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Research on the Theoretical Basis and Practical Application of Economic Law

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Abstract

Against the backdrop of economic globalization and the deepening of market economy, the theoretical foundation and practical application of economic law are facing new challenges and opportunities. This article aims to deeply analyze the theoretical basis of economic law, covering its origins, core values, and other aspects; At the same time, by combining practical cases to explore the practical application of economic law in various economic fields, analyzing the existing problems in the practical process, and proposing improvement strategies, it is expected to provide useful references for the further development and effective implementation of economic law.

Keywords

Economic Law; Theoretical Basis; Practical Application; Economic Order.

1. Introduction

The theoretical foundation of economic law is in a continuous process of evolution and improvement, and its practical application also faces various problems. On the one hand, from a theoretical perspective, the connotation and extension of economic law, as well as its relationship with other legal departments, have always been the focus of discussion in the legal community; On the other hand, in the practical aspect, how economic law can effectively regulate the behavior of market entities, maintain market order, and promote economic development is a problem that requires us to delve deeper into. Given this, it is highly necessary for us to conduct a comprehensive and in-depth analysis of the theoretical foundation and practical application of economic law, in order to better enable it to play its role in the process of economic development.

2. Theoretical Basis of Economic law

2.1. The Economic Roots of Economic Law

Economic law emerged during a specific historical period of market economy development[1]. When capitalist free competition shifts towards the monopoly stage, the inherent flaws of the market mechanism begin to gradually emerge, among which market failure and other issues are typical representatives. In the face of challenges such as public goods supply, externalities, and information asymmetry, the market appears powerless, leading to economic disorder. It is in this context that economic law has emerged.

2.2. The Value Objectives of Economic Law

2.2.1. Fair Value

The fairness pursued by economic law is substantive fairness, which is different from the formal fairness emphasized by civil law. It focuses on the differences in strength, information acquisition, and other aspects among economic entities, aiming to allocate economic benefits reasonably. For example, the Consumer Rights and Interests Protection Law stipulates that business operators shall provide double compensation for fraud, compensate consumers for

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losses under information asymmetry, and achieve substantive fairness between both parties in the transaction.

2.2.2. Efficiency Value

The efficiency value of economic law is reflected in promoting the optimal allocation of resources and improving the overall operational efficiency of the economy[2]. The state guides the flow of resources towards efficient industries and enterprises through economic laws, such as industrial policy laws, competition laws, etc., to prevent waste. The Anti Monopoly Law prohibits monopoly agreements and abuse of market dominance, maintains a competitive environment, and incentivizes enterprises to improve efficiency and innovation. Antitrust agencies shall sanction monopolistic enterprises in accordance with the law, restore market competition, and improve industry efficiency and resource utilization.

2.2.3. Order Value

Economic law strives to maintain economic order and ensure smooth economic activities, covering various aspects such as market access, competition, and macroeconomic operations. After the 2008 financial crisis, countries strengthened the supervision of financial institutions, formulated strict regulations to regulate financial derivatives trading, strengthened bank capital management, prevented disorderly development, and maintained the stability of the global financial order.

2.3. The Relationship between Economic Law and Other Legal Departments

2.3.1. Economic Law and Civil Law

There are both differences and connections between economic law and civil law in terms of the objects and methods of adjustment[3].Civil law mainly regulates the personal and property relationships between equal subjects, based on the principle of autonomy of will and emphasizing individual interests. Economic law regulates the economic relations arising from state intervention in economic activities, and the expression of state will is more significant. The two have differences in adjusting objects and emphasis.

2.3.2. Economic Law and Administrative Law

There is a close relationship and significant differences between economic law and administrative law. Administrative law focuses on regulating the behavior of administrative agencies and protecting the rights and interests of citizens, legal persons, and other organizations from infringement. In economic law, although it also includes relevant content on the management of the economy by state administrative organs, it focuses more on the adjustment and regulation of economic relations.

3. The Application of Economic Law in Practice

3.1. Application in Market Regulation

3.1.1. Antitrust Enforcement

The anti-monopoly law occupies a pivotal position in the market regulation section of economic law. In practical operation, anti-monopoly law enforcement agencies in various countries around the world actively fulfill their responsibilities and severely crack down on various monopolistic behaviors. Taking the anti-monopoly investigation launched by the European Commission against Google as an example, Google dominates the search engine market and the Android operating system market. The European Commission accuses Google of using its market dominance to prioritize the promotion of its own services, thereby creating an unfair competitive environment for competitors. After years of investigation, the European Union imposed a huge fine on Google and ordered it to change its business model. This case fully demonstrates the important significance of anti-monopoly law enforcement in maintaining

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market competition order and safeguarding consumer interests. Punishing monopolistic enterprises can promote the diversification of the market, prevent the abuse of market power by enterprises, and protect the legitimate rights and interests of other market participants from infringement. ression of state will is more significant. The two have differences in adjusting objects and emphasis.

3.1.2. Anti Unfair Competition Regulation

The Anti Unfair Competition Law mainly regulates various unfair competition behaviors in the market, including but not limited to false advertising, commercial defamation, infringement of trade secrets, and other situations. For example, in the cosmetics industry, if Company A maliciously spreads false information online in order to suppress its competitor Company B, claiming that Company B's cosmetics contain harmful ingredients, this behavior directly leads to a significant decline in Company B's product sales. In this case, Company B can file a lawsuit with the court based on the Anti Unfair Competition Law, demanding that Company A cease its infringing behavior and compensate for the losses suffered as a result. The implementation of the Anti Unfair Competition Law ensures that market entities can compete in a fair and just market environment, effectively maintaining normal market order.

3.2. Application in Macroeconomic Regulation

3.2.1. Fiscal Policy and Economic Law

Fiscal policy, as a key means of national macroeconomic regulation, plays a crucial role in the economic field, and fiscal law is an indispensable and important component of economic law. When the economy is in a recession, the government can use expansionary fiscal policies to stimulate the vitality of economic growth[4]. Taking the 2008 global financial crisis as an example, after the crisis, the US government implemented a series of large-scale fiscal stimulus plans, including measures such as increasing government spending and significantly reducing tax burdens. The implementation of these measures is based on the relevant provisions of the Finance Law, such as determining the scale and direction of fiscal expenditures through the preparation of budget bills. At the same time, in the specific implementation process of fiscal policy, it is also necessary to follow the principles of fairness, efficiency and other value goals upheld by economic law, and allocate fiscal resources reasonably, so as to effectively prevent the waste and unreasonable use of fiscal funds.

3.2.2. Monetary Policy and Economic Law

The laws and regulations related to monetary policy provide solid guarantees for the effective implementation of monetary policy. In China, for example, the People's Bank of China will adjust the deposit reserve ratio and benchmark interest rate according to the economic situation. When the economy becomes overheated, the People's Bank of China will raise the deposit reserve ratio and benchmark interest rate to tighten the money supply, thus curbing inflation. When the economic growth momentum is insufficient and weak, the People's Bank of China will reduce the deposit reserve ratio and benchmark interest rate to increase the money supply, thus stimulating investment and consumption. These monetary policy operations are carried out in accordance with a series of economic laws and regulations such as the Law of the People's Bank of China, aiming to maintain monetary and financial stability and promote stable economic growth.

3.3. Application in Industrial Policies

3.3.1. Promote the Development of Emerging Industries

The state encourages and supports the development of emerging industries through the Industrial Policy Law. Taking the new energy vehicle industry as an example, in recent years, governments around the world have successively introduced a series of measures, such as subsidy policies, tax incentives, etc., to support the development of the new energy vehicle

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industry. In China, the government not only provides financial subsidies to new energy vehicle manufacturers, but also reduces purchase taxes for consumers who purchase new energy vehicles. These industrial policy measures have clear and specific provisions in economic law, such as relevant industrial subsidy regulations, tax preferential regulations, etc. Thanks to the implementation of these policies, the new energy vehicle industry has achieved rapid development. This not only promotes the transformation and upgrading of the automotive industry, but also helps to reduce the pollution caused by traditional fuel vehicles to the environment, achieving the coordination and unity of economic development and environmental protection.

3.3.2. Adjusting the Structure of Traditional Industries

In the field of traditional industries, the industrial policies covered by economic law play a crucial role. Taking the steel industry as an example, when the problem of overcapacity arises, the state, based on the relevant provisions of industrial policies in economic law, uses industrial policy law to guide steel enterprises to carry out mergers and reorganizations and promote the elimination of outdated production capacity. These measures have effectively promoted the development of the steel industry structure towards optimization and upgrading, enhanced the overall competitiveness of the industry, and also effectively alleviated the problems of resource waste and environmental pollution.

4. Problems in the Practical Application of Economic Law

4.1. Coordination Issues of Laws and Regulations

In the practical application of economic law, there may be insufficient coordination between various laws and regulations. For example, in the field of financial regulation, when different financial regulatory agencies regulate the financial market based on their respective laws and regulations, there may be regulatory overlap or gaps. Regulatory regulations for different financial industries such as banking, securities, and insurance may have inconsistent standards or vague provisions in some cross regional areas, such as the regulatory level of financial holding companies. This situation may not only confuse financial institutions in their operations, but also have a negative impact on the stability of the financial market and regulatory effectiveness.

4.2. The Issue of Law Enforcement Intensity and Effectiveness

In some areas of economic law, insufficient enforcement efforts have had a negative impact on the effectiveness of legal implementation. Taking the field of environmental protection as an example, although there are a series of laws and regulations related to the environment, in the actual enforcement stage, due to the lack of enforcement resources, local protectionism and other factors, some enterprises' environmental violations cannot be dealt with in a timely and effective manner. Some companies illegally discharge pollutants, causing extremely serious damage to the environment, but have not received the appropriate punishment. This situation not only damages the public interest in the environment, but also weakens the regulatory role of economic law in the field of environmental protection.

5. Suggestions for Improving the Practical Application of Economic Law

5.1. Strengthen the Coordination and Unity of Laws and Regulations

In order to properly handle the coordination of laws and regulations, it is necessary for the country to establish a unified coordination mechanism. In terms of financial regulation, this mechanism should be able to integrate the regulatory functions of different regulatory agencies, formulate unified financial regulatory regulations, or coordinate the relationship between

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existing regulations. For example, cross departmental coordination bodies such as the Financial Stability Board can be established to carry out unified regulatory work on complex financial institutions such as financial holding companies, clarify regulatory standards and responsibilities, in order to prevent regulatory loopholes and overlaps, thereby improving the efficiency and effectiveness of financial regulation.

5.2. Strengthen Law Enforcement Efforts and Effectiveness

In terms of strengthening law enforcement efforts, it is necessary to increase investment in law enforcement resources and enhance the professional competence of law enforcement personnel. In terms of environmental protection law enforcement, it is possible to enhance support for environmental law enforcement departments in terms of funding and personnel, equip them with advanced monitoring equipment, and strengthen training for law enforcement personnel. At the same time, it is necessary to eliminate local protectionism, establish strict accountability mechanisms, supervise the inaction or disorderly behavior of local governments in environmental law enforcement, and hold them accountable. By taking these measures, it is possible to ensure the effective implementation of environmental laws and regulations, thereby protecting the ecological environment.

6. Conclusion

The theoretical foundation of economic law provides a solid direction for its practical application, while practical application continuously enriches and improves the theory of economic law. In the current complex economic situation, it is necessary for us to deeply understand the inherent meaning of economic law theory, face up to the problems that arise in practical application, and use effective methods to solve them. By continuously optimizing the theory and practice of economic law, we can better leverage its key role in regulating economic behavior, maintaining economic order, and promoting economic development, building a strong legal barrier for sustainable economic and social development, and promoting the global economy towards greater fairness, orderliness, and efficiency.

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