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Indonesia: Guiding Fragile Communities Toward the SDGs Amid Economic, Socio-Political, and Religious Challenges

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Abstract

Objective: This study examines how Indonesia guides fragile communities toward achieving the Sustainable Development Goals (SDGs) amid persistent economic, socio-political, and religious challenges during the post-reform era. **Theoretical framework:** The study is grounded in the theoretical framework of social resilience, human security, and sustainable development, which emphasizes the interaction between institutional capacity, inclusive governance, and community adaptability in addressing structural vulnerabilities. **Literature review:** Previous studies have primarily discussed Indonesia's democratic transition, poverty reduction, religious pluralism, and economic inequality as separate issues. However, limited scholarship has integrated these dimensions into a comprehensive transdisciplinary framework that explains how economic, political, and religious factors collectively influence the resilience of fragile communities and progress toward the SDGs. **Method:** This research employs a qualitative descriptive approach using document analysis of government reports, socioeconomic indicators, academic literature, and policy documents. The collected data were analyzed through thematic content analysis to identify patterns of interaction among governance, social welfare, economic recovery, and religious cohesion. **Results:** The findings demonstrate that Indonesia has made significant progress in democratic consolidation and poverty alleviation, yet substantial disparities remain across regions and vulnerable populations. Economic instability, political polarization, and socio-religious tensions continue to hinder equitable development and community resilience. The study further reveals that integrated governance combining inclusive public policies, equitable economic opportunities, social protection, and interreligious collaboration contributes substantially to strengthening fragile communities and accelerating SDG implementation. **Implications:** The implications suggest that policymakers should adopt transdisciplinary and community-centered strategies that simultaneously address structural inequality, democratic participation, and social cohesion. **Novelty:** The novelty of this study lies in proposing an integrated analytical framework linking economic resilience, democratic governance, and religious inclusiveness as interconnected determinants of fragile community empowerment, thereby offering a holistic perspective for advancing sustainable development in Indonesia and other pluralistic developing countries.

Keywords: indonesia, fragile communities, sustainable development goals, social resilience, inclusive governance.

INTRODUCTION

In Indonesia, the social atmosphere of daily life cannot be easily defined due to its high level of complexity. As the largest Muslim-majority country in the world, Indonesia deserves recognition not only for preserving the heterogeneity of its population—spanning various religions, ethnicities, nationalities, and island regions—but also for its long-standing history of harmonious coexistence. This deeply rooted cultural experience, sustained over thousands of years, offers invaluable lessons that continue to shape Indonesian society today. In the current era, where global influences are intensifying and information flows freely across borders without territorial limitations, it is crucial to make every effort to preserve this social harmony. Doing so not only benefits all segments of society but also positions Indonesia as a potential role model for the world in managing diversity [1], [2].

Indonesia is among the few nations richly endowed with relics from ancient civilizations. Fossil evidence of *Homo sapiens* indicates early human existence in this region. One particularly fascinating theory comes from Professor Arysio Santos, a Brazilian historian and anthropologist, who shocked the world by suggesting that the legendary land of Atlantis, as described by Plato, may have been located in Indonesia. According to Santos, the indicators described by Plato—of a highly advanced civilization lost to a catastrophic natural disaster—align most closely with Indonesia’s geography and archaeological record. The spirit of unity in diversity, framed by a sense of brotherhood, is a priceless national treasure. It is rooted in a national philosophy that once contributed significantly to world civilization. This spirit fosters a sense of trust among minority groups, assuring them that their identities are safe and respected. Unlike in many nations where dominant cultures often marginalize minorities, Indonesia maintains cultural diversity without imposing uniformity. Ethnic languages, traditional rituals, and other local customs are celebrated as valuable assets, not threats. In contrast, countries with far less diversity have experienced prolonged conflict due to their inability to manage cultural differences [3], [4].

In Indonesia, every cultural symbol is encouraged to thrive within the framework of national unity—whether through traditional dances, crafts, or community rituals. These practices help preserve cultural memory and reinforce a collective sense of identity. Cultural nostalgia plays an important role in this process, as it carries the moral and ethical values passed down through generations. It serves as a “filter” to help society withstand the powerful pressures of globalization. Such traditions connect present-day Indonesians to their ancestors, nurturing a society with deep cultural roots. Indonesia’s strong cultural foundation is a key driver of national advancement. This foundation is reinforced by the preservation of nostalgic symbols that reflect the country’s glorious past. In contrast, modern states that are economically advanced but lack strong cultural grounding often find themselves fragmented and vulnerable. Cultural wealth, therefore, is not merely symbolic—it is essential for national cohesion and long-term resilience [5], [6].

Speaking of the realities and challenges that arise in society—whether in daily life or in formal matters requiring scholarly attention to find effective solutions—there is a need for a more comprehensive approach that emphasizes public benefit / *maslahah* (Masruri, 2024). Many problems that could be resolved easily often become complicated due to a lack of accommodative, benefit-oriented spirit. This can be seen in how the enthusiasm to fill mosques for the obligatory prayers is often overshadowed by sectarian fanaticism within society. For instance, something as simple as the practice can become a divisive symbol—a sort of brand—that creates distance between Muslim groups. This has led to a kind of “personality gap” within communities and even affects broader issues that require unity among Muslims [7].

Such dilemmas often stem from a lack of education about the legitimate diversity that exists under the greater umbrella of Islamic brotherhood. Concrete steps are needed to educate the public about religious issues whose primary aim is worship but which can ignite sectarian sentiments. Often, these issues arise from immature or shallow understandings of

religious differences, without sufficient analysis. The rise of exclusive groups within Muslim communities reflects a deep frustration with the social realities they face, especially when they rely solely on normative religious sources without considering context. This uncertainty is worsened by immense external pressures, as well as internal weaknesses among Muslims themselves—particularly the recurring tendency to believe that one's interpretation is more correct than others' [8], [9].

Never before in Islamic history has the Muslim ummah faced such intense, multifaceted challenges to both its teachings and its identity. Today, nearly every aspect of Muslim life seems to require validation from external (non-Muslim) sources. One can only imagine the psychological burden this creates, amid a storm of emotional and ideological confusion. Therefore, Islamic education must be adapted to the conditions Muslims currently face. While teaching aspects of worship such as prayer is essential, it is equally important to consider Islamic frameworks that can help build a civilization. Referring to the *sirah nabawiyah* (Prophetic biography), we see that the Prophet Muhammad's actions ultimately led to the formation of Islamic civilization [10], [11], [12].

This means that such a civilization must first be grounded in a strong foundation of *tawhid* (the oneness of God), supported by a determined spirit to build human beings as central agents of society (Habermas, 2011). In general, there are four key strategies used by the Prophet Muhammad in laying the foundation of Islamic civilization: strengthening *aqidah* (faith). History shows us that many once-great civilizations collapsed because their foundational beliefs were corrupted or eroded. New order administration was success to curb the hyper-inflation in the early of this period since 1967. The booming of oil price accelerated the economy growth in 1980-s. The government had enough time to invest in infrastructures, schools, airports, and many physical buildings. Thus, international institutions from world banks, IMF, Fitch, or others appreciate the wonderful rapid achievement of new order administration. But the situation quietly changed after economy crisis hit Asia from Thailand and cross to Indonesia that began in mid-1997. The dire situation smashed the economy from 7 percent average before crisis plunge into minus 20 percent [13], [14].

The economy crisis was nightmare shatters the Indonesian dreams which make difficult almost all of sectors spark many protests to become the crisis in politics, to force the new order administration to resign which had run for 32 years. The peaceful succession by transferring authority from President Suharto to his Vice President BJ Habibie was the success story of democracy milestone in Indonesia (Bunte and Ufen, 2009). This scene of power transfer to prevent the bloody transition to avoid the balkanization due political atmosphere was very similar in Yugoslavia. Indonesia passed the critical situation because former President Suharto was the nationalist who contribute to take part to obtain and defend Indonesia's independence from colonials. Suharto ceded to resign to prevent the further instability in Indonesia to calm the anger protestors to take breath the security components both police and army to curb the situation (Lee, 2021). The democracy mechanism ran smoothly by holding of election for the parliament in June 1999 through the political compromising by semi-direct election in the People's Consultative Assembly (MPR) to vote Abdurrahman Wahid as the first president in reformation era [15], [16].

But political intrigue in MPR (People's Consultative Assembly) tried to impeach Abdurrahman Wahid (Gusdur) in 2001 was ambiguity of democracy in history of Indonesia. Due the political theater in parliament was to dismiss him by putting his Vice President Megawati as the successor without chaotic of the socio politics in Indonesia generally. Despite process of succession assumed as the usual atmosphere to indicate Indonesians more mature to politics than before reformation's era. But the effect of the impeachment was political stalemate for a few years to renegotiate some principles in democracy game. The next stage of democracy was the general election with direct presidential election in 2004, however the public choice to name Susilo Bambang Yudhoyono (SBY) as the first direct president in Indonesia. SBY's was two periods to bring more new face of Indonesia economy

and democracy. SDGs (Sustainable Development Goals) which focus to slice the poverty and provide the better basic human needs such food, sanitary, health and education.

Despite some targets missed but SBY's era was quietly success to elevate the economic growth and democracy in Indonesia. In the end of his administration, Indonesia was part of trillion club countries due to encompass the GDP more than 1 trillion dollar and 1.25 trillion under Jokowi's administration. The freedom of speech was guaranteed by government although some sensitive cases were not solved such as the case of human right activist "Munir" is likely uncovered case until now to taint democracy. Indonesia social constellation is very dynamic so it needs an instrument that regulates all of the aspects. Because it needed a clear container to be able to regulate and spread moral messages that became the standard in society. Until now the consultation system that occurs is mostly realized by ballot boxes or ballot boxes. Indeed, it is very important to maintain this mechanism so that the results of the event are in truly obtained from the most votes [17], [18].

Indeed, addressing political issues in many nations remain a major problem in several countries. In principle, every person has the right to be involved in political matters but most importantly of all moral messages must be prioritized. In addition, political objectives are not only as instruments to be in power but how to empower the social welfare. This article moves through three stages of analysis to argue that socio politics and economics perception should be promoting the essential equality in values by securing the social welfare in any manner. The article also interrogates Indonesia economy's challenge and geopolitics surrounding it as the first section. After that the second section discusses Pareto's theory on this approach. The third section describes the analysis of data collection which explains the interconnection data collection in this article.

The benefits of this research are (1) the academics stake holders who want to investigate the integrality, measure the relation of the socio economic and politic experiences in developing countries such as Indonesia (2) will give significant contribution for any governments to run policy which has the similar experiences in term of reformation euphoria (3) to review the concept of welfare more local perspective beyond the conservative measurement.

LITERATURE REVIEW

Indonesia's Resilience in Achieving the SDGs Targets

Over post Asian Crisis hit Indonesia in 1998, Indonesia's economy has fluctuated with average 5-6 percent per year. This growth is not disappointed as compared with other developing countries although it is still below China and India generally. The abundant natural resources, demography bonuses, and the influx investment stimulate economic growth in some emerging economies, particularly in Asia, which become the global magnet for industrial production. The large moderate price of essential products creates the consumption among the high GDP countries to accelerate the economic growth in emerging countries to boost their production. The growing demand of essential products triggered the natural exploitation in many countries which runs to caption the developed ones status. In Asia, the maneuver of industrial process started in Japan, firstly to copy the western industrial product such as car, ships, and other machinery production, only in thirty years to change Japan as the first country to gain the developed nation. Japan grasps the G7 as the elite industrialized club to persuade Korea and Taiwan to pursuit the same status which began to endorse the industrialization process in the early of seventies. The three Asian countries are recognized as the Asian miracle because they can resemble the western developed countries just in very short time [19], [20].

The key of three Asian countries to transform as the developed countries is by pushing rapid industrial growth to inspire other Asian countries to follow their trajectory. China, India, and ASEAN try to build the industrial blue print project to chase the gap with their

previous Asian countries. Among them that China is the more successful to transform its economy to flood the cheap product around the world. The phenomenal success story of Chinese economy is to place it as the prominent giant world player besides USA. Currently, Chinese Economy has the largest saving in this world to boost its economy and could invest its domestic infrastructure project relentless. The lucrative giant market to capitalize its economy prospect for foreign multi-national companies is which inject huge money to expect the benefit in return. Chinese in the early nineties still listed in as the poor country change rapidly to become the second largest GDP and the first GDP based PPP version. The rare earth material is beneath of China to accelerate its economy to gain the current level. Smart phone industries are inevitably in modern life style which China is the largest deposit of the rare earth material as the crucial component to produce it. Then India is eager to take the important measurement to run after the previous competitors.

The huge population to make rational target for Indian government to take part the league of economy competition. Although India's economy growth is not success as China's but it is still listed in the second stage. The abundant of skilled human resources especially in digital technology to help India's economy leaps to score the economy growth significantly. The combination China and India is 40% of global population due to leverage their position in the global stage. Their appetite of energy consumption to replace USA which turns as the prominent energy producer since explored more oil and gas field in its territory. China and India are the two giants to compete to gain the influence from international market. Meanwhile Indonesia as the largest ASEAN economy also make the breakthrough of its effort to stabilize the economy growth by passing one trillion GDP since 2012 under Susilo Bambang Yudoyono's administration. The natural commodity demand to boost Indonesian economy in SBY's to accelerate to achieve the SDGs goal [21], [22].

The typical of economy of Indonesia emphasizes the domestic consumption is quite different with China's which push the economy growth based on the export. Indonesia's economy is quietly resilience after 1998, the period as the catastrophic to devastate almost entire economy foundation. The fragile economy growth was motorized by the clientelism of inner circle within government was not based on economy competitiveness. The end of Suharto's era was the milestone for Indonesia to reshape its economy development by pushing the deregulation of bureaucracy especially in investment and industrial sector. Macroeconomic gets the momentum while the new confidence of the democracy is to guarantee the cash flow of economy activities. Indonesia has a rich natural resource as the advantage to recovery of economy. Stability of economy was supported by creating investment climate which slicing some regulations to boost income. Although Suharto's era was average economic growth in 7, 0 percent for 32 years of Suharto administration due to the transparency and opportunities was relatively low [23], [24].

Indonesia is in highly motivated to increase the economy growth to reduce poverty by generating all of sector to move forward. During SBY's rule the economy growth touched 6.5 until 7.0 to accelerate the poverty reduction and to give resonance many sectors. SBY as the first president post Suharto from military back ground to run his administration with tolerance of critics and show to public how freedom of expression was engaged. The market responded that SBY's want to create that democracy system in Indonesia go on the track. The market confidence moves the multi-effects to attract foreign investment to Indonesia. Fitch, or many international agencies to give good investment rating after almost two decades was not part of investment grade as barometer of economic globalization. Honestly, if it is compared during Suharto's that the post of his era seems more fluctuated was shown through the market indicates unstable configuration. Undeniable, the sustainable high economic growth like in Suharto's era was hard achieved because the totalitarian regime was easy to consolidate potency forcedly. But the economic growth was fragile amid it was not natural competition among the actors. Term of globalization is still unclear for most of current academics around this world except it relate the speed information was spread globally to create the new paradigm of it. Since the technology and information superior withhold in

western hysteria hand, it creates the juxtapositions should be referred to western value of life. Any perception beyond it could be categorized as the weird and out of the mainstream is excluded from the stage of global actors. Globalism creates the new reality of interdependence among the countries. Due the multi factors of socio economy more complicated because sensitive political maneuver is in some oil exporters such as in Middle East, the significant shifting of policy some important countries such as USA or Chinese. The trade war between USA and Chinese to influence socio economy and politics in international stage [25], [26].

The currency value manipulation, piracy, stealing of intellectual property, green climate or human right is the important issues which are contested by the two giants. For Indonesia, the two giants rivalry do not affect directly to its economy. Frankly, the situation is benefit for many developing countries such as Vietnam, Thailand, or Indonesia to compete to welcome the companies would be allocated out of Chinese. The war trade by weighing high taxation of goods from Chinese is to USA to burden many companies there. Many ASEAN countries persuade the allocating companies with the incentive to attract them to invest. One of the big challenges of Indonesia after obtaining the upper middle income status is not to be trapped in it. The pressure to Indonesia economy is stronger while US government to list Indonesia along with some developing countries such as China, India, Turkey which could not use the SAS facility. Indonesia got this mechanism since 1980 which help its commodity enter USA's market.

SAS (Special Access Scheme) is one of instrument from USA to give incentive of economy to help the developing countries to get export market by opening free tax of thousand products. Indonesia is categorized as the upper middle income country to dismiss the previous facility. Meanwhile the current trade between Indonesia and USA reach 30 billion dollars. The big achievement for Indonesia is to keep maintaining the trade, but the list countries of SAS to drop the export projection in the future because USA just give the waiver for several years. For Indonesia since new order era of Suharto's the concept of welfare likely to suit with growth orientation to push economic achievement by giving privilege access for elite national businesspeople to leverage national income. The implication of new order's benchmark policy was success to generate industrial production by lifting the economy status from less developed to developing country.

At the first two decades of new order's administration impressed many analysts even reputable international organizations appreciate the achievement as one of Asian miracle. But the Asian crisis 1997 devastated entire prime economy sectors especially in Indonesia amid triggered the massive multi crisis to force the administration resign. After reformation era 1998, the euphoria of democracy to improve the openness in many sectors, the government is more focused to improve economy climate in cope with the business parameter. The typical of Indonesia's economy changed dramatically from natural resources to industrial products might face the hurdles after becoming net oil importer since it check out from OPEC. The trend of Indonesia's policy in the last two decades ago imposed export restriction on unprocessed essential product to boost the fabrication process. The maneuver poses the potential conflicts with others, like the recent one with European Union complain to Indonesia due to ban the nickel raw materials before processing to give it the added value. Meanwhile European Union puts the environment issue to tackle oil palm export from Indonesia which raises the trade war concern of potential conflict between them. The pandemic Covid-19 impacts the down turn of global economy should avoid the tricky to boost the economy growth. The recovery global economy could be gained by prioritizing the common sense to grow together [27], [28], [29].

METHODOLOGY

In this research, authors considered the recent challenge in complexity variables to analyze the certain issues. After examining the variant issues is related with several disciplines to

extent to which such variables should be measured by interdisciplinary approach. Although the principle of the methods to seek the connection among the variables through interdisciplinary. Authors argue that the combination of interdisciplinary is coped with purpose of research project to uncover the key issues in this article. The strategy by using the interdisciplinary approach means to demonstrate the constructive alignment to deal problems in the research. The framing of this designated approach to boost the research confidence to narrate rationally. Furthermore, investigation could be implemented by using of interdisciplinary approach in diverse disciplines. The disparity of disciplines could be linked by common sense of knowledge. Interdisciplinary approach goal is to build the bridge among the variable of disciplines by endorsing the connection.

It is argued that this combination of the interdisciplinary approach with outcome-based approaches and constructive alignment can effectively assist the authors in handling the subject design challenges. Further, research can extend the field into issues relating to interdisciplinary subjects by experimenting on the interdisciplinary approach and associated analyzing and assessment strategies as suggested in this paper. This can be done by conducting action research to give robust argument. Here investigation may be undertaken to explore academics in diverse disciplines from a broader perspective. Indonesia like other emerging countries faces the immense challenge to elevate its economy grade is not stuck in as the middle income level. The variety of policies is taken to deal the fluctuated obstacles mean to improve the economy climate in Indonesia. The abundant natural resources are not guaranteed to obtain the wealthy for its citizens due to capitalize all of potentials must cope with the typical economy benefit. Dense young population has the consequence if it could use smart enough to generate all of the sectors.

RESULT AND DISCUSSION

Applying Pareto's Theory to the Distribution of Welfare in Vulnerable Communities

Indonesia as the archipelago country is quietly difficult to develop all sectors equally because the split areas among the islands, however the disparity welfare is unavoidable. The centralizing industrial productions are in Java is supported by the well infrastructure compare region beyond it. The sparsely populated economy in Eastern economy assumed investors reluctant to put their capital to run business. The maneuver of President Jokowi to build Trans-Papua, Trans- Kalimantan, Trans Sulawesi tries to attract the business appetite to persuade the investors to bet their fortune. Vilfredo Pareto's main contribution was his ability to capitalize the sociological approach to value it as important as economic measurement. For Fassiani pointed Pareto's scientific methodology signifies the sociological approach as the crucial method to enrich the cardinal indications of his work. Meanwhile the Paretian methodology used it as the reference to magnify the study of public finance and inspired the many governments to take the populist projects in their administration. According to Van Zyl, J. M. on Pareto's distribution of economy measurement could be transformed to distribution economy is by using the affine parameter with dependent transformation. The likelihood design estimation of the Pareto's distribution parameter was in maximum. It indicated how Pareto concerned the social welfare as the prioritized distribution by combining the efficiency in economy parameter [30], [31], [32].

Okada, M. appreciated that Pareto saw Labor with wider dimensions under his general equilibrium system by integrating economy thinking and sociological counterpart. The profit will be gained without dismissing the social aspect within work atmosphere. The basis of Pareto on labor issue was how to implement the economics coincide with worker's solidarity. The continuity of production would be achieved by applying the favors equilibrium aligned with the affine parameter, and not to emasculate the workers just for gaining the profit. Because for long time. It could be dismantle the economics projection due human as the subject of economy always adopt the new challenge to cope with economics principle.

Demals, T and Hyard, A looked Pareto as the one of prominent modern socialist systems due to equalize with saint simonism. The saint- simonisinism was associated with a religious system probably echoed by the socialism commentators in the middle of nineteenth century. The reason how Pareto perceived saint –simonianism as a non-science was derived from both mere theory of political economy and the theory of social evolution. Meanwhile Sarkar, et.al perceived Vilfredo Pareto established the ‘Pareto principle’, which is also known as ‘vital few, trivial many. Although they criticize the aforementioned concept, but in many scientific approaches the concept help to solve the problems in several field of science. Indeed, by prioritizing the pursuit target could focus and elevate the chance of success.

Pareto’s methodology is significantly influenced many scholars of sociological tradition. This article highlights the two points of Pareto’s methodology is to explain the public’s interest and effects of government’s policies for general public. Although the Paretian magnifies the sociological approach to impose policy but the economic effects of government spending for public’s desire is remained important. Pareto’s prioritized both sociological and economic approaches have influence decision makers to direct to public finance. Pareto’s emphasized that public finance was branch of sociology which link public finance is part of the goal of sociology. He humanized the concept of finance is not only for gaining profit economically but also reshape the relation between actors in the society. Despite, Pareto’s idea was accused influence with Marxism, is denied the fact of his idea is not focused for social class merely considering public choice.

It is quietly difficult to understand Pareto’s methodology for non-the Paretian who use parameter of pure economics. For emerging countries like in Indonesia the concept of Pareto’s approach is more accepted in public opinion. Social safety net program is run currently in Indonesia, however to implement Pareto’s by donating the most fragile social group which potentially disrupting the sociological sense. Pareto was a genius one who used the mathematical principle to economics, offer an academic breakthrough of accumulated problems within a state or nation, a general equilibrium theory. A theory provided a solution how to put balance between people’s desire and hurdles to cope with their hope along with economic equilibrium and social organization of the society. The scope of equilibrium theory is to lay out the unequal income wealth of 80 percent is concentrated in 20 percent of population. The wealth distribution is accumulated the elites’ effort to defend the status quo which tend to form the oligarchy. Pareto noticed on his pioneering work Cours d’economie politique (1896-1897) that the political will is needed to endorse the wealth distribution by certain policies with appeasing potential conflict. The stability of social relations is the most value rather than the economics achievement if destabilize the equilibrium [33], [34], [35].

This theory was based on the data collection that he got from several European countries, however he concluded the inequality between the elites and the masses as the general problem. For him, the redistribution of wealth did not annihilate the poverty instead of helping the mass to obtain the conditional basic people’s desire. Indeed, the real equilibrium is never happen because the gap always intake in society, but at least the redistribution wealth is appeasing from potential conflict. One of phenomenal Pareto’s work is *Manuale d’economia politica* (handbook of political economy), in 1906. He explained in Pareto’s theory that the development will increase the wealth asset among the elites but not the mass will smaller proportion. The index of gap will be larger as economy grows means the smaller proportion of wealth to the poor. Due the consequence of economy activities to give the privilege for the elites to push profit as government want to leverage the national asset generally.

However not all scholars agree on Pareto’s theory such as Juran in the early 1937 criticized him in term of distinguishing the vital few or useful many. They suggested that Pareto should clarify the vital and triviality concept, further he explain the vital could be trivial for tomorrow. Further, they suggested that Pareto must use both cardinal and ordinal methods to classify the data depend on the value of significant factor’s contribution with percentage category. Like other emerging countries, Indonesia faces the income inequality amid score

high economic growth constantly. There has been an interesting great achievement in the data income and wealth collected by Pareto's. This Article does not question the data, it highlight the framework of Pareto's analysis, both theoretically and field experience. Inequality was as danger as the poverty, however the policy to keep workforce enable to stand in normal likelihood will resonance the economic mechanism instead of Piketty's argument on inequality income by filling the gap between the wealth national income and the wealth inequality.

Income inequality refers to the disparity of income distribution in the society between individual and households in the given country. Gini ratio is mostly used to figure income inequality measurement. The value of Gini Ratio runs the interval from 0 as the perfect equality, to 1, as a perfect inequality, in term of income distribution in population. This chart shows the massive development in Indonesia wider the income inequality compares the other neighbor countries during period of 2009 – 2018. Pareto argued that the excess of development would increase the income inequality of the masses, policy must be made to minimize the disparity shock by endorsing public finance.

For Piketty's the redistribution of wealth tax to the poorer would hinder the economic growth due to deviate the economy's engine to work. Meanwhile, Pareto focused to empower the marginal by extend the public finance rather than to redistribute the wealth tax. Because for him the public finance could keep people having their own money to spend, however it generates national economy mobility. The concept of Pareto's tends to enlarge the domestic capability due to have purchasing power for people. The tremendous essential economy growth will be achieved by the cash flows mechanism in real economy activities. Not like other prominent expert such as Piketty who argued that the wealth will grow only by savings, it means that the increasing savings coherent with the improving wealth, but it is contrary the fact. Although for some reasons, few countries see Pareto's approach is hardly to stimulate economy rapidly and begin to drop it. For example, the current French's administration policy to decrease the public spending, privatize the state companies, reduce the public service which instigate many demonstration "yellow jacket." Other side of the world, the growing Asian economies as the new economy powers are going replace the West is the main reason to revise its economic policy. Indeed, Asian countries' advance in economy and technology to gauge global interest are too big to be ignored [20], [36], [37].

As coherent academic manifestation, the various welfare concepts from neoclassical economic thought to current digital economic era viewed with two main approaches, stability economy growth, and purchase power. For neoclassical economic paradigm that the economic growth to increase the national income capability due to generate the economic growth will impact many production sectors. The principle of it was based on the mercantilism theory which trade in export basis to gain the profit of selling and modal. Meanwhile in the early industrialization era post WWII, Asian countries endure the production capability by selling many products with moderate price to replace the Western's primary product. The cheaper price products penetrate international market in the last three decades, slowly dominating the many essential products. The accusation of dumping practices in export market of Asian countries emerges which their products flood to international market. The influx of Asian products triggers panics in Western side by pushing the international multilateral organization to run and watch the fair trade.

Many international organizations which manage the potential dispute among the nations to prevent the unfair economy activities. Although the international organizations are sometimes perceived is pro status quo (Western countries). Asian countries realize that it is impossible for them to compete the developed Western countries which had leaped the production capabilities. The cheap products as the smart idea break the market which focuses to sell as much as products to around the world. For them, as long as the international market demand continues to buy their product means the production network will resonance whole domestic economy sectors. The data above indicates that Indonesia's HDI moderately increasing after gaining more than 1 trillion dollars in 2018. There is the strong correlation

between HDI and income achievement of nations due to give purchasing power for them. Meanwhile, the best option is to elevate the income by pushing economic mechanism in which many sectors. As Deaton states, “Poorer people die younger and are sicker than richer people.” In fact, the mortality and morbidity rates are strong correlated of socioeconomic level such as income, wealth, education, or healthcare system.

One of the indicators to measure the level of social welfare is running well by referring the birth rate expectancy. The data shows the level of high income to have the low mortality and better life chance. The health system is needed to handle this issue because it is related to many aspects of living concept. That’s why the tiny nations more easy to deal about health care system than the other big nations like Indonesia. However based on data above is the birth rate expectancy in Indonesia is quietly improving significantly. The healthcare system for everyone was launched since Susilo’s until current administration (Prabowo’s administration) running well. Despite many experts analyze the continuity of high economic growth is not equivalent with the income degree. The typical of Asian economy is endorsing the export maximally due to gain the foreign currency to buy the machinery to support export activities. Although, the profit margin is very slight but for long time could accommodate not only workforce, learning in self-sufficient of machinery production, as well as stability.

Table 1. Overview of Government Performance and Key Challenges in Indonesia Across Presidential Administrations

President	Economic Performance	Political Conditions	Social Welfare
Sukarno	Economic instability during the early post-independence period.	Focused on maintaining national independence and suppressing domestic rebellions.	Initiated post-colonial economic restructuring despite limited resources.
Suharto	Achieved macroeconomic stability and national food self-sufficiency.	Politically stable under an authoritarian regime with limited democratic freedoms.	Significant improvements in economic development, leading Indonesia to be recognized as one of the emerging Asian economies.
B.J. Habibie	Managed the post-New Order economic crisis and initiated economic recovery.	Oversaw political reforms and the East Timor referendum.	Helped stabilize the economy, including strengthening the rupiah exchange rate to approximately IDR 6,000 per USD.
Abdurrahman Wahid	Maintained relative economic stability despite political uncertainty.	Democratic transition continued, although his presidency ended with impeachment.	Social welfare remained relatively stable amid political change.
Megawati Soekarnoputri	Continued economic stabilization and recovery.	Maintained political stability during the consolidation of democratic institutions.	Preserved social welfare programs and macroeconomic stability.
Susilo Bambang Yudhoyono	Sustained strong economic growth, averaging above 6% annually.	Democratic governance became increasingly stable and institutionalized.	Indonesia's economy surpassed the one-trillion-dollar milestone, accompanied by improvements in social welfare indicators.
Joko Widodo (Jokowi)	Maintained stable economic growth through infrastructure development and investment.	Political stability was largely maintained despite increasing political polarization.	Expanded social protection programs and improved access to public services, although regional disparities persisted.

To date, however, the conventional GDP measurement is challenged by the GDP based on PPP version due the emerging countries play the significant role both economy and politic in global stage. Although there are not significant steps from emerging countries to dismantle the term of it, however the western side still sticks the concept of conventional wealth measurement. However IMF and World Bank give optional measurement to fill the gap in the relation the different result of wealthy measurement between conventional GDP and GDP based on PPP version. The value issues associated with welfare should be understood the

concept of wealth and welfare. Pigou conceptualize the improving economy welfare with three indicators: an increase the size of national dividend; an increase in the access of national dividend for everyone including the poor; the decreasing the gap of national dividend

For Pareto the disparity of national dividend is not the core of welfare issue but whenever the state could provide the general needs and leverage the income generally. Despites both of the approaches could be accommodating the rapid social economy situation to deal the welfare concept trend whether in diminution of variability of national dividend or high economy dividend generally. Generally, the frame of welfare is designated in the value of national dividend and sharing of access in national dividend. Meanwhile the trend of welfare concept is promoted by World Bank and IMF to pursuit the purchase power. By considering the different cost of same products among the countries are both prominent financial organizations to reveal the term of GDP measurement the conventional GDP and GDP based on PPP version [38], [39], [40].

The both organization outlines the deep different result among the emerging countries in which is used the GDP based on PPP version. Meanwhile for developed countries still stick in the same income both conventional GDP and GDP based on PPP version. The influence of valuation of conventional GDP is taken from the output of industrial production, consumption, and export. Despite the measurement standard of conventional GDP and GDP based on PPP tends international convergence dispute. The political economy infers the current international standard for constructing GDP which tend to defend the status quo measurement with the rigid measurement such as the production value, health and education standard, R& D- all categories in which western countries favored.

Based on the revision in System National Accounting (SNA) standard is from the early 1990s to the mid of 2000s by World Bank and IMF by inserting domestic cost of economy activities. Unfair comparison if we equalize the cost of barbershop in New York as same with in Jakarta because amid economy parameter should be emphasizing the variable cost of same items. The conservative GDP measurement have boosted the level of Western GDP higher than the rest of world, meanwhile the current phenomena describes the power of social politics and economy is shifting to Asia Pacific which the emerging countries play the significant role. The revision of GDP measurement could influence the global balance because it is not only impact in economy but also the many sectors such politic, security, or international relations. For Western countries, the revision of GDP construction could dismiss their long domination in the global stage. The privileges of economy construction was benefit for West but the current economy could not deny the real power of emerging countries to reshape the global policy to demand more equal on voting sharing all level of international organization.

For certain countries, to improve the social welfare is by creating economy zone as the better circumstance to intervene the market as the intermediate hub to distribute the economic goods in third party consumption. The Singapore and United Arab Emirates as the good example, how the small countries could leverage their welfare create the economical hubs for distributing the goods. GDP based on PPP actualizes Gross Domestic Product based on Purchasing Power Parity, defined as the number of units of currency of certain country's capability to buy the same product as one USD would buy it in USA in equation. GDP based on PPP evinces more accurate data when assessing general potential domestic market because GDP based on PPP breakdown the measurement with the cost of local goods, service, inflation, instead of international standard. In 2025, GDP based on PPP for Indonesia is 5,01 Trillion international dollars. GDP based on PPP of Indonesia increased from 1,046.41 billion international dollars in 2001 to 3,302.41 billion international dollars in 2020 growing at an average annual rate of 6.27%. Meanwhile in conventional version of Indonesia GDP per capita for 2019 was \$4,135, a 6.2% increase from 2018. Indonesia GDP per capita for 2018 was \$3,894, a 1.47% increase from 2017. Indonesia GDP per capita for 2017 was \$3,838, a 7.71% increase from 2016 (source of IMF). Pareto argued the real per capita

economic growth could solve the problem of income inequality. Real per capita means here is the purchase power of people's capability [4], [41], [42].

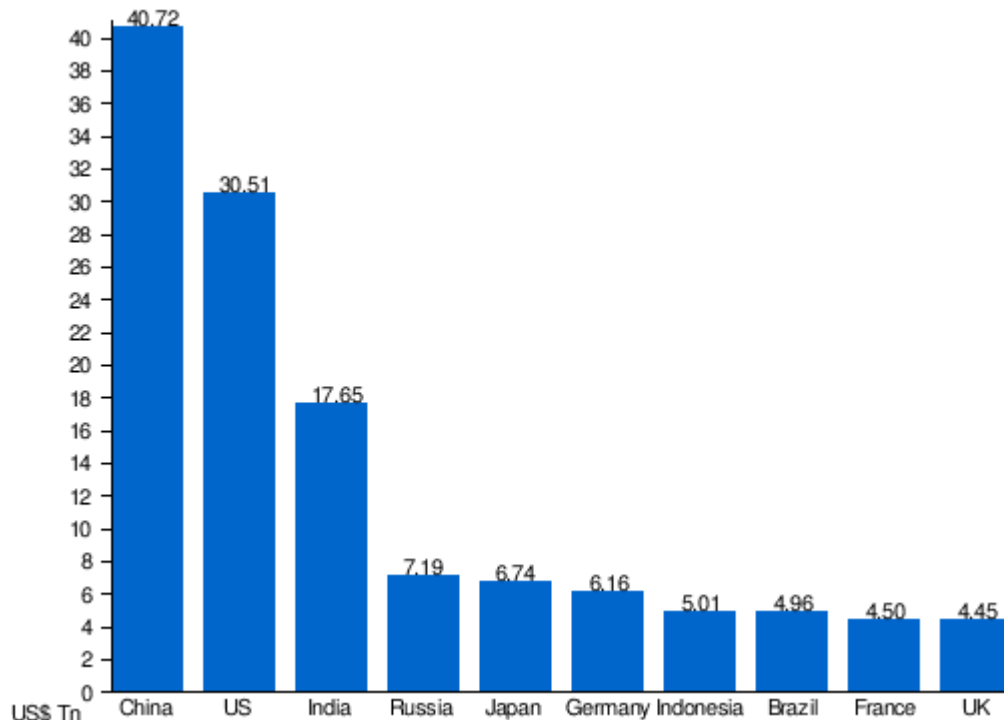


Figure 1. Source of IMF 2025

The conventional of welfare study tends to exclude the sociological approach to measure the quality which is only based on economic basis. The scope of social welfare looks more genial is used to calculate the general quality of country's welfare. The GDP based on PPP expand the welfare measurement closely adopted the sociological welfare than economic welfare. That's why many experts see this one is more accurate than GDP. The absence of local value in GDP's version to degrade human's need because the welfare's concept is not only in economic indicators but also in sociological approach. The scope of GDP focuses to economic calculation is to dismiss the local uniqueness of capability to deal the life. For Pareto the scheme of public finance is endorsed by sociological approach, the human is the subject of science. For the reason, all of methods should be prioritized than others due to strengthen the result analysis.

CONCLUSION

During more than two decades after the collapsing new order's administration has made substantial progress toward the some core issues such as socio-political issues. Despite democracy and stable economic growth is seen as the result of euphoria, however the income inequality is quietly hard to be maintained. The public finance or social safety net to share the national wealth program evinces as the ad-hock solution for it. The real social welfare would be only achieved if the human index improved due without it is impossible to reach the goal. Although the equal income is unrealistic in this life because the nature competition is always impose the inequality. On issues of economic achievement advances to the social welfare or political climate in the broader issue due to Pareto's economy concept parallel with public's priority. However, sociological approach should be included to calculate the welfare system amid the economic measurement dismiss some critical factors within the country. Whereas, in some countries additional factors such as democracy, religion intake it. The wider approach could be used to gain the perspective about social welfare achievement.

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Author Contributions

All authors contributed substantially to the conception and design of the study, data collection, analysis, interpretation, and manuscript preparation. They jointly reviewed relevant literature, revised the manuscript critically for intellectual content, approved the final version for publication, and agreed to be accountable for all aspects of the research and its reported findings.

Conflict of Interest

The authors declare that they have no competing financial, professional, or personal interests that could have influenced the research, analysis, or interpretation of the findings presented in this article. The study was conducted independently, and no potential conflicts of interest were identified or reported by any of the authors.

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