

## THE EVOLUTION OF SOCIAL ECONOMIC LAW: A LITERATURE REVIEW OF HISTORICAL AND CONTEMPORARY DEVELOPMENTS

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### Abstract

This research aims to examine the evolution of social economy law through a literature analysis covering historical and contemporary developments. Social economy law has undergone significant transformations from its inception focusing on the protection of labour rights and the creation of social safety nets, to its current role of having to accommodate the complex dynamics of the global economy. This study explores the key changes that have taken place in social economy regulation and policy from the 19th century to the present day, including the influence of globalisation, market liberalisation and technological advancement. The research findings show that social economy law continues to adapt to respond to new challenges such as the digital economy, gig economy, and environmental sustainability issues. As such, the evolution of social economy law reflects the need to create a responsive, inclusive, and sustainable policy framework in the face of dynamic social and economic developments.

**Keywords:** Evolution, Social Economic Law, Historical and Contemporary Development

### Introduction

Social economic law is one of the important areas of law in regulating the relationship between economic and social actors in society. This area of law aims to create a balance between economic growth and social welfare, taking into account aspects such as labour rights, consumer protection, and environmental sustainability.

Understanding the evolution of social economy law is crucial as law is the means by which social and economic interactions in society are organised and controlled. Along with changes in economic and social structures, social economy law must also undergo adjustments to remain relevant and effective. For example, during the Industrial Revolution, there was a need for new regulations that protected workers' rights and ensured decent working conditions.

Without these legal adjustments, social and economic injustices may increase, which in turn will affect the overall stability and well-being of society (Shahbaz et al., 2020).

Moreover, in the current era of globalisation and digitalisation, new challenges continue to emerge, such as concerns over data privacy, issues related to international trade, and environmental sustainability. Existing regulations may no longer be sufficient to deal with these new dynamics. Therefore, by understanding how social economy law has evolved, we can better identify shortcomings, opportunities for improvement, and future directions of legal development (Jr, 2023). This will assist policymakers, academics, and practitioners in designing more effective, adaptive, and equitable policies and regulations, so as to create a stable and sustainable economic and social environment (Klein, 2021).

Along with the times, social economic law has undergone significant changes. In pre-industrial times, social economic law was still very simple and did not cover many complex aspects. However, along with the Industrial Revolution, social economic law began to develop rapidly. Changes in economic and social structures led to the need for regulatory adjustments to deal with the new conditions that emerged (Clogg, 2021).

The entry of the globalisation era at the end of the 20th century and the beginning of the 21st century brought a faster and more dynamic flow of change. Technological developments, digitalisation, and global economic interactions further complicate the regulation of social economy law. Social economic law must now not only consider national interests but also how it is integrated in an international context. In addition, there are new challenges such as the digitalisation of the economy, climate change, and economic inequality that demand updates in social economy law (Seth, 2024).

While much research has been conducted on certain aspects of economic law or social law, there has been little comprehensive literature review on the evolution of social economic law from historical to contemporary perspectives. This research aims to fill that gap and provide a more comprehensive understanding of how social economy law has evolved, and how current conditions and challenges impact future regulation.

With this in mind, this research will examine the evolution of social economy law through an in-depth literature review and attempt to answer the main questions: What is the historical development of social economy law, and what is the contemporary state of social economy law today?

## **Research Methods**

The study in this research uses the literature method. The literature research method is a research approach that involves collecting, analysing, and interpreting data from various written sources relevant to the research topic. This method aims to gain a thorough understanding of the issue being researched by tracing various pre-existing studies, articles, books, and reports (Firman, 2018); (Suyitno, 2021). Thus, literature research allows researchers to identify trends, gaps, and gaps in the existing literature, as well as build a strong theoretical framework for further research. This process also helps in framing focused research questions, establishing a theoretical basis, and determining the appropriate methodology for the study to be conducted. The end result of desk research is often the foundation for empirical research or policy development that is grounded in solid evidence (Jelahut, 2022).

## Results and Discussion

### Historical Development of Social Economic Law

Social economic law is a branch of law that regulates and controls the relationships and interactions between various actors in the economic field, be it individuals, companies, or government institutions, taking into account social aspects involving public welfare and social justice. The aim is to ensure that economic activities run in a fair and balanced manner, and to protect the rights and welfare of all parties involved, especially vulnerable groups. These laws include regulations covering labour rights, consumer protection, social welfare policies, and the regulation of socially and environmentally responsible businesses. As such, social economy law acts as a mechanism to achieve a balance between economic interests and the social needs of society (Reid, 2020).

The legal aspects of the social economy include various dimensions that ensure integration between economic activities and social welfare. One key aspect is the protection of labour rights, which includes the right to fair wages, decent working conditions, and protection against discrimination. Another important aspect is consumer protection regulation, which aims to ensure that consumers receive goods and services that are safe, of good quality, and as promised (Gordon, 2021). Social welfare aspects are also in focus, including regulations on social security, social assistance, and income redistribution policies to reduce social disparities. Regulation of fair and sustainable business practices is also a concern, with an emphasis on corporate responsibility towards the environment and communities. Taken together, these aspects aim to create an economic system that is not only productive, but also fair and inclusive for all of society (Hobson & Payne, 2022).

The historical development of social economic law can be traced back to the industrial era in the 19th century, when major changes in economic and social structures demanded new regulations capable of addressing emerging issues. With the Industrial Revolution, there was a shift from an agrarian to an industrial economy marked by massive urbanisation and the emergence of a large working class. Poor working conditions, low wages, and the absence of worker protections created significant social injustices. As a result, the labour movement and the push for social reform began to grow, eventually forcing governments to create laws that regulated the relationship between workers and employers and protected workers' rights (McDowall, 2021).

In the early 20th century, the influence of social economy law grew stronger with the introduction of various policies and regulations designed to address the social inequalities produced by industrial capitalism. Countries began to adopt laws that protected labour rights, including restrictions on working hours, improved working conditions, and minimum wage laws. In addition, the impact of the two World Wars and the Great Depression emphasised the need for the state to take a more active role in regulating the economy and providing social security for its citizens (Herzfeld, 2020). For example, in the United States, the New Deal policies introduced by Franklin D. Roosevelt introduced a series of social and economic programmes that provided protection to workers and reduced poverty (Patterson, 2020).

After World War II, the concept of the welfare state became stronger in many countries, especially in Europe. This development was characterised by the introduction of comprehensive social security systems, which included health insurance, unemployment benefits and pensions. Countries such as Sweden and the UK became examples of welfare state models that successfully harmonised economic growth with social welfare. On the other hand, the influence of Keynesian economic theory also encouraged the government to take a greater role in

economic regulation and market intervention to ensure economic stability and social justice (Price, 2021).

In the late 20th and early 21st centuries, globalisation and economic liberalisation brought new challenges to social economic law. These changes triggered debates on how to maintain social justice in an era of free markets and high capital mobility. Domestic regulations have to adapt to international standards and global trade agreements that often reduce the ability of states to regulate their domestic economies (Nerubasska et al., 2020). Nonetheless, issues such as consumer protection, human rights in the business context, and corporate social responsibility remain key concerns. Efforts to balance economic growth with social justice continue to evolve through policy updates and legal practices that are responsive to ever-changing global dynamics (Fischer, 2023).

Responding to the challenges of globalisation and economic liberalisation, many countries have begun to look for ways to strengthen the legal framework of the social economy through various initiatives and reforms. In Europe, for example, the European Union has taken steps to ensure that social protection remains high despite pressure for deregulation. The socio-economic coherence policy implemented by the EU aims to reduce social and regional disparities through various programmes and funds distributed for sustainable and inclusive development. Even in developing countries, efforts to strengthen social economy laws through the enforcement of labour rights and the introduction of social security programmes show a positive trend despite often facing many challenges (Gergen, 2022).

On the other hand, the emergence of new issues such as digitalisation and the platform economy adds a new dimension to the relationship between the economy and social law. The development of information and communication technology has changed work patterns and business models, which has an impact on labour and industrial relations. Social economic law must be able to anticipate and adapt to these changes, such as regulating the gig economy and protecting casual workers who often do not receive adequate protection. In addition, concerns about sustainability and the environmental impacts of economic activity have also influenced the development of social economy law policy, with regulations focusing on corporate social responsibility towards the environment and society (Amenta, 2021).

Overall, social economy law has had a long and dynamic journey that continues to adapt to the times. From its origins responding to the impact of the Industrial Revolution to the challenges of globalisation and digitalisation, social economy law has always sought to balance economic interests and social justice. The main function of this law is to ensure that economic progress is not achieved at the expense of social welfare, but instead provides protection and support to vulnerable groups in society (Bhambra & Holmwood, 2021).

In conclusion, the development of social economy law reflects a continuous endeavour to address the injustices and inequalities caused by ever-changing economic dynamics. History shows that social economy law plays an important role in ensuring that economic growth is inclusive and sustainable. Despite the challenges of globalisation, economic liberalisation and digitalisation, the core principles of social economy law remain relevant in securing people's social and economic rights. With proper adaptation to changing times, social economy law can continue to be an effective instrument to achieve social justice and shared prosperity.

### **Contemporary Conditions of Social Economic Law**

In the contemporary context, social economy law faces new complexities generated by the interaction between globalisation and technological development. Globalisation has

expanded economic opportunities, but also increased competition and inequality. Social economy law is currently trying to bridge the gap between economic growth and social justice by reorganising social policies, especially in terms of labour protection and social security. For example, labour regulation reforms in many countries are focused on providing better protection guarantees for workers in increasingly flexible and digital market conditions (Cruz, 2024).

The digital economy and gig economy challenge traditional approaches to social economic law, as many workers in these sectors do not have permanent employee status and therefore miss out on many basic social protections. Regulation often has to strike a balance between promoting innovation and protecting workers' rights. Some countries have begun to consider policies, such as the introduction of basic income guarantees, in response to these structural changes. These initiatives aim to provide new social safety nets that are better suited to modern forms of work (Clift, 2021).

On the other hand, concern for environmental sustainability has also become an important dimension of current social economy law. Regulations that require environmental responsibility for companies as well as incentives for environmentally friendly business practices are part of the effort to ensure that economic development does not come at the expense of ecosystems. Social economic law is adapting to include sustainability as one of its main principles in supporting the long-term welfare of society (Sheehy & Farneti, 2021).

Overall, contemporary social economy law serves as a vital tool in integrating economic, social, and environmental needs within a harmonised policy framework. The challenge at hand is how to balance and harmonise these policies in the face of fast-changing socio-economic dynamics. As such, the development of social economy law requires a flexible and responsive approach, which ensures that social protection is accessible to all, especially the most vulnerable amidst evolving challenges.

## **Conclusion**

The evolution of social economy law shows that the historical and contemporary development of this law has been heavily influenced by social, economic and political changes. In the early period, social economy law primarily focused on the protection of workers' rights and the creation of a basic social safety net. This was reflected in the labour laws and welfare policies that developed throughout the 19th and 20th centuries. However, as times change, these laws must also adapt to structural changes in the global economy, which include globalisation, market liberalisation and technological developments.

In the contemporary context, social economy law seeks to be more responsive and adaptive in responding to new challenges arising from the digital economy and gig economy, as well as environmental sustainability issues. Regulations involving the protection of non-permanent workers, as well as incentives for sustainable business practices, reflect a broadening of focus from mere social protection towards the integration of economic, social and environmental aspects. As such, social economy law continues to evolve to create a harmonised and inclusive policy framework, capable of addressing the increasingly complex dynamics of social and economic development.

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