

14th Gadja Mada International Conference on Economics and Business

Proceedings

***“Governing the Future: Digital Transformation
and Sustainable Development in a Changing
Global Economy”***



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Center Yogyakarta



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PREFACE

It is with great honor and gratitude that we welcome you to the 14th Gadjah Mada International Conference on Economics and Business (GAMAICEB) 2026, held on 16–17 September 2026 at The Alana Yogyakarta Hotel and Convention Center, Indonesia. This year's theme, "*Governing the Future: Digital Transformation and Sustainable Development in a Changing Global Economy*," reflects our aspiration to bring together scholarly inquiry and practical insight in addressing the strategic issues shaping the world today.

Digital transformation is redefining how economies, businesses, and institutions operate, while the call for sustainable development grows ever more urgent. Navigating these changes demands sound governance, informed policy, and research that is rooted in both theory and practice. The essence of this conference is to cultivate dialogue, exchange perspectives, and explore collaborative approaches that can harness digital transformation to advance sustainable and inclusive development.

This year, the conference received 268 abstract submissions, of which 116 abstracts were accepted, and welcomed 136 participants from Indonesia, Poland, Taiwan, Hungary, Kazakhstan, Brunei Darussalam, Japan, Singapore, Australia, Pakistan, and Mexico. The plenary sessions feature distinguished keynote speakers: Prof. Syaiful Ali (Universitas Gadjah Mada), Dr. Siwage D. Negara (ISEAS-Yusof Ishak Institute, Singapore), Dr. Mohd Hairul Azrin H. Besar (Universiti Brunei Darussalam), and Elinor Kasapidis (CPA Australia). The parallel sessions open space for diverse voices to share research findings and innovative ideas. To recognize outstanding contributions, awards are presented to the 14th GAMAICEB Best Papers, the Emerald's-GAMAICEB Research Impact Award, the Encouragement Award as well as the Top 18 Commended Papers.

On behalf of the organizing committee, we extend our heartfelt appreciation to all keynote speakers, presenters, participants, and reviewers for their invaluable contributions. We also thank our official supporting journals and sponsors for their generous support, as well as the dedicated committee members whose tireless work has made this event possible.

It is our sincere hope that the discussions and collaborations initiated here will inspire enduring partnerships and foster impactful innovations. May this conference not only enrich our academic pursuits but also serve as a catalyst for meaningful change in the digital and sustainable development agenda. We look forward to the continued growth of this scholarly community and to welcoming you at future GAMAICEB conferences.

With warm regards,

Arika Artiningsih, S.E., M.Acc., M.Com., M.Res., Ph.D.

Conference Chairwoman

14th Gadjah Mada International Conference on Economics and Business

16–17 September 2026

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THE INFLUENCE OF CROSS-CULTURAL TRAINING AND ORGANIZATIONAL PREPARATION PROGRAMS ON FOREIGN EXPATRIATES IN INDONESIA: EXAMINING THE MEDIATING ROLE OF CULTURAL INTELLIGENCE

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ABSTRACT

Globalization has led multinational corporations to deploy expatriates to countries like Indonesia for international operations and knowledge transfer. However, expatriates face significant cross-cultural challenges that can hinder their performance. Despite the prevalence of cross-cultural training and organizational preparation programs, the effectiveness of these initiatives remains inconsistent. This study explores how these programs impact expatriate performance, with cultural intelligence (CQ) as a mediating factor. This research examines how cross-cultural training and organizational preparation programs influence expatriate performance, focusing on the mediating role of cultural intelligence. The goal is to understand how these support mechanisms contribute to expatriates' success in host-country environments. A quantitative research design was used, collecting survey data from foreign expatriates working in Indonesia. The sample size consists of a minimum of 150 expatriates, recruited through expatriate communities, professional networks, and online platforms. Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) to assess both direct and indirect relationships among the variables. Preliminary findings suggest that cross-cultural training and organizational preparation programs enhance expatriates' cultural intelligence, which in turn improves their performance in Indonesia. Cultural intelligence is identified as a key mediator in this relationship. This study provides valuable insights into the role of cultural intelligence in expatriate performance. It offers practical recommendations for organizations to design more effective expatriate support programs, particularly in emerging markets like Indonesia.

Keywords: Cross-Cultural Training, Organizational Preparation Program, Cultural Intelligence, Employees' Performance, International Human Resource Management

JEL Classification: M1, M2, F2, J6

HYBRID WORK ARRANGEMENT AND THE PRODUCTIVITY OF INDONESIAN CIVIL SERVANTS: THE MEDIATING ROLE OF WORK ENGAGEMENT AND THE ROLE OF DIGITAL CAPABILITY

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ABSTRACT

Introduction/Main Objectives: Indonesia's 2026 policy mandating hybrid work (partly working from home) for civil servants raises a critical question: does this structural flexibility actually translate into higher productivity in a bureaucratic setting very different from the private-sector contexts that dominate existing hybrid-work research. **Background Problems:** The psychological mechanism linking hybrid work arrangement (HWA) to ASN productivity remains poorly understood; this study asks whether work engagement mediates this relationship and whether digital capability moderates it. **Novelty:** No prior quantitative study has simultaneously modeled work engagement as a mediator and digital capability as a moderator of the hybrid work productivity relationship among Indonesian civil servants, a combined moderated-mediation model largely untested in this public-sector context. **Research Methods:** A cross-sectional survey of 155 valid civil-servant respondents from five government agencies in Central Java, Indonesia was analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with bootstrapping (5,000 resamples) to test seven hypotheses. **Findings/Results:** HWA has no significant direct effect on productivity ($\beta=0.199$, $p=0.056$) but strongly predicts work engagement ($\beta=0.720$, $p<0.001$), which significantly predicts productivity ($\beta=0.354$, $p<0.001$), indicating full mediation confirmed via the Sobel test (indirect effect=0.255, $z=3.398$, $p=0.001$). Digital capability significantly predicts productivity directly ($\beta=0.338$, $p<0.001$) but does not significantly moderate either the HWA engagement path or the engagement-productivity path (all interaction terms $p>0.05$), and the index of moderated mediation is likewise not significant ($p=0.709$). **Conclusion:** Hybrid work benefits ASN productivity only indirectly, through work engagement, while digital capability operates as an independent driver of productivity rather than a boundary condition that strengthens it. These findings extend JD-R Theory and Self-Determination Theory to the Indonesian public-sector context and suggest that policymakers seeking to maximize the productivity returns of hybrid work should prioritize strengthening work engagement and digital capability development, rather than relying solely on expanding hybrid-work policy.

Keywords: hybrid work arrangement, work engagement, digital capability, civil servant productivity, moderated mediation

JEL Classification: J24, M12, O33, H83

SKILL GAIN ISN'T ENOUGH: HOW THRIVING INTENTION TRANSLATES INTERNSHIP LEARNING INTO CAREER PREPAREDNESS

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ABSTRACT

Introduction/Main Objectives: Internships are expected to strengthen students' competencies and facilitate their transition from education to employment. However, the extent to which internship-related skill development corresponds with students' career preparedness remains insufficiently explained. This study examines the relationships between changes in internship-related skills and changes in career clarity, career self-efficacy, and perceived employability. **Background Problems:** Existing internship research has largely focused on skill acquisition and subsequent employment outcomes. Less attention has been paid to the motivational changes that may enable students to translate newly developed skills into career-related adaptation. This study therefore investigates whether changes in vitality, learning orientation, and proactivity provide an additional pathway linking skill development with career preparedness. **Novelty:** The study conceptualizes thriving intention as a motivational mechanism that complements the direct contribution of internship-related skills. It extends internship research by integrating skill development with students' energy, willingness to continue learning, and proactive engagement during the transition to work. **Research Methods:** Data were collected from 16,824 participants in Indonesia's National Internship Program using a two-wave pre-post survey design. Post-test-minus-pre-test scores were analyzed through change-score structural equation modeling. The model estimated associations among changes in five skill dimensions, three thriving-intention dimensions, and three career-preparedness dimensions. Indirect effects were tested using 5,000 bootstrap resamples. **Findings/Results:** Improvements in technical, transferable, self-management, social, and communication skills were positively associated with learning orientation, vitality, and proactivity. Vitality and proactivity were positively associated with career clarity, career self-efficacy, and perceived employability. Learning orientation was not significant after direct skill-change paths were included. Bootstrap results also identified significant indirect effects of all five skill dimensions on career clarity through thriving intention. **Conclusion:** Internship-related skill gains were associated with career preparedness through both direct and motivational pathways. Vitality and proactivity were particularly relevant to students' career adaptation. Internship programs should therefore combine competency development with experiences that sustain students' energy and encourage proactive career behavior.

Keywords: Internship, Skill Development, Thriving Intention, Career Preparedness, Motivational Engagement

JEL Classification: I21, J24, M53

THE RISE OF AVOIDANT COMMUNICATION AMONG GENERATION Z EMPLOYEES: CHALLENGES FOR CONTEMPORARY LEADERSHIP AND TEAM DYNAMICS

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ABSTRACT

Introduction/Main Objectives: The increasing number of Generation Z (born between 1997 and 2012) in the current workplace has reshaped organizational communication dynamics through digital interaction culture, evolving social norms, and the growing emphasis on psychological safety. This study aims to examine the experiences and underlying factors of organizational silence among Generation Z employees in collaborative work and its implications for workplace efficiency, particularly in terms of leadership and workplace communication. **Background Problems:** Previous studies have examined generational differences and leadership communication, yet limited attention has been given to how communication avoidance tendencies, especially among Generation Z employees, influence leadership practices and collaboration. This study asks how Generation Z employees experience communication avoidance and organizational silence in collaborative work. **Novelty:** This study offers the new contextual insight of the communication patterns from younger employees by examining how conflict avoidance, communication hesitation, interpersonal harmony, and perceptions of authority shape organizational silence. **Research Methods:** This study uses qualitative research through semi-structured, in-depth interviews with 12 Generation Z university students and early-career employees with internship or professional work experience. Participants were selected using purposive sampling, and the collected data were analyzed using thematic analysis. **Finding/Results:** The findings indicate that communication avoidance among Generation Z participants is conditional rather than an inherent generational characteristic. Participants withheld or modified communication due to conflict avoidance, fear of judgment, hierarchical constraints, and potential professional consequences. **Conclusion:** The study contributes to leadership and organizational behavior literature by giving new insight into communication patterns among younger employees. The findings suggest that leaders should improve adaptive communication strategies that balance psychological safety with constructive dialogue and collaborative effectiveness.

Keywords: Avoidant Communication, Digital Culture, Generation Z, Leadership, Organizational Behavior, Workplace Communication

JEL Classification: D23, M12, M54

FROM IDEAS TO OPPORTUNITY: LEVERAGING LOMBOK'S LANDSCAPE TO ENHANCE CUSTOMER VALUE AT SERUNIH ART STUDIO

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ABSTRACT

Introduction/Main Objectives: Despite Lombok having rich cultural assets and a landscape, many actors in the creative industry have not yet effectively leveraged these resources to create coordinated tourism products that can systematically improve the consumer experience. This is seen as an opportunity by the studied start-up to raise the idea of combining creativity and nature (refreshments) in Lombok. This study aims to analyse the value creation of the studio by leveraging the tourism landscape in Lombok. **Background Problems:** While current studies do not examine how art practices systematically translate landscape features into customer value propositions, there is limited empirical work (to our knowledge) tracing the process by which creative ideas within Lombok-based studios are transformed into marketable opportunities or business models. **Novelty:** This study introduces a place-based perspective by examining how Lombok's landscape shapes entrepreneurial opportunity and customer value in a creative enterprise. **Research Methods:** The qualitative method was employed in the study, focusing on the viewpoints of the founder, employees, business partners, and consumers about the value offered. Data analysis was assisted by MAXQDA Analytics Pro (Release 26.3) and guided by the 3Cs diagram framework and the Value Proposition Canvas (VPC). **Finding/Results:** The analysis of the 3Cs diagram revealed an intersection between customers, capabilities, and competition, creating a market opportunity. Furthermore, VPC analysis indicated that the value offered fits the customers' requirements. **Conclusion:** This study reveals how Lombok's landscape is transformed into entrepreneurial opportunities that enhance customer value, it can contribute to the entrepreneurship literature, particularly in the development of a conceptual model on how landscape elements are translated into artistic concepts and designs, which can enhance customer experiences and deliver diverse value propositions. Moreover, this case study can serve as empirical evidence in understanding the design thinking process (stages from idea generation to opportunity recognition, product/service development, and market validation), providing practical knowledge for aspiring entrepreneurs.

Keywords: Value proposition Canvas, Lombok, Creative tourism, From ideas to opportunity, 3Cs Framework

JEL Classification: L26, M13, M31

HYBRID BUSINESS INCUBATOR MODEL: INTEGRATING GEN Z'S PSYCHOLOGICAL APPROACH INTO THE ENTREPRENEURSHIP ECOSYSTEM IN HIGHER EDUCATION

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ABSTRACT

Compared to previous generations, Generation Z has very different psychological characteristics, particularly in terms of combining pragmatic and idealistic aspects in their career expectations and different interaction patterns with the digital world. To respond to Generation Z's characteristics, a transformation from conventional business incubators to a hybrid model is needed to increase graduates' competitiveness in the job market and align them with the psychological characteristics of digital natives. This study aims to explore the psychological tendencies of Generation Z and assess the optimization and effectiveness of Hybrid Business Incubators through the integration of a Generation Z psychological approach into entrepreneurship education in higher education. The method used is a literature study on the psychological behavior of Generation Z and the latest business incubation models by reviewing various recent articles and references. Based on the results of the theoretical review, the researcher identified that Generation Z is known to have a high concern for social values and a strong awareness of health issues. Generation Z is characterized by the ability to process visual information quickly, despite having a relatively short attention span. Regarding work and study motivation, Generation Z responded very positively to gamification elements on the incubator platform, such as the implementation of a points system, levels, and achievement targets. Researchers also identified four key reasons why the hybrid model is suitable for Generation Z: 1. Social Meaningfulness, which facilitates Generation Z's interest in socially impactful entrepreneurship; 2. Personalization and Flexibility, which support self-directed learning through an adaptive curriculum and virtual ecosystem; 3. Psychological Safety, which provides intensive digital mentoring as a support space to reduce students' fear and anxiety when facing difficulties; and 4. Phygital Reality, which provides a comfortable balance between the need for emotional validation through physical meetings and interactions that occur online. The study concludes that to produce reliable and resilient entrepreneurs amidst the dynamics of the global economy, the implementation of hybrid business incubators is a form of higher education's responsibility in equipping students with real managerial skills, portfolios, and career aspirations that align with the psychology of Generation Z.

Keywords: Generation Z Psychology, Hybrid Business Incubator, Entrepreneurship, Higher Education, Graduate Success.

MAPPING ISLAMIC ENTREPRENEURSHIP EDUCATION RESEARCH: A SYSTEMATIC REVIEW OF PEDAGOGICAL PRACTICES AND LEARNING OUTCOMES USING THE KIRKPATRICK FRAMEWORK

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ABSTRACT

Introduction/Main Objectives: This paper investigates and maps the literature on Islamic Entrepreneurship Education (IEE) by examining pedagogical practices, the integration of Islamic values, and learning outcomes in the existing empirical studies. IEE has increasingly gained scholarly attention as an educational approach that combines entrepreneurial competencies with Islamic ethical principles to promote ethical entrepreneurial behaviour. **Background Problems:** Despite the growing number of studies on IEE, the existing literature remains fragmented and largely descriptive. Previous studies have not adequately explained how pedagogical approaches in IEE contribute to different levels of learning outcomes. Therefore, the question is “How do pedagogical practices and learning outcomes in IEE illustrate educational effectiveness within the Kirkpatrick Framework?”. **Novelty:** This paper provides a systematic mapping of pedagogical practices and learning outcomes in Islamic Entrepreneurship Education using the Kirkpatrick Four-Level Model, which remains underexplored in the literature. The framework consists of reaction, learning, behaviour, and results. **Research Methods:** This paper employs a Systematic Literature Review approach using the Scopus database during 1993–2025. The article selection process follows PRISMA guidelines through inclusion and exclusion criteria. Furthermore, thematic analysis is employed to identify dominant pedagogical practices, while the Kirkpatrick Model is used to categorise learning outcomes reported in the literature. **Finding/Results:** This paper reveals that Islamic Entrepreneurship Education programmes predominantly employ experiential learning, project-based activities, mentoring by Muslim entrepreneurs, and value-integrated teaching approaches. Most studies focus on level 2 (learning) and level 3 (behaviour) outcomes, particularly entrepreneurial knowledge, skills, intentions, and ethical behaviour development. Meanwhile, only limited studies evaluate level 1 (reaction) and level 4 (results), including business creation, income improvement, and community impact. The findings also indicate an increasing research interest in integrating Islamic values into entrepreneurship education. **Conclusion:** This paper concludes that Islamic Entrepreneurship Education contributes not only to entrepreneurial competency development but also to ethical and value-based behavioural formation. However, empirical evidence regarding long-term socioeconomic outcomes remains limited. Therefore, future studies are encouraged to conduct longitudinal and impact-oriented evaluations to better assess the effectiveness of IEE programmes. The findings provide implications for educators, curriculum developers, and policymakers in designing more comprehensive Islamic entrepreneurship education models.

Keywords: Islamic entrepreneurship education, pedagogical practices, Islamic values, learning outcomes, Kirkpatrick Model

JEL Classification: A20, I23, L26, Z12

STOCK PRICE DETERMINANTS IN AN EMERGING ESG MARKET: THE ROLE OF ESG AND FINANCIAL PERFORMANCE

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ABSTRACT

Introduction: The global trend toward sustainable investing is driving the integration of Environmental, Social, and Governance (ESG) criteria into investment decisions. This study analyzes the impact of ESG scores, profitability, and leverage on the stock prices of companies listed in the IDX ESG Leaders index for the 2021–2024 period. **Background:** The impact of ESG on corporate market value remains inconsistent, particularly in emerging markets. An anomaly is evident in the IDX ESG Leaders index, which has experienced a long-term decline, in contrast to global ESG indices such as the MSCI and FTSE4Good, raising questions about the dominant factors influencing the stock prices of sustainability-focused companies. **Novelty:** This study specifically examines the constituents of the IDX ESG Leaders index during the post-pandemic transition phase. Its main contribution lies in integrating non-financial ESG variables with financial fundamental indicators within a multidimensional framework grounded in Stakeholder Theory to explain stock valuation dynamics in emerging capital markets. **Method:** The analysis was conducted using panel data regression, with the Fixed Effects Model (FEM) identified as the best estimation model. The ESG scores used were composite scores that integrated the environmental, social, and governance dimensions. **Results:** The partial test indicates that ESG and leverage do not have a significant effect on stock prices. Conversely, profitability has a positive and significant effect on investor valuation. Interestingly, the sample consists of companies consistently recognized in the IDX ESG Leaders index. However, ESG performance itself does not significantly influence investment valuation, indicating that financial fundamentals remain the primary consideration for investors. **Conclusion:** Investors in the Indonesian capital market remain more focused on fundamental financial performance than on ESG metrics, indicating that ESG adoption has not yet created a price premium in emerging markets. This may reflect the short-term orientation of emerging market investors and the relatively homogeneous ESG characteristics among firms included in the IDX ESG Leaders index. Future studies are encouraged to investigate the environmental, social, and governance dimensions separately to better understand which ESG components are valued by investors.

Keywords: ESG, Profitability, Leverage, Stock Price, IDX ESG Leaders

JEL Classification: G11, O16, Q56

GCG VERSUS CSR: WHICH HAS A STRONGER IMPACT ON FINANCIAL PERFORMANCE IN INDONESIA'S HEALTHCARE SECTOR?

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ABSTRACT

Introduction: The healthcare sector in Indonesia experienced consistent revenue growth from 2020 to 2024. This condition highlights the importance of implementing Good Corporate Governance (GCG) and Corporate Social Responsibility (CSR) to enhance corporate performance and sustainability.

Background Problems: Financial instability in healthcare companies is reflected in fluctuating profitability despite increasing revenues. This phenomenon raises questions regarding whether the implementation of GCG and CSR significantly influences the financial performance of healthcare companies listed on the Indonesia Stock Exchange (IDX). **Novelty:** The novelty of this study lies in measuring the audit committee based on the frequency of meetings rather than the number of committee members, as commonly applied in previous studies. This approach emphasizes governance effectiveness through monitoring intensity instead of relying solely on structural characteristics.

Research Methods: This study employed a quantitative approach using panel data regression analysis. The sample consisted of ten healthcare companies listed on the IDX during the observation period.

Results: The findings reveal that the audit committee has a positive and significant effect on financial performance, whereas the independent board of commissioners, board of directors, institutional ownership, managerial ownership, and CSR do not show significant effects. Although CSR does not demonstrate a statistically significant effect, its positive coefficient remains consistent with the proposed hypothesis. This finding suggests that CSR implementation in the healthcare sector may not yet be sufficiently intensive or strategically integrated to generate measurable financial impacts. The significance of audit committee meeting frequency indicates that governance effectiveness is better reflected through active monitoring mechanisms than through structural indicators such as the number of commissioners and directors. **Conclusion:** The findings imply that companies should focus not only on fulfilling formal governance structures but also on strengthening the effectiveness of monitoring activities, particularly through active audit committee engagement. In addition, CSR practices should be strategically integrated into business operations to generate measurable financial outcomes rather than being implemented merely for compliance purposes. Academically, this study highlights the importance of using governance effectiveness indicators instead of relying solely on structural measurements.

Keywords: Good Corporate Governance, Corporate Social Responsibility, Financial Performance.

JEL Classification: G32, M14, G32

TALK IS CHEAP? GREENWASHING DETECTION VIA NLP AND ITS FINANCIAL CONSEQUENCES IN INDONESIA

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ABSTRACT

Introduction/Main Objectives: This study examines whether divergence between corporate ESG narrative tone and an external ESG rating is associated with subsequent firm performance in Indonesia, and whether analyst coverage moderates this relationship. **Background Problems:** Prior Indonesian research has examined NLP-based greenwashing detection and financial outcomes largely through separate measurement approaches. **Novelty:** The study combines narrative sentiment with an external rating to construct a proxy for potential ESG greenwashing and evaluates its association with accounting profitability and market valuation. **Research Methods:** The study uses 2020-2024 observations for firms selected from the May-July 2026 IDX80 constituent list. English-language passages from sustainability reports are processed using FinBERT-ESG and FinBERT sentiment classification. The index is the difference between within-year standardized narrative sentiment and the Refinitiv ESG Combined Score. The descriptive panel comprises 209 firm-year observations from 46 firms. Firm and year fixed-effects regressions use 151 observations from 40 firms to examine one-year-ahead ROA and Tobin's Q; moderation models use 147 observations from 39 firms. Model labels are assessed against 200 human-coded sentences, supplemented by document-level reliability and alternative sentiment measures. **Findings/Results:** The index has positive but statistically insignificant coefficients for both outcomes, and the interaction with analyst coverage is not statistically significant. Alternative specifications do not yield a statistically significant negative association. Sentence-level sentiment classification remains weak despite high document-level internal consistency. **Conclusion:** The study finds no statistically significant evidence of a one-year performance penalty associated with the proxy in this sample. Measurement limitations, sample selection, and the short observation horizon constrain inference about market discipline. The index may support screening for further review, subject to additional validation.

Keywords: analyst coverage, emerging market, ESG disclosure, FinBERT, greenwashing

JEL Classification: M41, M14, G14, Q56, C45

SDG-WASHING DETECTION USING NATURAL LANGUAGE PROCESSING: EVIDENCE FROM SDG REPORTS OF INDONESIAN HIGHER EDUCATION INSTITUTIONS

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ABSTRACT

Introduction/Main Objectives: The Sustainable Development Goals (SDGs) have become an important reference for organizational legitimacy, accountability, and global reputation, including within higher education institutions. Universities increasingly communicate their alignment with the SDGs through formal SDG reports in response to rankings, certifications, and stakeholder expectations. However, concerns have emerged that SDG-related disclosures may not always reflect substantive engagement, leading to the phenomenon of SDG-washing in university reporting practices. **Background Problems:** Despite the increasing prominence of SDG-oriented rankings and disclosures, systematic and scalable empirical evidence on SDG-washing in universities remains limited. Therefore, this study examines whether institutional legitimacy factors, such as rankings and sustainability certifications, influence SDGwashing practices among universities. **Novelty:** This study contributes to the literature by developing an NLP-based approach to detect SDG-washing in higher education institutions. Unlike prior studies that mainly rely on qualitative assessments or corporate settings, this research quantitatively measures the imbalance between optimistic SDG narratives and actual SDG performance within university disclosures. **Research Methods:** This study employs a quantitative explanatory research design with the university as the unit of analysis. The sample consists of 71 Indonesian universities listed in the Times Higher Education (THE) Impact Ranking during 2020–2025, resulting in an unbalanced panel dataset of 200 university-year observations. Primary data were collected from SDG reports published on official university websites in both English and Indonesian. SDG-washing is operationalized using a Natural Language Processing (NLP)based index, while independent variables include THE Impact Ranking, ISO 14000 certification, and ISO 26000 adoption. Control variables comprise university size, type, and region. The data were analyzed using panel regression analysis. **Finding/Results:** The findings indicate that institutional legitimacy mechanisms are associated with variations in SDG-washing practices among universities. The NLP-based analysis also demonstrates the usefulness of computational methods in identifying inconsistencies between sustainability narratives and actual SDG performance. **Conclusion:** This study concludes that SDG reporting practices in higher education may contain symbolic sustainability communication that does not always correspond to substantive performance. The findings provide implications for policymakers, ranking agencies, and university stakeholders to strengthen transparency and accountability in SDG disclosures. Furthermore, the study highlights the potential of NLP-based approaches for advancing sustainability reporting research in higher education institutions.

Keywords: Sustainable Development Goals (SDGs), SDG-washing, Higher Education Institutions, Natural Language Processing (NLP), Sustainability Reporting

JEL Classification: I23, M14, Q56, C55

SPATIAL INEQUALITY IN PUBLIC FACILITY ACCESSIBILITY IN DKI JAKARTA: A GIS-BASED MULTI-METHOD ANALYSIS

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ABSTRACT

Introduction/Main Objectives: This study measures and maps spatial inequality in public facility accessibility across DKI Jakarta, focusing on education, health, and transportation services. Equitable access to essential facilities is a fundamental dimension of social welfare and a critical consideration for efficient public infrastructure investment at the national level. **Background Problems:** Jakarta's rapid urbanization and historically centralized development pattern have created persistent disparities in public service delivery across its communities. This study asks where spatial inequality in facility accessibility is concentrated across DKI Jakarta, which areas are most underserved, and how large the aggregate gap is. Prior studies relied on raster pixel units and single-sector measures that cannot capture the full structure of this inequality. **Novelty:** This study integrates complementary spatial methods within a unified framework, enabling more precise measurement of accessibility gaps and their concentration. **Research Methods:** The analysis uses a hexagonal grid of 853 cells across mainland DKI Jakarta to avoid administrative boundary bias, and measures coverage along the actual road network rather than straight-line buffers. Coverage across the three sectors is combined into a Composite Accessibility Index (CAI) weighting each facility type by its importance to daily life, using expert judgment elicited through the Analytical Hierarchy Process. Spatial clustering analysis identifies significant concentrations of high and low accessibility relative to population density, while a spatially decomposed inequality coefficient quantifies the overall gap. **Finding/Results:** Results indicate a mean CAI of 0.82 (scale 0-1) and a Spatial Gini Coefficient of 0.10, with public transport the most unequal dimension at 0.51 and more than a quarter of the area beyond reach of any stop or station. High-accessibility clusters concentrate in Central and West Jakarta (12.2 percent of units), while low-accessibility clusters dominate peripheral North and East Jakarta (13.6 percent). Permutation testing confirms that accessibility deprivation is geographically clustered rather than randomly distributed (pseudo-p < 0.001). Accessibility follows a centre-periphery pattern in which North Jakarta departs sharply from the other four cities, and the remaining location problem lies mainly in public transport. **Conclusion:** These findings provide spatial evidence to support targeted government infrastructure investment in underserved communities, enabling more equitable and efficient allocation of public expenditure within Indonesia's national budget framework.

Keywords: spatial inequality, accessibility index, GIS, DKI Jakarta, spatial justice

JEL Classification: R12, H54, R58, I38

A MACHINE LEARNING APPROACH TO ANALYZING THE DRIVERS OF HUMAN CAPITAL, LABOR MARKET DYNAMICS, AND CLIMATE VULNERABILITY ON REGENCY-LEVEL POVERTY IN INDONESIA

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ABSTRACT

Introduction/Main Objectives: This paper evaluates the out-of-sample predictive performance and structural non-linear drivers of sub-national poverty rates across Indonesia using an ensemble Machine Learning framework. The primary objective is to capture complex socio-economic and environmental interactions without imposing rigid parametric linear assumptions. **Background Problems:** Regional poverty modeling frequently suffers from complex non-linear interactions among socio-economic indicators, which conventional linear baselines (OLS) may fail to fully capture, while standard Gini-impurity feature rankings in tree models often yield arbitrary interpretations. **Novelty:** This study applies a Random Forest regressor combined with game-theoretic Shapley Additive exPlanations (SHAP) to a comprehensive panel of Indonesian regencies, providing an interpretable framework to evaluate feature contributions in the presence of correlated socio-economic indicators under a strict temporal out-of-time evaluation. **Research Methods** We trained a Random Forest regressor on pooled panel data and evaluated its generalizability on a strict out-of-sample temporal partition (2025). Predictors include Life Expectancy, Mean Years of Schooling, Labor Force Participation Rate, Educated Unemployment Rate, Child Stunting Prevalence, Climate Risk Index, Logarithm of Total Labor Force, and Logarithm of Total GRDP. Feature contributions were computed using TreeExplainer SHAP values. **Finding/Results** The Random Forest model achieved predictive performance of $R^2_{Oos} = 0.7636$, $RMSE = 2.9104$, and $MAE = 2.3653$, outperforming linear OLS baselines. on the out-of-sample partition. Global SHAP analysis identified Life Expectancy, Mean Years of Schooling, and Total GRDP as the dominant structural anchors. The model exposed a non-linear health threshold and an empirical educational absorption gap where formal schooling exhibits diminished poverty-reducing predictive association in high-unemployment labor markets. Crucially, structural human capital drivers overwhelmingly overshadowed short-term Climate Risk shocks at the aggregate regency scale. **Conclusion:** Health capacity serves as the primary predictive anchor for regional poverty alleviation, functioning as a structural foundational threshold before educational expansion and climate-adaptation policies exhibit optimal predictive returns. Local governments must prioritize integrated health-labor frameworks to build long-term economic resilience against structural poverty traps.

Keywords: Poverty Dynamics, Human Capital, Climate Vulnerability, Machine Learning, Regional Development.

JEL Classification: I32, J24, Q54, C53

THE INFRASTRUCTURE ECOSYSTEM AND HUMAN CAPABILITIES: A SPATIAL CAUSAL ANALYSIS OF MULTIDIMENSIONAL POVERTY IN RURAL INDONESIA

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ABSTRACT

Introduction: This study examines the causal impact of public infrastructure on rural multidimensional poverty in Indonesia. While governments aggressively expand physical capital to drive equitable growth, assessing its true welfare impact requires moving beyond income-based metrics to understand how infrastructure expands fundamental human capabilities. **Background Problems:** Despite rapid fiscal commitments to physical capital, rural poverty remains structurally persistent and complex. Therefore, this study asks: How does an integrated infrastructure ecosystem causally affect multidimensional capability deprivations across geographically diverse rural landscapes? **Novelty:** Previous studies predominantly analyze infrastructure in isolated "silos" using unidimensional monetary proxies and frequently suffer from urban-rural spatial aggregation bias. This paper introduces a novel, rural-filtered "infrastructure ecosystem" approach, integrating basic, connectivity, and socio-economic capital with the Alkire-Foster capability framework to evaluate systemic welfare impacts. **Research Methods:** We construct a Composite Infrastructure Index (CII) via Principal Component Analysis and a Rural Multidimensional Poverty Index (RMPI) using conditionally aggregated rural microdata across 417 Indonesian districts from 2018 to 2021. To address poverty persistence and mitigate the endogeneity of infrastructure placement, we employ the two-step System Generalized Method of Moments (System GMM) estimator. **Findings/Results:** The aggregate model confirms that a synergistic infrastructure ecosystem causally reduces rural multidimensional poverty. However, spatial decomposition reveals a striking dichotomy: the poverty-reducing impact is highly elastic in historically undercapitalized regions (Outside Java-Bali) but diminishes to statistical insignificance in saturated networks (Java-Bali), providing definitive micro-empirical validation for the diminishing marginal returns hypothesis. **Conclusion:** Infrastructure is a vital catalyst for rural capability expansion, yet its marginal efficacy is strictly contingent upon a region's historical capital accumulation stage. Policymakers must transition away from uniform physical targets and adopt spatially sensitive investment strategies—prioritizing integrated "hard infrastructure" in lagging regions while pivoting to "soft infrastructure" to break structural poverty traps in developed areas.

Keywords: Infrastructure Ecosystem, Rural Multidimensional Poverty, Capability Approach, Spatial Heterogeneity, System GMM

JEL Classification: H54, I32, O18

ECONOMIC EXPANSION AND DEMOGRAPHIC DYNAMICS: SHAPING INCOME INEQUALITY IN INDONESIA

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ABSTRACT

Introduction/Main Objectives: Income Inequality continues to be one of the biggest problems that Indonesia is facing. Its unique economy and the presence of complete macroeconomic data make it an ideal place to study the factors that determine income inequality. Even though the nation is growing economically, all the people in society do not benefit from growth. Trade openness, inflation, high population growth rate, and unemployment can have a big effect on income inequality. **Novelty:** Unlike previous studies that mainly employ static approaches or focus on selected determinants, this study fills the research gap by revealing the dynamic short-run and long-run relationships between unemployment, trade openness, inflation, population, economic growth, and income inequality in Indonesia. **Background Problems:** Despite economic growth and liberalization of trade in Indonesia, the country has been facing issues related to inflationary changes, population increase, and high unemployment, thereby exacerbating income inequalities; hence, the research will focus on investigating how the interaction of such macroeconomic factors affects the structure of welfare inequalities in Indonesia. **Research Methods:** The ARDL approach will be used in this study to analyze the effect of macroeconomic determinants on income inequality using secondary time series data ranging from 1998 to 2023 provided by the World Bank.. The analysis involves stationarity tests, the determination of optimal lags, and the Bounds Test for cointegration to estimate the short-term and long-term effects. **Finding/Results:** The results confirm that there is a statistically significant long-term relationship between the variables through the negative and significant error correction term. In the long run, unemployment and economic growth lead to income inequality reduction, while trade openness and population increase income inequality. The role of inflation is insignificant and positive. In the short run, unemployment, population, and economic growth lead to income inequality increase, while inflation decreases it. **Conclusion:** The research findings reveal that income inequality in Indonesia depends on the macroeconomics and has different implications for the short and long run. Inclusive policies on employment, trade distribution, population management, and economic growth will help in achieving inequality reduction and development sustainability.

Keywords: Income Inequality, Economic Growth, Population, Trade Openness.

JEL Classification: D63, O15, O40, G15

UNFOLDING SOVEREIGN CREDIT DEFAULT SWAPS LITERATURE: A BIBLIOMETRIC ANALYSIS

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ABSTRACT

Introduction/Main Objectives: The sovereign credit default swap (CDS) market has become an instrumental tool to evaluate country risk especially after the incidence of 2008 global financial crisis and the European sovereign debt crisis. The utilisation includes pricing, hedging, and transferring sovereign credit risk. Despite the theme received increased notice, few literatures documenting the development of the emerging issue. Therefore, this study aims to offer a systematic mapping of the field to identify core research themes and latest trends. **Background Problems:** Contrast to the development of scientific publications relating to sovereign CDS, few or a little attention given to deliver a consolidated view of the rising theme's evolution which include main research constellations, literary gaps, and potential study outlet. **Novelty:** Few or a little literature review targeting sovereign CDS are available in the academic universe. This study will fill in the gap unveiling the structure of the field through both co-occurrence and bibliographic coupling analyses to provide a more holistic view of the theme's literature. **Research Methods:** Using "sovereign credit default swaps" as the primary search keyword, a corpus of 240 peer-reviewed articles are retrieved from Scopus database spanning from 2004 to 2025. Subsequently, we conducted co-occurrence analysis of author keywords and bibliographic coupling of authors and journals to map the evolution of core research themes. **Finding/Results:** The co-occurrence network analysis suggests four main research themes: (1) sovereign risk and credit dynamics, (2) Financial crisis & systemic risk, (3) Spillovers & emerging markets, and (4) credit risk and bond markets. The global financial crisis and the European sovereign debt crisis have a significant influence of on the development of this study area with earlier studies noting terms such as "financial crisis," "banking," "sovereign debt," and "debt crisis," while more recent publications transitioning into sovereign risk, financial-market spillovers, and credit-market conditions with the rise publications having "sovereign CDS," "sovereign credit risk," "CDS spreads," "credit provision," and "volatility," within. **Conclusion:** This study concludes that sovereign CDS research has transitioning from pricing methodologies to rising importance of new issues such as climate change and new ways to predict credit events. Thus, anchoring new research outlets for future research. **Keywords:** Sovereign Credit Default Swaps, Bibliometric Analysis, VOSviewer, Sovereign Risk, Financial Contagion

JEL Classification: G01, G12, G15, G33, H63

CATALYZING GREEN INDUSTRY: THE ROLE OF FOREIGN DIRECT INVESTMENT IN SUSTAINABLE COPPER DOWNSTREAMING

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ABSTRACT

Industrial downstreaming is a pivotal agenda in Indonesia's transformation toward the "Golden Indonesia 2045" vision as well as to escape from the middle-income trap. While downstreaming enhances product value-added and export competitiveness, it also serves as a vehicle for sustainable development. This study aims to measure the multidimensional sustainability of Indonesia's mineral sector—encompassing economic, social, and environmental dimensions—and to analyze the extent to which Foreign Direct Investment (FDI) contributes to reinforcing sustainable downstreaming within the copper industry. Within the Global Value Chain (GVC) framework, FDI is positioned as an alternative governance mechanism to facilitate industrial upgrading. This research employs a mixed-methods approach, combining Multidimensional Scaling (MDS) to generate a sustainability index for copper downstreaming with a GVC-based qualitative analysis to explore the effectiveness of FDI in achieving a sustainable copper processing industry. The study addresses the multidimensional challenges of copper downstreaming, including environmental degradation, social conflict, inequitable benefit distribution, and governance weaknesses. By integrating MDS with the GVC framework, this research provides a comprehensive assessment of how international capital flows can be leveraged not only as a source of financing but also as a catalyst for technology transfer, value chain strengthening, and global market integration.

Keywords: Industrial Downstreaming, Foreign Direct Investment (FDI), Sustainable Development, Copper Industry, Global Value Chain (GVC), Multidimensional Scaling (MDS)

JEL Classification: F21, L72, O14, Q56

BLOCKCHAIN TECHNOLOGY AND FINANCIAL SERVICES TRANSFORMATION: EVIDENCE FROM INSTITUTIONAL CRYPTOCURRENCY ADOPTION

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ABSTRACT

The advent of blockchain technology has introduced a new paradigm in the financial landscape through decentralization, immutability, transparency and enhanced efficiency in financial services. A number of institutional investment programs are now coming to the market that are attempting to offer exposure to cryptocurrencies, including Bitcoin Investment Products (BIPs), corporate reserve holdings, and crypto asset investments. This study focuses on the institutional cryptocurrency adoption and its implications for financial services transformation in the blockchain era. While there are numerous studies that have focused on the surrounding of cryptocurrencies, most studies have focused on the institutional adoption of one cryptocurrency or one (institutional) investment channel. However, there have been some limited studies that have attempted to quantify the various institutional channels for investing alongside the key cryptocurrencies. In this study, we set out to fill this gap through a thorough empirical assessment of Institutional Cryptocurrency adoption via three distinct institutional investment channels for Bitcoin and four other key cryptocurrencies. The study adopted a quantitative method and secondary data was obtained from credible databases and market reports on cryptocurrencies. The descriptive analysis, comparative concentration of ownership analysis were used on the basis of participation of institutions, geographical coverage, institutional holdings, CR5, CR10, Herfindahl Hirschman Index (HHI) and Gini coefficient. These results highlight the trend of institutions in adopting digital assets, specifically Bitcoin, as part of the broader digital currency adoption in today's financial environment. Along with that, blockchain technology is helping in the modernisation of the modern financial services. The paper empirically quantifies the institutional cryptocurrency adoption through the different investment channels and digital assets on the market, which contributes to the literature. The findings are also of great interest to the financial service industry, institutional investors and policymakers and market regulators as they consider the future of finance in the era of digital assets built on a blockchain.

Keywords: Blockchain Technology; Institutional Cryptocurrency Adoption; Financial Services Transformation; Digital Finance; Financial Innovation

JEL Classification: G20, G23, O33, E42

GOVERNING SUSTAINABLE FINANCIAL WELL-BEING IN THE DIGITAL ECONOMY: THE ROLE OF FINANCIAL PARENTING, DIGITAL FINANCIAL SOCIALIZATION, AND FINANCIAL SELF EFFICACY AMONG YOUNG ADULTS

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ABSTRACT

Introduction/Main Objectives: Digital transformation has fundamentally reshaped economic systems and altered the way younger generations interact with financial products, services, and information. The rapid expansion of fintech platforms, digital payment systems, and AI-driven financial applications has created new opportunities while simultaneously increasing financial complexity and behavioral risks among Generation Z. Understanding how individuals develop financial competence in a digital environment has become increasingly important for achieving sustainable development goals and promoting inclusive economic growth. Therefore, this study examines the influence of digital financial parenting and digital financial socialization on sustainable financial well-being among young adults in the context of a changing global economy. **Background Problems:** Despite the increasing penetration of digital finance, many young adults demonstrate weak financial resilience and inadequate financial decision-making capabilities; therefore, this study addresses the question: How do digital financial parenting and digital financial socialization influence sustainable financial well-being through financial self-efficacy and financial coping behavior among Generation Z? **Novelty:** This study extends traditional financial parenting literature by incorporating digital dimensions into financial parenting and socialization constructs. Existing studies primarily focus on conventional financial education and family financial interactions, while limited research investigates how digital financial exposure and technology-mediated learning contribute to sustainable financial outcomes within an integrated framework. **Research Methods:** This study employs a quantitative research design using survey data collected from university students and young professionals representing Generation Z. Structural Equation Modeling using Partial Least Squares (PLSSEM) will be employed to test direct and indirect relationships among digital financial parenting, digital financial socialization, financial self-efficacy, financial coping behavior, and sustainable financial wellbeing. **Finding/Results:** The proposed findings suggest that digital financial parenting positively influences financial self-efficacy and financial coping behavior. Digital financial socialization is also expected to strengthen responsible financial behavior and improve long-term financial well-being. Furthermore, financial self-efficacy is predicted to mediate the relationship between digital financial experiences and sustainable financial outcomes. **Conclusion:** This study concludes that sustainable financial well-being in the digital economy is not solely influenced by access to financial technology but also by the quality of financial learning and socialization processes. The findings imply that families, educational institutions, and policymakers should strengthen digital financial literacy initiatives and establish supportive financial ecosystems to prepare future generations for sustainable economic participation in an increasingly digital world.

Keywords: Digital Transformation; Sustainable Development; Financial Socialization; Financial SelfEfficacy; Financial Well-Being; Generation Z

JEL Classification: D14, D91, G50, I22, O33, Q56.

THE IMPACT OF ARTIFICIAL INTELLIGENCE ON FINANCIAL ACCOUNTING PRACTICES AND AUDIT QUALITY

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ABSTRACT

Introduction/Main Objectives: This study investigates the transformative impact of Artificial Intelligence (AI) on core financial accounting functions and the quality of external audits. As the adoption of AI accelerates globally, understanding its tangible effects on accounting accuracy, operational efficiency, and the overall audit process is critical. This subject warrants rigorous examination due to the profound shift it represents within the accounting profession, necessitating a fundamental reevaluation of traditional practices and assurance models. **Background Problems:** Despite its widespread adoption, there remains a dearth of systematic, empirical evidence quantifying the precise ways in which AI tools such as machine learning for transaction classification and natural language processing (NLP) for contract review affect the reliability of financial reporting. Consequently, this paper addresses the following research question: To what extent does the implementation of AI in financial accounting improve reporting accuracy and enhance overall audit quality?. **Novelty:** This research contributes to the existing literature by employing a longitudinal, mixed-methods approach that directly correlates specific AI functionalities with measurable outcomes in both accounting and auditing within a unified organizational context. Prior literature has predominantly treated these domains in isolation or relied upon theoretical and survey-based analyses lacking long-term performance tracking. **Research Methods:** employing a longitudinal, mixed-methods approach that directly correlates specific AI functionalities with measurable outcomes in both accounting and auditing within a unified organizational context. **Finding/Results:** The results indicate that firms utilizing AI demonstrated a statistically significant reduction in manual accounting errors (a mean reduction of 34%) and a corresponding decrease in audit cycle times (a mean reduction of 22%). However, the findings also reveal the emergence of a new category of "automation oversight" risks, alongside a shift in auditor focus toward validating AI models and ensuring data integrity, rather than relying on traditional transaction sampling. These results suggest that while AI elevates overall quality, it fundamentally alters the risk landscape and necessitates new professional skill sets. **Conclusion:** In conclusion, AI serves as a powerful enhancer of both accounting precision and audit efficiency, albeit while introducing new critical control points. Ultimately, the future of high quality financial reporting depends on the strategic augmentation of human expertise with intelligent systems.

Keywords: Accounting Automation, Artificial Intelligence (AI), Audit Quality, Automation Oversight Risk, Financial Accounting

JEL Classification: M41, M42, O33, G34

BEYOND COMPENSATION: FINANCIAL ACCOUNTABILITY AND SOCIOECONOMIC ADAPTATION IN TOLL ROAD LAND ACQUISITION IN YOGYAKARTA

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ABSTRACT

Infrastructure expansion under Indonesia's National Strategic Projects has made toll road land acquisition a central instrument of regional development, yet its success is still commonly judged through administrative indicators such as the speed of parcel release and compensation disbursement, rather than through whether displaced households actually restore their livelihoods afterward. This narrow framing overlooks a well-documented risk in the development-induced displacement literature: cash compensation, however fairly valued, does not automatically translate into durable household welfare, a concern that is particularly salient in Yogyakarta's dual land tenure system, where Sultan Ground and Kadipaten land coexist with nationally registered titles. This study therefore asks what household-level financial and socioeconomic factors determine successful post-compensation socioeconomic adaptation, and what factors shape the financial literacy underlying these decisions. Its novelty lies in integrating household financial accountability, financial literacy, and socioeconomic characteristics within a single mixed-methods framework applied to a dual land tenure setting, a combination not previously examined jointly, since prior land-policy, livelihood, and accountability studies have developed largely in isolation and rarely extend accountability concepts to the household level. The study adopts a mixed-methods sequential explanatory design, combining binary logistic regression and OLS regression on survey data from 86 households affected by the Solo-Yogyakarta-YIA toll road corridor in Sleman Regency, complemented by in-depth interviews with eleven village heads (Dukuh) for methodological triangulation. The results show that educational attainment and post-acquisition employment change are the primary determinants of successful adaptation, while compensation fund allocation is the strongest predictor of financial literacy but does not directly predict adaptation, suggesting that financial literacy operates as a behavioral mechanism linking fund-use decisions to households' broader adaptive capacity. These findings indicate that fair monetary compensation alone is insufficient to secure household welfare after land acquisition; policymakers should extend post-compensation programs to include financial literacy training and livelihood transition support, reframing accountability in land acquisition from a state obligation to pay fair compensation toward a shared responsibility for household-level financial capability.

Keywords: Land acquisition, Land compensation, Financial literacy, Socioeconomic adaptation

JEL Classification: H83, M41, D41

SUSTAINABILITY COMPENSATION AND FIRM PERFORMANCE: EVIDENCE FROM ASEAN

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ABSTRACT

Introduction/Main Objectives: Integrating sustainability into executive compensation has emerged as a significant practice in global corporate governance. This study examines the relationship between sustainability in executive compensation and firm performance (sustainability performance and financial performance) in the ASEAN region. Drawing on agency theory and the management control perspective, this study argues that incentive mechanisms linked to sustainability targets can encourage long-term sustainability goals, while their financial implications may differ across countries. **Background Problems:** As sustainability issues become increasingly salient in managerial practices, it is important to integrate sustainability with management control systems to align executive interests with firm goals. This study attempts to answer the question of how sustainability-based compensation affects sustainability and financial performance. **Novelty:** Although prior literature has extensively examined the integration of sustainability into executive compensation, significant research gaps remain, particularly regarding the effectiveness of these mechanisms in emerging-market contexts with diverse institutional characteristics. Empirical findings linking sustainability-based executive compensation to sustainability and financial performance remain mixed and inconclusive, particularly outside developed countries. **Research Methods:** Data were obtained from LSEG Data & Analytics for the period 2015-2024, yielding 3,268 firm-year observations from public firms in ASEAN, specifically Indonesia, Malaysia, the Philippines, Singapore, and Thailand, reflecting their representation in capital markets. **Finding/Results:** Panel regression results show that sustainability-based executive incentives are positively and significantly associated with sustainability performance but not significantly associated with financial performance. Additional country-level analyses reveal cross-country heterogeneity, with a significant negative relationship between sustainability-based compensation and financial performance observed only in Singapore. **Conclusion:** This finding indicates that the economic outcomes of sustainability-linked incentives vary across countries. By documenting these cross-country differences, this study contributes to the sustainability-based compensation literature by providing a more nuanced understanding of when and where sustainability incentives are associated with sustainability and financial outcomes.

Keywords: Sustainability-based Compensation, Executive Compensation, Sustainability Performance, Financial Performance, ASEAN

JEL Classification: D13, I31, J22, K31

DURABILITY OVER DISPOSABILITY: THE YOBO MODEL OF SUSTAINABLE SMARTPHONE CHOICE AMONG YOUNG CONSUMERS

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ABSTRACT

Introduction/Main Objectives: This paper examines sustainable smartphone choice among young consumers through the YOBO, or You Only Buy Once, model. The study focuses on how young consumers evaluate smartphones in a market where brand novelty, peer visibility and trend-based upgrading are commercially normalized. The main objective is to explain whether durability orientation, moral responsibility and sustainability-aligned behavioral readiness can support sustainable smartphone choice intention, and whether trend sensitivity weakens this process. **Background Problems:** Smartphone markets encourage frequent upgrading even when existing devices remain functional, raising the research question: how do durability orientation, moral responsibility, sustainability-aligned behavioral readiness and trend sensitivity shape sustainable smartphone choice intention among Indonesian and Dutch young consumers? **Novelty:** This paper introduces YOBO as a new durability-based model for young consumer research and responsible marketing. Prior studies have examined green attitudes, ethical consumption and planned-behaviour predictors, but have not adequately explained sustainable choice in youth technology markets where the key issue is not only whether consumers care about sustainability, but whether they value product longevity strongly enough to resist trend-driven replacement. **Research Methods:** The study uses survey data from 806 university students, consisting of 408 Indonesian and 398 Dutch respondents. Data were analyzed using PLS-SEM in SmartPLS 4. Sustainability-aligned behavioral readiness was modeled as a higher-order formative construct formed by attitude, subjective norm and perceived behavioral control. The analysis included mediation testing, moderation testing, PLSpredict, MICOM and multi-group analysis. **Finding/Results:** Durability orientation and moral responsibility positively influenced sustainability-aligned behavioral readiness and sustainable smartphone choice intention. Readiness partially mediated both relationships. Trend sensitivity negatively influenced sustainable smartphone choice intention and weakened the effects of durability orientation and readiness. Multi-group analysis showed that the YOBO model was largely stable across Indonesia and the Netherlands, although durability orientation had a stronger direct effect among Dutch young consumers. **Conclusion:** The study concludes that sustainable smartphone choice among young consumers depends on more than green attitude or moral concern. Durability must become meaningful, actionable and resistant to trend pressure. The main implication is that responsible youth marketing should make product longevity, repairability and reduced replacement socially desirable and practically visible.

Keywords: young consumers, sustainable consumption, smartphone choice, durability orientation, responsible marketing

JEL Classification: M31, D12, Q56

WASTE-FREE INDONESIA BEGINS WITH PANDAWARA: HOW INFLUENCER CHARACTERISTICS INDUCE YOUR INTENTION TO BUY ZERO WASTE PRODUCT

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ABSTRACT

Introduction/Main Objectives: This paper aimed at investigating the mechanism that led social media influencers to stimulate individual's intention to purchase zero waste product. More specifically, this research looks closer on the role of environmental involvement, knowledge, and attitude toward zero waste to explain the relationship. **Background Problems:** Pandawara is a newly established community with a strong social media presence focusing on educating people to avoid zero waste. With such a strong presence to attract others joining their activity which subsequently increase individual's knowledge regarding the environment, it is unclear whether such interaction leads to intention to purchase zero waste product. **Novelty:** This study is among the few to put Pandawara as the context and investigate whether Pandawara's characteristics as social media influencer could influence a more environmentally friendly behaviour. More specific, this research tries to examine the mechanism between Pandawara's characteristics, individual involvement, environmental knowledge, attitude, and zero-waste product purchase intention through the lens of signaling theory. **Research Methods:** an online survey was administered to Indonesia adult who have accessed or knowledgeable about Pandawara. Responses from 193 respondents were valid and proceed for data analysis utilizing PLS-based structural equation modeling. **Finding/Results:** Findings showed Pandawara's commitment, familiarity, and credibility have significant influence on environmental involvement. Further, environmental involvement positively influences the environmental knowledge and attitudes toward zero waste, which subsequently induce zero waste purchase intention. From signaling theory perspective, Pandawara produces strong cues (reflected by their commitment, credibility, and familiarity) utilized by their followers to get involved and learn about the zero waste. **Conclusion:** Social media influencer should focus on informing their followers about their commitment, credibility, and familiarity to induce their followers' involvement on the program which could induce the changes in the mindset to be more environmentally friendly. Moreover, bringing a consistent communication campaign enabled social media influencer to be remembered more vividly by its followers, which would resonate with behavioral changes.

Keywords: Influencer characteristics, signaling theory, environmental involvement, environmental knowledge, zero waste purchase intention, Pandawara

JEL Classification: D13, I31, J22, K31

ARE MSME PRODUCTS MARKETABLE? THE ROLE OF TRADE SHOWS IN VALIDATING MARKET ACCEPTANCE AND DRIVING SUSTAINABILITY FOR CREATIVE ECONOMY MSMEs IN INDONESIA

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ABSTRACT

This study examines how trade shows (bazaars) function as a market validation platform for Micro, Small, and Medium Enterprises (MSMEs) operating in Indonesia's Creative Economy MSMEs. Despite contributing 61% of Indonesia's GDP and employing over 97% of the national workforce, Indonesian MSMEs particularly in the creative economy and F&B sub-sectors continue to struggle with limited market access, low consumer awareness, and insufficient mechanisms for testing product viability prior to mass distribution. Trade shows offer a potential solution, yet empirical evidence on their effectiveness in driving consumer purchase intention, word of mouth, and sustainability perception remains scarce in the Indonesian context. This paper proposes and tests a structural model linking Bazaar Experience (BE), Product Perceived Quality (PQ), and Perceived Value (PV) to Product Market Acceptance (PMA), and subsequently to Purchase Intention (PI), Word of Mouth & Revisit (WOM), and Sustainability Perception (SP) providing the first integrated empirical evidence of this chain in the Indonesian MSME trade show context. A quantitative survey was conducted with 431 visitors of MSME trade shows across Indonesia, predominantly from Java. Partial Least Squares Structural Equation Modeling (PLS-SEM) was employed using SmartPLS. All six hypotheses were supported. PV ($\beta = 0.335$) had the strongest direct effect on PMA, followed by PQ ($\beta = 0.300$) and BE ($\beta = 0.241$). PMA strongly predicted PI ($\beta = 0.709$), WOM ($\beta = 0.704$), and SP ($\beta = 0.681$). The model explained 62.6% of variance in PMA and 50.3% in PI. Trade shows are effective market validation tools for Indonesian MSME products in the creative economy and F&B sectors. Perceived value and product quality are the key drivers of market acceptance, which in turn generates purchase intention, positive word of mouth, and sustainability perception among consumers.

Keywords: MSME, trade show, market acceptance, purchase intention, sustainability

JEL Classification: L26, M31, O13, Q01, R11

THE ACCURACY-SIGNAL PARADOX: HOW DATA TRANSPARENCY AND FUNCTIONAL UTILITY OVERRIDE THE 'CREEPINESS' OF AI PERSONALIZATION

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ABSTRACT

Introduction/Main Objectives: As AI-driven platforms achieve unprecedented levels of hyper-personalization, users often experience a psychological tension between functional utility and invasive surveillance. This study investigates the drivers of information disclosure intention on AI-driven platforms (specifically TikTok) by examining the interplay between AI-enabled personalization, privacy concerns, and the sensation of Creepiness (Algorithmic Uncanny). **Background Problems:** Digital transformation relies on a steady flow of user data; however, highly personalized experiences can trigger a privacy-creepiness cycle that potentially threatens long-term user participation. This research addresses a critical governance challenge: how do platforms maintain user disclosure when technology feels uncanny, and what role does data transparency play in fostering a sustainable digital economy? **Novelty:** This research introduces a structural transparency-disclosure model that challenges the traditional belief that psychological discomfort is the primary stopper of data sharing. The study's primary novelty lies in the conceptualization of Creepiness not as a simple negative outcome, but as a complex psychological mediator that interacts with functional utility. Unlike previous studies that treat transparency as a minor background setting, this research elevates Data Transparency to a dominant, direct predictor of behavior. By testing the structural tension between personalization and creepiness, the study offers a novel theoretical path for understanding how users rationalize disclosure when AI accuracy feels invasive. **Research Methods:** A quantitative research design was employed using data collected from 218 active TikTok users in Indonesia. The hypothesized relationships were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4. The measurement model demonstrated satisfactory reliability, convergent validity, and discriminant validity. **Finding/Results:** Based on 218 valid responses, the structural model demonstrates satisfactory explanatory power, explaining 61.1% of the variance in Perceived Usefulness and 28.0% of the variance in Information Disclosure Intention. Data Transparency emerged as the strongest predictor of Information Disclosure Intention ($\beta = 0.456$). Notably, the findings reveal an Accuracy-Signal Paradox: although greater Privacy Concern significantly increases Algorithmic Uncanny, Algorithmic Uncanny exhibits a significant positive relationship with Information Disclosure Intention, contrary to the proposed hypothesis, suggesting that users continue to disclose information despite experiencing psychological discomfort toward highly personalized AI recommendations. **Conclusion:** For policymakers, the findings indicate that Data Transparency is a key lever for maintaining users' willingness to disclose information. Although AI-enabled personalization may indirectly trigger psychological discomfort through increased privacy concern, transparent data practices can strengthen user confidence and support responsible information disclosure. Sustainable AI governance should therefore prioritize clear data communication in increasingly AI-driven digital environments.

Keywords: AI-Enabled Personalization, Data Transparency, Algorithmic Uncanny, Information Disclosure Intention, Privacy Concern

JEL Classification: M31, O33, D18, L86

THE ALGORITHM OF TRUST: AN EXPERIMENTAL STUDY ON AI-GENERATED VS. HUMAN-GENERATED MARKETING CONTENT ON MSME BRAND IMAGE AND PURCHASE INTENTION

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ABSTRACT

Introduction/Main Objectives: Artificial intelligence (AI) has increasingly transformed marketing activities among Micro, Small, and Medium Enterprises (MSMEs), particularly by enabling more efficient and scalable content creation. This study aims to examine whether AI-generated and human-generated marketing content produce different effects on consumer trust, MSME brand image, and purchase intention. **Background Problem:** The increasing use of AI-generated marketing content raises questions about whether consumers perceive AI-generated messages as equally trustworthy, authentic, and persuasive as human-generated Content. Previous studies have reported mixed findings regarding consumer responses to AI-generated communication, particularly concerning the trade-off between technological efficiency and human authenticity. **Novelty:** This study contributes by integrating Commitment–Trust Theory and Customer-Based Brand Equity Theory within a mixed-methods experimental design. It directly compares AI-generated and human-generated marketing content in the context of MSMEs in Semarang, Indonesia, while examining consumer trust and brand image as mechanisms influencing purchase intention. **Research Methods:** This study employed a sequential mixed-methods approach consisting of a qualitative phase and a quantitative experiment. The qualitative phase explored consumer perceptions through semi-structured interviews and thematic analysis. The experimental phase involved 120 consumers in Semarang, randomly assigned to two groups: 60 participants exposed to AI-generated marketing content and 60 participants exposed to human-generated marketing content. The quantitative data were analyzed using SmartPLS 4, including measurement model assessment, structural model evaluation, bootstrapping with 5,000 resamples, and mediation analysis. **Findings/Results:** The findings indicate that human-generated marketing content produces stronger consumer trust than AI-generated Content. Consumer trust positively influences MSME brand image and purchase intention, whereas brand image has a stronger, positive direct effect on purchase intention. Brand image also partially mediates the relationship between consumer trust and purchase intention. Qualitative findings further indicate that human-generated Content is associated with greater authenticity, sincerity, emotional connection, and credibility, whereas AI-generated Content is appreciated for its clarity and efficiency. **Conclusion:** This study finds that human-generated marketing content remains more effective than AI-generated Content for building consumer trust and strengthening consumer responses in MSME marketing. The findings suggest that AI should be positioned as a complementary marketing tool, while human involvement remains important for maintaining authenticity, emotional connection, and consumer trust.

Keywords: AI-generated marketing; Consumer Trust; Human-generated Content; MSME Brand Image; Purchase Intention

JEL Classification: D13, I31, J22, K31

ANTICIPATED EMOTIONS AND SUSTAINABLE PURCHASE INTENTION: PRIDE AND GUILT AS MEDIATORS IN ECO-FRIENDLY BEAUTY PACKAGING AMONG GEN Z IN INDONESIA

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ABSTRACT

Plastic packaging waste from the personal care and cosmetics sector represents a mounting environmental challenge, particularly in Indonesia, where the beauty market has grown rapidly among young consumers. Despite rising environmental awareness, many Gen Z consumers continue to fall short of translating their stated values into consistent sustainable purchasing decisions, a gap widely recognized as the attitude-behavior divide. This study examines how environmental knowledge and environmental responsibility shape Gen Z consumers' intention to purchase beauty products with eco-friendly packaging, and whether anticipated emotions serve as the psychological mechanism connecting cognition to behavior. Prevailing green marketing frameworks lean on cognitive constructs like attitude, which underperform in emotionally driven product categories like beauty. This study applies an existing framework originally tested on bottled water to the beauty sector, replacing attitude with two self-conscious emotions: anticipated pride and anticipated guilt. Beauty products carry a symbolic and identity-laden weight that utilitarian goods do not, making emotional mediators theoretically more fitting. No prior study has tested this dual affective mediation model within the Indonesian Gen Z beauty market. A quantitative cross-sectional design was used. Data were collected from 227 Indonesian Gen Z respondents (aged 18–29) through an online questionnaire distributed via social media in September 2025. A scenario-based design exposed respondents to a visual eco-transparency label prototype, grounding their emotional evaluations in a realistic purchase context. Validated five-point Likert scales measured all constructs. Partial Least Squares Structural Equation Modelling (PLS-SEM) via SmartPLS 4 tested direct and indirect relationships using 5,000 bootstrap subsamples. All six hypotheses were supported. Environmental knowledge and responsibility each directly predicted purchase intention, with pride showing a marginally stronger effect, indicating that positive self-conscious emotions motivate sustainable behavior more effectively than guilt-driven avoidance. Environmental Knowledge and responsibility drive sustainable purchasing most powerfully when they activate emotional responses. Local Indonesian beauty brands targeting Gen Z should design sustainability communication that evokes pride through visible, credible eco-credentials rather than relying solely on guilt appeals. Packaging that is verifiable, emotionally resonant, and tied to consumers' identity as responsible individuals is the most effective lever.

Keywords: anticipated emotions, pride, guilt, environmental knowledge, environmental responsibility, eco-friendly packaging, Gen Z, purchase intention, beauty industry

JEL Classification: M31, Q56, D12, Z13

DEVELOPING A SYSTEMS THINKING-BASED OPERATIONAL CONTINUITY FRAMEWORK FOR ELECTRICAL TIE-IN WORKS IN BROWNFIELD REFINERY PROJECTS

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ABSTRACT

Brownfield refinery expansion projects require electrical feeder migration from existing infrastructure to newly commissioned power systems, a process that conventional practice executes through planned production shutdowns. In continuous-process industries, such shutdowns impose substantial production losses, operational risk, and schedule disruption — yet existing studies address this challenge predominantly through technical transfer solutions, leaving systemic organizational and managerial dimensions largely unexamined. This study develops a systems thinking-based Operational Continuity Framework (OCF) for electrical tie-in works in brownfield refinery projects, using the Refinery Development Master Plan Unit V (RDMP RU V) at Kilang Pertamina Balikpapan, Indonesia (a major brownfield expansion upgrading processing capacity from 260,000 to 360,000 barrels per day) as the empirical case. A qualitative case study design is adopted, employing a seven-step analytical protocol comprising problem identification, systems thinking causal loop diagramming, stakeholder analysis, root cause analysis (Ishikawa fishbone across six causal categories: Design, Method, Coordination, Operation, Organization, and Risk), design thinking solution co-creation, lean waste analysis, and framework development. Findings reveal that shutdown dependency is not an inherent technical constraint but a systemic governance failure arising from fragmented coordination, inadequate contingency pre-qualification, and absent operational continuity standards. The systems thinking analysis identifies six interdependent subsystems (electrical distribution, process operations, project commissioning, stakeholder decision-making, regulatory compliance, and risk management) whose cascade interactions generate the shutdown requirement. Design thinking evaluates four execution alternatives, with the integrated OCF demonstrating superior performance. Lean waste analysis quantifies an approximately 80% reduction in waiting time, elimination of planned production downtime, and a 65% reduction in schedule delays relative to the shutdown baseline. The proposed nine-phase OCF integrates all analytical outputs into a structured, repeatable decision and execution guide applicable to refineries, petrochemical plants, LNG facilities, and other complex continuous-process industries. This research contributes to operations management and engineering project management by providing the first integrated framework explicitly designed for shutdown-free electrical tie-in execution in brownfield industrial environments.

Keywords: Operational Continuity Framework, Systems Thinking, Brownfield Integration, Electrical Tie-In, Operational Resilience

JEL Classification: M11, L71, L23

FAMILY BUSINESS LEGACY SHAPING THE REGENERATION AGILITY FOR SUSTAINABLE COMPETITIVENESS

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ABSTRACT

Introduction/Main Objectives: While governance prescribes the systems, structures, and business processes, a firm's culture defines the underlying values that construct the core of the organization's DNA. Specifically for family businesses, the cultural values on which these companies were founded determine the governing framework that balances family, management, and ownership structures. **Background Problems:** Family involvement in business firms often creates a unique context driven by subjectivity and complexity of human emotions. For family businesses to maintain adaptability and competitiveness in today's global markets requires regeneration-embedded organizational agility. This study intends to investigate the determining factors in the resource orchestration and knowledge leveraging of family businesses in developing capabilities. In particular, the analysis was conducted from the viewpoint of optimally organized social and human capital as the main sources of competitive advantage for family businesses. **Novelty:** Previous studies related to family business governance and competitiveness place less emphasis on human resource management, which should be strategically synchronized with the pursuit of competitive advantage. Therefore, this study offers novelty by combining culture and governance as antecedents to sustainable competitiveness, mediated by regeneration agility, which denotes how human resources management and values are passed down throughout generations. **Research Methods:** This study employs a qualitative approach using multiple case studies of MSMEs that have been in business for more than one generation. Based on the basic case study design, which consisted of in-depth interviews, codification, and triangulation, the analysis was vigorously conducted using various primary data obtained from management, experts, and industry practitioners. **Finding/Results:** A key finding of the multiple case study sheds light on firm culture as the determining force for the family legacies passed down from one generation to the next. In addition, balanced governance consisting of ownership, family, and management structures is the essence of an optimal organization for agility. Building firm abilities to appropriately adjust to environmental dynamics must be synchronized with transcending legacies across generations that can sustain consistently good performance and growth. More importantly, maximizing social and human capital led to regenerative agility that enables perpetual value creation. **Conclusion:** In line with previous studies on agility, the results showed that an independent-dynamic culture provides the strength for elevating firm capabilities and constructing an agile organization. Hence, sustainable value creation for family businesses requires implementing conscientious leadership that empowers the next generation while persistently sharing accumulated knowledge and wisdom.

Keywords: culture, governance, human capital, leadership, organization, social capital

JEL Classification: L2, L29, M10.

FROM FRAGMENTED TRACKING TO PROCESS-AWARE CUSTOMER ISSUE MANAGEMENT: A BUSINESS PROCESS IMPROVEMENT STUDY IN LOGISTICS OPERATIONS

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ABSTRACT

Introduction/Main Objectives: Customer issue handling is an important activity in logistics operations because it requires effective cross-functional coordination, timely responses, and consistent service quality. This study aims to evaluate the existing customer issue handling process at PT X, a global logistics and air freight service provider, and to develop a more structured proposed process using a Business Process Improvement (BPI) approach. **Background Problems:** The existing process involves limited process visibility, inconsistent sense of ownership among actors in carrying out their roles, reliance on separate communication channels for coordination, and suboptimal validation during issue closure. These conditions may hinder effective monitoring and coordination throughout the issue-handling process. **Novelty:** This study integrates business process analysis and simulation to develop a process-aware issue-handling design that combines workflow transparency, role-based coordination, service-level monitoring, and customer involvement within a single proposed system. **Research Methods:** The current (as-is) process was evaluated using interviews, internal document reviews, and the company's historical data from FY23–FY24. The process was mapped using Business Process Model and Notation (BPMN) and analyzed through process simulation using Bizagi Modeler. The findings were then used to design the proposed (to-be) process. **Finding/Results:** The as-is analysis indicates weaknesses in process visibility, sense of ownership, coordination mechanisms, and issue closure validation. The proposed to-be model introduces an integrated issue portal featuring lifecycle status tracking, role-based access, service-level agreement monitoring, automated notifications, escalation mechanisms, closure validation, and customer feedback. **Conclusion:** The proposed process design has the potential to improve customer issue handling by establishing a more transparent, controlled, integrated, and well-documented workflow.

Keywords: Business Process Improvement, BPMN, customer issue handling, logistics, process simulation

JEL Classification: C63, L25, L87, M11, O33

FROM CONVENIENCE TO PSYCHOLOGICAL ENGAGEMENT: EXPLAINING CONTINUANCE INTENTION TOWARD QRIS MOBILE BANKING THROUGH DIGITAL SELF-EFFICACY, SELF-DETERMINATION THEORY, AND EXPECTATION CONFIRMATION THEORY

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ABSTRACT

This study aims to identify the factors underlying users' continuance intention toward QRIS mobile banking payment services in Indonesia. The study integrates Social Cognitive Theory, Self-Determination Theory, and the Expectation Confirmation Model into a unified research framework. Previous studies on mobile payment have predominantly focused on initial adoption, while the psychological and motivational mechanisms underlying post-adoption continuance remain less explored. This research addresses this gap by positioning digital self-efficacy as an antecedent of motivational, contextual, cognitive, and post-adoption mechanisms that contribute to continuance intention. In this conceptual framing, psychological engagement does not represent an additional construct but refers to the process through which users' digital capabilities and motivational experiences become translated into cognitive evaluations and post-adoption responses. The study employed a quantitative approach using survey data from 502 Indonesian users of QRIS mobile banking services. Partial Least Squares Structural Equation Modeling (PLS-SEM) was employed for data analysis. The results indicate that digital self-efficacy significantly influences autonomous motivation, perceived merchant proactiveness, and time convenience. Perceived usefulness is significantly influenced by autonomous motivation, perceived merchant proactiveness, time convenience, and expectation confirmation, while expectation confirmation and perceived usefulness significantly influence user satisfaction. User satisfaction significantly predicts continuance intention toward QRIS mobile banking. The mediation results further show that digital self-efficacy is translated into continuance intention through autonomous motivation, perceived usefulness, and satisfaction, while perceived merchant proactiveness provides an additional contextual pathway. Although time convenience significantly enhances perceived usefulness, its indirect effect on continuance intention through the tested mediation pathway is not significant, suggesting that transactional efficiency may function primarily as a baseline functional expectation rather than a sufficient mechanism for sustaining continued use. This finding provides a basis for the study's conceptual framing of the transition from convenience to psychological engagement, whereby continued use is shaped not solely by functional efficiency but also by users' psychological capability, motivation, and post-adoption evaluations. The study contributes to the continuance intention literature by integrating motivational, cognitive, and post-adoption perspectives and by extending understanding of digital payment sustainability in an emerging-market context. Practically, the findings provide insights for banks and regulators seeking to strengthen the long-term use of QRIS mobile banking services.

Keywords: QRIS Mobile Banking; Digital Self-Efficacy; Autonomous Motivation; Perceived Merchant Proactiveness; Time Convenience; Continuance Intention

DYNAMIC EFFECTS OF FISCAL DECENTRALIZATION ON REGIONAL MACROECONOMIC DEVELOPMENT: EVIDENCE FROM POST-EXPANSION NORTH SUMATRA, INDONESIA

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ABSTRACT

Objective – This study investigates the macroeconomic implications of fiscal decentralization following the administrative expansion of North Sumatra Province, Indonesia. **Background problem** - Fiscal decentralization has been widely promoted as a policy instrument to enhance regional economic performance, improve public service delivery, and reduce interregional disparities. However, in many developing regions, including Indonesia, the effectiveness of fiscal decentralization remains debatable, particularly following administrative expansion that often creates new fiscal pressures and institutional inefficiencies. In North Sumatra Province, the proliferation of districts/cities raises critical questions regarding whether intergovernmental transfers and local fiscal capacity have effectively translated into improved macroeconomic outcomes. **Design/Methodology** – Using a Panel Vector Autoregressive (PVAR) model and secondary data from 33 districts/cities for the 2019–2024 period, this research examines both short- and long-term dynamic interactions among intergovernmental transfers—general allocation funds (DAU), special allocation funds (DAK), revenue-sharing funds (DBH), local own-source revenue (PAD), economic growth, human development index (HDI), and poverty. **Results** – reveal that, in the short run, DAU, DAK, DBH, and PAD have no significant impact on HDI, economic growth, and poverty. In the long run, only DAK demonstrates a positive and significant effect on economic growth, while no fiscal variables significantly influence HDI and poverty. **Research limitations/implications** – The study recommends redesigning transfer allocation mechanisms and enhancing fiscal capacity to avoid long-term inefficiencies in regional development planning. **Novelty/Originality** – **These findings** imply that fiscal decentralization in North Sumatra has not yet been effective in strengthening regional macroeconomic development.

Keywords: fiscal decentralization, economic growth, Human Development Index(HDI), poverty, PVAR

JEL Classification: H77, H72, O47, I32, C33

IS ECONOMIC GROWTH ALIGNED TO INCLUSIVE GROWTH? EVIDENCE FROM EAST JAVA PROVINCE, INDONESIA

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ABSTRACT

Rapid economic growth is not necessarily reflected in a more equitable distribution of prosperity, particularly in regions where economic inequality persistently exists at a structural level. In East Java—one of the largest contributors to Indonesia’s national economic output—this tension is particularly evident, as the province continues to exhibit striking disparities in development among its regencies and cities. This study examines whether economic growth in East Java aligns with the principles of inclusive growth and investigates the extent to which economic inequality undermines the inclusivity of regional development. Unlike previous studies, which have largely analyzed inclusive growth at the national or provincial level, this study adopts a detailed approach at the regency/city level. This analytical strategy remains underutilized in the Indonesian context despite its ability to reveal the spatial heterogeneity hidden behind aggregate data. Using panel data regression across all 38 regencies and cities in East Java, inclusive growth was measured by integrating economic growth and income inequality indicators, resulting in a more detailed measure of development quality than conventional growth-based metrics. The research findings show that economic growth in East Java is not consistently aligned with inclusive growth, and that economic inequality has a significant negative impact on inclusivity, indicating that the benefits of growth remain spatially concentrated.

Keywords: inclusive growth_economic inequality_ regional development_panel data regression_East Java

JEL Classification: O15, 018, 047, R11, D63, C2

BUDGET EFFICIENCY AND PUBLIC PROCUREMENT ACTIVITY: EVIDENCE FROM INDONESIAN MINISTRIES

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ABSTRACT

Introduction/Main Objectives: This paper examines the impact of the 2025 budget efficiency policy on public procurement activity in Indonesian ministries. The policy, which imposed expenditure constraints on selected ministries, provides a natural setting to study how fiscal tightening affects public sector behavior. Understanding this relationship is important, as public procurement is a key channel through which government spending is translated into economic activity. **Background Problems:** The main problem addressed in this paper is whether budget efficiency policies lead to a reduction in procurement activity, measured by the number of public tenders issued by affected ministries. From a theoretical perspective, this study is grounded in the literature on fiscal austerity and public choice, particularly the notion of budget-maximizing bureaucracies, where agencies tend to expand spending in the absence of external constraints. **Novelty:** The novelty of this study lies in its micro-level analysis of procurement behavior using administrative data, as most existing studies focus on aggregate fiscal outcomes rather than organizational responses to budget cuts, especially in developing country contexts. **Research Methods:** The analysis employs a difference-in-differences approach using panel data from 57 ministries over the period 2021–2025. The empirical strategy compares ministries affected by the policy with those unaffected, incorporating fixed effects and validating identification assumptions through parallel trends tests and an event study framework. **Finding/Results:** The results indicate that the policy significantly reduced procurement activity, with an estimated decline of approximately 30–35 tenders per period. Robustness checks using a log-transformed specification confirm the consistency of the findings, although with slightly reduced statistical precision. **Conclusion:** The findings suggest that budget efficiency policies can substantially reduce procurement activity, highlighting a potential trade-off between fiscal discipline and economic activity. While the reduction in tender volume may reflect improved budgetary efficiency and more selective spending, it may also imply a contraction in demand for procurement-related activities, particularly in labor-intensive sectors such as construction. These results underscore the importance of carefully balancing efficiency objectives with broader economic considerations when designing fiscal policies.

Keywords: Budget Efficiency, Difference-in-Differences, Fiscal Policy, Government Spending, Public Procurement.

JEL Classification: H50, H61, H57, C23

THE IMPACT OF NON-CASH PAYMENT TRANSACTIONS ON INDONESIA'S GROSS DOMESTIC PRODUCT: EVIDENCE FROM APMK, ELECTRONIC MONEY, AND QRIS USING THE ARDL APPROACH

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ABSTRACT

Introduction/Main Objectives: The COVID-19 pandemic has led to a significant increase in the adoption of non-cash payment methods in Indonesia. The development of non-cash payment systems is expected to facilitate economic activity by enhancing transaction efficiency and improving payment convenience. **Background Problems:** The increased use of non-cash payments during the COVID-19 pandemic has raised questions about their potential impact on Indonesia's economic growth, particularly regarding whether QRIS, as a new payment instrument, can contribute to Indonesia's GDP as significantly as other non-cash payment methods. **Novelty:** This study aims to examine the short-term and long-term relationships between the growth of non-cash payment transactions and Indonesia's economic growth, particularly following the acceleration of digitalization in the post-COVID-19 era. Furthermore, QRIS is employed as the latest non-cash payment instrument, which remains understudied in economic growth models using a quarterly time series approach. **Research Methods:** This study employs the Autoregressive Distributed Lag (ARDL) method to analyze the short-term and long-term relationships among variables. The data consists of quarterly observations from the second quarter of 2020 through the fourth quarter of 2025, sourced from Bank Indonesia, the Indonesian Payment Systems Association, and the Central Statistics Agency. The dependent variable is Gross Domestic Product (GDP), while the independent variables include APMK transaction values, electronic money transactions, and QRIS transactions. **Finding/Results:** APMK and electronic money transactions demonstrate a positive and significant impact on GDP, whereas QRIS transactions exhibit a negative and statistically insignificant effect on Indonesia's GDP. These findings suggest that earlier-developed non-cash payment instruments continue to contribute more substantially to economic activity compared to QRIS, which remains in its development and ecosystem expansion phase. **Conclusion:** This study concludes that the development of non-cash payment systems plays a significant role in Indonesia's economic growth, particularly through APMK and electronic money adoption. Meanwhile, QRIS has not yet demonstrated a significant impact on Indonesia's GDP during the study period. Drawing on these findings, policymakers should prioritize strengthening the digital payment ecosystem through policies that optimize QRIS utilization in productive sectors and among SMEs, thereby enhancing its contribution to national economic growth.

Keywords: GDP, APMK, Electronic Money, QRIS, ARDL

JEL Classification: E42, O33, C22

WHEN THE RUPIAH TUMBLES, WHO STUMBLES? EVALUATING THE COST OF RUPIAH DEPRECIATION ON INDONESIA'S GRASSROOTS ECONOMY

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ABSTRACT

This study examines exchange rate pass-through (ERPT) dynamics to retail staple food prices in Indonesia during the 2024–2026 macroeconomic fluctuation window, aiming to identify the non-price market-clearing mechanisms utilized by downstream producers under sustained currency depreciation. Traditional CPI-focused econometric models face significant analytical limitations when nominal price rigidity conceals actual cost transmission, creating a critical gap in evaluating true household welfare losses. To address this empirical blind spot, this research introduces a novel mixed-methods framework integrating quantitative Ordinary Least Squares (OLS) regression of macroeconomic time series with qualitative digital social listening and industrial field data analyzed via the Braun & Clarke thematic framework. The quantitative empirical findings demonstrate an exceptionally low and statistically insignificant pass-through elasticity for both imported soybeans ($\beta = 0.0751$, $p = 0.8104$) and medium rice ($\beta = 0.0023$, $p = 0.9926$), establishing severe nominal retail price rigidity ($\Delta \ln(P_t) \approx 0$). However, qualitative triangulation reveals that macroeconomic currency pressures do not dissipate; instead, market clearing shifts entirely to non-price channels via volumetric shrinkflation. Downstream food processors facing severe input margin compression absorb raw material and packaging cost shocks by systematically contracting physical product dimensions while anchoring nominal consumer price tags at fixed levels. In conclusion, this study proves that stable headline retail price indices mask substantial underlying cost transmission. Macroeconomic exchange rate shocks are transmuted into physical product shrinkage rather than nominal inflation. Consequently, relying solely on traditional price indices understates real household cost burdens, highlighting the need for monetary and food policy frameworks to incorporate physical unit dimensions when assessing consumer purchasing power and food security.

JEL Classification: E31, F31, Q11, I31

THE ROLE OF RELATIONSHIP QUALITY IN SHAPING FUTURE BEHAVIORAL INTENTION WITHIN URBAN WALKING COMMUNITIES

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ABSTRACT

Urban walking communities in Bandung have grown rapidly, yet their sustainability is increasingly challenged by quota limits, uneven participation, member migration, and rising competition from similar communities, making it important to understand what keeps members engaged over time. This study examines how relationship quality, reflected through perceived value, satisfaction, trust, and commitment, shapes future behavioral intention in an urban walking community by asking whether stronger relational experiences can sustain members' intention to continue participating despite operational constraints. The novelty of this study lies in integrating functional and relational dimensions within one context-specific framework for voluntary sport communities in Indonesia, a setting that has received far less attention than formal tourism or commercial service contexts and has not been adequately explained through the combined lens of relationship quality and future behavioral intention. A quantitative pilot study was conducted with 50 active members using PLS-SEM, and the measurement model was assessed through outer loadings, Cronbach's Alpha, composite reliability, AVE, and HTMT; one indicator was removed during model refinement. The results indicate that the constructs meet acceptable reliability and validity standards, and the model shows promising explanatory capability for future behavioral intention ($R^2 = 0.810$). Overall, the findings suggest that members are more likely to remain engaged when they perceive greater value, feel satisfied, trust the community, and develop commitment toward it. The main implication is that community managers should treat relationship quality as a retention strategy rather than only as an outcome of interaction, and strengthening transparent communication, fair access, and member experience may help reduce fragmentation and support longer-term participation.

Keywords: Future Behavioral Intention, Relationship Quality, Urban Walking Community, Commitment; PLS-SEM

JEL Classification: M31

UNDERSTANDING ORGANIZATIONAL COMMITMENT IN THE PUBLIC SECTOR: THE EFFECTS OF ROLE OVERLOAD AND TECHNOSTRESS THROUGH JOB BURNOUT

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ABSTRACT

The government's bureaucratic reforms have intensified the involvement of technology. Furthermore, employees are required to be more agile and capable of performing various cross-functional tasks. This policy has led to the emergence of Role Overload and Technostress, which have an impact on increasing Job Burnout, which ultimately affects Organizational Commitment within the organization. This study proposes a conceptual model that places Job Burnout as a mediating variable and examines the role of Perceived Organizational Support as a moderating variable in mitigating the impact of Role Overload. The novelty in this study is using Job Burnout as a variable that mediates the relationship between Role Overload and Technostress with Organizational Commitment and Perceived Organizational Support as a variable that moderates the relationship between Role Overload and Job Burnout. This study further answers the relationship between role overload and technostress with organizational commitment, which has previously been studied directly without involving Job Burnout as a mediating variable. The data analysis technique in this study uses Structural Equation Modeling based on Partial Least Squares (SEM-PLS). The results show that Role Overload and Technostress do not have a significant effect on Organizational Commitment directly, Role Overload and Technostress have a significant effect on Job Burnout, Role Overload and Technostress have a significant effect on Organizational Commitment indirectly through Job Burnout as a mediating variable. Perceived Organizational Support does not significantly moderate the relationship between Role Overload and Job Burnout. These findings indicate that pressure due to the use of technology within an agency needs to be managed with appropriate strategies because its excessive use causes excessive work pressure to reduce organizational commitment. In addition, excessive workload also needs to be managed well so as not to cause job burnout to reduce organizational commitment. This study contributes to the development of human resource policies within public agencies.

Keywords: Role Overload, Technostress, Job Burnout, Perceived Organizational Support, Organizational Commitment, SEM-PLS.

JEL Classification: D13, I31, J22, K31

LEADERSHIP-PROMOTED DIVERSITY CLIMATE AND EMPLOYEE CAREER SATISFACTION: THE POTENTIAL MEDIATING ROLE OF ORGANIZATIONAL CITIZENSHIP BEHAVIOR

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ABSTRACT

Introduction/ Main Objectives: Employee career satisfaction is an important outcome in healthcare organizations, where employees work in diverse environments requiring collaboration across professional and functional boundaries. Leadership practices that promote fairness, inclusion, and respect for diversity may contribute to more positive employee attitudes and behaviors. This study examines the relationship between leadership-promoted diversity climate and employee career satisfaction, with organizational citizenship behavior (OCB) as a potential mediating mechanism. **Background Problems:** Although diversity climate and inclusive leadership have received growing scholarly attention, the mechanisms through which leadership-promoted diversity climate relates to employee career satisfaction remain insufficiently understood, particularly in healthcare organizations. **Novelty:** This study extends existing research by examining organizational citizenship behavior as a behavioral mechanism linking leadership-promoted diversity climate and career satisfaction, while distinguishing between organization-focused OCB (OCB-O) and individual-focused OCB (OCB-I) within a healthcare context. **Research Methods:** This study employed a quantitative cross-sectional survey design involving employees from a private healthcare organization in Indonesia, including medical, healthcare, and non-medical personnel. Data were collected through an anonymous online survey using established measurement instruments adapted from prior research. Leadership-promoted diversity climate, OCB-O, OCB-I, and career satisfaction were measured using a 7-point Likert scale. Data were analyzed to assess measurement validity, reliability, and the proposed relationships among variables. **Finding/Results:** The study is expected to provide insights into how leadership-promoted diversity climate relates to employee career satisfaction and whether organizational citizenship behavior serves as an underlying mechanism in this relationship. The analysis explores the distinct roles of organization-focused and individual-focused citizenship behaviors in explaining employee career outcomes within healthcare settings. **Conclusion:** This study provides preliminary insight into how leadership-promoted diversity climate may relate to employee career satisfaction in hospital settings. The findings suggest that inclusive leadership practices may contribute to positive employee outcomes by fostering organizationally beneficial extra-role behaviors. These results offer a basis for future studies involving broader samples and diverse organizational contexts.

Keywords: Leadership-promoted diversity climate, career satisfaction, organizational citizenship behavior, diversity climate, healthcare employees

JEL Classification: D13, I31, J22, K31

VARIATION IN TAXING POWER ON LAND AND BUILDING TAX OF RURAL AND URBAN OF REGENCY/CITY GOVERNMENT IN INDONESIA

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ABSTRACT

Introduction/Main Objectives: This study explores the effectiveness of initial implementation of the Law Number 1 of 2022 (HKPD Law) in strengthening taxing power on Land and Building Tax of Rural and Urban (LBTRU) of regency/city governments in Indonesia. Evaluating the early implementation of policies is important to ensure alignment with policy objectives and to identify potential obstacles before influence long-term success. **Background Problems:** The Indonesian government has shifted its focus on fiscal decentralization by established HKPD Law. One of the pillars of HKPD Law is the strengthening of regency/city governments taxing power of which manifested, among other things, in the form of discretion over LBTRU started in 2024. The initial implementation of those discretion was aligning by fiscal pressure from reduction in regional transfer funds and efficiency instructions from the President. The instruction had a significant impact on LBTRU which local governments, instead of optimizing the tax base through innovation, tend to increasing tax rates. This condition creates tension between the normative goals of fiscal decentralization and the reality of its implementation. **Novelty:** The literature on policy implementation evaluation generally conducted through longitudinal research designs, rather than the initial phase after the policy change. Thus, this study fills the gap by evaluate HKPPD Law in the early years of its enactment, which is a critical phase post-policy change. **Research Methods:** This research uses an explanatory sequential mixed-methods approach to evaluate the effectiveness of LBTRU policies. **Finding/Results:** The results show variation in taxing power on LBTRU among regional governments in Indonesia due to the implementation of the HKPD Law. Some regencies/cities show strengthening, while others show weakening, and some show no change in taxing power on LBTRU which indicates that the effectiveness of the implementation of the HKPD Law on LBTRU is unequal. **Conclusion:** Using the lens of Institutional Rational Choice Theory, this research found that the motivation to protect the community held by the Yogyakarta government and the motivation to maximize profit held by the Central Java government are factors that influence the variation in local taxing power on PBB-P2 in Yogyakarta and Central Java. This research found that the motivation to protect the community held by the Yogyakarta government and the motivation to maximize profit held by the Central Java government are factors that influence the variation in local taxing power on PBB-P2 in Yogyakarta and Central Java. These findings serve as an evaluation for central government that the granting of LBTRU discretion must consider motivational and conditional of each region in Indonesia.

Keywords: Taxing Power, Land and Building, Rural and Urban

JEL Classification: D13, I31, J22, K31

FRAUD PREVENTION IN KOPERASI: A SYSTEMATIC REVIEW OF INTERNAL CONTROL MECHANISMS

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ABSTRACT

Introduction/Main Objectives: Fraud remains a significant threat to the sustainability of *Koperasi* because it causes financial losses, weakens member trust, and undermines organizational governance. Internal control is therefore essential for reducing fraud opportunities and strengthening accountability. This study aims to synthesize the development of research on internal control and fraud prevention, identify the most effective control mechanisms, map theoretical and methodological trends, and formulate future research directions relevant to *Koperasi*. **Background Problems:** Although internal control and fraud prevention have been widely examined, existing studies remain fragmented across different organizational settings, theoretical perspectives, and methodological approaches. Evidence specifically explaining which internal control mechanisms consistently contribute to fraud prevention in *Koperasi* is still limited. **Novelty:** This study provides a systematic synthesis of empirical evidence by integrating conventional internal control mechanisms with governance, ethical and behavioral factors, digital transformation, risk management, and regulatory oversight, thereby offering a more comprehensive understanding of fraud prevention in *Koperasi*. **Research Methods:** A Systematic Literature Review was conducted using studies retrieved from Scopus and Google Scholar through identification, screening, eligibility assessment, and inclusion stages. Due to heterogeneity in organizational contexts, research designs, theoretical frameworks, and measurement approaches, the selected studies were analyzed using narrative synthesis to identify recurring patterns, similarities, differences, and relationships. **Finding/Results:** The review identified five major research clusters: internal control systems and internal audit based on COSO; multivariate factors involving compensation, morality, governance, and regulatory compliance; information technology and digitalization; morality and individual behavior; and preventive regulation and government strategies. The findings indicate that control environment, segregation of duties, monitoring, ethical commitment, reliable information systems, and digital audit trails are among the most important mechanisms for reducing fraud opportunities. Their effectiveness, however, depends on implementation quality, governance, organizational culture, and technological capability. **Conclusion:** Effective fraud prevention in *Koperasi* requires an integrated approach combining internal control, governance, ethical culture, internal audit, risk management, digital technology, and continuous supervision. Internal control is most effective when it is consistently implemented to reduce fraud opportunities and strengthen organizational accountability.

Keywords: Internal Control, Fraud Prevention, *Koperasi*, Governance, Digitalization

JEL Classification: M42, M14, K42

CAPITAL INTENSITY, MANAGEMENT COMPENSATION, AND SALES GROWTH ON TAX AVOIDANCE: DOES INSTITUTIONAL OWNERSHIP MATTER?

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ABSTRACT

Introduction/Main Objectives: The phenomenon of tax avoidance is often found in large companies with high public exposure, prompting an examination of the underlying factors. **Background Problems:** The objective of this study is to determine the effect of capital intensity, management compensation, and sales growth on tax avoidance and to examine the moderating role of institutional ownership. **Novelty:** Many previous studies have only considered institutional ownership as an independent variable in relation to tax avoidance. This study presents a novel approach by examining whether institutional ownership can weaken the relationship between capital intensity, management compensation, and sales growth, and tax avoidance in LQ45 companies. **Research Methods:** The sample consists of 101 companies that were of the LQ45 index for a full year during the 2021–2024 period. Multiple linear regression and Moderated Regression Analysis (MRA) were used as the analytical methods. **Finding/Results:** The findings of this study indicate that capital intensity and sales growth have a positive effect, while management compensation has no effect. Institutional ownership was unable to weaken the effect of capital intensity, management compensation, or sales growth and tax avoidance; The study's results emphasize the need for management to exercise caution regarding internal factors that may indicate tax avoidance, and encourage the government to tighten tax oversight of large companies in Indonesia. **Conclusion:** This study concludes that capital intensity and sales growth are factors driving increased tax avoidance practices in LQ45 companies, while management compensation has no proven effect. Institutional ownership has also been unable to effectively carry out its oversight function in suppressing tax avoidance. The implications of this study indicate that oversight of internal company factors needs to be strengthened, both by management, institutional investors, and the tax authorities. The main message is that larger company scale and growth do not always represent better tax compliance, thus effective tax governance and oversight are key to minimizing tax avoidance practices in large Indonesian companies.

Keywords: tax avoidance, institutional ownership, capital intensity, management compensation, LQ45 companies

JEL Classification: D13, I31, J22, K31

BIODIVERSITY DISCLOSURE AND FIRM VALUE: DOES CORPORATE GOVERNANCE MATTER?

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ABSTRACT

Introduction/Main Objectives: The biodiversity crisis has become a significant financial and corporate issue in the 21st century. A 2020 publication from the World Economic Forum (WEF) states that half of the world's GDP is highly dependent on nature and ecosystems. This situation has led to increasing expectations from investors, regulators, and other stakeholders for companies to disclose their impacts, risks, and dependencies on biodiversity. In recent years, various biodiversity reporting frameworks have emerged, creating increasing pressure, particularly on extractive companies such as mining companies, to disclose the impacts of their operations on biodiversity in a more transparent and structured manner. **Background Problems:** This study addresses the urgent need for investigations into the impact of biodiversity disclosure on firm value in megadiverse countries, such as Indonesia. **Novelty:** The novelty of this study includes three points: first, providing a new evidence on the impact of biodiversity disclosure on the value of mining companies in mega biodiversity countries; second, the moderating effect of governance (gender diversity and institutional ownership) on the relationship between biodiversity disclosure and firm value; and third, the development of a biodiversity disclosure index that differs from previous studies. **Research Methods:** The study developed a biodiversity disclosure index for mining companies between 2021 and 2024, covering 36 companies, resulting in 144 observations. Moderated regression analysis was used as the analysis tool and utilized financial and corporate governance data. **Finding/Results:** This study found that biodiversity disclosure had no effect on firm value. However, the effect of disclosure became significantly positive after being moderated by corporate governance. Another finding is that size and profitability remain key determinants of firm value. **Conclusion:** The relationship between biodiversity disclosure and firm value is conditional, reinforced by corporate governance. The implication of this finding is to improve the quality of biodiversity disclosure, corporate governance practices, and biodiversity protection campaigns to investors, so they incorporate awareness into their investment decisions.

Keywords: biodiversity, disclosure, mining, firm value, governance

JEL Classification: M41, G32, K32, C33

OLIGARCHY, OWNERSHIP CONCENTRATION, AND GREENWASHING IN INDONESIAN MINING COMPANIES

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ABSTRACT

The floods and landslides that struck Aceh, West Sumatra, and North Sumatra in late November 2025 indicate that many extractive companies, particularly in the mining, forestry, and agricultural sectors, have not substantively implemented Environmental, Social, and Governance (ESG) practices. This condition raises concerns that sustainability reports presented by companies are merely cosmetic and do not reflect actual sustainability performance, a phenomenon commonly referred to as greenwashing. The issue of greenwashing in the mining industry is important to investigate because the management of Indonesia's natural resources is highly vulnerable to oligarchic practices and opportunistic behavior, which often lead to severe environmental degradation and even loss of human lives due to natural disasters. This study examines the relationship between oligarchy, ownership concentration, and greenwashing in Indonesian mining companies. The research addresses the following questions: (1) Do mining companies engage in greenwashing? (2) Is there evidence of oligarchic influence within Indonesian mining companies? (3) Are ownership structures in mining companies highly concentrated? and (4) Do oligarchy and ownership concentration affect greenwashing practices?. The objectives of this study are: (1) to investigate the existence of greenwashing, oligarchy, and ownership concentration in Indonesian mining companies; and (2) to test the effect of oligarchy and ownership concentration on greenwashing. Research discussing greenwashing in relation to oligarchy and ownership structures in Indonesia remains limited, despite indications that weak law enforcement regarding environmental damage may be associated with strong affiliations between extractive companies and current or former political elites. This study employs a quantitative research method using descriptive analysis and multiple linear regression. The research focuses on mining companies listed on the Indonesia Stock Exchange (IDX) using 2024 data. Secondary data were obtained from annual reports, mass media sources to identify political affiliations, and the Corporate Performance Rating Assessment Program (PROPER). The results show that most companies have positive greenwashing scores, indicating the presence of greenwashing practices, while only 2 out of 58 companies reported negative greenwashing scores. The findings also reveal that ownership concentration has a positive effect on greenwashing, whereas oligarchy has no significant effect on greenwashing. Furthermore, more than 70 percent of the companies are politically affiliated, either through members of the board of commissioners, board of directors, or controlling shareholders. In addition, ownership structures in mining companies are highly concentrated in the hands of controlling shareholders, particularly the largest shareholder. These findings suggest that concentrated ownership encourages greenwashing practices, while oligarchic affiliation does not significantly influence greenwashing.

THE INFLUENCE OF NON-PERFORMING FINANCING (NPF), CAPITAL ADEQUACY RATIO (CAR), AND ECONOMIC VALUE ADDED (EVA) ON PROFITABILITY (ROA) IN THE ISLAMIC BANKING SUB-SECTOR LISTED ON THE INDONESIA STOCK EXCHANGE

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ABSTRACT

This study aims to analyze the influence of Non-Performing Financing (NPF), Capital Adequacy Ratio (CAR), and Economic Value Added (EVA) on Return on Assets (ROA) in the Islamic banking sub-sector listed on the Indonesia Stock Exchange (IDX) for the 2018–2025 period. Indonesian Islamic banks face complex challenges in maintaining profitability amid post-merger regulatory dynamics and post-pandemic economic pressures. The novelty of this research lies in expanding the profitability analysis framework for Islamic banks by integrating Economic Value Added (EVA) as a value creation indicator to complement conventional financial ratios like Non-Performing Financing (NPF) and Capital Adequacy Ratio (CAR). In addition, using an observation period from 2018 to 2025 allows this study to capture the performance dynamics of Islamic banks during the pre-pandemic, pandemic, and post-pandemic phases, producing findings that are more contextual, up-to-date, and relevant for both literature development and managerial decision-making. An explanatory quantitative approach was applied using panel data from four Islamic banking issuers: Bank Syariah Indonesia (BRIS), Bank BTPN Syariah (BTPS), Bank Aladin Syariah (BANK), and Bank Panin Dubai Syariah (PNBS), with a total of 32 observations. The estimation model selection was done step by step through the Chow Test ($p = 0.0005$) and Hausman Test ($p = 0.0003$), which determined the Fixed Effect Model (FEM) as the best model. Partial test results show that NPF has a negative and significant effect on ROA ($\beta = -1.633$; $p = 0.027$), indicating that every 1 percent increase in NPF will reduce ROA by 1.633 percent. CAR also has a negative and significant effect on ROA ($\beta = -0.024$; $p = 0.049$), reflecting an over-capitalization condition where excess capital is not optimally absorbed into productive assets. On the other hand, EVA does not have a significant effect on ROA ($p = 0.149$), indicating a decoupling between market-based economic value performance and short-term accounting profitability. Simultaneously, the three variables do not have a significant effect on ROA ($F = 2.398$; $p = 0.089$), with an Adjusted R^2 of 11.92%, revealing that most of the profitability variation is determined by structural, idiosyncratic, and macroeconomic factors beyond the scope of this model. This research provides theoretical contributions by integrating EVA, a rarely used measure of added value for Islamic banking issuers on the Indonesia Stock Exchange, into the profitability determinant model, while also offering practical implications for Islamic bank management and the Financial Services Authority (OJK) in optimizing risk management and capital structure strategies.

Keywords: Non-Performing Financing; Capital Adequacy Ratio; Economic Value Added; Return on Assets; Islamic Banking; Panel Data Regression

JEL Classification: D13, I31, J22, K31

ESG SCORES AND CASH HOLDINGS: THE MEDIATING ROLE OF STOCK LIQUIDITY IN INDONESIA

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ABSTRACT

Introduction/Main Objectives: This study examines the impact of ESG disclosures on corporate cash holdings, with stock liquidity as the mediating variables. This research is grounded on information asymmetry and agency theory. **Background Problems:** Firms must determine the optimal level of cash holdings to minimize agency problem arising from excessive idle cash. Investors may influence cash holdings policy through disciplinary trading, based on ESG scores. Prior researches show higher ESG scores reduce information asymmetry and enhance stock liquidity, suggesting liquidity may channel ESG effects into cash holdings decisions. **Novelty:** Previous studies have primarily focused on the influence of ESG scores on investor decision-making. However, only few researches have examined how investor responses to ESG information may subsequently affect internal corporate decisions, such as cash holdings. This study addresses this gap by investigating the mediating role of stock liquidity as a disciplinary trading and governance mechanism. **Research Methods:** The samples used in this study were Indonesia's publicly listed firms with ESG disclosures score available in Bloomberg Database from 2017 to 2023. The study tested both direct and mediating relationships using Hayes PROCESS Macro for SPSS Model 4 framework. **Finding/Results:** This study finds that ESG disclosures is fully mediated by stock liquidity to reduce cash holdings. ESG disclosures increase stock liquidity directly and subsequently, lower cash holdings. On the other hand, ESG disclosures have insignificant direct effect towards cash holdings. Robustness analysis also suggests that firm size may condition the nexus of ESG disclosure and cash holdings. **Conclusion:** This study confirms the dual importance of ESG disclosures, by influencing both external investor behavior and internal corporate policies. Higher ESG disclosures increase stock liquidity and reduce cash holdings levels. Investors rely on ESG disclosures as additional non-financial and material information to reduce information asymmetry and influence corporate cash holdings policies. Therefore, firms with higher ESG disclosures may require lower cash reserves due to easier access to external financing.

Keywords: ESG disclosures, stock liquidity, cash holdings, agency problem, information asymmetry

JEL Classification: G11, G32, G34

UNVEILING ASYMMETRIC MARKET DYNAMICS: A DUAL-SECTOR CLUSTER ANALYSIS OF GROWTH AND VOLATILITY IN THE ASIAN INSURANCE INDUSTRY

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ABSTRACT

Introduction/Main Objectives: This study systematically decodes the structural heterogeneity of the Asian insurance market by evaluating the performance and stability paradigms of both the life and non-life sectors. The primary objective is to construct a robust taxonomy of major Asian economies based on their idiosyncratic growth and risk profiles. **Background Problems:** Amidst escalating macroeconomic uncertainties, the Asian insurance landscape exhibits profound, yet inadequately mapped, structural divergences. The literature to date largely evaluates the insurance industry as a whole, and does not consider the different risk-return characteristics of life and non-life markets. This knowledge gap hinders the development of accurate macroeconomic resilience strategies and crossborder investment formulations. **Novelty:** This study is the first to employ a comparative dual-sector analytical framework based on unsupervised machine learning. This paper proposes a novel "growth-volatility nexus" based on the combination of Compound Annual Growth Rate (CAGR) and volatility measures of Gross Premiums Written (GPM), successfully distinguishing market behaviors previously obscured in Asia. **Research Methods:** The study employs K-Means cluster analysis on the CAGR and deviation metrics of GPM across 10 major Asian economies (China, India, Indonesia, Japan and ASEAN counterparts) using cross-section industry data. The algorithm makes an assessment of the inter-cluster distances and intra-cluster similarities in order to detect statistically significant market typologies for each insurance sub-sector separately. **Findings/Results:** Empirical results point to a significant structural decoupling between the two sectors. The life insurance industry is segmented into three different market typologies, namely, 'Stagnant-Mature' (India, Indonesia, Japan), 'Steady-Resilient' (China, Philippines, Vietnam) and 'Accelerated-Growth' (Malaysia, Singapore, South Korea, Thailand). In contrast, the non-life sector exhibits a clear pattern of clustering with emerging economies generally converging to a consolidated moderate-growth cluster, mature economies clustering within a low-growth tier and India as an outlier with high growth. **Conclusion:** These results provide strong evidence against monolithic market strategies and support the existence of different evolutionary paths between life and non-life insurance markets. This study offers important actionable insights for policymakers to develop sector-specific regulatory frameworks, and for multinational insurers to optimize portfolio diversification strategies across the Asian region.

Keywords: cluster analysis, structural decoupling, gross premiums written, market volatility, life and non-life insurance, Asian market dynamics

JEL Classification: G22, C38, G15, E32

DRIVERS OF SUSTAINABLE INVESTMENT INTEREST AMONG GENERATION Z: IMPLICATIONS FOR THE CIRCULAR ECONOMY TRANSITION

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ABSTRACT

Introduction/Main Objectives: Indonesia's sustainable investment ecosystem has expanded rapidly, yet demand from its largest investor segment remains low. This study examines the influence of financial literacy, risk perception, and motivation on sustainable investment interest among Generation Z university students in Surabaya, Indonesia. **Background Problems:** Assets under management of Environmental, Social, and Governance (ESG) mutual funds grew from IDR 0.34 trillion in 2015 to IDR 8.21 trillion in June 2024, yet absorb only around one percent of national mutual fund assets. That gap points to weak demand in the segment expected to carry it: Generation Z now forms the largest bloc of individual investors in Indonesia, more than 55 percent of the total, yet holds the smallest average asset value and participates least in ESG instruments. This study question which of the three factors shapes that interest. **Novelty:** This study narrows the dependent variable to the ESG domain, adjusts how the Theory of Planned Behaviour is applied. **Research Methods:** A quantitative causal design using Structural Equation Modeling with Partial Least Squares (SEM-PLS) applied to 155 valid respondents of higher education institutions in Surabaya, selected through purposive sampling and two screening stages. **Finding/Results:** Financial literacy has a significant positive influence and is the strongest predictor; motivation is likewise significant and positive. Risk perception shows no significant effect. Together the three factors account for 36.4 percent of the differences in interest among these Generation Z respondents. **Conclusion:** Sustainable investment interest among Generation Z students is shaped by how well they understand ESG investment and by value-based motivation, not by how they weigh financial risk. Education and communication aimed at this generation should therefore build ESG literacy and speak to impact rather than reassure about risk, a basis for higher education institutions, investment managers, and regulators addressing the demand side of Indonesia's sustainable finance agenda.

Keywords: Financial literacy, Generation Z, motivation, risk perception, sustainable investment interest

JEL Classification: G11, G41, G53, Q56

DRIVERS OF CSR EXPENDITURE: THE ROLES OF CORPORATE INVESTMENT, SLACK RESOURCES, AND FEMALE DIRECTORS

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ABSTRACT

Introduction/Main Objectives: This study aims to examine the determinants of CSR expenditure from the perspective of the Resource-Based View (RBV) theory. Specifically, this study examines the effects of corporate investment, financial slack, human resource slack, and female directors on companies. **Background Problems:** Corporate Social Responsibility (CSR) is now viewed as a strategic investment that bolsters reputation, mitigates risk, and enhances sustainable performance. In this context, CSR expenditure serves as an indicator of substantive commitment, distinct from symbolic disclosures that are non-substantive in nature. Companies demonstrate differing approaches, with some allocating significant investments to CSR and green initiatives, while others merely meet minimum obligations. This disparity raises the question: what internal factors account for the wide variation in CSR expenditure among companies operating under the same regulatory framework? **Novelty:** Studies that examine corporate investment, slack resources, and female directors as determinants of CSR expenditure remains limited in the Indonesian context. **Research Methods:** This study examines the effects of corporate investment, financial slack, human resource slack, and female directors on companies in the basic materials and energy sectors listed on the Indonesia Stock Exchange during the 2019–2024 period. The approach used is quantitative, with an explanatory research design. The sample was selected using purposive sampling, resulting in 61 companies with a total of 366 observations. The research data was analyzed using multiple linear regression techniques. **Finding/Results:** The study found that corporate investment does not affect CSR expenditure. Conversely, financial slack and human resource slack have a significant positive effect on CSR expenditure, while female directors have a significant negative effect on CSR expenditure. **Conclusion:** These findings indicate that the flexibility of a company's internal resources, particularly in the form of slack resources, is the primary factor determining the level of CSR expenditure. This study makes a theoretical contribution by reinforcing the Resource-Based View (RBV) theory, which posits that the availability and configuration of a company's internal resources play a crucial role in supporting sustainability strategies through CSR expenditure.

Keywords: CSR Expenditure, Corporate Investment, Financial Slack, Human Resource Slack, Female Directors

JEL Classification: D13, I31, J22, K31

Z-WAF CHAIN: A BLOCKCHAIN AND QRIS INTEGRATION MODEL FOR *SHARIAH* FINANCIAL INCLUSION IN THE SOCIETY 5.0 ERA

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ABSTRACT

Introduction/Main Objectives: The Z-WAF Chain concept is a digital platform for managing *zakat* and *waqf* that integrates Hyperledger Fabric blockchain technology, the QRIS payment system, and smart contracts. Indonesia has enormous national *zakat* potential, yet collection rates remain relatively low; moreover, the Society 5.0 era demands technologies that emphasize human values, sustainability, and social inclusivity. **Background Problems:** The issue is the low level of transparency and accountability in the management of *zakat* and *waqf* funds, which has eroded public trust. Accordingly, this study develops and conceptually evaluates the Z-WAF Chain framework, which integrates Hyperledger Fabric, QRIS, and smart contracts to promote Islamic financial inclusion within the Society 5.0 framework. **Novelty:** The novelty of this study lies in the integration of three components: the Hyperledger Fabric blockchain, QRIS, and smart contracts into a single platform for managing *zakat* and *waqf*, enabling immutable transaction recording, real-time auditing, and public verification while maintaining donor confidentiality. No previous research has sufficiently explored this integration within the Society 5.0 framework for *zakat* and *waqf*. **Research Methods:** The research method used was a conceptual study based on a structured, targeted literature review of Scopus-indexed secondary sources, developed into a system framework for immutable transaction recording, real-time auditing, and public verification. **Finding/Results:** Research indicates that integrating these three components can enhance transparency and accountability in managing *zakat* and *waqf* funds, strengthen public trust, and expand participation by *zakat* payers and *waqf* donors in the Islamic digital financial ecosystem. **Conclusion:** The Z-WAF Chain concept aligns with the principles of Society 5.0 (human-centered, inclusivity, and digital trust) and is consistent with the fundamental values of Islamic economics. This research contributes to the development of an accountable, efficient, and adaptive Islamic social finance model that keeps pace with advancements in digital technology. The integration of blockchain, QRIS, and smart contracts can help bridge the gap between *zakat*'s significant potential and its low collection rate.

Keywords: Z-WAF Chain, Blockchain, QRIS, *Shariah* Financial Inclusion, Society 5.0

JEL Classification: Z12, O33, G23, I38

ADAPTIVE FINANCIAL RESILIENCE UNDER GEOECONOMIC FRAGMENTATION USING EXPLAINABLE ARTIFICIAL INTELLIGENCE FOR BANKING STABILITY IN ASIA

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ABSTRACT

Introduction/Main Objectives: Geoeconomic fragmentation has intensified financial uncertainty across Asia through exchange rate volatility, inflationary pressures, liquidity fluctuations, and capital market instability. These dynamics challenge conventional banking stability models, which generally assume linear relationships between macroeconomic conditions and bank-specific fundamentals. This study develops an adaptive banking resilience framework by integrating Machine Learning and Explainable Artificial Intelligence (XAI) to capture the nonlinear effects of geoeconomic stress on banking stability across nine Asian countries during 2010–2025. **Background Problems:** This study investigates how geoeconomic fragmentation affects banking stability through nonlinear interactions between macroeconomic pressures and bank-specific indicators, and how XAI identifies country-specific thresholds associated with systemic financial distress. **Novelty:** This study proposes the Adaptive Financial Resilience Theory by integrating a Geoeconomic & Market Stress Index, Machine Learning, and XAI into a unified framework that explains nonlinear macro–micro interactions and identifies interpretable stability thresholds across heterogeneous banking systems. **Research Methods:** Principal Component Analysis was used to construct the Geoeconomic & Market Stress Index from Inflation, Broad Money, Exchange Rate, and Market Capitalization. Machine Learning models predicted banking distress using Capital Adequacy Ratio (CAR), Non-Performing Loans (NPL), and Return on Assets (ROA), while SHapley Additive exPlanations (SHAP) provided model interpretation and threshold identification based on 144 panel observations from nine Asian countries. **Finding/Results:** The Machine Learning model achieved excellent predictive performance ($R^2 = 0.9648$; RMSE = 0.7895). Market Capitalization emerged as the most influential predictor of banking distress, while SHAP analysis revealed nonlinear threshold effects for Exchange Rate, Market Capitalization, and the Geoeconomic & Market Stress Index, demonstrating that banking resilience changes adaptively once geoeconomic stress exceeds critical thresholds. **Conclusion:** The findings support the proposed Adaptive Financial Resilience Theory, demonstrating that banking stability is dynamic under geoeconomic fragmentation. The integrated PCA Machine Learning XAI framework provides a transparent tool for real-time stress testing, macroprudential surveillance, and early warning systems, supporting adaptive regulatory policies for sustainable banking resilience.

Keywords: Explainable AI, Geoeconomic Fragmentation, Asian Financial Resilience, Banking Stability, Digital Governance

JEL Classification: G32, C45, F34, O35

ESG AND DEBT PERFORMANCE IN THE U.S. SEMICONDUCTOR INDUSTRY: A TWO-STAGE NETWORK DEA APPROACH

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ABSTRACT

Introduction / Main Objectives: This paper examines the relationship between Environmental, Social, and Governance (ESG) implementation and debt performance and operational efficiency in the U.S. semiconductor industry. **Background Problems:** The semiconductor sector is highly capital-intensive and requires substantial investment in production capacity, research and development, and technological innovation. Therefore, debt performance has become an important indicator of financial stability, particularly through debt ratio, interest coverage ratio, earnings per share, and market value. **Novelty:** Although previous studies have widely examined the relationship between ESG and corporate financial performance, limited attention has been given to how ESG implementation affects debt-related performance in the semiconductor industry. This study addresses this gap by integrating ESG indicators into a two-stage network efficiency framework. **Research Methods:** Using the top 42 U.S. semiconductor companies by market capitalization from 2019 to 2023, this study applies a Two-Stage Network Data Envelopment Analysis (NDEA) model. In the first stage, total assets, number of employees, and shareholders' equity are used as inputs to generate operating revenue. In the second stage, operating revenue and ESG indicators, including environmental, social, and governance scores, are used to produce debt and market performance outputs. **Findings:** The empirical results show that ESG implementation is associated with differences in debt performance and efficiency across firms. Several companies demonstrate strong operational efficiency in transforming internal resources into operating revenue. However, high operational efficiency does not always lead to strong debt and market efficiency, indicating a gap between internal resource utilization and external financial performance. Broadcom shows consistently strong overall efficiency, while firms with weaker ESG disclosure and financial output performance show lower overall efficiency. **Conclusion:** The findings suggest that stronger ESG disclosure is associated with more favorable debt and market efficiency, consistent with a supporting role for ESG strategy in financial stability and long-term competitiveness in the U.S. semiconductor industry.

Keywords: ESG, semiconductor industry, debt performance, Two-Stage Network DEA

JEL Classification: G32, Q56, L63, C61

THE EFFECT OF FINANCIAL TECHNOLOGY ADOPTION AND FINANCIAL LITERACY ON THE SUSTAINABLE FINANCIAL PERFORMANCE OF BATIK MSMEs: THE MODERATING ROLE OF QRIS UTILIZATION IN INDONESIA

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ABSTRACT

Micro, Small, and Medium Enterprises (MSMEs) play a strategic role in supporting economic growth, employment creation, and community welfare in Indonesia. In the era of digital transformation, the adoption of financial technology (FinTech) and financial literacy has become increasingly important for improving business efficiency and financial sustainability. This study aims to examine the effects of Financial Technology Adoption and Financial Literacy on Sustainable Financial Performance, with QRIS Utilization as a moderating variable among batik MSMEs in Tegal Regency, Indonesia. This study employed a quantitative research approach using a survey method. Data were collected from 55 batik MSMEs selected through purposive sampling based on predetermined criteria, including business experience and the use of digital payment systems, particularly QRIS. The data were analyzed using Structural Equation Modeling–Partial Least Squares (SEM-PLS) with SmartPLS. The results indicate that Financial Technology Adoption has a positive and significant effect on Sustainable Financial Performance, suggesting that the effective use of digital financial services can improve transaction efficiency, financial management, and business sustainability. Financial Literacy also has a positive and significant effect on Sustainable Financial Performance, indicating that better financial knowledge and decision-making capabilities contribute to sustainable business performance. Furthermore, QRIS Utilization significantly strengthens the relationship between Financial Technology Adoption and Sustainable Financial Performance. However, QRIS Utilization does not significantly moderate the relationship between Financial Literacy and Sustainable Financial Performance. These findings highlight the importance of integrating financial technology adoption, financial literacy, and digital payment utilization to strengthen the sustainable financial performance and competitiveness of batik MSMEs in Indonesia.

Keywords: Financial Technology Adoption; Financial Literacy; QRIS Utilization; Sustainable Financial Performance; MSMEs

ENVIRONMENTAL FISCAL POLICY AND GREEN TRANSFORMATION: DOES FISCAL POLICY IMPROVE ENVIRONMENT EQUITY IN INDONESIA?

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ABSTRACT

Environmental fiscal policy is increasingly promoted as a key instrument for supporting green and inclusive regional transformation. However, empirical evidence remains limited on whether fiscal interventions actually lead to environmentally equitable outcomes, particularly in decentralized governance systems where regions face heterogeneous demographic pressures and fiscal structures. This study investigates whether environmental fiscal policy contributes to environmental equity across Indonesian provinces. Using balanced panel data from 34 provinces over the period 2020–2024, the study examines the relationship between environmental quality—measured by the Environmental Quality Index (IKLH)—and environmental fiscal policy, fiscal transfers, demographic pressure, and economic growth. The analysis employs panel-corrected standard errors (PCSE) to account for cross-sectional dependence across regions. In addition to a baseline model, the study introduces an interaction model to examine whether population density moderates the effectiveness of environmental spending. A supplementary specification using an environmental fiscal capacity indicator is included as a robustness check. The findings reveal that fiscal transfers derived from revenue-sharing funds are significantly associated with lower environmental quality, suggesting that resource-based fiscal dependence may intensify environmental pressures. In contrast, environmental spending significantly improves environmental quality; however, its effectiveness diminishes in provinces with higher population density. This finding indicates that demographic concentration poses an important constraint on achieving environmentally equitable outcomes. Economic growth is also positively associated with environmental quality, suggesting that development may facilitate improved environmental governance. The results challenge the common assumption that increasing environmental fiscal allocations automatically leads to improved environmental outcomes. In this context, environmental fiscal policy alone is insufficient to ensure environmentally equitable outcomes. Instead, demographic pressure and resource-dependent fiscal structures play a critical role in shaping regional environmental disparities. The study highlights the need for more targeted and context-sensitive fiscal instruments to support inclusive green transformation in decentralized economies.

Keywords: Environmental Fiscal Policy, Environmental Equity, Population Density, Fiscal Decentralization, Green Transformation

JEL Classification: O44, Q56, R11

FROM POLICY EXPLICITNESS TO INSTITUTIONAL ENACTMENT: AN ABDUCTIVE COMPARISON OF SUSTAINABILITY EDUCATION IN INDONESIA AND JAPAN

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ABSTRACT

Introduction/Main Objectives: Sustainability education must turn knowledge, values, and competencies into responsible practice across educational stages. This study examines how Indonesia and Japan translate sustainability education policies into institutional practice and how character development, behavioral culture, and lifelong learning continuity contribute to sustainable value within the 5P Sustainability Framework. **Background Problems:** The study asks how the two countries translate policy into practice across the lifelong learning continuum when formal commitments do not always produce durable institutional behavior. **Novelty:** Earlier studies often examine competencies, curriculum, or pedagogy separately. This paper combines policy interpretation, analytical and creative systems thinking, character formation, institutional routines, behavioral culture, and cross-stage reinforcement within one abductive comparative framework. **Research Methods:** The study uses an abductive qualitative comparative case-study design and purposively selected secondary evidence, including policies, official reports, institutional publications, and peer-reviewed studies. A two-phase mapping process identifies selected sustainability topics that has education as empirical domain, such as tuberculosis prevention, climate action, and integrity and anti-corruption education. Policy and reported implementation are compared across early childhood, primary, secondary, higher, and community education in both countries. The evidence is interpreted through the cognitive-reflective-action pathway and three assessment criteria, such as character development, behavioral culture, and lifelong learning. **Finding/Results:** Indonesia more often provides explicit competencies, topic-specific guidance, and broad programs, but implementation varies with institutional capacity. Japan more often shows established roles, recurring routines, and institutional continuity, although sustainability purposes and learner competence are less explicit. The main finding is that explicit policy does not ensure consistent practice, while stable routines do not necessarily indicate deep or transferable learning. **Conclusion:** Sustainable value is more likely when explicit learning aims are translated through adequate institutional capacity into repeated, reflective, and socially reinforced practices that increase in complexity across life stages. Policies should align competencies, responsibilities, resources, monitoring, and continuing learning, which may also improve the use of public resources.

Keywords: sustainability education; character development; behavioral culture; lifelong learning

JEL Classification: D13, I31, J22, K31

THE DIGITAL RESILIENCY AND AGILITY AT THE WATER EDGE: ISLAMIC GOVERNANCE AND PARTICIPATORY TECH ADOPTION FOR SME'S NEAR MUSI'S RIVERBANK IN PALEMBANG, SOUTH SUMATERA

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ABSTRACT

The Musi Riverbank is an important urban economic corridor in South Sumatra, yet its SMEs are frequently excluded from mainstream digital progress. SME's face two challenges: the topographical limitations of riverine urbanism and the socioeconomic pressures of a changing global economy. Traditional business methods in this region are increasingly unable to satisfy the demands of modern, sustainable development. This study investigates the integration of digital agility and resiliency technologies for SMEs located on the Musi River banks in Palembang. The Primary Objective is to create a sustainable digital transformation framework that uses Islamic economic principles to protect these businesses from global economic constraint. The Novelty of this study lies in the synthesis of Maqasid al-Shari'ah (the objectives of Sharia) with Participatory Action Research (PAR). It redefines digital resilience not just as technical capacity, but as an ethical imperative that prioritizes community welfare (Maslahah) and risk-sharing over debt-based growth. Using a Participatory Method, the study held collaborative FGD sessions with SME owners, community leaders, and others stakeholders in Palembang. This bottom-up approach enabled the discovery of localised constraints and the collaborative development of Sharia-compliant digital methods tailored to the specific riverine ecosystem. The study concludes that sustainable digital transformation in Palembang must be Ethical Sensitive. Integrating Islamic economics provides a stabilizing governance framework that ensures technological shifts do not erode the social fabric. The implication is a new model for riverine urbanism that is both technologically advanced and ethically grounded.

Keywords: The Digital Resiliency and Agility , The Musi RiverBank , Participatory Tech Adoption , Maqoshid al-Shariah, SME

JEL Classification: O33, L26, R11, Z12, O18

WHO CAPTURES THE VALUE OF RECYCLING? TRANSACTION COSTS AND ECONOMIC BENEFITS IN THE INFORMAL WASTE ECONOMY OF BANTAR GEBANG, BEKASI

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ABSTRACT

Introduction/Main Objectives: The global shift toward a green economy has accelerated the adoption of circular economy principles as a way to recover value from materials that would otherwise be discarded. In many developing nations, this recovery process relies heavily on informal waste workers, who despite contributing significantly, tend to receive limited economic benefits from the value they create. **Background Problems:** This study examines the informal recycling economy formed around the Bantar Gebang Final Processing Site (TPA) in Bekasi City, which manages household waste from the community of Bekasi City, a system distinct from the TPST facility that processes waste from DKI Jakarta. This study investigates how economic value is created, distributed, and captured among actors within this system, asking why waste pickers receive the smallest benefit share. **Novelty:** Theoretically, this research demonstrates that Transaction Cost Economics (TCE) and Global Value Chain (GVC), which are often positioned in literature as competing explanations for middleman margins, actually address distinct and complementary questions: TCE explains why middleman governance structures emerge and persist, while GVC and information economics explain why the resulting surplus is unevenly captured. Empirically, this study combines interviews across the value chain with a systemlevel perspective from the Environmental Office (DLH) of Bekasi City to deconstruct middleman margins into functional compensation versus information rents. **Research Methods:** This study employs a qualitative case study approach utilizing semi-structured interviews, field observations, and document analysis, combined with a comparative cost-benefit analysis of three institutional transaction models. **Finding/Results:** Data from DLH shows that Bekasi City produces ~1,800 tons of waste per day, of which ~1,200–1,400 tons enter Sumur Batu TPA, while ~257 tons (13.98%) are reduced prior to reaching the landfill. Waste pickers remain primary value creators but receive the smallest benefit share. Middlemen perform essential aggregation, logistics, financing, and liquidity functions that reduce transaction costs. However, price opacity enables middlemen to capture information rents alongside functional compensation. **Conclusion:** Unequal value distribution stems from underlying transaction cost structures and information asymmetries rather than mere middleman exploitation. Policies should target transaction costs and price opacity rather than eliminating productive intermediaries. A structural policy tension exists between municipal waste reduction goals and informal worker livelihood preservation.

Keywords: circular economy; informal waste workers; transaction cost economics; recycling intermediaries; value capture; information rent; Sumur Batu TPA, Bekasi.

JEL Classification: Q53, D23, O17

GOVERNING THE TRANSITION: AN INTEGRATED GREEN-BLUE WAQF FRAMEWORK FOR POST-MINING ECOLOGICAL AND ECONOMIC RESILIENCE IN SOUTH KALIMANTAN

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ABSTRACT

Introduction/Main Objectives: This study examines the "Green-Blue Waqf" framework as a strategic instrument for funding and governing the transformation of former mining sites into productive ecological assets. The study provides background on the massive expansion of coal mining in South Kalimantan, which has left a legacy of environmental degradation, particularly acid mine drainage. This topic is significant as the region transitions toward a post-mining economy under the 2025–2045 Regional Long-Term Development Plan (RPJPD). **Background Problems:** The study addresses the critical challenge of finding sustainable and inclusive financing models for ecological restoration as the region enters a post-mining phase. **Novelty:** The novelty of this paper lies in its integrated governance model that simultaneously addresses reforestation (Green Waqf) and the utilization of mine sedimentation ponds for endemic fish aquaculture (Blue Waqf). It offers a novel integration between Islamic social finance (*Nazhir*) and specific regional development goals (RPJPD) that has not been adequately researched in the context of post-mining transitions. **Research Methods:** The study utilizes a hybrid approach, combining a comprehensive review of existing interdisciplinary literature with content analysis of regional policy documents. NVivo software was employed to perform thematic coding on key nodes, including governance structures, ecological parameters, and sharia compliance. **Findings/Results:** The findings propose an integrated model in which Green Waqf mitigates erosion through land-based reforestation, while Blue Waqf governs the use of mine ponds for aquaculture. This demonstrates that with robust governance, environmental "voids" can be successfully converted into productive waqf assets that ensure food security and community resilience. **Conclusion:** The research concludes that a novel governance structure can ensure transparency, sustainability, and socio-economic impact during ecological transitions. The main implications are a roadmap for policymakers and *Nazhir* to align environmental restoration with long-term regional goals. The primary take-home message is that former mining sites can be transformed from environmental liabilities into sustainable assets for a "greener and bluer" future.

Keywords: Waqf, Blue Economy, Green Economy, South Kalimantan, Governance

JEL Classification: G23, Q57, Z12

ORCHESTRATING FINANCIAL SUSTAINABILITY IN STUDENT STARTUPS IN THE AI ERA: COMPLEMENTARY ROLES OF FAMILY RESOURCE SUPPORT, FINANCIAL BOOTSTRAPPING, AND BUSINESS INCUBATION

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ABSTRACT

Introduction/Main Objectives: Student startups face resource constraints while Artificial Intelligence (AI) creates new opportunities for financial decision-making and innovation. This study examines how entrepreneurial capabilities, bootstrapping, family support, and incubation jointly shape financial sustainability. **Background Problems:** How do internal capabilities, bootstrapping practices, and ecosystem support interact across development stages to build financial sustainability among student startups? **Novelty:** This study introduces Complementary Resource Orchestration, explaining financial sustainability through stage-specific alignment of internal capabilities, bootstrapping, and ecosystem support. Prior research has not adequately integrated these resources and their changing roles within a single student-startup framework. **Research Methods:** A quantitative survey covered 305 student startups from 14 Indonesian universities. Respondents were selected through purposive sampling based on predetermined criteria. Structural Equation Modeling-Partial Least Squares (SEM-PLS) tested direct relationships, moderating effects, and model robustness. **Finding/Results:** Financial bootstrapping was the primary mechanism for financial sustainability; Entrepreneurial Orientation increased bootstrapping, while AI-enabled Financial Capability increased Innovation Capability. Family Resource Support strengthened the Entrepreneurial Orientation-bootstrapping relationship, Business Incubation Service strengthened the bootstrapping-Innovation Capability relationship, and ecosystem support varied across development stages. **Conclusion:** Financial sustainability depends on stage-specific orchestration of capabilities, bootstrapping, and ecosystem resources. Universities, incubators, and families should therefore tailor financial support and mentoring to each startup's growth stage.

Keywords: Financial Sustainability; Financial Bootstrapping; Student Startup; AI-enabled Financial Capability; Family Resource Support; Business Incubation Service; Complementary Resource Orchestration.

JEL Classification: D13, I31, J22, K31

DIGITAL DEPENDENCY IN INDONESIA'S MSME ECOSYSTEM: THE IMPACT OF MARKETPLACE ADMINISTRATIVE FEE INCREASE ON MSME SUSTAINABILITY AND DIGITAL INDEPENDENCE

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ABSTRACT

Introduction/Main Objective: The rapid expansion of digital transformation in Indonesia has reshaped the development of Micro, Small, and Medium Enterprises (MSMEs). Digital marketplaces such as Shopee and TikTok have expanded market access and accelerated MSME participation in the digital economy. However, rising marketplace administrative fees, service charges, advertising costs, and promotional commissions have increased MSME dependence on third-party platforms. This study investigates how these costs affect MSME sustainability, competitiveness, entrepreneurial autonomy, and digital independence. **Background Problem:** Despite the benefits of digitalization, increasing platform-related costs raise concerns about the long-term sustainability of MSMEs. This study examines whether growing dependence on digital marketplaces strengthens or weakens MSME competitiveness and resilience in Indonesia's digital economy. **Novelty:** This study positions digital dependency as a structural challenge within Indonesia's platform economy. While existing research focuses on digital inclusion and MSME digitalization, limited attention has been given to how platform governance and marketplace fee structures may undermine long-term MSME resilience and sustainable development. **Research Methods:** This research employs a qualitative descriptive approach supported by relevant quantitative data. Data is collected through questionnaires with MSME owners and analysis of marketplace policies, government regulations, and industry reports. The study applies thematic and policy analysis to identify patterns of dependency, sustainability risks, and adaptive strategies. **Findings/Results:** The findings indicate that marketplace digitalization creates short-term growth opportunities while also generating long-term structural vulnerabilities. Rising platform fees disproportionately burden small-scale MSMEs, reducing their capacity to innovate and compete with larger firms. Many MSMEs have responded by diversifying into alternative digital channels, including social media commerce and independent online stores, to strengthen digital autonomy. **Conclusion:** Sustainable digital transformation requires fairer platform governance, balanced regulatory intervention, and stronger MSME digital independence to ensure inclusive and sustainable economic development in Indonesia's evolving platform economy.

Keywords: MSMEs, Digital Transformation, Digital Dependency, E-Commerce Governance, Sustainable Development

JEL Classification: G32, L26, L81, O14, O33

DEVELOPING SHARIA PUBLIC SECTOR ACCOUNTING STANDARDS FOR SOVEREIGN SUKUK AND THEIR EFFECT ON INVESTMENT INTENTION

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ABSTRACT

The purpose of this study is to analyze the urgency of developing Sharia Government Accounting Standards (SAPS) for Sovereign Sukuk transactions and their impact on public investment intentions in these instruments. The method used was a quantitative SEM approach, followed by in-depth analysis of the results through interviews with expert informants. The respondents were members of the public who had invested in Sovereign Sukuk, while the informants interviewed included the Deputy Chair of the KSAP (State Budget Accounting Standards Board), the compilers of Sharia Financial Accounting Standards (SAK), academics, and practitioners from Islamic financial institutions. The results of the study indicate that the development of Sharia Government Accounting Standards (SAPS) for Sovereign Sukuk transactions is necessary due to several underlying phenomena. This is also evidenced by the opinions of members of the public who have or are currently investors in this SBSN instrument. Based on the questionnaire results, the mean score was above 4, indicating public agreement and support for the SAPS. Furthermore, the urgency of the SAPS can increase public investment intentions in Sovereign Sukuk through the mediating variables of accountability of maqasid sharia perspective and the role of trust. These findings are also supported by the opinions of several informants, including members of the Accounting Standards Drafting Committee, academics, and practitioners, who stated that if there are differences between Government Sukuk transactions and other Government Securities transactions, the accounting standards can be based on the Sharia-compliant Corporate Sukuk Accounting Standards (SAK). However, if there are differences between Corporate Sukuk and Government Sukuk, it is deemed necessary to develop a Sharia-compliant Government Sukuk Accounting Standards (SAPS).

Keywords: Sharia Public Government Accounting Standards, SEM, Government Sukuk

JEL Classification: D13, I31, J22, K31

BEYOND COMPLIANCE: DISASTER BUDGETING AND THE ACHIEVEMENT OF ZERO CASUALTIES IN VOLCANIC ERUPTIONS BY SLEMAN RDMA

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ABSTRACT

Introduction/Main Objectives: This study examines disaster budgeting practices in Sleman's Regional Disaster Management Agency (RDMA) and their contribution to disaster risk reduction, particularly the achievement of zero casualties. The topic is important because disaster budgeting is often viewed as a technical and administrative process, while in practice it may also support adaptive governance, preparedness, and life-saving decisions. **Background Problems:** The main problem addressed in this study is how disaster budgeting practices can move beyond regulatory compliance and function as an adaptive governance mechanism in reducing disaster casualties. **Novelty:** The novelty of this study lies in its focus on the lived experiences of disaster budget actors in explaining how budgeting practices contribute to zero casualties. Previous studies have largely discussed disaster budgeting as a matter of allocation, compliance, or accountability, but have not adequately explored how budget actors interpret and use budgeting as an adaptive governance tool in disaster risk reduction. **Research Methods:** This study uses a qualitative approach with Interpretative Phenomenological Analysis (IPA). Data were collected through open-ended interviews with six informants from Sleman RDMA who were directly involved in disaster budgeting and disaster management practices. The analysis focused on the informants' experiences, interpretations, and reflections in managing disaster-related uncertainty. **Finding/Results:** The findings show that Sleman RDMA's achievement of zero casualties was not solely the result of formal compliance with regulations. It was also shaped by adaptive governance practices, including flexible budgeting responses, cross-sector collaboration, community and volunteer involvement, early warning preparedness, and the ability of budget actors to adjust programs according to disaster risks and local needs. The study also finds that disaster budgeting becomes more effective when supported by coordination, institutional learning, and responsiveness to changing field conditions. **Conclusion:** This study concludes that disaster budgeting can serve not only as an administrative tool for recording and reporting expenditures, but also as a strategic governance instrument that supports preparedness, accountability, and life-saving decisions. The main implication is that public sector accounting can play an important role in strengthening adaptive disaster governance and reducing disaster casualties.

Keywords: disaster budgeting, RDMA, zero casualties, adaptive governance, Interpretative Phenomenological Analysis, public sector accounting.

JEL Classification: H83, H61, H84

MEASURING TAX COMPLIANCE COSTS OF TAXPAYERS WITH CERTAIN GROSS TURNOVER: EVIDENCE FROM BOGOR REGENCY, INDONESIA

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ABSTRACT

Tax compliance costs remain a central issue in small business taxation because taxpayers spend money, time, and attention to meet administrative obligations. This paper measures the estimated tax compliance costs borne by Taxpayers with Certain Gross Turnover or WP PBT in Bogor Regency, Indonesia. It adds context-specific evidence for Tax Year 2025, covers individual and corporate taxpayers, and connects quantitative cost measurement with qualitative explanation. The study used a sequential explanatory mixedmethod design. Quantitative data were collected in 2026 from 113 respondents in the working areas of KPP Pratama Cibinong and KPP Pratama Cileungsi through non-probability convenience sampling. Direct cost was measured from reported out-of-pocket expenditure. Time cost was valued as the opportunity cost of time spent on tax activities. Psychological cost was measured from respondents' stated monetary valuation of compensation considered appropriate for stress, anxiety, or confusion during tax compliance. Descriptive statistics, component comparison, validity testing, reliability testing, and tax-stressor ranking were applied. The qualitative stage analyzed transcripts from 18 taxpayer respondents with relatively high psychologicalcost valuations and eight supplementary informants. The average estimated total compliance cost was Rp135,840,708 per taxpayer per year. The components were psychological cost of Rp61,061,947, time cost of Rp54,867,257, and direct monetary cost of Rp19,911,504. Psychological cost was the largest component at 44.95 percent, followed by time cost at 40.39 percent and direct cost at 14.66 percent. Changes in tax rules received the highest relative tax-stressor score at 2.2478, followed by learning tax regulations at 2.2389. The qualitative evidence shows that regulatory uncertainty, limited tax literacy, weak perceived reciprocity, and limited resources help explain why non-cash components dominate the estimated cost structure. The findings support tax administration strategies that combine simplification with practical assistance and clearer communication.

Keywords: Indonesia, tax administration, tax compliance costs, tax stressor, Taxpayers with Certain Gross Turnover

JEL Classification: H25, H20, K34

IPSAS-BASED GOVERNMENT ACCOUNTING REFORM IN THE DIGITAL ERA: A BIBLIOMETRIC AND THEMATIC REVIEW

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ABSTRACT

Introduction/Main Objectives: Government accounting reforms increasingly integrate accrual-based reforms—aligned with International Public Sector Accounting Standards (IPSAS)—with digital public financial management systems. This study examines the evolution and intellectual structure of the relevant literature and investigates how digital technology supports, shapes, or constrains the implementation of government accounting reforms. **Background Problems:** Although digital systems increasingly mediate accounting processes, existing evidence remains fragmented across various technologies, jurisdictions, and research traditions. This study examines the evolution of the literature, the intellectual and conceptual structures characterizing the field, and the mechanisms through which digitalization influences IPSAS-oriented reforms. **Novelty:** By integrating bibliometric mapping with a focused thematic synthesis of texts, this study views digitalization as more than merely a peripheral implementation factor. It distinguishes between the intellectual centrality of digitalization and its operational significance in accounting reform implementation, while developing a socio-technical analytical framework linking standards, systems, institutions, organizational routines, vendor involvement, and professional capabilities. **Research Methods:** A two-stage review design was applied to 187 English articles and reviews indexed in Scopus between 2000 and 2026. Bibliometric analysis mapped publication patterns, influential sources and countries, citation structures, keyword co-occurrence, and thematic evolution. A focused thematic synthesis of 20 full-text studies meeting the inclusion criteria then examined digital mechanisms alongside the institutional, organizational, and professional conditions influencing their operation. **Finding/Results:** The literature in this field has expanded rapidly since 2020 but remains concentrated within a limited group of countries and journals. IPSAS, accrual accounting, harmonization, transparency, and accountability form its conceptual core, whereas digital technologies have yet to form a stable central cluster. Nevertheless, the thematic synthesis identified four operationally significant themes: digital infrastructure; digital systems and software providers; e-government and online reporting; and human and organizational capabilities. **Conclusion:** Digitalization holds operational significance, even though its intellectual position within the broader literature remains peripheral. Substantive reform hinges on the alignment of accounting policies, digital infrastructure, institutional arrangements, organizational routines, vendor governance, and professional capabilities. Therefore, the government should assess digital, policy, and organizational readiness in an integrated manner, rather than regarding the adoption of formal standards or system procurement as sufficient for successful implementation.

Keywords: IPSAS; government accounting reform; digital transformation; public sector accounting; public financial management

JEL Classification: M41, H83, O33

THE MODERATING ROLE OF GOVERNMENT EXPENDITURE IN THE RELATIONSHIP BETWEEN FLOOD EXPOSURE AND GARLIC PRODUCER PRICES: EVIDENCE FROM DEVELOPING COUNTRIES

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ABSTRACT

Climate-related disasters increasingly threaten agricultural production and food price stability in developing countries. Among these disasters, floods can disrupt production systems, transportation networks, and market distribution, thereby affecting agricultural producer prices. However, empirical evidence remains limited regarding whether government expenditure can mitigate the transmission of flood shocks to agricultural markets. This study investigates the effects of flood exposure, government expenditure on agriculture, forestry and fishing, and exchange rate movements on garlic producer prices while examining the moderating role of government expenditure. Annual balanced panel data from five developing countries, namely Indonesia, Kenya, Pakistan, the Philippines, and Thailand, covering the period 2001–2023 were analyzed using a Fixed Effects Model with Driscoll-Kraay standard errors. Flood exposure was measured using the flood-affected population, while government expenditure, garlic producer prices, and exchange rates were obtained from internationally comparable databases. The results indicate that flood exposure has no statistically significant direct effect on garlic producer prices. In contrast, government expenditure and exchange rate movements exert positive and statistically significant effects, whereas the interaction between flood exposure and government expenditure is negative and significant, suggesting that higher public expenditure weakens the transmission of flood shocks to producer prices. Exchange rate movements represent the strongest determinant of producer price dynamics among the explanatory variables. These findings demonstrate that agricultural producer prices are shaped not only by climate-related shocks but also by fiscal policy and macroeconomic conditions. This study contributes by integrating climate, fiscal, and macroeconomic factors within a unified empirical framework and by providing evidence that productive public expenditure enhances agricultural resilience under increasing climate uncertainty. The findings offer policy implications for strengthening food system resilience through sustained agricultural investment alongside macroeconomic stability.

Keywords: Garlic producer prices; flood exposure; government expenditure; food system resilience; exchange rate; panel data

JEL Classification: Q11; Q18; C23; O13

NATURAL RESOURCE REVENUE SHARING AND SENIOR SECONDARY EDUCATION PARTICIPATION: EVIDENCE FROM INDONESIAN DISTRICTS AND CITIES, 2017–2024

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ABSTRACT

Natural resource revenue can expand local fiscal capacity, but dependence on it may also weaken accountability and reduce incentives for productive public spending. This tension is relevant in Indonesia, where districts and cities receive Natural Resource Revenue Sharing Fund, or DBH SDA, while participation in senior secondary education remains uneven. This study examines whether a larger DBH SDA share in total local government revenue is associated with higher or lower senior secondary participation from 2017 to 2024. The study contributes by focusing on fiscal resource dependence rather than physical natural resource abundance. It measures dependence through the share of nonrenewable resource transfers in local revenue and distinguishes participation at the official school age from broader education coverage through the Net Enrollment Rate and Gross Enrollment Rate. The analysis uses panel data for 508 Indonesian districts and cities. Enrollment indicators are constructed from National Socioeconomic Survey microdata and combined with realized local budget data, intergovernmental transfers, regional economic indicators, and administrative performance information. The main model applies district and city fixed effects, year fixed effects, and Driscoll–Kraay standard errors. Robustness checks include an exploratory SAKIP analysis, limited validation using the Local Budget Index, and an instrumental variable fixed effects assessment with a shift-share instrument. The results show no statistically significant association between the DBH SDA share and the Net Enrollment Rate. In contrast, a one-percentage-point increase in the DBH SDA share is associated with an increase of about 0.056 percentage points in the Gross Enrollment Rate. This positive relationship remains visible after excluding special autonomy regions and limiting the sample to 2017 through 2023, and is mainly reflected in mineral and coal revenue. SAKIP does not provide conclusive moderation evidence because it primarily captures administrative capacity and formal performance accountability. Overall, DBH SDA is more closely associated with broader senior secondary participation than with enrollment at the official age. The findings should be interpreted as conditional associations rather than causal effects. The main implication is that research and policy assessments should distinguish fiscal dependence from resource abundance and use multiple indicators of education participation.

Keywords: natural resource revenue sharing, fiscal resource dependence, senior secondary education, net enrollment rate, gross enrollment rate

JEL Classification: H75, H77, I21, Q32

“IN THIS ECONOMY”: REASSESSING HOUSEHOLD ECONOMIC REALITY BEYOND GDP GROWTH IN INDONESIA

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ABSTRACT

Introduction/Main Objectives: Indonesia has maintained robust GDP growth, yet household economic pressures—including weakened purchasing power, saving constraints, and increasing reliance on consumer credit—raise questions about whether aggregate growth adequately reflects household economic reality. This study reassesses household economic performance by examining consumption through both macroeconomic conditions and household financial resilience, with particular attention to digital indebtedness. **Background Problems:** The central question is whether sustained GDP growth in Indonesia translates into financially sustainable household consumption, or whether aggregate growth may coexist with increasing household financial vulnerability. **Novelty:** The study extends conventional growth and consumption analysis by integrating macroeconomic and household financial transmission mechanisms and introducing the **Digital Debt Ratio (DDR)**, which relates outstanding digital consumer debt to aggregate household savings. This provides a complementary perspective on household financial resilience that is not captured by GDP or conventional debt indicators alone. **Research Methods:** The study uses balanced monthly time-series data covering January 2019–May 2026 (89 observations) and estimates two complementary Autoregressive Distributed Lag (ARDL) models. Model 1 examines macroeconomic transmission through GDP, monetary policy, inflation, and geopolitical risk, while Model 2 incorporates wages, savings, commercial consumer credit, and DDR. The analysis includes unit-root testing, bounds testing, long- and short-run estimation, diagnostic and stability tests, and Granger causality analysis. **Finding/Results:** Both models exhibit stable long-run cointegration. GDP is a significant positive determinant of household consumption, while Model 2 shows that savings and commercial consumer credit support the long-run equilibrium, whereas DDR has a significant negative effect. Digital indebtedness also exhibits unidirectional predictive causality toward consumption, indicating that it functions as an important leading indicator of consumption dynamics. **Conclusion:** GDP growth remains important for household consumption, but it does not provide a complete representation of household economic conditions. Assessing economic performance alongside savings and digital indebtedness offers a more comprehensive understanding of whether consumption growth is financially sustainable. The findings support a household-centered approach to complement conventional GDP-based assessments.

Keywords: Household consumption, Economic growth, Household financial resilience, Digital debt, Household saving

JEL Classification: D12, D14, E21, E44, O16

PUBLIC–PRIVATE PARTNERSHIPS AND THE INVESTMENT PARADOX: DOES GOVERNANCE REALLY MATTER? EVIDENCE FROM ASEAN ECONOMIES

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ABSTRACT

This paper examines whether Public–Private Partnerships (PPPs) and governance quality contribute to aggregate investment performance in ASEAN countries. PPPs are widely promoted as a development policy instrument to mobilize private capital and accelerate infrastructure investment, particularly in emerging economies with fiscal constraints. However, empirical evidence on whether PPPs effectively translate into broader macroeconomic investment outcomes remains mixed and inconclusive. This study addresses the following research question: Do PPP engagement and governance quality significantly affect aggregate investment in ASEAN economies? This paper lies in its attempt to analyze PPPs and governance quality jointly within a macroeconomic investment framework in ASEAN countries. While previous studies mainly focus on project-level efficiency, infrastructure delivery, or economic growth effects, limited attention has been given to whether PPPs contribute to aggregate capital formation at the national level and whether institutional quality strengthens this relationship over time. Using panel data for ASEAN countries from 2002 to 2024, this study employs fixed-effects estimations with macroeconomic and institutional controls. The analysis also includes interaction terms between PPP engagement and governance variables to examine whether institutional quality conditions the investment effects of PPP arrangements. The empirical findings show that PPP adoption, measured as a policy engagement indicator, is not significantly associated with aggregate investment within countries over time. Governance indicators also do not exhibit robust within-country effects under the fixed-effects specification. In addition, the interaction terms between PPPs and governance quality remain statistically insignificant. However, when PPP participation is measured using investment intensity, the estimates indicate a negative association with aggregate investment, suggesting possible substitutionary rather than complementary dynamics between PPP financing and broader domestic capital formation. This paper concludes that the macroeconomic investment effects of PPPs in ASEAN economies may be more limited and context-dependent than commonly assumed in development policy discussions. The findings imply that the presence of PPP schemes and improvements in governance quality alone may not be sufficient to stimulate aggregate investment without broader structural and institutional conditions that support capital accumulation.

Keywords: Public-Private Partnerships, governance quality, ASEAN, investment, institution

JEL Classification: H54, O43, E22, C23

BRIDGING THE GAP: SOCIAL ASSISTANCE AND ASPIRATION-ATTAINMENT DYNAMICS IN INDONESIA

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ABSTRACT

Introduction/Main Objectives: Education plays an important role in human capital development and social mobility; however, disparities in educational attainment remain a persistent challenge in developing countries, particularly among socioeconomically disadvantaged children. In response, governments have implemented various social assistance programs aimed at reducing household economic constraints and supporting children's educational continuity. In Indonesia, educational outcomes are shaped not only by structural factors such as school access and household economic conditions, but also by psychosocial dimensions, especially educational aspirations. Nevertheless, high educational aspirations do not always translate into equivalent educational attainment, creating an aspiration-attainment mismatch that remains insufficiently explored in educational inequality. This study examines the relationship between social assistance and the alignment between children's educational aspirations and educational attainment in Indonesia. **Background Problems:** This study examines whether social assistance is associated with the alignment between educational aspirations and educational attainment among vulnerable households in Indonesia. **Novelty:** Previous studies on education-related social assistance have primarily focused on formal schooling indicators such as enrollment, attendance, and years of schooling, while limited attention has been given to aspiration-attainment outcomes using longitudinal evidence from Indonesia. This study contributes to the literature by incorporating aspiration-attainment categories as the primary analytical framework and examining social assistance as an aggregated exposure rather than a single policy intervention. **Research Methods:** This study uses longitudinal data from the Indonesian Family Life Survey (IFLS) 2007 and 2014. Educational aspirations and educational attainment are classified into three levels: primary, secondary, and tertiary education. Several aspiration-attainment outcome categories are constructed to capture heterogeneous educational trajectories. The analysis employs multinomial logistic regression with controls for individual, household, and socioeconomic characteristics. **Finding/Results:** Preliminary descriptive findings reveal substantial heterogeneity in aspiration-attainment trajectories among children from vulnerable households in Indonesia. A considerable proportion of individuals with tertiary educational aspirations in 2007 attained only primary or secondary education by 2014, indicating persistent mismatch between educational aspirations and actual educational attainment. These patterns suggest that aspiration-attainment outcomes may be associated with differences in household socioeconomic conditions and social assistance exposure. **Conclusion:** Educational aspirations and actual educational attainment do not always align among vulnerable households in Indonesia. The findings suggest that social assistance is associated with aspiration-attainment dynamics and may support educational continuity among socioeconomically disadvantaged children.

Keywords: educational aspirations, educational attainment, social assistance, aspiration-attainment mismatch, multinomial logistic regression

JEL Classification: I24, I38, C35, J24

THE EFFECT OF HIGHER EDUCATION SCHOLARSHIP BENEFIT INCREASE ON HOUSEHOLD EDUCATION EXPENDITURE: EVIDENCE FROM THE BIDIKMISI TO KIP-K TRANSITION IN INDONESIA

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ABSTRACT

Access to higher education for low-income households in Indonesia remains constrained by financial barriers. To address this, the Indonesian government transitioned from the Bidikmisi scholarship, which provided a fixed stipend of IDR 700,000 per month to the Kartu Indonesia Pintar Kuliah (KIP-K) scheme, which offers higher stipends ranging from IDR 800,000 to IDR 1,400,000 per month based on regional cost of living clusters. However, students from earlier cohorts continued receiving the lower Bidikmisi amount despite studying alongside KIP-K recipients with identical eligibility criteria, creating an unintended benefit differential. This study examines whether this increase in scholarship cash transfer amount causally affects household education expenditure. While prior studies have explored scholarship impacts on enrollment and child labor at the primary and secondary level, no study has specifically estimated the effect of a higher education scholarship amount increase on household education spending using Indonesia's national socioeconomic survey (Susenas), making this the first study to exploit the Bidikmisi to KIP-K transition as a quasi-natural experiment. The study hypothesizes that the increase in cash transfer amount under KIP-K positively and significantly raises household education expenditure, with larger effects expected among lower-income households where budget constraints are more binding, and in regions with higher transfer amounts. These findings are expected to provide actionable evidence for policymakers on the optimal design and calibration of higher education financial assistance programs, particularly in ensuring that transfer amounts are sufficient to meaningfully shift household investment in education among low-income families in Indonesia.

Keywords: Scholarship, Cash transfer, Household education expenditure, KIP-Kuliah, Bidikmisi, Indonesia

JEL Classification: I22, I23, H52, D12, C21

HIDDEN INEQUALITY OVER THE LIFE CYCLE: EVIDENCE FROM INDONESIA'S NATIONAL TRANSFER ACCOUNTS

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ABSTRACT

Introduction/Main Objectives: Gender inequality in economic outcomes remains a critical development challenge, yet conventional indicators often fail to capture how disparities accumulate across the life cycle. This study examines gender-based inequality in Indonesia using the National Transfer Accounts (NTA) framework, which measures how individuals at each age produce, consume, and reallocate economic resources. **Background Problems:** Although Indonesia has recently published its NTA profiles, existing analysis has not sufficiently examined whether men and women have comparable capacities to finance their lifetime consumption. This study addresses a key question: does a hidden inequality exist between male and female life cycle deficits in Indonesia? **Novelty:** This study is the first to use the 2024 Indonesian NTA—constructed with macroeconomic controls consistent with national accounts—in a gender-disaggregated life cycle analysis, revealing inequalities hidden in conventional per capita measures. **Research Methods:** This study addresses that gap by using the 2024 Indonesian NTA, the 2024 National Socioeconomic Survey (Susenas), and age-sex population projections to estimate age-gender profiles of consumption and labor income. We smooth the profiles using kernel-weighted local polynomial regression and assess gender gaps through ratio analysis and mean-difference tests. **Finding/Results:** The results reveal substantial gender inequality in life-cycle financing. Men record a per capita life-cycle surplus of IDR 16.78 million, indicating that their labor income exceeds their consumption, whereas women experience a per capita life-cycle deficit of IDR 24.83 million. This difference is statistically significant. Labor income drives most of the gap: men's labor income is approximately 2.8 times higher than women's, reflecting persistent disparities in labor force participation and earnings. By contrast, men and women record statistically similar consumption levels. This pattern suggests that inequality arises less from unequal consumption than from unequal capacity to generate labor income. Women also receive slightly higher human capital investment, particularly in education and health. **Conclusion:** These findings show that gender inequality in Indonesia is embedded in the economic life cycle and remains hidden in aggregate per capita measures. Policies that strengthen women's labor-market participation and improve the conversion of human capital investment into earnings are therefore essential to reducing gender-based structural inequality.

Keywords: life cycle deficit, gender inequality, National Transfer Accounts, consumption, labor income

JEL Classification: D13, D31, J16, J21

DIGITAL TRANSFORMATION OF SOCIAL COMPARISON FEEDBACK: A SYSTEMATIC LITERATURE REVIEW

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ABSTRACT

Introduction/Main Objectives: This study examines the development of research related to feedback containing social comparison mechanisms across various disciplines. This systematic review aims to analyze research trends, identify dominant research topics and feedback delivery mechanisms, and highlight future research opportunities. **Background Problems:** Although feedback has been widely discussed in the literature on psychology, management, and accounting, there is still fragmentation regarding the use of feedback terminology containing social comparison. Consequently, there is no uniformity in the use of social comparison feedback definitions. In addition, technological developments have changed feedback delivery mechanisms from traditional to digital. Therefore, this review also examines the use of digital platforms, dashboards, wearable technology, and real-time systems in feedback mechanisms. **Novelty:** This study emphasizes the need for a unified terminology to explain comparison-based feedback. It also offers an integrated understanding by building a conceptual framework for comparison-based feedback research. **Research Methods:** This study uses a Systematic Literature Review (SLR) approach with the PRISMA framework. A total of 107 articles published between 1978 and 2025 were identified, selected, and synthesized. **Findings/Results:** Based on the literature review, the term Social Comparison Feedback (SCF) is proposed as a terminology to describe feedback accompanied by a comparison mechanism. Five dominant research topics were identified: feedback characteristics, individual reactions, individual factors, performance impact, and contextual conditions. The review of feedback characteristics shows the evolution of feedback delivery mechanisms from traditional approaches to digital, automated, platform-based, and real-time systems. Furthermore, the review results indicate that SCF influences individual reactions and performance impact, while individual factors and contextual conditions moderate the relationship. The literature review also shows that many studies focus on how SCF shapes individual reactions, particularly cognitive, affective, and motivational reactions. In addition, SCF can also improve performance impacts such as engagement, learning, motivation, and performance monitoring, but on the other hand, it also has the potential to cause stress, perceptions of injustice, and ethical issues. **Conclusion:** This study highlights the increasing importance of SCF in contemporary organizations. Further research is needed to broaden the understanding of digital SCF, particularly regarding ethical governance, individual well-being, and sustainable performance management.

Keywords: Social Comparison Feedback; Digital Transformation; Feedback Systems; Performance Management; Sustainable Digital Governance.

BUSINESS STRATEGY AND COST STICKINESS: THE MODERATING ROLE OF ESG PRACTICES

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ABSTRACT

Introduction/Main Objectives: This study aims to investigate the relationship between business strategy and cost stickiness of Indonesian listed firms. We also test the moderating role of Environmental, Social, and Governance (ESG) practices on the relationship between business strategy and cost stickiness. **Background Problems:** In a competitive world, companies are required to manage costs more efficiently. Previous studies have shown that prospector-oriented companies tend to incur cost stickiness. This study suggests that ESG practices act as a moderator. Based on this issue, we address the following research questions: (i) Do prospector and defender firms exhibit cost stickiness? (ii) Does the degree of cost stickiness differ between the two strategic orientations? (iii) Do ESG practices affect cost stickiness differently across prospector and defender firms? **Novelty:** This study introduces a strategy-contingent perspective on the internal role of ESG practices by integrating business strategy, asymmetric cost behavior, and ESG practices in a single framework. We contribute by revealing that ESG practices can be a sustainability mechanism to discipline strategy-driven cost stickiness. **Research Methods:** This study employs data from listed non-financial companies in Indonesia from 2016 to 2025, obtained from Refinitiv. Cost stickiness is examined separately for prospector and defender firms, with ESG practices included as a moderating variable. **Finding/Results:** This study finds that both prospector and defender firms exhibit cost stickiness. However, the degree of cost stickiness is higher in prospector firms. Interestingly, the moderating effect of ESG practices differs across strategic orientations. ESG practices reduce cost stickiness in prospector firms, whereas they increase cost stickiness among defender firms. **Conclusion:** This study shows that the moderating effect of ESG practices on cost behavior differs across business strategies.

Keywords: Business Strategy; ESG practices; Cost Stickiness

JEL Classification: M41, M14, Q56, G32

WHEN DOES ESG REDUCE TAIL RISK? NATIONAL CULTURE AS A BOUNDARY CONDITION IN THE ASEAN FINANCIAL SECTOR

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ABSTRACT

Introduction/Main Objectives: This study examines whether ESG disclosure reduces tail risk in the Association of Southeast Asian Nations (ASEAN) financial sector, and whether national culture moderates this relationship. Tail risk is decomposed into its systematic and idiosyncratic components, and three of Hofstede's cultural dimensions are tested as moderators. **Background Problems:** ASEAN financial sector face mounting regulatory and investor pressure to adopt ESG disclosure standards, yet the region's institutional and cultural heterogeneity casts doubt on whether a single disclosure framework can produce uniform risk outcomes across member states. Tail risk the exposure to extreme downside losses is the outcome most consequential for financial stability, but its ESG determinants remain underexplored, and most prior studies implicitly treat the ESG and risk relationship as culture-neutral. **Novelty:** The study is among the first to position national culture as an explicit moderating boundary condition of the ESG tail risk relationship within an economically integrated yet culturally diverse emerging region, while simultaneously decomposing tail risk into its systematic and idiosyncratic components an approach that reveals whether ESG protects against market wide or firm specific extreme losses. **Research Methods:** Using 436 firm-year observations from ASEAN financial firms over 2019–2025, tail risk is measured through an expected shortfall approach applied to an augmented market model, ESG performance is drawn from the Thomson Reuters database, and uncertainty avoidance (UAI), long-term orientation (LTO), and power distance (PDI) proxy national culture. The hypotheses are tested using ordinary least squares regressions with year and firm/industry fixed effects and robust and clustered standard errors to address potential endogeneity. **Finding/Results:** ESG performance is positively associated with both systematic and idiosyncratic tail risk, contradicting the conventional risk-mitigation view. This effect is culturally contingent: power distance amplifies the adverse systematic-risk effect, uncertainty avoidance attenuates the effect on both components (the most robust moderator), and long-term orientation attenuates only the idiosyncratic component. **Conclusion:** National culture is a key boundary condition determining whether ESG functions as a substantive risk-governance mechanism or as a largely symbolic, risk-amplifying practice. The findings qualify the stakeholder-based view of ESG, caution regulators against one-size-fits-all ESG mandates, and warn investors against treating high ESG performance as an unconditional signal of lower financial vulnerability in emerging market.

Keywords: ESG Disclosure, Tail Risk, National Culture, ASEAN Financial Sector

JEL Classification: D13, I31, J22, K3

THE ETHICS LABORATORY: TRANSFORMING DIGITAL MARKET FAILURES INTO RISK-BASED GOVERNANCE FOR FUTURE ENTREPRENEURIAL ACCOUNTANTS

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ABSTRACT

Introduction/Main Objectives: Digital marketplaces create entrepreneurial opportunities while simultaneously exposing consumers to ethical risks such as deceptive marketing, manipulated reviews, counterfeit products, and information asymmetry. This study investigates how authentic ethical failures experienced in digital marketplaces contribute to the professional development of future entrepreneurial accountants by proposing the Ethics Laboratory Framework (ELF). **Background Problems:** Existing research has examined experiential learning, consumer behaviour, professional scepticism, and governance separately, providing limited understanding of how authentic marketplace failures shape governance-oriented professional competencies in accounting education. **Novelty:** This study introduces the Ethics Laboratory Framework (ELF), an integrative behavioural learning framework that synthesizes Experiential Learning Theory, Expectation Confirmation Theory, Prospect Theory, Professional Scepticism, Behavioural Decision Making, Governance Theory, and Stewardship Theory to explain how ethical failures foster ethical resilience. **Research Methods:** A descriptive qualitative approach was employed, involving 58 undergraduate accounting students enrolled in a Business Ethics and Professionalism course. Reflective narratives describing authentic marketplace experiences were analysed using systematic qualitative content analysis. **Finding/Results:** Authentic marketplace failures functioned as meaningful learning experiences rather than merely negative consumption outcomes. Expectation violations triggered emotional responses that stimulated reflective learning, strengthened professional scepticism, improved evidence-based risk evaluation, and encouraged governance-oriented actions, including transparent reviews, formal complaints, and whistleblowing. These sequential transformations ultimately fostered ethical resilience and governance-oriented professional identity. **Conclusion:** The findings demonstrate that everyday marketplace experiences can bridge the gap between classroom ethics and professional practice. The proposed ELF extends accounting ethics education by providing an integrated explanation of professional formation and offers a foundation for future empirical validation across broader educational and professional contexts.

Keywords: ethics laboratory, digital marketplace, professional scepticism, risk-oriented learning, entrepreneurial accountant

JEL Classification: D13, I31, J22, K31

FINANCIAL LITERACY EDUCATION IN FAMILY HOMESCHOOLING: THE ROLE OF FINANCIAL SOCIALIZATION

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ABSTRACT

Introduction/Main Objectives: This study aims to explore effective financial literacy learning methods in the practice of families who implement homeschooling. **Background Problems:** the study addresses how homeschooling families develop children's financial literacy without formal financial education curricula and how family interactions shape children's financial behavior. **Novelty:** Financial literacy related studies typically only address in formal education settings, while limited attention is paid to experiential and family-based learning processes. Homeschooling is a relevant context to be researched because it provides autonomy to families in designing the curriculum, so that it has the potential to develop financial literacy learning that is contextual and in accordance with children's needs. **Research Methods:** This study used a qualitative phenomenological approach involving four homeschooling parents, including families who implemented independent homeschooling based on family values and families who followed an institutional homeschooling curriculum. Data were collected through in-depth interviews regarding financial education practices in daily family life and were thematically analyzed. **Finding/Results:** Findings show that financial literacy learning is not done through formal subjects or structured schedules, but through parental examples, habituation, children's involvement in daily activities, and decision-making practices that encourage children to consider benefits and risks before acting. Institution-based home education introduces financial literacy primarily through the introduction of basic money, while families emphasize self-control and responsible financial decision-making as the basis for healthy financial behavior in the digital age. **Conclusion:** Effective financial literacy is influenced by the interaction between children and families related to children's financial management skills. These findings contribute to the accounting education literature by highlighting the importance of family-based and behavioural approaches in developing children's financial abilities.

Keywords: financial literacy, financial socialization, homeschooling, financial behavior, accounting education

JEL Classification: A20, D13, G53, I21

EXPLORING LEARNING EVALUATION NEEDS IN COLLABORATIVE PROJECT-BASED LEARNING FOR VOCATIONAL ACCOUNTING EDUCATION

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ABSTRACT

Introduction/Main Objectives: Objective: Improving the implementation of collaborative and interdisciplinary learning in vocational schools requires an evaluation system capable of measuring not only cognitive achievement but also teamwork, communication, and deep learning competencies. This topic is important because accounting education in vocational schools is expected to prepare students with practical, collaborative, and problem-solving skills relevant to the world of work. **Background Problems:** This study investigates how vocational schools evaluate Project-Based Learning (PjBL) activities in collaborative learning, both among accounting students and among business management majors, and identifies the need for a learning evaluation instrument capable of measuring students' collaborative participation and deep learning achievement in project-based accounting learning. **Novelty:** Previous studies on Project-Based Learning (PjBL) in vocational education have primarily focused on instructional implementation and student learning outcomes. This study addresses the identification of evaluation practices and emerging assessment needs experienced by teachers implementing collaborative Project-Based Learning (PjBL) under the Independent Curriculum. **Research Methods:** This study uses a qualitative exploratory approach using interviews and documentation studies conducted in one vocational school in Malang City and three vocational schools in Malang Regency. Participants included accounting teachers and curriculum coordinators involved in collaborative Project-Based Learning (PjBL) activities. Data were analyzed using thematic analysis to identify patterns of evaluation practices, assessment challenges, and teachers' perspectives on collaborative learning assessment. **Finding/Results:** Evaluation instruments were developed collaboratively by teachers and coordinated through the curriculum division. However, assessment practices remained largely teacher-centered. Some schools used detailed rubrics to assess presentations, product design, financial reporting, and marketing competencies, while others allowed teachers to independently determine assessment approaches. The absence of student peer review limited teachers' ability to assess teamwork and individual participation in collaborative projects. Teachers recognized the importance of peer evaluation to strengthen accountability and ensure comprehensive measurement of in-depth learning outcomes. **Conclusion:** Collaborative Project-Based Learning (PjBL) evaluation in vocational accounting education is still teacher-dominated and therefore requires a more comprehensive evaluation instrument capable of measuring students' collaborative participation and in-depth learning outcomes in interdisciplinary accounting and business management projects.

Keywords: accounting education, collaborative learning, Project Based Learning, Deep Learning, Learning Evaluation

JEL Classification: I21, I23, M41, A22

INTEGRATED DIGITAL TAX PRACTICUM LEARNING KIT FOR ENHANCING ANALYTICAL TAX COMPETENCE: A NEEDS ANALYSIS STUDY

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ABSTRACT

Introduction/Main Objectives: This study examines the need for developing an integrated digital tax practicum learning kit aimed at enhancing students' analytical competence and work readiness. The rapid shift toward automated tax reporting systems has fundamentally redefined professional competency demands, requiring graduates not only to operate digital systems but also to demonstrate precise and comprehensive analytical calculation skills. **Background Problems:** In current practice, tax practicum learning predominantly emphasizes procedural system usage, while students' capacity for detailed tax calculations and analytical reasoning remains limited, resulting in a critical misalignment between learning outcomes and professional competency demands. This condition necessitates the development of a more comprehensive practicum learning design that integrates system-based proficiency with analytical competence. Prior to developing the learning kit, this study conducts a needs analysis to systematically identify competency gaps, learner needs, and instructional requirements as the foundation for design. **Novelty:** This study advances an integrated conceptual framework for a tax practicum learning kit that deliberately combines problem-based learning, system-aligned simulation, and HOTS-based rubric assessment to address the dual demands of automation and analytical reasoning. **Research Methods:** This study adopts a qualitative needs analysis approach to identify discrepancies between current practicum practices and expected competencies. Data were collected through in-depth interviews with key stakeholders, including students, lecturers, and practitioners, supported by observations and document analysis. Participants were purposively selected based on their direct engagement in tax practicum learning and practice. The data were analyzed using thematic analysis to generate insights into competency gaps, priority learning needs, and instructional design specifications. **Finding/Results:** The findings reveal substantial gaps in aligning analytical calculation skills with system-based practices, alongside the absence of structured HOTS-oriented assessment, indicating systemic limitations in current practicum design. **Conclusion:** This study concludes that a rigorously designed tax practicum learning kit integrating problem-based learning, simulation, and HOTS-based assessment is needed to bridge the gap between procedural proficiency and analytical competence. The findings underscore the importance of reconfiguring practicum learning to achieve a balanced integration of digital system proficiency and higher-order analytical competence, thereby strengthening graduates' readiness for contemporary taxation practice.

Keywords: Digital tax practicum, Tax analytical competence, Needs analysis, Problem-based learning, HOTS assessment

JEL Classification: D13, I31, J22, K31

BRIDGING THEORY AND PRACTICE IN INTERNAL AUDITOR PERFORMANCE: THE ROLE OF INTEGRATED GOVERNANCE MECHANISMS—A SYSTEMATIC LITERATURE REVIEW

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ABSTRACT

Introduction/Main Objectives: As digital transformation reshapes organizational governance and operational complexity increases, internal auditors are expected to play an expanded role in enhancing accountability, strengthening risk oversight, and supporting sustainable governance through technology-enabled audit practices. However, previous studies on internal auditor performance remain fragmented, with governance-related factors often examined in isolation. The objectives of this study are: 1) to systematically review factors affecting internal auditors' performance; 2) to provide integrated governance framework to increase internal auditors' performance. **Background Problems and Novelty:** Existing research provides only a partial and fragmented understanding of how governance mechanisms and performance drivers interact, as prior studies predominantly examine structural, behavioral, and technological factors in isolation. This limitation has contributed to a persistent gap between theoretical perspectives and professional internal auditing practice. Addressing this gap, this study systematically synthesizes the literature to develop an integrated governance framework that explicates the interdependencies among governance structures, auditor competencies, organizational support, and digital audit capabilities. By bridging institutional and agency perspectives, the proposed framework offers a reconceptualization of internal auditor performance as a multidimensional and interaction-driven construct, thereby advancing both theoretical integration and practical relevance in the digital era. **Research methods:** This study applies a systematic literature review (SLR) approach to 35 empirical studies published between 1994 and 2024. The studies were systematically coded, classified according to determinants of internal auditor performance, and mapped to the professional practice by the Institute of Internal Auditors (IIA) framework. **Finding/Results:** The findings indicate that the literature on internal auditor performance is largely grounded in institutional and agency theories, which generally examine governance mechanisms separately. Using the Institute of Internal Auditors (IIA) framework, this review identifies a gap between theory and practice, showing that effective internal auditor performance management depends on the interaction among governance structures, professional competencies, organizational support, technology utilization, and continuous improvement mechanisms rather than on isolated governance factors. **Conclusion:** Internal auditor performance should be understood as an integrated governance capability that requires alignment among governance structures, auditor competencies, organizational support, and technology-enabled practices.

Keywords: Internal Auditor Performance; Integrated Governance; Digital Governance; Performance Management; Governance Mechanisms

JEL Classification: M42, M10, D23, O33

CORPORATE GOVERNANCE, AUDIT QUALITY, AND AUDIT DELAY: EVIDENCE FROM INDONESIA

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ABSTRACT

Timeliness in financial reporting is essential for maintaining transparency and supporting investor decision-making. However, audit delay remains a common issue among public companies, particularly in emerging markets. This study examines the influence of firm size, profitability, solvency, audit firm reputation, and audit committee characteristics on audit delay in consumer cyclical companies listed on the Indonesia Stock Exchange (IDX). Although prior studies have explored the determinants of audit delay, empirical findings remain inconsistent, particularly regarding the role of governance mechanisms and auditor reputation. The study employed a purposive sampling method, obtaining a sample of 36 companies with 180 observations during the 2020–2024 period. Data were analyzed using multiple linear regression, supported by classical assumption tests, t-tests, and the coefficient of determination (R^2). The findings reveal that firm size and audit committee characteristics negatively affect audit delay, indicating that larger firms and stronger governance mechanisms contribute to faster audit completion and more timely financial reporting. In contrast, profitability, solvency, and audit firm reputation do not significantly influence audit delay. These results suggest that compliance with financial reporting regulations and standardized auditing procedures reduces the influence of financial conditions and auditor reputation on reporting timeliness. Furthermore, the findings highlight that internal governance quality plays a more substantial role in minimizing audit delay than financial performance indicators. This study concludes that effective corporate governance, particularly through the role of the audit committee, is crucial for reducing audit delay and improving reporting timeliness. The findings also provide practical implications for companies and regulators in strengthening governance oversight to support transparent financial reporting.

Keywords: Audit Delay, Firm Size, Profitability, Solvency, Audit Firm Reputation, Audit Committee

JEL Classification: M42, G34, L25, M41

PROJECT-BASED LEARNING WITH REAL CORPORATE CASES IN ADVANCED FINANCIAL ACCOUNTING: STUDENT ENGAGEMENT, PERCEIVED RELEVANCE, AND PROFESSIONAL READINESS

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ABSTRACT

Introduction/Main Objectives: This paper examines how Project-Based Learning (PjBL) using real Indonesian corporate merger and acquisition cases affects student outcomes in Advanced Financial Accounting (AKL) at the undergraduate level. As the field of accounting education increasingly requires graduates capable of merging technical skills with real-world professional practice, PjBL presents a promising yet largely unexamined pedagogical strategy for advanced accounting courses. **Background Problems:** Current research on PjBL in accounting predominantly examines introductory courses and primarily assesses cognitive outcomes, leaving a gap in understanding how students perceive the quality of PjBL implementation in relation to engagement, relevance, and professional preparedness within advanced-level contexts. This study asks: does perceived PjBL implementation quality — across case authenticity, sustained inquiry, collaboration quality, and instructor feedback — significantly predict student engagement, perceived relevance, and professional readiness in Advanced Financial Accounting?. **Novelty:** This research is one of the initial studies to consider perceived PjBL implementation quality as a multi-faceted independent variable anticipating three concurrent student outcome constructs in an advanced financial accounting class. No previous research has explored this with actual Indonesian merger cases under an IDX-based PSAK framework, nor assessed implementation quality as a continuous variable instead of a binary treatment. **Research Methods:** A quantitative survey approach using purposive sampling was utilized. Participants are undergraduate accounting students who engaged in a structured PjBL project focused on business combination and consolidation scenarios sourced from actual merger transactions on the Indonesia Stock Exchange. The independent variable — perceived quality of PjBL implementation — is defined through four dimensions: authenticity of the case, ongoing inquiry, quality of collaboration, and feedback from the instructor. Three dependent variables — student involvement, perceived significance, and career preparedness — were assessed using validated Likert-scale tools. Three distinct equations were employed in multiple regression analysis to evaluate each hypothesis. **Finding/Results:** Perceived PjBL implementation quality positively and significantly predicts all three student outcome variables, with case authenticity and instructor feedback as the most influential dimensions. These results confirm that how students experience PjBL quality — not merely its presence — is a critical driver of meaningful learning outcomes in advanced accounting courses. **Conclusion:** High-quality PjBL using authentic corporate cases is an effective pedagogical innovation in Advanced Financial Accounting. Accounting educators should prioritise case authenticity and rich instructor feedback when designing project experiences, as these dimensions most strongly support student engagement, perceived relevance, and professional readiness among undergraduate accounting students.

Keywords: Project-Based Learning, Advanced Financial Accounting, Student Engagement, Perceived Relevance, Professional Readiness, Accounting Education

JEL Classification: A22, M41.

GENERATIVE AI IN CRITICAL ACCOUNTING WORKFLOWS: ADDRESSING THE REVIEWABILITY BOTTLENECK THROUGH A NEURO-SYMBOLIC FRAMEWORK

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ABSTRACT

Introduction/Main Objectives: Generative AI can read flexible natural-language information and assist critical accounting work involving interpretation and calculation. Accountants remain responsible for reviewing results. This study asks how a neuro-symbolic framework can support structured review and show how accountant corrections change later calculations and results. **Background Problems:** Generative AI can provide explanations and accept corrections, but no fixed structure ensures that generated explanations contain every fact, rule, calculation, assumption, and intermediate connection represented in an answer. Reconstructing missing connections across multi-step work creates a reviewability bottleneck. **Novelty:** The framework turns generative AI's proposed interpretation into inspectable questions, facts with system-assigned source labels, and rules. A separate rule-based layer applies the checked representation and records an execution-derived trace rather than treating a generated explanation as the executed basis of the answer. **Research Methods:** The study develops the framework conceptually and examines functional feasibility through an implemented prototype demonstration. The accountant supplied a question and preliminary consolidation facts without calculation rules. A first generative stage proposed the missing relationships and source labels. Automated checks confirmed the required form before rule-based processing. A second generative stage converted every recorded step into natural language. The paraphraser returned one row for each recorded step, and the system put the rows back in the recorded order before the Question, Process, and Answer interface was assembled. **Finding/Results:** The initial run proposed four rules and produced adjusted consolidated profit of 900,000 IDR, a non-controlling interest percentage of 20 percent, and a non-controlling interest amount of 180,000 IDR. One Edit submission replaced two preliminary facts with finalized information and changed the related adjusted-profit rule from subtraction to addition. The regenerated representation and trace produced 1,040,000 IDR, 25 percent, and 260,000 IDR. **Conclusion:** The demonstration shows the functional feasibility of the proposed review and correction workflow in the illustrated case. The framework exposes proposed review objects and records their separate rule-based application. A participant study with accountants should evaluate effects on understanding, review time, reliance, and decision quality.

Keywords: generative AI, critical accounting workflows, reviewability, neuro-symbolic framework, accounting information systems

JEL Classification: M15, M41

INTEGRATING THE THEORY OF PLANNED BEHAVIOR AND THE FRAUD HEXAGON IN TRIGGERING FRAUD IN HOSPITALS

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ABSTRACT

Fraud remains one of the most persistent threats to organizational value, and asset misappropriation is consistently its most common form worldwide. The healthcare sector is particularly exposed to this risk because of the layered relationships among government, hospitals, and patients, which create multiple points where resources can be diverted. Cases of fictitious claims and diagnosis manipulation under Indonesia's National Health Insurance program illustrate how this vulnerability translates into real losses, making hospitals a relevant setting to study fraud intention. Prior research has explained fraud mainly through two separate streams: fraud theories, which evolved from the Fraud Triangle into the six-factor Fraud Hexagon (pressure, opportunity, rationalization, capability, ego, and collusion), and behavioral theories such as the Theory of Planned Behavior (TPB), which explains intention through attitude, subjective norm, and perceived behavioral control. Studies integrating fraud theory with TPB exist, but they have so far combined TPB only with the earlier Triangle or Pentagon models, leaving the interaction between TPB and the more comprehensive Fraud Hexagon determinants largely unexamined, particularly in the context of hospital asset misappropriation. This paper addresses that gap by asking how the TPB constructs interact with the six Fraud Hexagon determinants in triggering fraud in hospitals. Using a systematic literature review of primary studies from reputable international journals, this paper synthesizes the fraud theory and TPB literature to build an integrated conceptual framework and to develop six propositions linking pressure, opportunity, rationalization, capability, ego, and collusion to the intention to misappropriate hospital assets through the three TPB pathways. The review indicates that pressure and collusion align with subjective norm, rationalization and ego align with attitude toward behavior, and opportunity and capability align with perceived behavioral control. The paper concludes that combining the Fraud Hexagon with TPB offers a more complete explanation of fraud intention than either framework alone and provides a conceptual basis for future empirical testing in the hospital setting.

Keywords: fraud hexagon theory, theory of planned behavior, asset misappropriation, hospital fraud, systematic literature review

JEL Classification: G34, I11, K42, M42

MISSION UNDER PRESSURE: HOW A CHRISTIAN UNIVERSITY INTEGRATES DIGITAL TRANSFORMATION WITH RELIGIOUS-PEDAGOGICAL IDENTITY

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ABSTRACT

Christian universities operate under multiple competing institutional logics—religious-pedagogical, academic, market, and digital—making them a theoretically privileged setting for studying how mission-driven organizations navigate technological disruption without eroding the identity that legitimizes their existence. Digital transformation leadership scholarship, however, is dominated by secular, Anglo-American contexts, treats identity as a soft variable subordinate to strategy and capability, and offers limited resources for institutions whose value proposition rests on a religiously grounded mission. This gap is consequential for the growing population of religiously affiliated private universities, particularly in the Global South, that confront this tension daily as generative artificial intelligence intensifies pressure on curricula, assessment, and academic integrity. This conceptual paper asks how Christian university leaders reconcile religious institutional logic with the global digital logic embedded in contemporary higher-education technologies, and which leadership practices produce sustainable integration rather than mission drift or technological rejection. No prior study has combined institutional logics theory, value-aligned leadership scholarship, and Christian higher-education research into a single testable framework, leaving mission-driven institutions without theoretically grounded guidance for this specific tension. To address this gap, the paper synthesizes these three streams and develops a three-level conceptual model in which leadership integration—operationalized through leadership philosophy, decision practice, governance structure, and communication—is the antecedent, organizational-cultural transformation the mediator, and transformation effectiveness the outcome. Three propositions are advanced for future empirical testing, and a staged empirical program is proposed, beginning with a single-institution embedded case study and extending to multi-institution quantitative testing using partial least squares structural equation modeling. The model repositions religious-pedagogical identity as a strategic resource rather than a constraint, and reframes transformation effectiveness from technology procurement to leadership capability. The paper's central implication is that mission-driven universities can pursue digital transformation without sacrificing the identity that distinguishes them, provided leadership treats integration as a deliberate design problem rather than a byproduct of adoption.

Keywords: Christian higher education; digital transformation leadership; institutional logics; mission integration; religious-pedagogical identity

JEL Classification: M14; I23; Z12

BREAKING THROUGH THE MARKET CLUTTER: EXAMINING THE 7PS PATHWAY TO BRAND LOYALTY FOR KOPI GOOD DAY

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ABSTRACT

Introduction/Main Objectives: The Indonesian instant coffee market has grown increasingly competitive, pushing brands to strengthen consumer-based brand equity (CBBE) and customer loyalty through effective marketing strategies. This study examines how consumers' perceptions of the extended 7Ps marketing mix of Kopi Good Day, a leading homegrown instant coffee brand, translate into brand loyalty. **Background Problems:** Although Kopi Good Day remains the category leader, its Top Brand Index has declined amid intensifying competition, raising the question of how perceptions of the 7Ps marketing mix influence brand loyalty through CBBE, consumption satisfaction, and consumer ethnocentrism. **Novelty:** This study integrates Stimulus–Organism–Response (SOR) theory, Expectation Confirmation Theory (ECT), and Social Identity Theory (SIT) by simultaneously testing the full extended 7Ps as antecedents of a secondorder CBBE construct, with consumer ethnocentrism as a moderator, in the under-researched context of domestic FMCG branding in Indonesia. **Research Methods:** A quantitative cross-sectional survey was employed. Primary data were collected through an online questionnaire from Indonesian consumers aged 18–35 who had consumed Kopi Good Day within the last month. Using purposive sampling, 471 valid responses were analyzed with Partial Least Squares Structural Equation Modeling (PLS-SEM). **Finding/Results:** Ten of thirteen hypotheses were supported: Product, Price, Promotion, People, Process, and Physical Evidence significantly and positively influence CBBE (Place does not), and CBBE positively affects Consumption Satisfaction, which in turn drives Brand Loyalty. Consumer ethnocentrism positively affects satisfaction and loyalty directly, yet its moderating effects on both downstream links are significant but negative. **Conclusion:** The integrated model robustly explains brand loyalty formation for a homegrown FMCG brand. Kopi Good Day should prioritize physical evidence (packaging), product quality and variety, and process convenience, while leveraging—but not over-relying on—its Indonesian identity, since highly ethnocentric consumers remain loyal regardless of incremental gains in brand equity and satisfaction.

Keywords: 7Ps marketing mix, consumer-based brand equity, consumption satisfaction, brand loyalty, consumer ethnocentrism

JEL Classification: M31, M37, L66, D12

DETERMINANTS OF BRAND VISIBILITY IN MARKETPLACE-BASED STUDENT STARTUPS: THE ROLE OF AI-ASSISTED CONTENT AND PRODUCT TRAFFIC

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ABSTRACT

Artificial intelligence (AI) has become an increasingly important tool for student startups in developing marketing activities within digital marketplace environments. AI enables startups to optimise keywords, enhance product visuals, and generate promotional content more efficiently. However, despite the growing adoption of AI, many student startups continue to experience difficulties in increasing Product Traffic and Brand Visibility, raising the question of which forms of AI-assisted content are most effective in generating market responses and whether AI Marketing Capability strengthens these relationships. Existing studies have largely treated AI-assisted content as a single construct, providing limited understanding of the relative effectiveness of different AI-assisted marketing signals. To address this gap, this study introduces two novel concepts: the Hierarchy of AI Marketing Signals, which explains that AI-assisted marketing signals differ in their effectiveness in shaping market responses, and Selective Dynamic Marketing Capability, which proposes that AI marketing capability selectively reinforces the most influential marketing signals rather than all AI-assisted content equally. A quantitative survey was conducted among 305 student startups affiliated with 14 universities across Indonesia, and the data were analysed using Structural Equation Modelling (SEM-AMOS). The results indicate that AI-assisted Visual Quality and AI-driven Promotion Content have significant positive effects on Product Traffic, whereas AI-generated Keyword Optimization does not significantly influence Product Traffic. Product Traffic, in turn, has a significant positive effect on Brand Visibility. Furthermore, AI Marketing Capability strengthens the effects of AI-assisted Visual Quality and AI-driven Promotion Content on Product Traffic but does not strengthen the relationship between AI-generated Keyword Optimization and Product Traffic. These results onstrate that AI-assisted marketing signals differ in their ability to generate market responses, with visual-based signals proving the most effective. The study extends Signaling Theory and Dynamic Marketing Capability Theory by explaining how different AI-assisted marketing signals create marketplace responses and how AI Marketing Capability selectively reinforces their effectiveness. The findings also provide practical guidance for universities, business incubators, and student startups in prioritising AI-based strategic marketing capabilities to improve marketplace performance and strengthen sustainable Brand Visibility.

Keywords: AI-assisted content; AI Marketing Capability; Product Traffic; Brand Visibility; Signaling theory

JEL Classification: M31; L26; O33

WHAT DRIVES SUSTAINABLE PURCHASE INTENTIONS? EVIDENCE FROM A MODERATED SERIAL MEDITATION AND NECESSARY CONDITION ANALYSIS OF INFLUENCER MARKETING

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ABSTRACT

Purpose – The current study the impact of influencer credibility on sustainable purchase intention, considering the mediating effects of perceived authenticity and digital engagement, as well as the moderating role of influencer sustainability expertise. Despite the growing use of influencer marketing to promote sustainable consumption, consumer skepticism regarding sustainability claims persists.

Design/methodology/approach – Data were collected from 411 respondents. Hierarchical multiple regression, Hayes' PROCESS Macro (SPSS 27.0), Structural Equation Modeling (AMOS 28.0), and Necessary Condition Analysis (NCA) were employed to examine the proposed relationships. Findings – Influencer credibility positively affects sustainable purchase intention through the sequential mediating roles of perceived authenticity and digital engagement. Influencer sustainability expertise strengthens the relationship between credibility and perceived authenticity. NCA further identifies credibility, authenticity, and engagement as necessary conditions for achieving high sustainable purchase intention.

Research limitations/implications – This study extends Signaling Theory by explaining how credibility signals are transformed into sustainable purchase intention through sequential psychological mechanisms. However, the findings are based on cross-sectional survey data, limiting causal inference. **Practical implications** – The findings provide guidance for organizations in selecting influencers based on credibility, authenticity, audience engagement, and sustainability expertise rather than follower size alone to enhance the effectiveness of sustainability communication.

Keywords: Influencer credibility, perceived authenticity, digital engagement, influencer sustainability expertise, sustainable purchase intention.

FROM NATIONAL GENEROSITY TO GLOBAL ECONOMIC CONTRIBUTION: HOW INDONESIA'S HIGH WORLD GIVING INDEX TRANSLATES INTO INTERNATIONAL HUMANITARIAN SUPPORT THROUGH DIGITAL PHILANTHROPY

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ABSTRACT

Introduction/Main Objectives: Due to its great generosity culture, Indonesia has led the World Giving Index for seven consecutive years (2018 - 2024). This study examines how Indonesia's culture of giving and the growth of digital philanthropy, through online donation platforms and cross-border fundraising, contribute to global economic resilience and international humanitarian aid. **Background problems:** The advancement of digital transformation has reshaped the way the public engages in philanthropic activities, including charitable giving through online and digital platforms. However, it remains unclear how Indonesia's high World Giving Index and the growing use of online philanthropy by the Indonesian public contribute as an economic mechanism to support humanitarian assistance for nations in need. **Novelty:** Previous studies generally discuss philanthropy as a domestic social activity. However, limited research has explored how Indonesia's high World Giving Index, supported by the growth of digital philanthropy, contributes to international humanitarian assistance and broader global economic impact. **Research Methods:** This study employs a qualitative systematic literature review (SLR) using content analysis. Secondary data were sourced from Scopus, Web of Science, and Google Scholar using keywords such as "World Giving Index," "digital philanthropy," and "international humanitarian support" to thematically map the transitional mechanisms of cross-border aid. **Finding/Results:** This study demonstrates that Indonesia's high World Giving Index positively contributes to international economic contribution and humanitarian assistance through the accessibility of digital technology. Furthermore, digital philanthropy plays a significant role in strengthening socio-economic resilience by encouraging broader public participation and improving accessibility to charitable activities. Therefore, Indonesia's high World Giving Index not only reflects strong philanthropic behaviour among its people but also highlights the country's potential to support economic growth in nations in need. **Conclusion:** Indonesia's strong domestic philanthropic culture effectively scales into international humanitarian support and global economic contributions when catalyzed by digital platforms. To sustain this broad socio-economic impact, policymakers and humanitarian organizations must optimize transparent cross-border digital donation frameworks.

Keywords: World Giving Index, Digital Philanthropy, International Humanitarian Support, Socio-economic resilience.

JEL classification: D64, L86, O10, O35, Q01

DIGITIZING ORGANIC AGRICULTURE: ACCELERATING WELFARE AND GREEN JOB ENTREPRENEURSHIP IN BALI PROVINCE

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ABSTRACT

Introduction/Main Objectives: The transition toward a sustainable green economy positions organic farming as a strategic component of the green jobs framework. This paper evaluates the socio-economic impact of green job participation, specifically examining whether transitioning to organic farming increases the probability of achieving higher household welfare in Bali Province. **Background Problems:** Despite the formalization of Bali's "Organic Island" vision, organic agriculture faces structural challenges such as high initial capital requirements and limited market absorption. The main research question is: Does participation in green jobs organic farming significantly enhance a farmer's probability of achieving higher income security compared to conventional farming? **Novelty:** Previous literature often overlooks the capital bias in organic agriculture, where perceived welfare gains might simply reflect the farmers' pre-existing wealth or large-scale entrepreneurship rather than the farming method itself. This study fills this gap by employing a rigorous quasi-experimental design to eliminate selection bias and isolate the true causal effect of green job adoption on farmer welfare. **Research Methods:** This study utilized a quantitative approach, surveying 160 valid respondents comprising organic farmers (treatment group) and conventional farmers (control group) across central agricultural regencies in Bali. Data were analyzed using Propensity Score Matching (PSM) to tightly balance covariates such as land ownership, productive assets, and demographics, ensuring a highly accurate and unbiased comparison. **Finding/Results:** Causal analysis indicates that green job involvement significantly increases the probability of achieving higher welfare. The Average Treatment Effect (ATE) shows that organic farming enhances probability of achieving higher household income by 0.39 points compared to perfectly matched conventional farmers. **Conclusion:** Transitioning to organic farming provides a significant foundation for higher income security, empirically proving that welfare improvements stem from the green job intervention itself, not preexisting capital advantages. The main take-home message is that while organic farming offers proven welfare opportunities, sustaining these benefits requires complementary integration with sustainable entrepreneurship to overcome inherent market limitations.

Keywords: Green Jobs; Organic Farming; Farmer Welfare; Propensity Score

JEL Classification: D31, I31, J43, Q01

ASSESSING THE READINESS OF LUMBUNG MATARAMAN TO SUPPORT INDONESIA'S FREE NUTRITIOUS MEAL PROGRAM IN BANTUL, YOGYAKARTA

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ABSTRACT

This study aims to comparatively analyze the readiness of Lumbung Mataraman in Kalurahan Wukirsari, a pilot project site, and Kalurahan Sriharjo, a non-pilot project site, to become raw material suppliers for the Free Nutritious Meals Program (Program Makan Bergizi Gratis/MBG) through Nutrition Fulfillment Service Units (Satuan Pelayanan Pemenuhan Gizi/SPPG) in Bantul Regency, Special Region of Yogyakarta. Lumbung Mataraman is a community-based food security initiative with potential to support local food supply chains. However, limited studies have examined the organizational readiness of Lumbung Mataraman in supporting MBG implementation, particularly through a comparative analysis of different implementation contexts. This study employs a descriptive qualitative approach with a comparative case study design. Data were collected through in-depth interviews with key informants, including farmers, Women Farmer Groups (Kelompok Wanita Tani/KWT), Lumbung Mataraman managers, and relevant government institutions, complemented by field observations and document analysis. The analysis applies the Organizational Readiness for Change framework, focusing on two dimensions: change commitment and change efficacy, supported by an assessment of food security dimensions, including availability, access, utilization, and stability. The findings indicate that Kalurahan Wukirsari demonstrates a higher level of readiness to support SPPG as a raw material supplier. This readiness is reflected in stronger organizational commitment, standardized production systems, effective resource utilization, quality control mechanisms, and supply continuity supported by partnership arrangements. Meanwhile, Kalurahan Sriharjo demonstrates strengths in innovation and institutional capacity through local food product development, broader involvement of village institutions, and collaborative funding management. However, Sriharjo still faces challenges related to production stability, technological support, and distribution coordination. This study concludes that both Kalurahan possess different advantages in strengthening Lumbung Mataraman's role in supporting MBG implementation. Wukirsari demonstrates stronger operational readiness as an SPPG supplier, while Sriharjo has institutional and innovation potential that can be further developed. Strengthening organizational capacity, inter-institutional collaboration, and sustainable supply management are essential to enhance the contribution of Lumbung Mataraman as a local food provider for the MBG program.

Keywords: Lumbung Mataraman, Free Nutritious Meal Program (MBG), comparative study, pilot project, local food security.

JEL Classification: Q18, H75, R58.

THE EFFECT OF CONVERSION FROM KEROSENE TO LPG FUEL AND ITS IMPACT ON WELFARE WHEN CLOSED SUBSIDY IS IMPLEMENTED

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ABSTRACT

The 3kg LPG subsidy in Indonesia imposes a heavy and growing fiscal burden on the state budget (APBN). In response, the government plans to implement a fundamental shift towards a closed and targeted subsidy system to improve efficiency. This study argues that robust impact assessment and simulation are prerequisites for sound policy design. This study use Difference-in-Differences (DiD) analysis to evaluate the causal impact of past price changes and an Almost Ideal Demand System (AIDS) model to simulate household responses to the new targeted scheme. This study finds that while energy conversion policies can reduce aggregate energy poverty, they do not directly impact welfare. The transition to targeted subsidies requires careful design, as the AIDS simulations indicate a potential increase in the Gini ratio, burdening low- and middle-income households. The study concludes that mitigating these adverse distributional impacts through complementary social protection is crucial for the reform's success and social acceptance.

BLENDED FINANCE FOR DE-RISKING WASTE-TO-ENERGY PROJECTS: A MULTI-STAKEHOLDER INVESTMENT FRAMEWORK FOR SUSTAINABLE MUNICIPAL WASTE SYSTEMS

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ABSTRACT

This study examines the financial viability of waste-to-energy (WtE) infrastructure projects in Indonesia using a blended financing framework. To do this, the study distinguishes between the financing and funding dimensions of project development. Financing refers to the upfront capital needed to build infrastructure assets. On the other hand, funding refers to the long-term revenue and payment mechanisms required to recover investments and sustain operations. Using a mixed-method approach, this study combines qualitative stakeholder analysis with spreadsheet-based financial modeling and Monte Carlo simulations. The findings indicate that the main challenge for waste-to-energy development in Indonesia is not just technological, but also financial and institutional. Specifically, project feasibility depends on how well technology selection, capital structure, public support, tipping fee commitments, and electricity sales are aligned. The case study of the DKI Jakarta Waste to Energy Project shows positive feasibility indicators under a blended finance and public support structure. These indicators include a positive Net Present Value (NPV), an Internal Rate of Return (IRR) above the Weighted Average Cost of Capital (WACC), a Debt Service Coverage Ratio (DSCR) above the benchmark, and a Benefit-Cost Ratio (BCR) greater than one. In conclusion, the study suggests that waste-to-energy should be treated primarily as public service infrastructure for urban waste treatment, rather than just a renewable energy project. Therefore, government policy should shift from technology-driven acceleration toward bankability-driven and fiscally disciplined project preparation.

Keywords: waste-to-energy; Waste to Energy Project; infrastructure finance; public-private partnership; blended finance; project bankability; Indonesia

GREEN FINANCE, CIRCULAR ECONOMY, AND ENVIRONMENTAL QUALITY: A DYNAMIC PANEL ANALYSIS WITH INTERREGIONAL SPILLOVER EFFECT

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ABSTRACT

Introduction/Main Objectives: Green finance has become an important instrument for sustainable development by directing financial resources toward environmentally responsible activities. However, its effectiveness in improving environmental quality remains debated because financial support does not always produce immediate environmental outcomes. **Background Problems:** The relationship between green finance and environmental quality may depend on how financial resources are transformed into sustainable economic activities. Therefore, this research examines the role of green finance in improving environmental quality, the mediating role of circular economy, and the existence of spatial spillover effects across regions. **Novelty:** This research extends previous studies by integrating green finance, circular economy, and spatial interdependence within a dynamic spatial panel framework. Unlike previous research that mainly focuses on direct effects, the analysis considers circular economy as a transmission mechanism and incorporates regional economic linkages through an Inter-Regional Input-Output (IRIO)-based spatial weight matrix. **Research Methods:** Using secondary panel data from 34 provinces in Indonesia during 2020-2024, the research applies a dynamic spatial panel model estimated through the Spatially Corrected Blundell-Bond (SCBB) approach. **Finding/Results:** The results indicate that green finance does not directly improve environmental quality in the short term but significantly promotes circular economy implementation. Circular economy subsequently enhances environmental quality and mediates the relationship between green finance and environmental outcomes, with stronger effects in the long run. The findings also confirm positive spatial spillover effects among economically connected regions. **Conclusion:** The study concludes that the environmental benefits of green finance depend on the integration of financial support, circular economy transformation, and regional cooperation. These findings highlight the importance of aligning green finance policies with circular economy strategies to achieve sustainable environmental outcomes.

Keywords: Green Finance, Circular Economy, Environmental Quality, Spatial Spillover Effect, Sustainable Development

JEL Classification: Q56, G21, C33, R12, O44

FROM BI-RATE TO GREEN LENDING: THE INTERACTION OF MONETARY POLICY, DIGITAL PAYMENT, AND SUSTAINABLE FINANCE IN INDONESIA

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ABSTRACT

This paper examines how monetary policy and banking digitalization are associated with the development of green financing in Indonesia's banking sector. The study was originally proposed as an annual ordinary least squares (OLS) regression covering 2010-2025, but the Financial Services Authority (Otoritas Jasa Keuangan, OJK) publishes disaggregated Sustainable Financing (Kredit Usaha Berkelanjutan Lingkungan, KUBL) statistics only from 2019 onward. With only six annual observations, a multi-variable OLS specification would be statistically indefensible — estimates would carry more parameters than degrees of freedom allow for reliable inference. The research design was therefore reconstructed into a quantitative descriptive-policy framework combining trend analysis, descriptive statistics, Pearson and Spearman correlation analysis, and qualitative policy analysis, using official data from Bank Indonesia (BI), OJK, and Badan Pusat Statistik (BPS) for 2019-2024. Green financing outstanding grew more than fourfold, from Rp705.2 trillion in 2019 to Rp2,047.4 trillion in 2024, although year-on-year growth decelerated steadily from 80.0% in 2020 to 6.9% in 2024. Correlation results show no statistically significant association between the BI Rate and green financing (Pearson $r = 0.134$, $p = 0.801$), a pattern consistent with the bank lending channel operating with a lag and being dominated, in this period, by regulatory push rather than price-of-credit effects. Digital payment infrastructure could not be quantified from the uploaded datasets and is instead discussed qualitatively through Bank Indonesia's Blueprint Sistem Pembayaran Indonesia 2030. The paper argues that Indonesia's green financing expansion during 2019-2024 is better explained by taxonomy standardization (Taksonomi Hijau Indonesia, 2022) and supervisory roadmapping (Roadmap Keuangan Berkelanjutan Tahap II) than by conventional interest-rate transmission, and it discusses the implications of this for monetary–macroprudential policy coordination. The paper makes no causal claims; its contribution is a transparent, non-fabricated, policy-oriented reading of a short but consistently sourced dataset.

Keywords: green financing; monetary policy; BI Rate; digital banking; sustainable finance; Indonesia

JEL Classification: E43, E52, G21, O33, Q56

SHORT-RUN PAIN, LONG-RUN GAIN? THE IMPACT OF RENEWABLE ENERGY ON ECONOMIC GROWTH IN DEVELOPING COUNTRIES

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ABSTRACT

Introduction/Main Objectives: The transition from fossil-based energy systems to renewable energy has become a central policy issue for developing countries seeking to achieve sustainable economic growth while maintaining energy security. However, the economic consequences of this transition remain debated, particularly regarding the differing short-run and long-run effects of renewable energy adoption. **Background Problems:** Despite increasing investments in renewable energy, it remains unclear whether renewable energy contributes to economic growth in developing countries and how its effects compare with those of natural resource rents and fossil-based electricity generation. **Novelty:** This study contributes to the literature by simultaneously investigating the long-run and short-run effects of natural resource rents, fossil-based electricity generation, and renewable energy on economic growth within a unified Panel ARDL framework. Unlike many previous studies that focus solely on renewable energy or a single energy source, this research captures the dynamic adjustment process and distinguishes between temporary transition costs and long-term economic benefits in developing countries. **Research Methods:** This study employs the Panel Autoregressive Distributed Lag (Panel ARDL) model using the Pooled Mean Group (PMG) estimator. The dataset consists of annual observations from 13 developing countries covering the period 1985–2021. The PMG approach is used to estimate both short-run and long-run relationships while allowing for heterogeneous short-run dynamics across countries. **Finding/Results:** The results indicate the existence of a stable long-run equilibrium relationship, as shown by the negative and statistically significant error-correction coefficient (-0.0803). In the long run, renewable energy has a positive and significant effect on economic growth, where a 1% increase in the share of renewable energy increases GDP by approximately 0.243%. In contrast, electricity generated from natural resources, corruption, and fiscal rules do not significantly affect GDP in the long run. In the short run, renewable energy exerts a negative and significant effect, suggesting the presence of transition and adjustment costs before long-term benefits emerge. The remaining variables are statistically insignificant in the short run. **Conclusion:** The findings support the “short-run pain, long-run gain” hypothesis of energy transition. The Renewable energy may impose temporary economic costs but contributes positively to long-run economic growth. Policymakers should therefore sustain renewable energy investments while minimizing short-term adjustment costs.

Keywords: renewable energy, economic growth, natural resource rents, Panel ARDL, developing countries, energy transition.

JEL Classification: O44, Q42, Q4

POTENTIAL AND OPPORTUNITIES OF MUSLIMAH MAHASANTRIPRENEURS IN STRENGTHENING THE HALAL VALUE CHAIN AT THE PESANTREN TAKHASSUS (ISLAMIC BOARDING SCHOOL) OF INSTITUTE FOR QURANIC STUDIES (IIQ) JAKARTA

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ABSTRACT

The development of the halal industry in Indonesia has created broader opportunities for Islamic boarding schools to participate in strengthening the halal economic ecosystem. In this context, pesantren are no longer positioned solely as religious educational institutions, but also as centers for empowering santri-based economic activities. This study aims to analyze the potential and opportunities of Muslimah mahasantripreneurs in strengthening the halal value chain at the Takhassus Islamic Boarding School of Institut Ilmu Al-Qur'an (IIQ) Jakarta. The research focuses on the role of Muslimah students in developing halal-based entrepreneurship through innovation, digitalization, and Islamic economic empowerment within the pesantren environment. The background of this study arises from the limited optimization of Muslimah mahasantri participation in the halal industry ecosystem, despite their strategic potential in supporting halal production, halal branding, halal marketing, and sharia-based business development. In practice, entrepreneurial activities among mahasantri are still constrained by limited business capacity, market access, digital literacy, and institutional support. Consequently, the halal value chain within pesantren has not yet developed systematically and sustainably. The novelty of this research lies in the integration of the concepts of Muslimah mahasantripreneurship, halal value chain, and pesantren economic transformation within the framework of Islamic economic empowerment. Previous studies generally focused on santripreneurship or halal industry development separately, while this study specifically examines the strategic role of Muslimah mahasantri in strengthening halal economic networks in pesantren-based institutions. This research employs a qualitative method with a case study approach. Data were collected through in-depth interviews, observations, and documentation involving pesantren administrators, Muslimah mahasantri, and halal business actors within the pesantren environment. The data were analyzed using descriptive-analytical techniques through data reduction, categorization, interpretation, and conclusion drawing. The findings indicate that Muslimah mahasantripreneurs possess significant potential in strengthening the halal value chain through halal product development, digital entrepreneurship, Islamic business networking, and halal lifestyle campaigns. The pesantren also plays an important role as a facilitator of entrepreneurial education, religious values internalization, and halal business incubation. However, strengthening institutional collaboration, digital business training, halal certification assistance, and sustainable business mentoring remains necessary. In conclusion, Muslimah mahasantripreneurs at Pesantren Takhassus IIQ Jakarta represent a strategic force in supporting pesantren economic transformation and strengthening the halal industry ecosystem in Indonesia.

Keywords: muslimah mahasantripreneur, halal value chain, halal industry, pesantren,

JEL Classification: D13, I31, J22, K31

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