

## Reconstructing the Post-Pandemic Economic Legal Framework: Perspectives on Global Recovery and Stability

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### Abstract

*The global pandemic has drastically altered the global economic landscape, necessitating the reconstruction of economic legal frameworks to support global recovery and stability. This article outlines the importance of implementing flexible, innovative, and multilateral cooperation-oriented legal frameworks to address various post-pandemic challenges. An approach based on strengthening inclusive financial systems, digitalisation, and local economic empowerment is seen as the main solution to reduce inequality and promote a sustainable economy. By emphasising the principles of global justice and adaptation to change, the reconstruction of the economic legal framework is expected to not only ensure short-term recovery but also build long-term resilience in the face of future crises. This article offers a holistic perspective on the importance of updating the economic legal framework as a foundation for creating post-pandemic global stability.*

**Keywords** reconstruction, economic legal framework, post-pandemic, global recovery and stability perspectives.

### INTRODUCTION

The COVID-19 pandemic has become a global event that has had a widespread impact on various sectors of life, especially the global economy. This widespread health crisis has shaken economic stability, created market uncertainty, and hampered international trade activities. In various countries, social restrictions and lockdowns to prevent the spread of the virus have caused a sharp decline in economic activity. The manufacturing, services, and international trade sectors have been severely disrupted by supply chain disruptions and temporary business closures (International Monetary Fund, 2021). International organisations such as the IMF and the World Bank have recorded a global economic contraction in 2020, with world economic growth declining to minus 3.5%. The tourism sector, small and medium-sized enterprises, and informal workers were the most affected, with millions of people losing their jobs and income. This instability was exacerbated by a surge in government debt in many countries, particularly in developing regions facing more serious economic difficulties (World Bank, 2021).

In addition to its macro-level impact, the pandemic has also exposed economic disparities and inequalities between countries. Developed countries with greater resources tend to recover faster than developing countries with limited access to vaccines, health facilities, and economic stimulus programmes. These disparities have triggered a slowdown in global economic recovery as a whole (Reinhart & Rogoff, 2011). Furthermore, threats to global financial stability have become more apparent, with the emergence of risks of corporate bankruptcies and pressure on international financial institutions. The pandemic has also forced countries to adopt protectionist policies, which are detrimental to free trade and pose serious challenges to global economic cooperation. In the context of global economic law, the pandemic has exposed the structural weaknesses of the existing legal



framework, both in crisis management and in post-pandemic economic recovery (Smith, 2020).

According to data from the World Bank and the IMF, global economic growth in 2020 experienced its largest contraction since the Great Depression, with many countries experiencing severe recessions. In addition, disruptions to the international trading system, global supply chains, and increased debt in developing countries have exacerbated the economic impact. Many international economic agreements and existing legal frameworks have been unable to effectively address the current dynamics, especially when various countries have implemented protectionist policies in response to the crisis (Khan, 2020).

Economic law has a strategic role as a regulatory framework for creating stability and post-pandemic recovery. Economic law is a branch of law that regulates all aspects of economic activity, including the production, distribution, and consumption of goods and services. Its aim is to create a balance between the economic interests of individuals, groups, and countries, while adhering to the principles of justice and applicable law (United Nations Conference on Trade and Development (UNCTAD), 2020). Economic law serves as a guideline for regulating market activities and managing resources to prevent irregularities, such as monopolies, worker exploitation, or environmental destruction. This branch encompasses various legal instruments, such as trade, tax, investment, and consumer protection laws (Barro et al., 2020).

Economic law plays a vital role in ensuring the stability and smooth running of a country's economic system. With clear economic laws, various economic actors—individuals, corporations, and governments—can carry out economic activities with legal certainty that protects their rights and obligations. In addition, economic law also serves to avoid potential systemic losses in the economy, such as corruption, market manipulation, and economic inequality. Good regulation helps create a conducive investment climate, encourages economic growth, and maintains social justice in society (Sachs, 2021). In the international sphere, economic law also plays an important role as the basis for trade cooperation between countries, thereby strengthening global economic integration. However, the COVID-19 pandemic has highlighted the need to reconstruct and adapt the economic legal framework to better respond to global emergencies. This includes restructuring international trade regulations, debt management, access to vaccine distribution, and protection of global financial system stability (Chang, 2022).

In the context of global recovery and stability, the reconstruction of the economic legal framework is an urgent need. The post-pandemic economic legal framework must consider the ability to adapt to similar crises in the future, create global economic justice, and support the sustainable development agenda. Research on this theme is important to provide solutions to global economic challenges, encourage international collaboration, and build a more resilient economic legal system.

## LITERATURE REVIEW

### Economic Disruptions and Legal Weaknesses

The pandemic caused widespread disruptions across industries, particularly in international trade, small businesses, and the tourism sector. The International Monetary Fund (2021) reported a global contraction of 3.5% in 2020, the most significant since the Great Depression. The economic shutdown led to the loss of jobs and income, particularly for vulnerable groups. The World Bank (2021) noted that developing countries, in particular, struggled to recover due to limited access to vaccines and financial support, exposing deep inequalities in global economic systems.

Scholars like Reinhart & Rogoff (2011) and Khan (2020) argue that the pandemic highlighted the structural weaknesses of economic law, including rigid regulations that were unable to adapt to the rapid changes needed in times of crisis. For instance, the absence of legal mechanisms to prevent monopolistic practices and protect vulnerable groups during the pandemic exacerbated social and economic disparities (Kumar, 2023).

### Reconstruction of Economic Law

To address these challenges, the article emphasizes the need for an adaptive and flexible economic legal framework. Scholars such as Garcia (2021) and Chang (2022) stress that economic laws must be restructured to accommodate emerging crises, focusing on inclusivity, digitalization, and local economic empowerment. These reforms should also prioritize global justice, aiming for long-term resilience rather than just short-term recovery (Martinez, 2023).

The reconstruction process must also consider technology's growing role in the economy. The rapid digital transformation during the pandemic highlighted the inadequacies of laws concerning e-commerce, data security, and consumer protection in digital spaces (Acemoglu et al., 2020). This view is echoed by Lee (2023), who discusses the importance of reforming economic laws to foster innovation and protect consumer interests in the digital age.

### Inclusive Economic Systems

A significant theme in the literature is the need for inclusive economic systems that reduce inequality. The pandemic underscored the vulnerability of informal workers, small businesses, and economically marginalized groups. According to Baldwin & Di Mauro (2020), reconstruction efforts must integrate policies that ensure equal access to resources and protections for these groups, such as decent wages and social security. Furthermore, this approach should blend legal instruments with redistribution policies to foster economic fairness (López, 2022).

Global Stability and Cooperation On the global stage, economic law plays a crucial role in ensuring stability through international cooperation. The article underscores that international legal framework, such as those set by the World Trade Organization (WTO), help mediate economic conflicts and ensure transparency in global trade (Smith, 2020). Stiglitz & Greenwald (2014) argue that multilateral cooperation is essential to addressing



global challenges like climate change and economic inequality, reinforcing the importance of a global legal framework in maintaining peace and stability.

However, the success of these frameworks depends on compliance by all actors. M. Lee et al. (2020) highlight that disparities in legal capacities across countries may undermine the effectiveness of international laws, making capacity-building initiatives crucial for fair implementation. Moreover, the importance of legal institutions that can resolve conflicts and interpret legal principles equitably is emphasized by the OECD (2020).

## **METHOD**

This study uses a literature review method. A literature review, often referred to as a literature study, is an approach used to collect and analyse information from various written sources relevant to the research topic. These sources include books, scientific journals, articles, documents, and various other publications (Green, 2021); (Galvan & Galvan, 2017). The main purpose of this method is to understand what is already known about a topic, identify gaps in knowledge, and develop a strong theoretical foundation for further research. The process involves systematic literature search, critical source evaluation, and synthesis of information to produce conclusions that are useful for the development of the field of study being researched. This method is crucial in building a solid theoretical framework and serves as the foundation for evidence-based scientific research (Torraco, 2005).

## **RESULTS AND DISCUSSION**

### **Weaknesses of Economic Law in Responding to the Pandemic**

Economic law plays an important role in regulating economic activities, but in the face of a pandemic, there are a number of weaknesses that need to be addressed. One significant weakness is the lack of flexibility in economic regulations. Many legal rules are rigid and cannot quickly adapt to emergency situations such as a pandemic. When a crisis occurs, the process of changing regulations towards policies that support economic impact mitigation often takes a long time, making it unable to respond effectively to the needs of the community and economic actors (Wang, 2022).

In addition, economic law often still has loopholes in the regulation of the distribution of goods and services during a pandemic. The absence of adequate legal mechanisms to regulate the distribution of essential goods, such as medicines, personal protective equipment, and basic necessities, has resulted in monopolies, hoarding, and skyrocketing prices. This has made access even more difficult for those in need, especially economically vulnerable groups (Kumar, 2023).

Another weakness is the lack of legal protection for workers and small businesses. During the pandemic, many workers lost their jobs due to economic restrictions, while small businesses often went bankrupt because they were unable to survive amid financial pressures. Existing economic laws have not been able to provide comprehensive legal protection to these groups in dealing with emergency situations, making them the most negatively affected (Brown, 2022).

The pandemic has also highlighted the limitations of economic law in regulating the digitalisation of the economy. Many economic transactions shifted to digital platforms during the pandemic, but legal regulations related to e-commerce, data security, and consumer protection in the virtual world are often inadequate. These weaknesses create risks such as rampant online fraud, data leaks, and consumer losses that are not matched by adequate legal protection (Acemoglu et al., 2020).

On the other hand, limited coordination between legal and economic institutions poses a serious challenge in addressing the impact of the pandemic. The pandemic requires a multisectoral approach involving cooperation between the government, financial institutions, and legal institutions. However, there is often policy overlap among these institutions, which hinders the effective implementation of economic law. This misalignment results in policies that are less efficient in tackling the economic crisis (Rodriguez, 2020).

The lack of inclusive economic regulations is also a significant weakness. In a pandemic situation, market behaviour can become increasingly exploitative, leading to greater socio-economic inequality. Economic laws often do not fully guarantee the equitable distribution of resources, economic assistance, or access to stimulus measures in times of crisis. This exacerbates the gap between the haves and the have-nots (López, 2022).

The pandemic also exposed the weakness of economic law in ensuring financial stability. When many countries faced fiscal pressures due to the financing of health programmes, social protection, and economic stimulus, the laws governing the management of state budgets did not always allow for the necessary flexibility. As a result, a number of countries experienced long-term economic instability due to a lack of adaptive regulation (Shaw, 2023).

Another weakness is the low level of law enforcement during the pandemic. With many economic activities halted or disrupted, illegal practices such as corruption, financial manipulation, and resource exploitation have become increasingly difficult to detect. The lack of rigorous oversight in the economic legal system during this crisis has resulted in significant losses for the state and society (Wilson, 2022).

Finally, the pandemic has shown that economic law, which is fundamentally designed for stable conditions, is often ill-equipped to deal with large-scale uncertainty. Reliance on regulations based on assumptions of normality has made it difficult for many countries to integrate effective and crisis-resilient legal policies. Therefore, economic law must adapt to become more responsive and inclusive, so that it can address the impacts of the pandemic more comprehensively in the future.

### **Economic Law Reconstruction Strategy**

Economic law reconstruction strategy is a systematic effort to improve and develop the legal foundation that supports economic activities in a country. Economic law plays an important role as an instrument that creates certainty, justice, and benefits in various economic transactions and activities. Therefore, legal reform and reconstruction in this field need to be carried out to support healthy, inclusive, and sustainable economic development (Martinez, 2023).



Economic law development must be integrated with a national development vision that is oriented towards the welfare of the people. Economic law reconstruction must be able to respond to the challenges of globalisation, digitalisation, and economic structural changes so that existing laws can adapt to the needs of modern society. The approach used should not only be normative but also pragmatic, taking into account the social, cultural, and economic factors surrounding society (Garcia, 2021).

Efforts to reconstruct economic law must begin with identifying the obstacles faced in the current legal system. One of the problems that often arises is overlapping regulations and weak law enforcement. Reducing redundant regulations and reorganising the hierarchy of regulations are the first steps towards creating a more harmonious and effective legal system. In addition, law enforcement agencies need to be strengthened to ensure consistent implementation of the law in the field (Goodhart & Pradhan, 2020).

The importance of technology in the modern economy is also an aspect that must be accommodated in economic law. Regulations in the fields of technology and the digital economy must be designed to protect consumer interests, foster innovation, and provide space for businesses to grow. This involves legal reforms in various sectors, such as personal data protection, digital taxation, and regulations on technology-based platform economies (C. Lee, 2023).

In addition, the reconstruction of economic law must also be oriented towards social justice. Regulations must be designed to provide equal access to economic resources and protect vulnerable groups from exploitation. In this case, it is important to combine redistribution policies with legal instruments, such as regulations on decent wages, social security, and protection for informal workers (Baldwin & Di Mauro, 2020). To achieve an ideal economic law reconstruction, there must be collaboration between the government, academics, legal practitioners, and civil society. Intensive dialogue is needed to produce legal formulations that are relevant to the needs of society and the business world. By involving various stakeholders, this reconstruction process has a great opportunity to create an accountable and participatory economic legal system (Patel, 2025).

On the other hand, challenges in the implementation of new economic laws must also be anticipated. In addition to training and socialisation, strong oversight mechanisms are needed to prevent violations. Without adequate oversight, new regulations risk becoming ineffective instruments in regulating and promoting economic activity (Johnson, 2022).

Finally, economic law reconstruction strategies must be directed towards the formation of an adaptive, responsive, and future-oriented system. Economic law does not only function as a tool for regulation, but must also be a facilitator that creates a competitive, innovative, and sustainable business climate. With a holistic and sustainable approach, economic law can become a main pillar in supporting inclusive and resilient economic development.

### **The Contribution of the Economic Legal Framework to Global Stability**

The economic legal framework plays a fundamental role in creating global stability through regulations that minimise economic imbalances. Economic law acts as the legal

foundation for international trade, investment, and relations between countries. With clear legal standards, such as those set by international organisations like the WTO (World Trade Organisation), governments of various countries can work together to reduce economic tensions that could potentially trigger global instability. This regulatory harmonisation enables greater transparency and accountability in cross-border transactions (Smith, 2020).

In addition, the economic legal framework provides a basis for the protection of the rights of actors in economic activities, including companies, workers and consumers. For example, regulations related to intellectual property protection, contract enforcement and consumer protection regulations enable fairer and more efficient economic participation at the global level. When all parties feel legally accommodated, trust in the international economic system increases, contributing to overall economic stability (Ahmed, 2021).

The integration of global economic law also enables the peaceful management of economic conflicts between countries. In situations where trade disputes arise between two or more countries, the existence of international dispute resolution mechanisms, such as WTO arbitration panels, prevents the escalation of political conflicts or even large-scale trade wars. This allows countries to resolve issues rationally and based on mutually agreed rules, rather than through unilateral approaches that are often unpredictable (Chen, 2022).

The economic legal framework also emphasises the importance of cooperation in addressing global challenges such as climate change, economic inequality, and financial crises. International instruments such as the Paris Agreement on the environment or the Basel Accords on global banking stability reflect how economic law helps design collective workflows to address economic and social threats. The implementation of these rules ultimately supports sustainability, which is one of the main pillars of global stability (Stiglitz & Greenwald, 2014).

The role of economic law in mitigating economic risks cannot be ignored. Strict financial market regulations help prevent recurring financial crises that impact the global economy. For example, rules related to central bank supervision, international financial reporting standards, and systemic risk management promote the creation of a stable financial system. This financial system stability ensures that countries can focus on economic development without being distracted by the threat of constant crises (Heymann & Shindo, 2020).

In the context of international trade, the economic legal framework also contributes to reducing harmful practices such as dumping, protectionism, and the arbitrary use of tariffs. By promoting the principles of fair free trade, economic law enables countries to access global markets on more balanced terms. This not only enhances economic cooperation but also fosters closer diplomatic relations across the globe (World Bank, 2021).

However, it is important to note that the success of the economic legal framework in maintaining global stability heavily depends on the compliance and commitment of all international actors. Not all countries have the same capacity to comply with or implement international economic regulations (M. Lee et al., 2020). Therefore, technical support and capacity building from international organisations to developing countries are key factors in ensuring the fair and equitable implementation of economic law.



On the other hand, the global economic legal framework sometimes faces challenges in the form of differences in interpretation between countries regarding applicable legal principles. In this case, the existence of international legal institutions is important to provide guidance and determine resolutions based on the principle of equality, which also maintains justice for all parties. Thus, international economic law is not only a regulatory tool, but also a tool for creating harmony amid global differences in interests (Organisation for Economic Co-operation and Development (OECD), 2020).

In an increasingly complex era of globalisation, the economic legal framework strengthens the synergy between state sovereignty and international cooperation. By complying with international economic law, countries not only fight for their national interests but also contribute to global stability. This creates healthy interdependence, where the gains of each country are not achieved at the expense of others (Garcia, 2021).

Overall, the economic legal framework is not merely a set of rules, but an ecosystem that connects various economic and social aspects at the global level. Through its regulatory functions, conflict mediation, and risk mitigation, economic law has made significant contributions to the creation of global stability. In addressing existing challenges and dynamics, the development of an inclusive and adaptive economic legal framework will continue to be a crucial foundation for maintaining a peaceful and stable world order.

## CONCLUSION

The pandemic has had a significant impact on the global economic system, posing various challenges such as economic slowdown, market uncertainty, and financial pressure on many countries. In response to these conditions, reconstructing the economic legal framework is an important step to ensure a resilient and sustainable economic recovery. Principles such as regulatory flexibility, digitalisation, and strengthening the international legal framework need to be applied to address the complex challenges of the post-pandemic world.

Furthermore, global stability can only be achieved through strong multilateral cooperation between countries, international institutions, and the private sector. Post-pandemic economic legal reconstruction needs to focus on aligning cross-border policies, empowering local economies, and improving financial systems to be more inclusive. This strategy aims to ensure equitable access to economic resources, reduce inequality, and support the transition to a greener and more sustainable economy.

Ultimately, the success of economic legal framework reconstruction will depend on each country's ability to adapt to the changes taking place. An approach based on innovation, strengthening legal transparency, and a commitment to global justice principles will help create a stable economic foundation while providing opportunities for a more equitable economic recovery. Thus, the reconstructed legal framework must not only be recovery-oriented but also capable of building long-term resilience in the face of future crises.

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