenges in the context of social economic law, especially in terms of the negative social and economic impacts that arise.

Multinational companies often seek profits by taking advantage of differences in regulations and standards in different countries, which can lead to labour exploitation or environmental damage in developing countries. This phenomenon poses a major challenge for social economic law to enforce fair regulation and ensure that economic development does not come at the expense of social and environmental aspects. Income inequality across countries may also increase, which requires legal intervention to reduce inequality and ensure a more equitable distribution of wealth (Thomas, 2022).

The effects of globalisation also create pressure on national legal sovereignty. In the context of social economic law, national policies often have to conform to international requirements and global standards, which sometimes conflict with local interests or country-specific needs. This can reduce the government's ability to protect certain sectors or vulnerable groups within the country. On the other hand, globalisation also introduces cross-border dispute resolution mechanisms that may not always favour local or developing country parties (Graham, 2022). Therefore, it is important for countries to strike a balance between complying with international regulations and maintaining sovereignty in formulating and enforcing social economy laws that are responsive to domestic needs.

Implementation of Social Economic Law Regulations in the Context of Globalisation

The implementation of social economic legal regulations in the context of globalisation faces various complex challenges. One of them is harmonisation between national laws and international standards. Countries are often faced with a dilemma between conforming domestic regulations to international agreements and maintaining their own legal sovereignty. This becomes more challenging when international standards are not fully compatible with local conditions or country-specific needs. In addition, harmonisation efforts require considerable financial, technical and human resources to effectively manage the transition process (Udombana, 2023a).

International institutions such as the World Trade Organization (WTO), the International Labour Organization (ILO), and the United Nations (UN) have an important role to play in facilitating the implementation of social economic legal regulations in the era of globalisation. Through international agreements, labour standards, and free trade regulations, these institutions set the terms of reference for member states to follow. They also provide platforms for dialogue and consultation, which assist countries in overcoming obstacles or conflicts that arise in the implementation process. Technical and financial assistance is also often channelled to support the implementation of policies with positive social and economic impacts (Schäfer & Ott, 2022).

At the national level, countries need to adjust their regulations to align with international commitments. This requires revising laws, creating new regulations, and strengthening the capacity of law enforcement and oversight agencies. Law enforcement is key to successful implementation of these regulations. However, challenges in law enforcement often arise due to gaps between existing regulations and practices on the ground. Collaboration between the government, private sector, and civil society is essential to ensure that regulations are applied consistently and effectively, and violations can be followed up firmly (OLIYNYK, 2020).

The implementation of social economic legal regulations in the context of globalisation also has significant social and economic impacts. On the one hand, these regulations can improve social welfare by setting better working standards, protecting workers' rights, and protecting the environment. On the other hand, there is a risk that adjusting to international standards may impose additional burdens on the domestic business sector, especially small and medium-sized enterprises (SMEs). Therefore, it is important to ensure that the implementation of regulations is gradual and supported by accompanying policies that help vulnerable sectors adapt to the changes (Mak, 2020). Education and training programmes for local workers, along with fiscal and non-fiscal incentives for businesses, can help minimise the negative impacts while enhancing the benefits of globalisation.

Best Practices and Challenges of Social Economic Law in the Face of Globalisation

In facing the challenges of globalisation, the application of best practices in social economic law is very important. One best practice is the adoption of principles of social justice and equality in all aspects of economic policy. Countries that succeed in this regard often have strong and clear regulations that protect the rights of workers, the environment and consumers. Inclusive policy innovations, such as living wages, comprehensive social security, and sustainable environmental protection, lay the foundation for social and economic stability. Collaboration with international and regional institutions is another best practice, where countries actively engage in international dialogue and cooperation to strengthen their domestic policies (Udombana, 2023b).

The use of technology and data has also become one of the best practices in social economic law in the era of globalisation. Technology can be used to improve transparency, monitoring effectiveness, and law enforcement. For example, digital platforms for complaints of labour rights violations, transparent supply chain tracking systems, and big data analysis to detect unfair practices in the economy can help countries strengthen regulatory implementation. Blockchain technology, for example, can be used to document transactions and contracts with high transparency, reducing the risk of corruption and fraud. The utilisation of accurate and timely data allows policymakers to make decisions based on solid and up-to-date evidence (Deng et al., 2022).

However, it is undeniable that there are significant challenges in social economic law enforcement in the era of globalisation. Economic and social inequalities are often exacerbated by globalisation, leading to a widening gap between developing and developed countries. Aligning domestic policies with international standards can lead to internal conflicts, especially if the government is faced with pressure from multiple interests. The implementation of comprehensive regulations is also often constrained by limited resources and slow bureaucracy. In addition, resistance from the private sector, which is concerned about increased operational costs, is also an obstacle that must be overcome (Popova, 2020).

Facing globalisation, policy adaptation is crucial to overcome these challenges. The state needs to strengthen law enforcement institutions and provide adequate training for relevant officers to effectively implement regulations. Education and socialisation programmes for the public and businesses are also important to ensure understanding and compliance with applicable laws. Therefore, the government must develop policies that are adaptive and responsive to change, ensuring a balance between economic interests and social protection. In addition, international cooperation and technical assistance from global institutions can help countries overcome these challenges and implement best practices effectively (Korniienko, 2020).

Collaboration is not only limited to the national level, but also involves close international co-operation. In this era of globalisation, social economic issues often cross national boundaries, necessitating coordinated action and policies at the global level. States and international organisations, such as the United Nations (UN) and the World Trade Organisation (WTO), can play a key role in providing frameworks or guidelines to establish harmonised social and economic protection standards. Through various international agreements and partnerships, countries can share best practices, resources and technologies to address the challenges of globalisation. International solidarity is also important in ensuring that low-income countries get the support they need to implement the necessary regulations (Odello & Seatzu, 2020).

Besides the government, the private sector and civil society play an important role in social economic law in the era of globalisation. Multinational companies must be responsible in their business practices, by ensuring fair supply chains, providing living wages, and complying with environmental standards. Meanwhile, non-governmental organisations and civil society must continue to monitor and pressure governments and the private sector to uphold the principles of social justice. By involving various stakeholders, the state can create a more conducive environment for equitable and sustainable economic development (Olumekor, 2024).

Therefore, in facing the challenges of globalisation, the application of best practices in social economic law is essential. An inclusive and equitable approach through strict regulation, technology utilisation, and international collaboration can increase the effectiveness of social economy law enforcement. Despite challenges such as economic inequality, resource constraints, and private sector resistance, wise and coordinated policy adaptation, as well as the active role of society and the private sector, will go a long way in overcoming these obstacles. Thus, the state can ensure that globalisation brings fair and equitable benefits to all levels of society.

Conclusion

In the context of globalisation, social economic law plays a crucial role in regulating the increasingly complex and interconnected dynamics of the global economy. Based on the literature, the principles of social economic law direct policies that balance economic growth and social justice. Stringent regulations are needed to address challenges such as income inequality, labour exploitation and environmental degradation. Countries need to develop frameworks that can adjust to rapid changes in the global economic landscape, including international trade agreements, labour standards, and environmental protection. Through sustainable regulation and effective application of technology, states can strengthen the social economy legal system to achieve inclusive and sustainable development.

Furthermore, the literature emphasises the importance of collaboration between various stakeholders, including governments, the private sector and civil

society, in creating an enabling environment for social and economic justice. International cooperation is equally important in dealing with issues that cross national borders in the era of globalisation. With global solidarity, countries can share experiences and resources to address common challenges. Despite obstacles such as conflicting interests and limited resources, inclusive policy adaptation and a holistic approach can ensure that the benefits of globalisation are equally enjoyed by all, strengthening the legal foundations of the social economy in achieving global justice and sustainability.

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