

Enhancing Sustainable Economic Policies for Socioeconomic Development and Well-being in Indonesia

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Abstract: Sustainable policies hold the potential to enhance economic growth, socioeconomic development, and citizen welfare. Indonesia's GDP witnessed a 5.31% growth from 2013 to 2022, though this rapid expansion may contribute to growing inequalities. Despite overall progress, rural areas in Indonesia continue to grapple with persistent poverty. This study investigates economic policies related to deforestation, pollution, and climate change adaptation, aiming to comprehend their impact on crucial sectors, diverse geographical areas, and societal needs. It emphasizes the intricate connections between these policies and socioeconomic progress, highlighting the importance of balancing ecological sustainability and economic advancement. Utilizing a systematic literature review, the research engages with scholarly literature and Indonesian economic development strategies. Findings suggest that sustainable economic policies positively influence well-being, while income inequality and environmental degradation can impede progress. The study aims to provide concise policy recommendations to the Indonesian government, navigating the nuanced relationship between economic policies, social advancement, and populace well-being.

Keywords: Sustainable Economic Policy, Socioeconomic Development, Well-being

1. Introduction

The creation of a sustainable economy plays a pivotal role in realizing prosperity in Indonesia. Positioned as the world's largest archipelagic nation, Indonesia stands at a crucial juncture in its development. As the fourth most populous country in the G20[1] and the 16th largest economy in the world[2], Indonesia has made remarkable strides over the decades. However, this rapid progress is overshadowed by looming challenges that jeopardize its long-term sustainability and resilience in the face of adversity.

In the present era, climate change emerges as a foremost global concern, marked by the escalating challenges of sustainable development worldwide. Governments internationally face the imperative

to harmonize economic growth, societal well-being, and environmental preservation. The adverse effects of climate change on the economy and well-being are anticipated to intensify in the future. This evolving trend captures the attention of researchers, particularly in the realm of sustainable economic policies concerning socioeconomic development and well-being. The focus on Indonesia's sustained economic growth has become a central research theme, specifically addressing well-being and environmental safeguarding, aiming to position Indonesia as a substantial contributor to a carbon-neutral future. The concept of sustainability, rooted in classical economics, intricately connects economic policy with the equilibrium between economic growth and environmental considerations, echoing historical debates on growth boundaries and expansions[3]. Renowned scholars, including Malthus, Ricardo, Mill, Hicks, Pigou, and others, have cautioned against the potential repercussions of depleting natural resources on the trajectory of economic growth[4]. Sustainable development encompasses the economic, social, and environmental dimensions of progress.

Indonesia is striving for a sustainable and resilient recovery by undertaking extensive reforms in four crucial areas: social protection, national healthcare, disaster resilience, and the revival of industries, tourism, and investment with an emphasis on fostering a green economy. The realization of these goals requires the execution of sustainable economic strategies, particularly in developing nations like Indonesia. This article will scrutinize these aspects.

In 2013, Indonesia's poverty rate stood at 11.46%. By September 2015, the country committed to the Sustainable Development Goals (SDGs) to eradicate poverty, and at that point, the poverty rate had decreased to 11.22%, impacting approximately 28.59 million people living below the poverty line. Over the years, there has been an overall decline in the poverty rate, dropping from 11.46% in 2013 to 9.5% in 2022. However, there was a slight increase from 9.4% in March 2022 to 9.5% in September 2022, affecting around 26.36 million individuals [5]. Data from the Indonesian Central Statistics Agency (BPS) [6] reveals that in 2022, the poverty rate in rural areas surpassed that in urban areas. Specifically, 12.36% of the rural population lived below the poverty line compared to 7.53% in urban areas.

On the flip side, Indonesia witnessed substantial economic growth in 2022, boasting a remarkable growth rate of 5.31%. This notable expansion, as outlined in the Bank Indonesia's 2022 report, marks the swiftest economic upswing since 2013. The surge in economic growth can be attributed to the easing of pandemic-related restrictions and a global uptick in commodity prices, leading to a significant boost in exports. This growth surpassed the marginally adjusted 3.70% reported in 2021 [7], [8]. However, this economic expansion has not been evenly distributed, resulting in lingering poverty, especially in rural areas, thereby highlighting concerns of social inequality and persistent poverty. While Indonesia has made considerable strides in reducing poverty, the intricate interplay between rapid economic growth and equitable resource allocation has become apparent. Additionally, the nation grapples with environmental challenges such as deforestation, pollution, and the imperative for climate change adaptation. This article aims to delve into the extent to which income inequality influences the relationship between sustainable economic policies and overall well-being.

This study aims to investigate the relationship between sustainable economic policies, socioeconomic development, well-being, and environmental sustainability in Indonesia. Renowned for its abundant natural resources and ecological diversity, the nation faces environmental challenges that necessitate an investigation into the influence of economic policies. According to N. Vaghefi, Sarah Aziz Abdul Ghani Aziz, and Chamhuri Siwar, poverty and environmental degradation create a reinforcing cycle, making sustainable economic policies crucial in breaking this cycle[9]. These policies have the potential to enhance socioeconomic growth, job creation, poverty reduction, and improve educational and healthcare opportunities. However, if not carefully planned, they can lead to adverse environmental consequences, exemplified by expeditious industrialization causing pollution and deforestation.

This phenomenon can be exemplified by economic policies that expedite industrialization, leading to increased pollution and deforestation. This instance underscores the intricate interplay between sustainable economic policies, socioeconomic progress, well-being, and environmental sustainability. It demonstrates the interconnectedness of these elements and their potential to impact each other in both beneficial and detrimental ways.

This research delves into the complex relationship between sustainable economic policies, socioeconomic development, well-being, and environmental sustainability. It explores key policy mechanisms and strategies that effectively promote and balance environmental sustainability, economic growth, and well-being. The Indonesian Government has proactively addressed climate change through measures like the Paris Agreement and implemented sustainable economic policies through Presidential Decree Number 98 of 2021[10] and Law Number 11 of 2020[11], known as the Job Creation Law, focusing on Environment and Forestry.

Hence, we recognized that It is crucial to acknowledge that the aforementioned impacts are potential in nature, and the ultimate result will be depending upon a multitude of elements, such as the level of proficiency in planning and executing the transition, as well as the effectiveness of measures taken to alleviate any adverse consequences. If not effectively controlled, this has the potential to result in ecological disasters that may have adverse consequences on the welfare of the populace and perhaps influence over all development. This study is designed to shed light on Indonesia's strategy for striking a balance between economic growth and environmental sustainability. Utilizing a systematic literature review approach, the study offers an in-depth analysis of the economic development policies enacted by the Indonesian government. It aims to articulate the tactics Indonesia has employed to harmonize the goals of economic expansion and environmental preservation effectively. The study further explores the interaction between economic policies and a variety of issues, encompassing key sectors, regional disparities, and societal needs. Moreover, it provides practical policy suggestions for the Indonesian government, aiming to foster the attainment of a delicate equilibrium in the country, where economic prosperity is evenly distributed among all societal members. This equilibrium, depicted in Fig.1, is anticipated to improve societal conditions and the overall well-being of individuals, providing a broad overview of how policy operates within its dimensions. In the context of current global sustainability challenges, Indonesia's situation serves

as a pertinent example of the wider global effort to reconcile economic growth, environmental conservation, and societal progress.

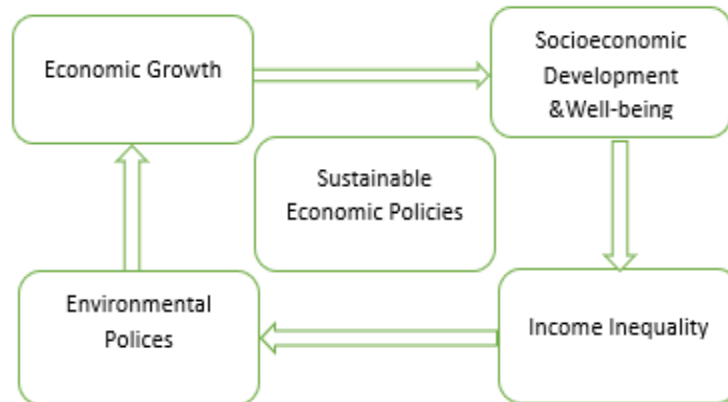


Fig. 1. Conceptual Framework

This study aims to elucidate Indonesia's strategy for harmonizing economic growth with environmental sustainability. Indonesia has made substantial advancements in adopting sustainable policies that align with the United Nations Sustainable Development Goals (SDGs), aiming for a more sustainable future. Notably, these policies include the implementation of the Economic Value of Carbon, as specified by Presidential Decree Number 98 of 2021 [10]. This initiative plays a pivotal role in achieving Nationally Determined Contribution targets and curbing greenhouse gas emissions in national development. Furthermore, Law Number 11 of 2020 [11], commonly known as the Job Creation Law, introduces a comprehensive set of legislative amendments, particularly in the domains of Environment and Forestry. These sustainable economic approaches are positioned as a model for effectively balancing economic growth, environmental sustainability, and socio-development.

Recent scholarship proposes that the foundational principles of sustainable development, often ascribed to the Brundtland Report, rest upon three core pillars: intergenerational social equity, environmental stewardship, and economic expansion [12]. This concept prompts a specific inquiry into Indonesia's position concerning sustainable growth over recent decades. In light of this inquiry, the paper underscores Indonesia's advancements in sustainable growth, notably the momentous choice to relocate the capital from Jakarta to Kalimantan. This strategic move is anticipated to exert influence on social, economic, and environmental conditions and is aligned with the United Nations' Sustainable Development Goals (SDGs) for a more sustainable future.

Sustainable economic policies assume a pivotal role in fostering Indonesia's enduring growth and well-being, especially as the nation, a crucial archipelagic entity, stands at a significant juncture in its history. Despite encountering challenges, Indonesia has made noteworthy strides in economic

advancement, with a central focus on sustainable development that underscores the synergy between the economy, society, and the environment. It is noteworthy, however, that there is a scarcity of in-depth research on this subject within Indonesia. The necessity for sustainable economic policies is underscored by the nation's multifaceted challenges, encompassing issues such as poverty, inequality, environmental degradation, and climate change, as highlighted by Iris Borowy [13]. The foundational principle of sustainable development, defined as a developmental paradigm catering to the needs of the present generation while safeguarding the ability of future generations to meet their own needs, serves as a guiding tenet in this context.

On the national scale, the government has implemented a comprehensive strategy for economic development, with a specific emphasis on the Masterplan for Acceleration and Expansion of Indonesia's Economic Development (MP3EI) 2011-2025 [14]. This strategic initiative seeks to expedite and diversify Indonesia's economic growth by establishing six distinct economic corridors chosen strategically based on regional potentials. While the Gross Domestic Product (GDP) remains a widely utilized economic metric intricately tied to considerations of sustainability, socioeconomic development, and the overall well-being of the Indonesian population, research indicates that its accuracy in expressing social well-being is insufficient [15]. The exploration of sustainable development involves assessing economic policies over time for growth. This perspective fundamentally alters how we comprehend and measure sustainable development, redefining economic policies as wealth and proposing a need to broaden our assessment beyond conventional economic indicators. This shift is crucial for crafting a sustainable development policy that encompasses socio-development and well-being [16].

On another words, recent research, especially in the aftermath of the COVID-19 pandemic, reveals that Indonesia has experienced positive growth in both wealth and economic GDP. However, the impact on the population has exceeded the growth of wealth and the overall economy, leading to a negative per capita growth rate. This underscores the notion that the GDP growth rate alone may not be a sufficient indicator of sustainability in Indonesia. To gain a deeper understanding beyond GDP growth, it is essential to consider the intricate interconnections between socioeconomic, human development, and sociopolitical factors in shaping sustainable policies. Indonesia must enhance its investments with the goal of achieving a net increase in the rate of wealth growth, all while carefully regulating resource extraction to levels sustainable by its productive base. This two-pronged approach is critical for attaining enduring equilibrium between economic and environmental considerations [15].

In recent times, the Indonesian government has instituted economic policies aimed at fostering growth, advancing social well-being, and enhancing public health. These measures encompass an increase in renewable energy sources, the promotion of sustainable agriculture, support for green enterprises, and the implementation of regulatory frameworks to curb pollution. Concurrently, the allocation of resources to infrastructure, education, and healthcare seeks to enhance economic productivity and societal welfare, thereby contributing to overall sustainability. Nonetheless, challenges persist, necessitating a commitment to formulating policies that strike a balance between achieving optimal outcomes and minimizing costs.

In the aftermath of scrutinizing the aforementioned plan and considering various research endeavors, a study conducted by Professor Sugiharti reveals that sustainable economic policies have the potential to disrupt the cycle of poverty and environmental degradation [17]. According to the study, these policies can facilitate increased access to healthcare and education, diminish poverty, and generate employment opportunities. However, the study also underscores the importance of careful planning, as inadequately designed sustainable economic measures may have adverse environmental effects. The enhancement of well-being involves transformative changes in people's lives through economic initiatives impacting income and job opportunities. Social progress, encompassing advancements in education and healthcare, is integral but exhibits variations contingent upon regional and governmental regulations. The intricate nature of these connections underscores the need to consider these complexities when discussing the nexus between economic measures, social progress, and overall well-being, ensuring benefits for both people and the planet.

In the global context, a green economy is recognized as pivotal to sustainable development in numerous countries. The United Nations Environment Programme defines a green economy as one that enhances human well-being and fairness while concurrently mitigating environmental hazards and natural resource limitations[18]. However, it is essential to be mindful that the pursuit of economic growth and social equity should not compromise environmental well-being, as emphasized by the aforementioned study.

The intricate relationship between economic growth and income inequality adds another layer of complexity. In their 2017 research, Andrew Berg and Jonathan Ostry posited that inequality and unsustainable growth are interconnected, akin to two sides of the same coin[19]. This perspective underscores that sustainable economic growth extends beyond mere growth rates, necessitating a nuanced understanding and control of how benefits are distributed among different segments of society. Income inequality emerges as a significant contributor to poverty, particularly in urban and rural areas. West Papua in Indonesia serves as an illustrative example. A study published by AJHSSR highlights the paradox wherein high economic growth does not necessarily translate into societal improvement, evident in the West Papua Province, which boasts national economic growth yet holds the second-highest poverty rate at 35.77%, following Papua Province. Despite the indirect impact of education on poverty through economic growth, the dependency ratio directly influences poverty through economic growth. World Bank data on Indonesia's poverty assessment in 2022 reveals that the extremely poor are predominantly concentrated in Java Bali, accounting for 61%, while Sumatra, Sulawesi, Maluku, Papua, Nusa Tenggara collectively make up only 3% of the population. This underscores the imperative need for policies addressing both growth and equality[14]. An Asian Development Bank (ADB) study indicates that the degree of economic openness significantly affects the relationship between inequality and globalization. Finance, globalization, technology, and urbanization serve as potent catalysts of economic growth, contributing to varying degrees of inequality within an economy[21].

Building upon this perspective, the research emphasizes the critical importance of finding a delicate balance between economic growth, social justice, and environmental sustainability to foster long-term growth and well-being in Indonesia. In this context, a study conducted by Muhammad Mehedi

Masud, Fatimah Binti Karib, Hasanul Banna, and Md. Khaled Saifullah [22] investigates the intricate relationship between income inequality and environmental sustainability. The empirical findings reveal a causal relationship in both directions for the bottom 40% of the population. However, the results for the entire sample are inconsistent, suggesting the need for integrated economic and environmental policies to promote sustainable growth.

In alignment with this notion, the decision to designate East Kalimantan as the new capital of Indonesia is a noteworthy development. The new capital is envisioned as a "smart, green, beautiful, and sustainable city." However, concerns and red lines are raised regarding potential environmental damage to Borneo, a significant biodiversity hotspot and carbon sink[23]. This underscores the delicate balance required in urban planning and development to ensure sustainability without compromising ecological integrity.

The study's primary objective is to elucidate the complex relationship between sustainable economic policies, socioeconomic development, well-being, and environmental sustainability in Indonesia. It acknowledges that progress in sustainable growth has the potential to benefit both people and the environment. However, the research also highlights the likelihood of encountering challenges where sustainability measures may necessitate behavioral changes, potentially impacting short-term happiness[24]. The manner in which resources, jobs, and services are shared in society through economic policies can directly influence social progress and public health. While measures that stimulate economic growth can create jobs, raise incomes, and improve overall quality of life, it is imperative that these policies are carefully devised and implemented to avoid exacerbating social problems and environmental damage. The intricate connections between economic measures, social progress, and well-being are influenced by regional variations and governmental regulations, emphasizing the need for a nuanced and context-specific approach. Taking all these factors into account is crucial when discussing the interplay between economic measures, social progress, and well-being, ultimately benefiting both people and the planet[25].

The decision to relocate the capital from Jakarta to Kalimantan is a significant development with potential impacts on social, economic, and environmental conditions in Indonesia. Enshrined in Law Number 3 of 2022, signed by the President in February 2022, this decision reflects Indonesia's commitment to diversity and prosperity, steering towards a sustainable future. The move aims to transform Indonesia's development paradigm into an "Indonesia-centric" model, aligning with the Indonesian Vision of 2045. This strategic shift anticipates fostering a positive relationship with sustainable growth, both nationally and in rural areas, addressing concerns related to income inequality.

However, the success of this endeavor hinges on various elements, including the proficiency in planning and executing the transition and the effectiveness of measures taken to mitigate adverse consequences. If not effectively controlled, the relocation carries the potential for ecological disasters, with far-reaching consequences on the welfare of the populace and overall development [27]. The expectation is that by redistributing wealth away from Java, which is home to 60% of

Indonesia's population and more than half its economic activity, to Kalimantan, which is four times larger, the move will lead to increased income and reduced inequality.

The study aims to elucidate Indonesia's approach to balancing economic growth and environmental sustainability within the context of capital relocation. It explores the potential impacts on social, economic, and environmental aspects, recognizing that these impacts are contingent on a multitude of elements. Figure 2 illustrates the relationship between well-being and sustainable policy, highlighting the moderated effect it has on the main factors of the policy.

In the broader policy landscape, the Indonesian government has implemented a comprehensive set of economic policies with ambitious targets. These include increasing the proportion of renewable energy sources to 23% by 2025, promoting sustainable practices in agriculture, providing financial assistance to green enterprises, and implementing regulations to address pollution. Significant investments in infrastructure, education, and healthcare aim to enhance economic productivity, resulting in an annual growth rate of around 5% in recent years and notable reductions in poverty rates. Despite these achievements, challenges such as inequality and environmental issues persist, underscoring the ongoing need for carefully balanced policies that optimize outcomes while minimizing costs.

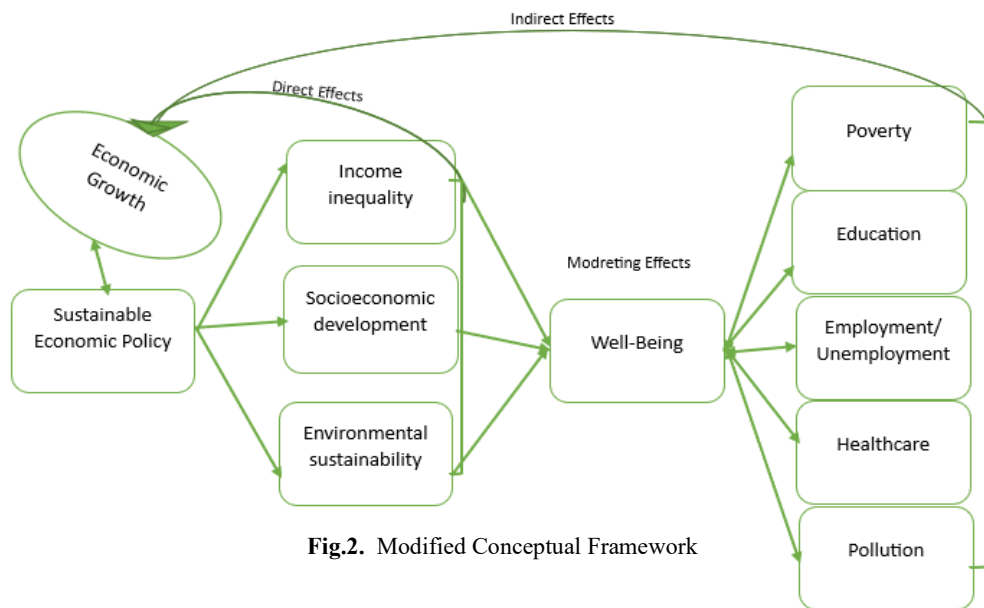


Fig.2. Modified Conceptual Framework

In conclusion, the study provides a comprehensive framework for understanding Indonesia's complicated relationship between economic growth, well-being, and environmental sustainability.

Policymakers should prioritize equal benefit allocation through education, healthcare, and strong social safety nets. Carbon price and strict environmental rules can also promote environmental sustainability. This research shows that policymakers must create integrated sustainable development strategies that address economic, social, and environmental sustainability.

2. Methodology

This study adopts a systematic literature review to investigate the ramifications of Indonesia's economic policies on both socioeconomic development and citizen well-being, with a specific focus on how the country navigates the delicate balance between fostering economic growth and ensuring environmental sustainability. By utilizing databases such as Wiley Online Library, ScienceDirect, ProQuest, Dimension AI, PubMed, and referring to official sources like the Indonesian government, World Bank, ADB, and UNEP, the search employs targeted keywords such as "Sustainable Economic Policy," "Socioeconomic Development," "Well-being," "Indonesia," "Economic Growth," "Environmental Sustainability," and "Government Policies." The initial pool of 565 papers is refined to 105 relevant papers after eliminating duplicates and conducting abstract screenings, with a specific focus on those aligning closely with the dataset within the 2013-2022 timeframe.

The investigation's primary goal is to unravel the intricate interplay between economic policies, socioeconomic progress, and their impact on the well-being of Indonesia's populace. By synthesizing findings from the selected literature, the study aims to provide a nuanced understanding of Indonesia's strategy in achieving equilibrium between economic advancement and environmental preservation. The resulting synthesis offers practical policy recommendations to assist the Indonesian government in shaping a sophisticated correlation between economic policies, social progress, and the overall well-being of its citizens. The systematic literature review methodology ensures a comprehensive and unbiased analysis of existing academic literature and the economic development policies implemented by the Indonesian government.

3. Finding, and Discussion

3.1. Findings

The interplay between sustainable economic policies and socio-economic growth in Indonesia forms a symbiotic relationship, fostering a cycle of advancement and societal welfare. Through strategic resource allocation in areas like renewable energy, sustainable agriculture, and eco-friendly technologies, the Indonesian government has the potential to yield positive outcomes such as job creation, poverty reduction, and improved healthcare and education. This multifaceted approach not only promotes economic prosperity but also establishes equitable conditions within society, creating a conducive environment for sustained economic progress.

Indonesia's unwavering commitment to implementing sustainable economic policies has led to significant achievements, exemplified by initiatives like the Green Economy Roadmap, which

successfully addressed deforestation. The National Medium-Term Development Plan's emphasis on renewable energy and sustainable transportation infrastructure further contributes to environmentally conscious progress, resulting in an impressive average annual GDP growth rate of 5.3% over the past decade. Key policies, including the Green Economy Roadmap (2010-2025), the National Medium-Term Development Plan (2020-2024), and the Presidential Regulation on the Acceleration of Indonesia's Economic Development (2011-2025), have played a pivotal role in mitigating deforestation, advancing renewable energy initiatives, and attracting foreign investments, particularly in industries like manufacturing and tourism.

The adept integration of sustainable economic policies underscores Indonesia's dedication to achieving a harmonious balance between economic development and ecological preservation. This approach not only propels economic growth but also ensures the equitable distribution of its benefits across the population. Indonesia's sustained efforts in fostering innovation and implementing sustainable policies position it as a noteworthy example of how such strategies can contribute to a promising and equitable future for the country and its people.

3.2. Discussion

Crafting a comprehensive strategy is indispensable in fortifying sustainable economic policies for Indonesia's socioeconomic development and the welfare of its citizens. Examining these policies demands a thorough exploration of their socioeconomic consequences and their influence on fostering human capital, considering their pivotal role [30]. The evaluation of the impacts of economic openness and globalization is of utmost significance, recognizing their substantial influence on shaping social inequality and societal dynamics [31]. Adopting a perspective that transcends mere GDP growth mandates a comprehensive strategy, compelling policymakers to consider a broader spectrum of issues in the pursuit of sustainable development. The importance of developing human capital becomes evident, illustrated by initiatives such as the relocation of the capital to East Kalimantan, aiming to distribute wealth and create opportunities [23]. Integrating these components into the discourse surrounding Indonesia's economic policies is imperative for establishing a trajectory where economic expansion harmoniously coexists with societal well-being and environmental conservation. This holistic comprehension establishes the framework for well-informed policy decisions that effectively address intricate challenges, fostering a sustainable and inclusive future for Indonesia.

Indonesia's commitment to the implementation of sustainable economic policies is evident in its ambitious target to achieve a 23% proportion of renewable energy by 2025, as outlined in various sources [2], [18]. This dedication extends to the promotion of sustainable agriculture, where initiatives such as organic farming and agriculture are actively pursued. Furthermore, the country provides financial and technical assistance to support the adoption of environmentally sustainable technologies. Alongside these efforts, Indonesia has implemented stringent regulatory measures aimed at managing industrial and vehicular pollution. Collectively, these actions underscore Indonesia's resolve to pursue economic progress while concurrently safeguarding the environment.

and prioritizing the well-being of its populace, thus setting the stage for a sustainable and prosperous future.

Despite encountering significant challenges, the impact of sustainable economic policies on socioeconomic development and well-being in Indonesia has predominantly yielded positive outcomes. A comprehensive 20-year development strategy has been devised to bolster the nation's economic standing and competitiveness on the global stage. Despite the disruptions caused by the COVID-19 pandemic, Indonesia's economy is on a path of recovery, with an anticipated 5.31 percent GDP growth in 2022 [15]. This resurgence is supported by extensive reforms in the social protection system, national health infrastructure, disaster resilience, and the revitalization of industries, tourism, and investment, all aimed at fostering a sustainable green economy [9]. These reforms are expected to contribute to a sustainable and resilient recovery from the pandemic's impacts, fostering job creation, poverty reduction, enhanced access to technology and healthcare, and environmental conservation. Additionally, Indonesia has implemented comprehensive reforms in four key domains, namely:

1. the social protection system,
2. the national health system,
3. the disaster resilience system, and
4. the recovery of industries, tourism, and investment in the pursuit of a sustainable green economy.

It is anticipated that these modifications will facilitate a sustainable and resilient recuperation from the repercussions of the pandemic. Main while it also helped on job creation, poverty reduction, improved access toward technology and healthcare, and environmental protection.

On the flip side, exploring innovative pathways for sustainable economic development involves considering the potential of blockchain technology, which could pave the way for a decentralized investment marketplace, thereby supporting sustainable and resilient funding for various projects. Virtual reality (VR) emerges as a tool for public education on sustainable development, offering immersive experiences to inspire sustainable choices. Additionally, a tailor-made sustainability approach utilizing artificial intelligence (AI) for each Indonesian resident has the potential to provide personalized plans, influencing daily activities and overall environmental impact. While these innovative concepts remain unrealized, they could significantly impact Indonesia's sustainability endeavors. Although these innovative ideas aimed at promoting sustainable economic growth are yet to be put into practice in Indonesia, they hold the potential to exert a substantial influence on the nation's pursuit of sustainability. Despite the possible environmental and societal benefits, certain enterprises and sectors of the economy may exhibit reluctance to alter their operational practices. Securing financial resources for activities targeting sustainable economic growth poses an additional challenge, given that these initiatives often require a significant initial investment.

In conclusion, this paper underscores that the implementation of sustainable economic solutions in Indonesia involves both promising prospects and challenges. Effectively addressing the challenges mentioned earlier is imperative for the government to realize its objectives related to sustainable development. Despite the existence of these challenges, Indonesia is endowed with numerous

opportunities to implement sustainable economic strategies. The country boasts abundant natural resources, including fertile terrain suitable for agriculture and renewable energy sources. Additionally, Indonesia possesses a substantial and progressively growing population, offering a potential workforce for industries and organizations prioritizing sustainability.

3.3. Results

This study develops three results: First, income inequality may significantly impact sustainable economic policies and well-being. This implies that income inequality must be reduced to maximize long-term economic policy efficacy. Complex economies may benefit individuals, but wealth inequality may limit growth. Higher energy costs may hurt low-income families more if sustainable economic solutions like a carbon tax don't benefit them equally. Secondly, that socioeconomic development is crucial for improving citizen welfare by reducing poverty, inequality, and vulnerability. Indicators such as GDP per capita, literacy rates, and life expectancy serve as benchmarks, directly contributing to enhanced well-being. Government programs like social aid and community empowerment reduce poverty and inequality, improving citizen welfare. Third, that environmental sustainability and socioeconomic development generate positive feedback loops that boost each other. Due to this interdependence, environmental protection and economic growth work together to reinforce each other. Projections show employment creation, poverty reduction, improved air and water quality, and considerable greenhouse gas emission reductions.

4. Conclusion and Policy Recommendation

4.1. Recommendations for Sustainable Policy

The need of allocating resources to prioritize research and development of ecologically sustainable technologies cannot be overstated. Financial benefits and incentives, such as tax breaks, should be granted to enterprises that embrace sustainable practices. One viable strategy for mitigating greenhouse gas emissions would involve the implementation of carbon pricing mechanisms. The implementation of a blockchain-based infrastructure has the potential to facilitate investments in environmentally sustainable initiatives and enhance monitoring of programs aimed at fostering sustainable economic development. It is imperative to develop a complete plan for achieving sustainable growth, which entails delineating key policies and actions, as well as establishing specific objectives, timelines, and outcomes. It is argued that farmers that employ sustainable agricultural practices, including crop rotation and forestry, should be eligible for subsidies. Active participation in international climate change discussions plays a vital role in advocating for the development of ambitious targets aimed at mitigating greenhouse gas emissions. In order to effectively address societal concerns, it is imperative to enhance and broaden social safety nets. In addition, the implementation of comprehensive training programs tailored to industries transitioning towards a more sustainable economic paradigm is of utmost importance. Lastly, the utilization of artificial intelligence (AI) through the development of virtual reality (VR), augmented reality (AR), and other AI applications has the potential to boost the success of sustainable economic development programs. If implemented, these recommendations have the potential to foster economical development and enhance overall welfare in Indonesia.

4.2. Conclusion

The adoption of sustainable economic policies holds the potential to stimulate socioeconomic development and improve the overall well-being of the population in Indonesia. This study underscores the critical importance of implementing enduring economic strategies to foster inclusive growth, advance socioeconomic development, and enhance the well-being of Indonesian citizens. Despite a notable 5.31% increase in GDP from 2013 to 2022, persistent challenges related to social inequality and rural poverty underscore the necessity for comprehensive and long-term economic measures. The paper scrutinizes Indonesia's economic initiatives targeted at addressing pressing environmental issues such as deforestation, pollution, and climate change adaptation. This examination reveals the intricate interplay between these policies, socioeconomic advancements, and their impact on the welfare of the population. Ultimately, the study sheds light on Indonesia's approach to achieving a delicate balance between economic progress and ecological preservation, underscoring the paramount significance of this equilibrium for the nation's enduring prosperity.

The study's findings are strategically positioned to offer valuable policy recommendations aimed at enhancing the intricate interplay between economic policy, societal advancement, and individual well-being. While recognizing certain constraints such as the reliance on a systematic literature review confined to existing research, a narrow emphasis on national-level impacts, and challenges in ascertaining long-term consequences, the results significantly enhance our comprehension of sustainable economic development in Indonesia. To effectively assess the enduring effects of policies on socioeconomic development and overall well-being, it is imperative for future research to prioritize empirical investigations that focus on crucial industries, regional variations, and societal needs. It is imperative to do longitudinal assessments as well. Moreover, it is crucial to undertake a critical analysis of the obstacles and prospects associated with the worldwide implementation of sustainable economic policies in order to formulate more efficacious strategies that promote the well-being of the entire Indonesian populace and align with the nation's objectives for sustainable and inclusive development.

In closing, the complex connection among social justice, ecological sustainability, and economic growth necessitates a comprehensive approach that transcends the constrained perspectives of conventional development theory. Indonesia's pursuit of sustainable development can be significantly impacted by sustainable economic policies, which foster an environment where social inclusion and environmental conservation coexist with economic progress. By implementing policies that support inclusive growth, lessen income inequality, and preserve the delicate balance of ecosystems, Indonesia may place itself on a path toward a future in which economic prosperity acts as a catalyst for societal well-being and environmental resilience.

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