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OLIGARCHIC REPUBLIC

Indonesia Economic Inequality 2026

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Indonesia Economic Inequality 2026

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Statement of Independence and Conflict of Interest

This research was conducted independently, without sponsorship or intervention from any party. The entire research process was carried out in accordance with principles of objectivity and established scientific standards, and the authors declare no conflict of interest.

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The report and detailed methodology can be downloaded at:
The Indonesia Economic Inequality Calculator can be accessed at:
tools.celios.co.id/inequality-calculator



The total wealth owned by Indonesia's 50 richest individuals equals the combined wealth of around 55 million Indonesians.

Key Findings¹

Wealth of the Top 50 Trillionaires

The total wealth of the 50 richest individuals **is greater than the State Revenue and Expenditure Budget (APBN).**

The wealth of Indonesia's 50 richest individuals **is equivalent to one-fifth of Indonesia's Gross Domestic Product (GDP).**

Oligarch's wealth **increases by \$770 thousand per day**, while workers' wages **increase by only \$10 sen per day.**

A 2% wealth tax on the 50 richest individuals could lift more than half of the poor population **out of poverty within 2 years.**

Wealth Tax on 50 Trillionaires
\$5,5 Billion

Potential state revenue from a 2% wealth tax on the total wealth of the 50 richest individuals in Indonesia.

Wealth That Never Runs Out Over Time
603 Years

The time required for the top 50 trillionaires to exhaust their wealth if each spends \$118 thousand per day.

A Laborers' Working Time
2.8 Centuries

The amount of time a worker would need to work to equal the wealth of the 50 richest billionaires.

Dominance of the Extractive Sector
58%

The wealth of the top 50 richest individuals largely comes from extractive industries that exploit natural resources.

Wealth of the 50 Richest Individuals
1.4 Times Larger

Combined Gross Regional Domestic Product (PDRB) of Maluku, Nusa Tenggara, Bali, and Sulawesi.

Wealth Tax on All Super-Rich Individuals
\$8,4 Billion

Potential state revenue if all super-rich individuals with assets above \$4.9 million in Indonesia are subject to a wealth tax.

Wealth of Public Officials

Wealth of Public Officials
\$1,7 Billion

Total accumulated wealth of public officials in the Merah Putih Cabinet as of the end of 2025.

Wealth Tax on Public Officials
\$44,5 Million

Potential wealth tax revenue from executive and legislative officials.

Concentration of Wealth within the Cabinet
80%

The wealth of the Merah Putih Cabinet is dominated by 12 officials with assets exceeding \$59 million.

Prabowo's Wealth is Out of Reach
2 Centuries

The time required for laborers to match the wealth of the President of Indonesia.

Private Jets are Not Emission Friendly
46 Thousand Tons

CO₂ emissions generated by private jets of super-rich individuals in Indonesia.

Gibran is not Representative of Ordinary Indonesian Youth
104 Years

The time required for young people to match the wealth of Gibran Rakabuming Raka.

Wealth Gap Between the Commander-in-Chief and Private
252 Years

The estimated time a low-rank private would need to match the wealth of the TNI Commander-in-Chief through gradual career promotion and salary increases.

The Growing Wealth Gap of the National Police Chief
233 Years

The estimated time a lower-ranking police officer would need to accumulate wealth equivalent to that of the National Police Chief, even with gradual career promotion over time.

Coalition Control Over the National Vote
59%

The share of valid national votes potentially consolidated through the affiliation of nine political party leaders serving in the Merah Putih Cabinet.

What Can a Wealth Tax on the 50 Trillionaires Fund?

387 thousand

Houses that can be built for low income households.

21.7 million

People whose basic living needs can be adequately met.

1.2 million

University students could receive tuition-free education until graduation

41.34 million tons

Pupuk subsidi yang dapat diberikan kepada petani

Free Commuter Rail (KRL) Fare for 8 Years & 40 New Trainsets

For 8 years, commuter rail across Greater Jakarta can be made free of charge, along with the addition of 40 new trainsets to reduce overcrowding.

465 thousand

Scientific research projects that can be funded.

1,76 GigaWatt

National energy capacity that can be supplied from microhydro power plants.

5.8 million

Solar panel units that can be provided for remote villages.

5.47 million hectares

Tropical rainforest that can be restored.

180 million

Subsidized public health insurance (BPJS) beneficiaries whose coverage can be financed.

US\$787

Rupiah of motorcycle maintenance subsidies that can be received by every online ride hailing driver (ojol) in Indonesia annually.

US\$257

Monthly salary amounts that can be received by all honorary teachers for two full years.

US\$289

Incentive amounts that can be received by all healthcare workers in Indonesia.

US\$361

Amount of economic access support for persons with disabilities.

34 million

Elderly people receiving Social Security benefits.

US\$540

Daycare service incentives that can be accessed by all families with toddlers in Indonesia.

US\$0

Making all treatment costs for chronic diseases such as dialysis free.

About This Study

This study is dedicated to those who are often overlooked, daily laborers who are only paid when there is work, online drivers who have to wait for hours for orders, young people (Gen Z) who have completed their education but are constrained by limited job opportunities. Also for women with multiple burdens, retirees without social protection and commuter train passengers who are crowded every day in public transportation services that are still inadequate, despite having paid taxes.

This study is also intended for children from poor families who never celebrate birthdays, because from the very beginning, their lives have been more about survival than celebration.

This is CELIOS's second study on economic inequality since the 2024 study. Instead of improving, the latest data actually shows a trend of deepening inequality. This report is not intended to be only an academic ornament, but also as a social reflection that deep inequality is not destiny, but is systematically accumulated and reproduced across generations. Children born into poor families not only inherit economic hardships, but also bear the structural inheritance of limited access to education, health and social mobility.

This study was not prepared instantly, but through a long process of discussion and data collection, with contributions from various experts. Amid Indonesia's policy landscape which is filled with political rhetoric, a data based approach is the only credible foundation for understanding the problem clearly. We hope that the findings in this report are not only discussed in coffee shops or in classrooms on campuses. More importantly, this data should be discussed within government offices, in cabinet meetings, and solutions should be sought.

We expect that every finding in this study is examined clearly and rationally. In this context, the response of state administrators often moves between normative and defensive. Criticism of

inequality is often positioned as a threat to stability, while observers who raise this issue are labeled as excessive and considered to have hidden interests. Such attitudes actually reveal a more fundamental issue, that inequality is not only about economic distribution, but also control over knowledge.

We also hope that this report can serve as a reflection for the direction of current policies. Not all national policies operate neutrally toward inequality. Major projects such as MBG and Kopdes Merah Putih, for example, have the potential to create uneven distributional impacts if not designed and managed carefully.

What is certain is that today's policy choices, which are in the hands of those who hold authority, will shape the living space of future generations. The aspirations of young Indonesians are simple. They only seek certainty that effort remains proportional to outcomes, and that this country is not controlled by insiders and the interests of a small oligarchic group.

Media Wahyudi Askar, Ph.D

On behalf of the authors

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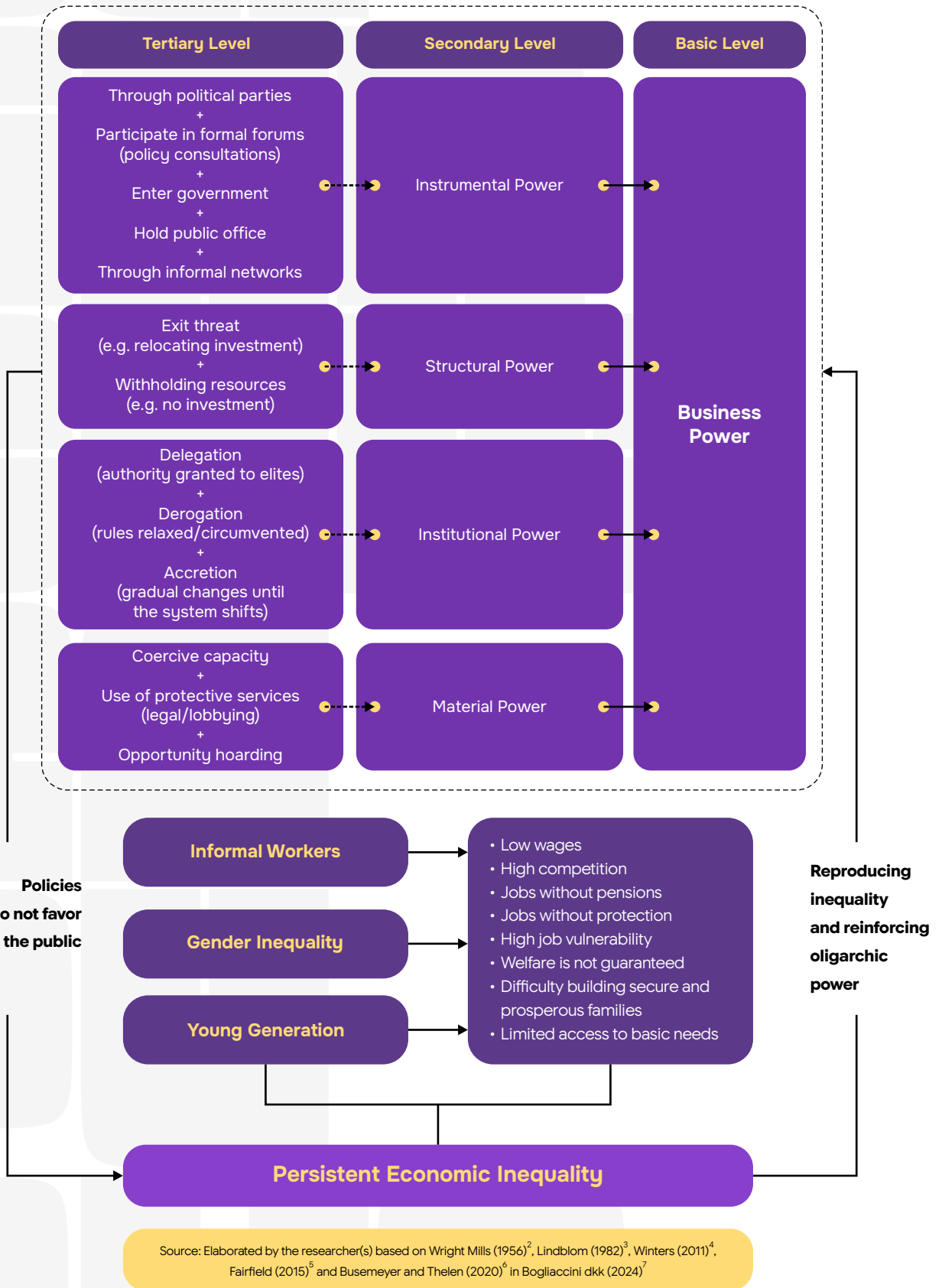
Why Economic Inequality Matters

Economic inequality in Indonesia is increasingly visible. Wealth and access to resources are largely controlled by a small number of people, while the majority of society must struggle to meet their daily needs and find it difficult to improve their standard of living (see Figure 1).

This condition not only affects the distribution of welfare, but also limits everyday life opportunities, especially for informal workers, women, and young people. Therefore, it is important for the affected young generation (who will later become the next generation of policymakers) to understand the root of the problem and the direction of change needed.

Figure 1.

Framework of Oligarchy and Economic Inequality in Indonesia



Methodology

This study uses a descriptive research design with a quantitative approach⁸. Data were collected through secondary data analysis sourced from official statistics, reports from international institutions, Forbes data, and various credible sources. The data analyzed include income distribution, wealth distribution, poverty levels, and other economic indicators. This study focuses on two main groups, namely the list of the 50 richest individuals in Indonesia according to Forbes as well as wealth data of public officials at the executive and legislative levels.

Research Objectives

This study aims to identify the concentration of wealth and power, and to analyze how elite dominance (elite capture) shapes oligarchic structures that influence public policy and reinforce inequality in Indonesia. This study also examines the extent to which this phenomenon affects people's daily lives.



1

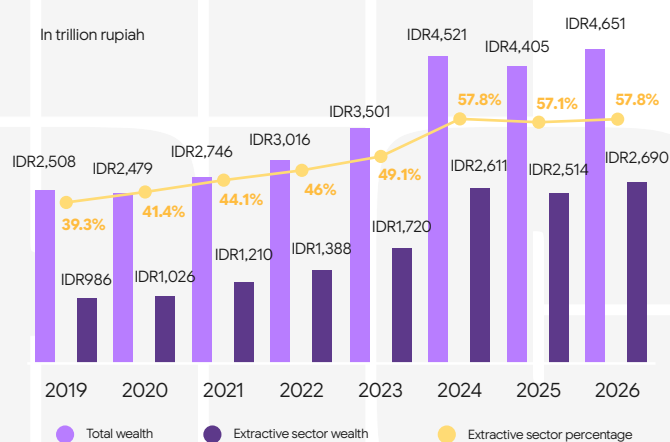
Economic Inequality 2026

Debates on economic inequality are increasingly frequent in public discourse in Indonesia, from official meeting rooms to conversations in coffee stalls. On the one hand, government representatives often remark that Indonesia's economy is growing rapidly, with economic growth figures above five percent. In fact, this growth based measurement of development progress has long been abandoned in modern economic discourse because it ignores the most important dimension of development, namely who actually benefits from that growth. This way of thinking is still often repeated by some boomer economists who lack a sense of justice in assessing the distribution of development outcomes.

1.1 Who Are the Small Group of Business Elites Accumulating Wealth in Indonesia?

Salah satu cara paling mudah dalam melihat redistribusi ekonomi¹² adalah dengan membandingkan perubahan distribusi kekayaan di kelompok paling atas dan paling bawah dalam struktur ekonomi¹³.

Figure 3. Total Wealth of the 50 Trillionaires in Indonesia (2019-2016)



Source: Forbes data on the 50 richest individuals in Indonesia (2026), processed by the researcher(s)

Figure 3 shows that during the period 2019–2025, the wealth of the 50 richest individuals in Indonesia nearly doubled, from around IDR2,508 trillion (\$148 billion) to IDR4,651 trillion (\$257 billion). Figure 3 also shows that the wealth of a few super-rich individuals can increase by thousands of trillions in a short period of time. This raises a fundamental question about how Indonesia’s economic redistribution mechanism works and who benefits the most from economic growth.

During the period 2019 to 2022, the contribution of the energy and extractive sectors to total wealth ranged from 39–46% (see Figure 3). By 2026, the proportion of wealth of the 50 super-rich individuals derived from the extractive sector surged to 57.8%. This means that oligarchs continue to accumulate wealth from large profits, with more than half of the wealth of Indonesia’s super-rich coming from the exploitation of natural resources such as coal, palm oil, and nickel.

Fifty seven private jets owned by Indonesia’s super-rich generate 46,170 tonnes of CO₂e per year, equivalent to the emissions of 7,825 cars and 51,993 motorcycles. These oligarchs are among the main contributors to environmental degradation and the climate crisis in Indonesia.²¹

Tabel 1.

Increase in the Wealth of Super-Rich Individuals in Indonesia, 2016–2026
(in trillion rupiah)



**Haryanto
Tjiptodihardjo**

2026 CAGR¹⁴
IDR84.40 T 71%



**Marina
Budiman**

2026 CAGR
IDR113.09 T 47.9%



**Lim Hariyanto
Wijaya Sarwono**

2026 CAGR
IDR108.03 T 42.2%



**Han Arming
Hanafia**

2026 CAGR
IDR74.27 T 41.4%



**Otto Toto
Sugiri**

2026 CAGR
IDR158.66 T 40.7%



**Low Tuck
Kwong**

2026 CAGR
IDR340.96 T 38.4%



**Sjamsul
Nursalim**

2026 CAGR
IDR47.26 T 36.5%



**Prajogo
Pangestu**

2026 CAGR
IDR482.74 T 36.0%



**Manoj
Punjabi**

2026 CAGR
IDR55.70 T 31.5%



**Wijono & Hermanto
Tanoko keluarga**

2026 CAGR
IDR50.64 T 27.4%



**Tahir
& keluarga**

2026 CAGR
IDR178.92 T 18.1%



**Widjaja
keluarga**

2026 CAGR
IDR477.68 T 16.7%



**Jogi Hendra
Atmadja & keluarga**

2026 CAGR
IDR59.08 T 15.2%



**Hamami
& keluarga**

2026 CAGR
IDR28.69 T 14.5%



**Sulisty
& keluarga**

2026 CAGR
IDR24.47 T 13.2%



**Sukanto
Tanoto**

2026 CAGR
IDR72.58 T 12.7%



**Arini Subianto
& keluarga**

2026 CAGR
IDR40.51 T 12.7%



**Martua
Sitorus**

2026 CAGR
IDR60.76 T 12.6%



**Theodore
Rachmat**

2026 CAGR
IDR75.96 T 12.4%



**Anthony Salim
& keluarga**

2026 CAGR
IDR221.11 T 8.7%



**R. Budi &
Michael Hartono**

2026 CAGR
IDR649.84 T 8.5%



**Irwan Hidayat
& keluarga**

2026 CAGR
IDR19.41 T 8.1%



**Peter
Sondakh**

2026 CAGR
IDR64.14 T 7.8%



**Sri Prakash
Lohia**

2026 CAGR
IDR145.16 T 7.4%



**Bambang
Sutantio**

2026 CAGR
IDR35.45 T 7.0%



**Djoko
Susanto**

2026 CAGR
IDR42.20 T 6.8%



**Garibaldi Thohir
& keluarga**

2026 CAGR
IDR64.14 T 4.8%



**Putera Sampoerna
& keluarga**

2026 CAGR
IDR42.20 T 3.3%



**Ciputra
keluarga**

2026 CAGR
IDR27.01 T 3.0%



**Agoes
Projosasminto**

2026 CAGR
IDR99.59 T 3.0%



**Bachtiar & Burhan.
Bahari Karim
& keluarga**

2026 CAGR
IDR70.89 T 2.8%



**Alexander
Ramlie**

2026 CAGR
IDR45.57 T 2.6%



**Husodo Angkosubroto
& keluarga**

2026 CAGR
IDR25.32 T 2.3%



The 50 richest individuals in Indonesia, who statistically represent 0.000000174% of the population, control wealth equivalent to that of 18.6% of the Indonesian population.

Source: Forbes data on the 50 richest individuals in Indonesia (2026), processed by the researcher(s)¹⁵

CAGR (Compound Annual Growth Rate)

The ranking of the richest individuals in Indonesia is still led by the Hartono family, with wealth amounting to IDR650 trillion (\$38.5 billion) [see Table 1]. Meanwhile, Prajogo Pangestu ranks second with wealth of IDR483 trillion (\$28,6 billion). This is followed by the Widjaja family (IDR478 trillion, approximately US\$28.3 billion), Low Tuck Kwong (IDR341 trillion, approximately US\$20.2 billion), Anthony Salim (IDR221 trillion, approximately US\$13.1 billion), and the Tahir family (IDR179 trillion, approximately US\$10.6 billion).

Based on the compound annual growth rate (CAGR), the wealth of Haryanto Tjiptodihardjo has grown the fastest, reaching 71%. This is followed by Marina Budiman with a 47.9% increase in wealth, and Lim Hariyanto Wijaya Sarwono with a 42.2% increase. Figure 4 shows that 34% of the wealth of the 50 super-rich individuals in Indonesia comes from the energy and extractive sectors. In addition to their wealth being derived from activities that exploit natural resources, their lifestyles are also closely associated with environmental degradation.

figure 4.

Extractive Sector as a Source of Elite Wealth



Dominance of the Extractive Sector

The wealth of the 50 richest individuals comes from extractive businesses that exploit natural resources

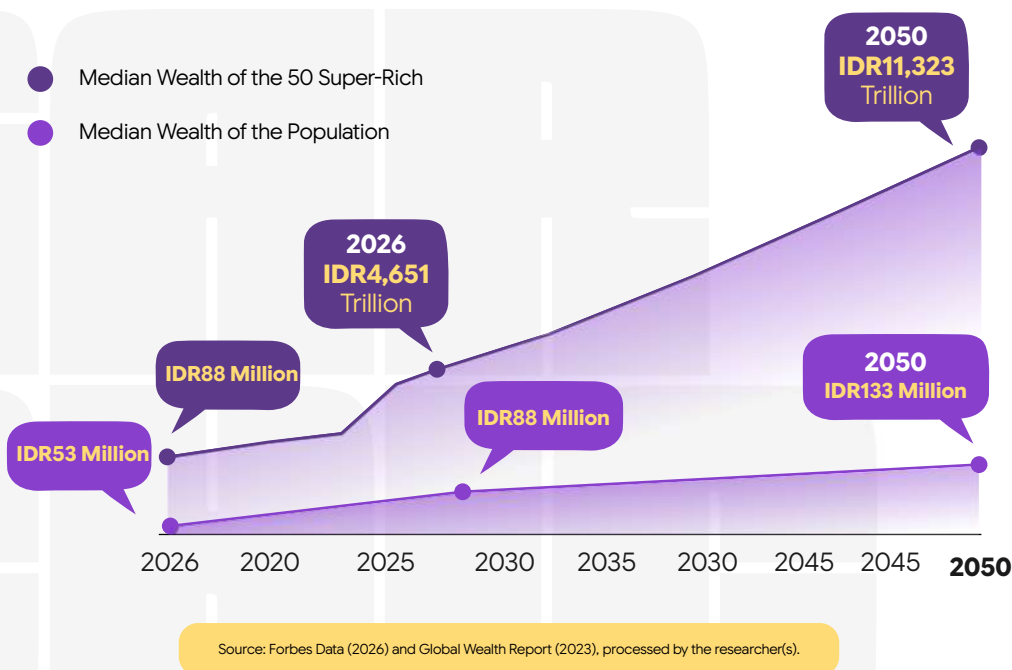
Without changes in the economic and political structure, by 2050, **the 50 richest individuals in Indonesia will have wealth equivalent to that of 111 million Indonesians.**

Total Wealth of the 50 Trillionaires in Indonesia (2019–2026) (in trillion rupiah)

2019		IDR2,508
2020		IDR2,479
2021		IDR2,746
2022		IDR3,016
2023		IDR3,501
2024		IDR4,521
2025		IDR4,405
2026		IDR4,651

Source: Forbes Data (2026), processed by the researcher(s)

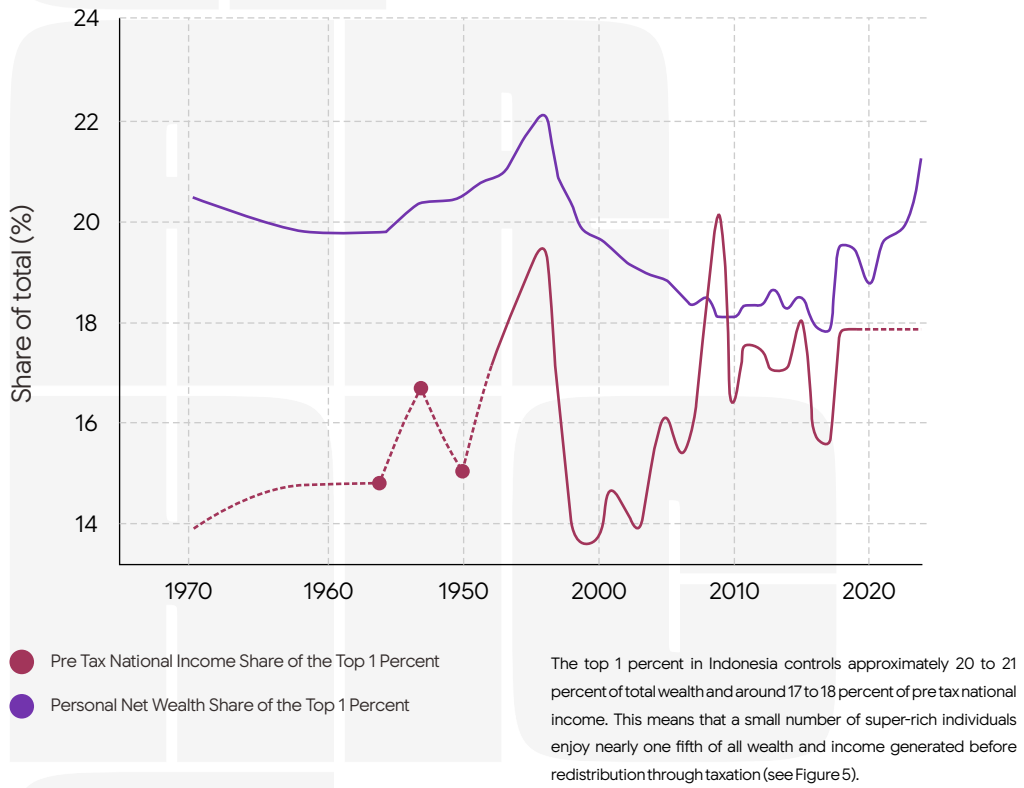
Figure 2. Projected Median Wealth of the Super-Rich Compared to the General Population



The median wealth of the 50 super-rich individuals in Indonesia reached IDR52.3 trillion (\$3.1 billion) in 2026, while the median wealth of the general population stood at only IDR84.35 million (\$5 thousand). Looking ahead, this gap is expected to widen further (see Figure 2). By 2050, the median wealth of the super-rich is projected to surge by 106 percent to IDR107.7 trillion (\$6.4 billion). In contrast, the median wealth of the general population is expected to increase by only 20 percent, reaching IDR101 million (\$6 thousand).

This economic model, which is heavily dependent on the exploitation of natural resources, generates enormous profits for a small group of the super-rich. Meanwhile, the additional costs arising from environmental degradation are borne by the public. The floods that struck Sumatra in December 2025, particularly in areas with intensive natural resource extraction, provide a stark example of how these impacts are directly experienced by local communities. As of March 2026, many victims remained in temporary shelters¹⁷.

Figure 5. Income and Wealth Inequality, Indonesia, 1965–2024



Source: World Inequality Database (2024)

Figure 6 shows just how extreme wealth inequality is in Indonesia, where Indonesian trillionaires far surpass the super-rich from many other countries. Budi Hartono and their family recorded wealth of approximately IDR650 trillion (\$38.5 billion), far exceeding global figures such as Pham Nhat Vuong of Vietnam at IDR468 trillion (\$27.7 billion) and Jay Y. Lee of South Korea at IDR456 trillion (\$27.0 billion). Even Prajogo Pangestu at IDR483 trillion (\$28.6 billion) and the Widjaja family at IDR478 trillion (\$28.3 billion) are wealthier than nearly all the names on that cross-country list.

Figure 6.

The Super Rich in Indonesia Compared to the Wealthiest Billionaires from Various Countries (in trillion rupiah)¹⁸



Source: Forbes Data (2026), processed by the researcher(s)

“

In a country where many still ask what they will eat today, a few are wealthier than Middle Eastern billionaires.



The Wealth of Indonesia's 50 Richest People Increases By :



Meanwhile, the Average Wage of Workers in Indonesia Increases By :



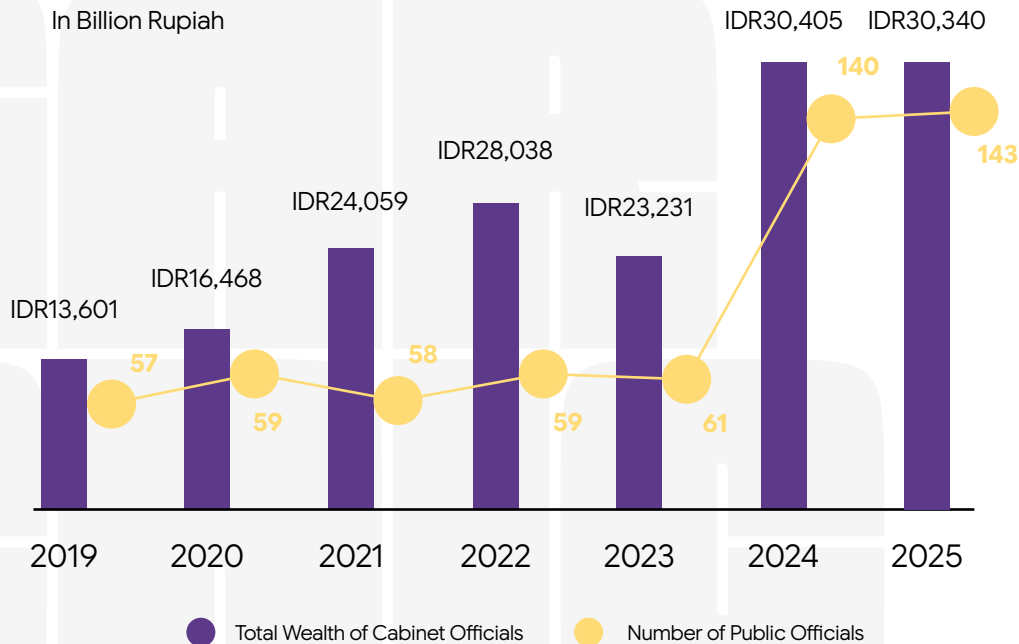
1.2 Who Are Indonesia's Wealthiest Public Officials?

Economic inequality cannot be understood solely by looking at major business figures, because wealth often goes hand in hand with political power. Many political elites are also part of the circle of the wealthy, or at the very least, they are in positions to shape policies that benefit themselves and their groups.

1.2.1 Executive Public Officials

The cumulative wealth of public officials in the Merah Putih Cabinet has doubled in just five years. This shows that the concentration of wealth at the top of the economic structure is not enjoyed solely by private business actors, but is also clearly reflected within the structure of political power.

Figure 7. Total Wealth of Cabinet Public Officials (2019–2025)¹⁹



Source: Public Officials' Asset Disclosure Reports (LHKPN) (2026), processed by the researcher(s).

Figure 7 shows the growth in the total wealth of public officials in Indonesia's cabinet from 2019 to 2025. The limited time range of this analysis is due to the noncompliance of state officials in regularly fulfilling their asset disclosure obligations. Only 73 of the 143 public officials in the Merah Putih Cabinet have updated their asset disclosure reports. The urgency of asset transparency among public officials has become even greater amid the rising trend in their wealth. From a political economy perspective, such rapid wealth accumulation warrants close scrutiny, as it is closely linked to access to power, economic networks, and strategic positions within the state.

Ordinary people would need to **work for two centuries** to match Prabowo Subianto's wealth.

Figure 8.

Wealth of Public Officials in the Merah Putih Cabinet as of 2025





Source: Public Officials' Asset Disclosure Reports (LHKPN) (2026), processed by the researcher(s).

Figure 8 shows that the wealthiest public officials in the Merah Putih Cabinet are dominated by trillionaires, with Widiyanti Putri Wardhana at the top with IDR5.4 trillion (\$322 billion), followed by Sakti Wahyu Trenggono with IDR2.44 trillion (\$144.6 billion), Erick Thohir with IDR2.41 trillion (\$143 billion), and Prabowo Subianto with IDR2.06 trillion (\$122.2 billion), each holding wealth exceeding IDR2 trillion. Several other figures, including Maruarar Sirait with IDR1.55 trillion (\$92.1 billion), Otto Hasibuan with IDR1.53 trillion (\$90.4 billion), and Setiawan Ichlas with IDR1.52 trillion (\$90 billion), also belong to the group with wealth exceeding one trillion rupiah. Overall, this indicates a concentration of wealth within the structure of government, reflecting the phenomenon of elite consolidation, in which wealth and power reinforce one another within the same group.

The total wealth of public officials as calculated from asset disclosure reports (LHKPN) does not necessarily represent their actual financial condition. This instrument still leaves room for assets to go unreported, whether intentionally or unintentionally. As such, the figures presented likely reflect only a minimum threshold, while the actual wealth held by these officials may be substantially greater than what has been disclosed.

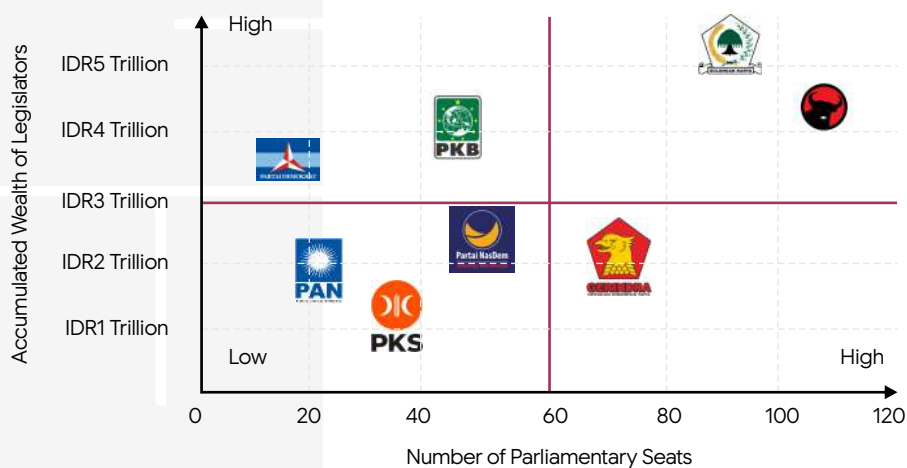
1.2.2 Legislative Public Officials

Elite consolidation occurs not only at the executive level but also within the legislative branch. In a political system with high electoral costs such as Indonesia's, political parties require substantial funding, creating space for the involvement of economic elites (see Figure 1). This relationship is inherently reciprocal: parties gain financial support, while wealthy individuals gain direct access to political power. Their involvement also serves as a form of political investment to protect economic interests, enabling them to influence strategic policies such as business regulation, taxation, and resource management. As a result, economic, political, and party elites converge within a single circle of power that mutually reinforces itself.

Figure 9 suggests a very clear pattern in which parties with greater seat shares also tend to be populated by legislators with substantial wealth. In other words, political power, measured by seats, moves in tandem with financial power, measured by candidates' wealth.

This issue carries serious implications for democracy in Indonesia. To win elections and secure a large number of seats, political parties require, or may even depend on, extremely wealthy legislative candidates. High political costs, including campaign expenditures, logistics, voter mobilization, and patronage networks, make electoral competition economically unequal. As a result, access to electoral victory is increasingly determined by a candidate's financial capacity rather than solely by the quality of representation.

Figure 9. Political Party Map Based on Number of Seats and Wealth Concentration



Source: Public Officials' Asset Disclosure Reports (LHKPN) (2026), processed by the researcher(s).

If seats in Parliament are determined more by the size of one's bank account than by the strength of one's ideas, it is no suIDRrise that intelligent young people and principled individuals without wealth are left merely as spectators. Not because they lack quality, but because they cannot afford the price of admission to the political arena.

Table 2 shows that the total wealth of 578 members of the House of Representatives reaches approximately IDR26.7 trillion (\$1.6 billion), with an average of around IDR46 billion (\$2.7 million) per legislator. However, this wealth is not evenly distributed, but rather concentrated among a small number of figures within each party. In aggregate, Golkar has the highest total legislator wealth at approximately IDR5.8 trillion (\$343.6 million), followed by PDI P at IDR5.10 trillion (\$302.2 million) and PKB at IDR4.14 trillion (\$245.3 million). Several individuals stand out as the wealthiest legislators in their respective parties, including Sihar Sitorus of PDI P with approximately IDR871 billion (\$51.6 million), Haeny Relawati Rini Widayastuti of Golkar with around IDR470 billion (\$27.8 million), Rusdi Kirana of PKB, the wealthiest legislator in the House, with approximately IDR2.60 trillion (\$154 million), and Fathi of the Democratic Party with approximately IDR1.72 trillion (\$101.9 million).

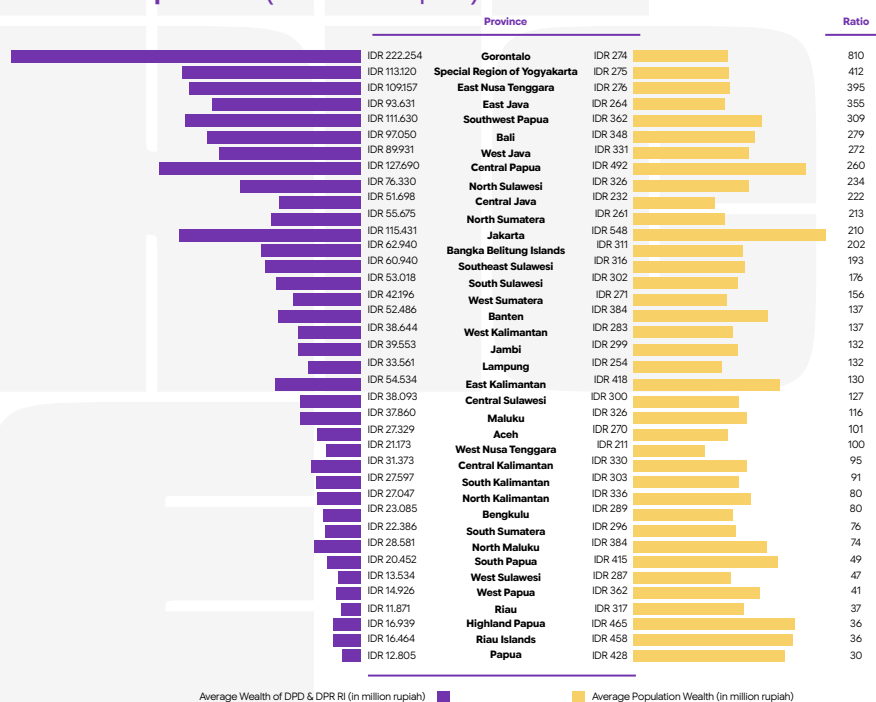
Table 2. Wealth of Members of Indonesia's House of Representatives (DPR) Across Political Parties

	Total Legislators' Wealth IDR5.884.397.902.323	Average Wealth IDR57.130.076.722	Number of Seats 101		Hj. Haeny Relawati R.W. IDR470.566.738.515
	Total Legislators' Wealth IDR5.104.144.416.030	Average Wealth IDR47.260.596.445	Number of Seats 110		Sihar P.H. Sitorus IDR871.188.628.449
	Total Legislators' Wealth IDR4.177.373.698.914	Average Wealth IDR564.267.287.676	Number of Seats 68		Rusdi Kirana IDR2.603.426.732.731
	Total Legislators' Wealth IDR3.124.236.656.352	Average Wealth IDR71.005.378.553	Number of Seats 44		H. Fathi IDR1.729.450.074.142
	Total Legislators' Wealth IDR3.058.526.596.624	Average Wealth IDR44.978.332.303	Number of Seats 69		Rachmat Gobel IDR451.555.266.195
	Total Legislators' Wealth IDR2.902.273.741.524	Average Wealth IDR33.747.369.087	Number of Seats 86		Siti Hediaty Soeharto IDR709.567.168.702
	Total Legislators' Wealth IDR930.570.268.834	Average Wealth IDR17.557.929.601	Number of Seats 53		Hj. Ledlia Hanifa A. IDR139.040.533.516
	Total Legislators' Wealth IDR1.475.844.455.183	Average Wealth IDR30.746.759.483	Number of Seats 48		H. Eddy Soeparno IDR249.312.085.502

Source: Public Officials' Asset Disclosure Reports (LHKPN) (2024), processed by the researcher(s).

Figure 10 shows an almost unimaginable gap between elected representatives and the people they represent. In Gorontalo Province, for example, the average wealth of residents is only around IDR274 million (\$16.2 thousand), while the average wealth of members of the House of Representatives and the Regional Representative Council from that electoral district reaches IDR222 billion (\$13.2 million). This means that their representatives are 810 times wealthier than the people they serve. Similar disparities are evident in the Special Region of Yogyakarta, where the ratio reaches 412 times, followed by East Nusa Tenggara at 395 times, East Java at 355 times, and Southwest Papua at 309 times.

Figure 10. Comparison of Average Wealth Between Elites and the General Population (in Million Rupiah)



Source: Public Officials' Asset Disclosure Reports (LHKPN) (2024), processed by the researcher(s).

If we look across nearly all provinces, the pattern is the same, the wealth of elected representatives is hundreds of times greater than that of the people they represent. This means that those who sit in parliament are not representatives of ordinary people, but representatives of the super-rich.

These findings do not automatically indicate any legal violation, but they do reflect Indonesia's elite structure. When policymakers are dominated by highly affluent economic groups, questions arise about the extent to which policies truly represent the interests of the broader public. This wide socioeconomic gap also helps explain why many public officials lack empathy, or even tend to underestimate the problems faced by ordinary people. This happens because their economic position is simply too far removed from the reality of the majority of society, and they neither know nor directly experience the challenges faced by ordinary people.

“

Sadly, Parliament has become the clubhouse of billionaires who "rent" democracy. When elected representatives are 810 times wealthier than those they represent, they no longer understand the lives of ordinary people, they merely govern from a distance.




1.3 How Oligarchy Exacerbates Economic Inequality in Indonesia

Oligarchy is the root of the inequality that exists in Indonesia

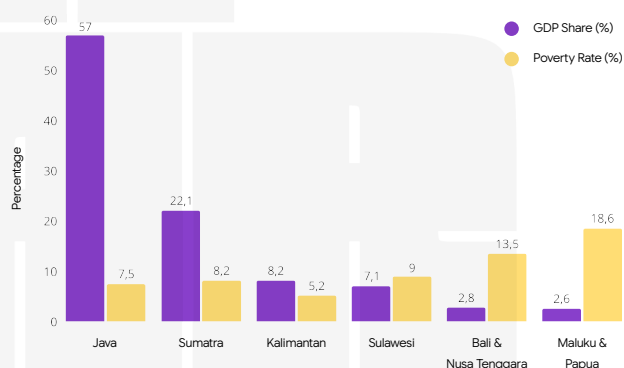
Table 5 shows the profile of Indonesia's oligarchy and the location of its businesses. In fact, natural resources are extracted from Kalimantan, Sumatra, NTB, to Papua, where forests are cleared, land is excavated, and the living space of local communities is sacrificed, however, the centers of control, the flow of profits, and the lives of the elites are instead concentrated in Jakarta and several cities on the island of Java. These super rich individuals build their wealth from the regions, but do not live with the consequences. They do not breathe the dust, do not bear the environmental damage, and do not experience the impact of the collapse of local economies after extraction. In addition, the economic activities that the oligarchy carry out in those regions do not necessarily improve the welfare of the people.

Business Elite Profile: Base, Operational Location, and Sector

	Budi & Michael Hartono	Base (Residence/Company) Kudus & Jakarta (Djarum, BCA)	Verified Operational Locations Kudus (cigarettes), nasional (BCA)	Sector Banking, tobacco		Dewi Kam	Base (Residence/Company) Jakarta	Verified Operational Locations Kalimantan (power plants)	Sector Energy
	Prajogo Pangestu	Base (Residence/Company) Jakarta (Barito Pacific)	Verified Operational Locations Banten (petrokimia), Kalimantan	Sector Energy, petrokimia		Martua Sitorus	Base (Residence/Company) Jakarta (Wilmar)	Verified Operational Locations Sumatra & Kalimantan	Sector Palm oil
	Low Tuck Kwong	Base (Residence/Company) Jakarta (Bagan Resources)	Verified Operational Locations East Kalimantan	Sector Coal		Sukanto Tanoto	Base (Residence/Company) Singapura / RGE	Verified Operational Locations Riau (APRIL), Sumatra	Sector Pulp, palm oil
	Anthoni Salim	Base (Residence/Company) Jakarta (Salim Group)	Verified Operational Locations Nasional (Indofood)	Sector Consumer		Chairul Tanjung	Base (Residence/Company) Jakarta (CT Corp)	Verified Operational Locations National	Sector Diversified
	Sri Prakash Lohia	Base (Residence/Company) Jakarta (Indorama)	Verified Operational Locations Purwakarta (West Java)	Sector Petro- chemicals		Theodore Rachmat	Base (Residence/Company) Jakarta (Triputra)	Verified Operational Locations Kalimantan, Sumatra	Sector Agribusiness
	Otto Toto Sugiri	Base (Residence/Company) Jakarta (DCI Indonesia)	Verified Operational Locations Cikarang (data center)	Sector Technology		Bachtiar Karm	Base (Residence/Company) Jakarta (Musim Mas)	Verified Operational Locations Sumatra (Medan, Riau)	Sector Palm oil
	Tahir	Base (Residence/Company) Jakarta (Mayapada Group)	Verified Operational Locations Jakarta (bank, RS)	Sector Finance		Ciliandra Fargiono	Base (Residence/Company) Jakarta (First Resources)	Verified Operational Locations Kalimantan & Riau	Sector Palm oil
	Widjaja Family	Base (Residence/Company) Jakarta (Sinar Mas)	Verified Operational Locations Riau, South Sumatra	Sector Palm oil, pulp		Hilmi Panigoro	Base (Residence/Company) Jakarta (Medco)	Verified Operational Locations Natuna, Papua, East	Sector Energy
	Agoes Projosasmito	Base (Residence/Company) Jakarta (Amman Mineral)	Verified Operational Locations West Nusa Tenggara (Batu Hijau)	Sector Mining		Arini Subianto	Base (Residence/Company) Jakarta (Persada Capital)	Verified Operational Locations Kalimantan (mining)	Sector Energy
	Garibaldi Thohir	Base (Residence/Company) Jakarta (Adaro)	Verified Operational Locations South Kalimantan	Sector Coal		Susilo Wonowidjojo	Base (Residence/Company) Kediri (Gudang Garam)	Verified Operational Locations Kediri, East Java	Sector Tobacco

Facts show that many regions outside Java are rich in natural resources, from mining to energy, yet the economic value added is not fully enjoyed by local communities (see Figure 11). As a result, regions that supply resources for national growth remain areas with high poverty and limited access to development. This is further exacerbated by the reduction in intergovernmental transfer budgets to regions (TKD) in 2026, which deepens regional inequality.

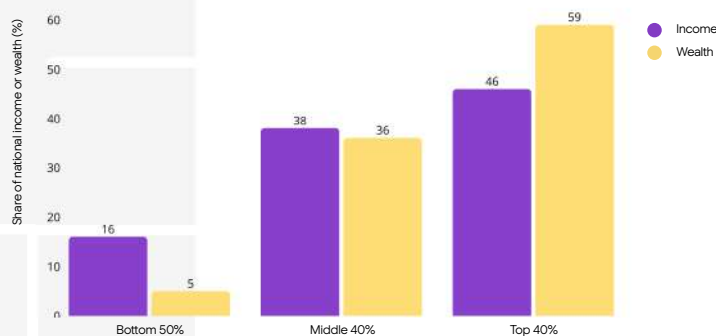
Figure 11. Regional Inequality and Poverty in Indonesia by Island



Source: Statistics Indonesia (BPS) (2025), processed by the researcher(s)

Oligarchs freely accumulate the assets they own without needing to worry about regional economic development and local economic circulation, as these are not their primary agenda. Figure 12 shows extremely severe inequality, especially when viewed from the perspective of asset ownership among the wealthy. Half of Indonesia's population owns only 5% of total assets, while the top 10% controls 59%. This indicates that the majority of society has almost no real ownership in the economy and depends solely on income, while the upper group not only earns high incomes but also controls sources of wealth that continue to grow.

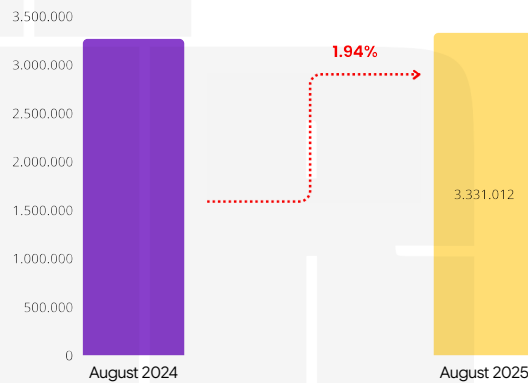
Figure 12. Income and Wealth Distribution in Indonesia



Sumber: World Inequality Database (2019), processed by the researcher(s).

Assets can be inherited and generate recurring returns (interest, dividends, rent). The current economic system allows them to continuously strengthen their economic position without having to work harder. Regulations such as the Job Creation Law, for example, promote labor market flexibility, but in practice suppress workers, wages are pushed lower, outsourcing expands, and labor protections weaken. The average national wage has increased by only around 1.94 percent in one year, a figure that is very small compared to the surge in wealth among the richest group (Figure 13).

Figure 13. Increase in the National Average Wage

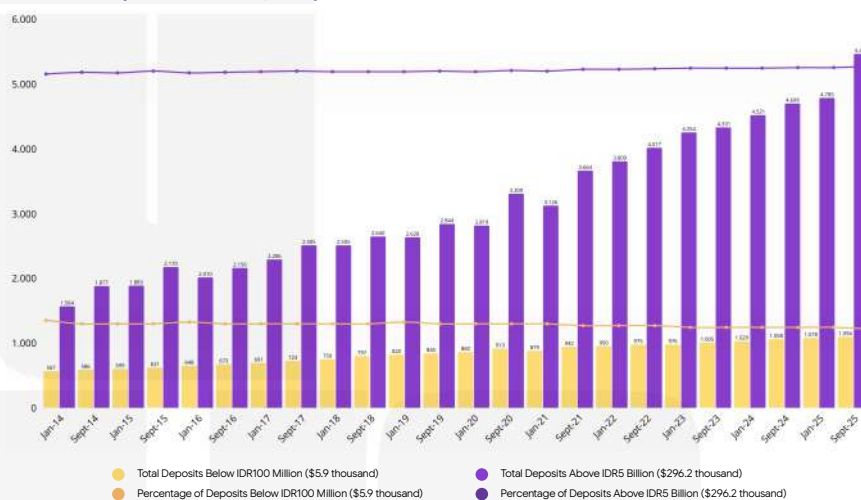


Source: Sakernas (August 2024 & 2025), processed by the researcher(s)

The economy may grow by more than 5 percent, but if that growth is enjoyed only by a small elite, it is not growth at all, it is economic decline polished with numbers.

Real economic inequality is deeply intertwined with everyday life. In simple terms, people can look at their current savings balances and compare them with the trend shown in Figure 14. We found that the savings of the wealthy have grown much faster than those of ordinary citizens. Large deposits exceeding IDR5 billion (\$296.2 thousand) now account for 56.45 percent of all bank deposits. Meanwhile, nearly all bank account holders in Indonesia, around 98.91 percent, have balances below IDR100 million (\$5.9 thousand), as shown in Figure 14.

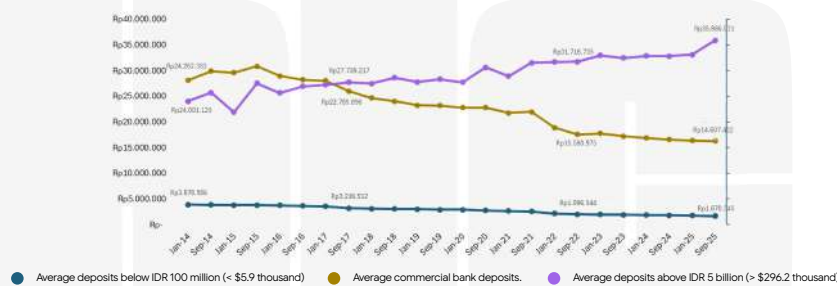
Figure 14. Commercial Bank Deposits by Balance Category, 2014 to 2025 (in trillion rupiah)



Source: Commercial Bank Deposit Distribution Data 2014–2025, processed by the researcher(s).

Figure 14 shows a significant shift in the structure of banking deposits, increasingly dominated by high-value account holders over the period 2014–2025. Deposits above IDR 5 billion (\$296.2 thousand) rose sharply from IDR 1,564 trillion (\$92.7 billion) to IDR 5,463 trillion (\$323.7 billion). In addition to the increase in nominal value, their share of total deposits also grew from 43% to 56%. However, a different trend is observed for deposits below IDR 100 million (\$5.9 thousand). Although the nominal value increased from IDR 567 trillion (\$33.6 billion) to IDR 1,094 trillion (\$64.8 billion), their proportion actually declined from 16% to 11%. This indicates that the contribution of small depositors has relatively diminished within the overall deposit structure.

Figure 15. Average Commercial Bank Deposits by Deposit Amount Over the 2014–2025 Period



Source: Commercial Bank Deposit Distribution Data 2014–2025, processed by the researcher(s).

The average deposits above IDR 5 billion (\$296.2 thousand) show a fairly strong upward trend, from around IDR 24 million (\$1.4 thousand) per account in 2014 to approximately IDR 35.8 million (\$2.1 thousand) in 2025. In contrast, the average deposits below IDR 100 million (\$5.9 thousand) have actually declined, from around IDR 3.87 million (\$229) to approximately IDR 1.67 million (\$99) over the same period (see Figure 15).

Would you like to know more?

Want to understand inequality more easily? The research team provides an inequality calculator simulation that helps explain how inequality occurs in a simpler way. Check the full details on the website celios.co.id

Inequality Calculator

Scan to use



1.4 At the Same Time, the Lower Middle Class Is Economically Squeezed

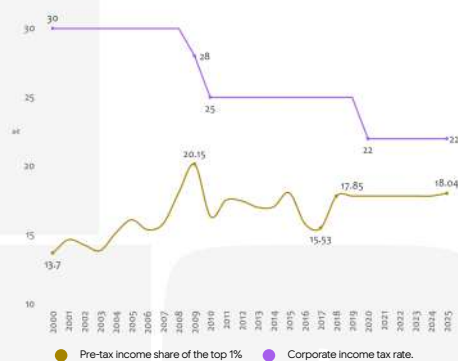
As wealth becomes increasingly concentrated within a small group, both among business elites and political elites, communities with limited resources are in fact more vulnerable to the impacts of state fiscal policies.

This is clearly reflected in the context of rising public debt. If total government debt is divided by the population, each citizen implicitly bears around IDR 33.8 million (\$2 thousand). Although it is not paid directly by individuals, this debt is ultimately repaid through taxes, inflation, or reductions in social spending. In practice, this burden is often felt more heavily by low-income groups, as most of their income is already spent on basic needs, while they still have to bear taxes such as consumption taxes, vehicle taxes, and various local taxes.

The situation becomes more problematic when debt is used to finance projects whose benefits are not evenly distributed, such as the Whoosh high-speed rail project, which primarily benefits elite regions and groups, while low-income communities, especially outside Java, continue to bear the fiscal consequences without receiving any benefits at all.

On the other hand, billionaires enjoy various incentives from the government through different tax reductions. Figure 15 shows that the corporate income tax rate has been continuously reduced from around 30% to 22%, indicating that the state has deliberately provided “discounts” to corporations. At the same time, the income share of the top 1% continues to increase, as they indirectly benefit from these tax reductions. In other words, fiscal policy, which should function as a tool for redistribution, is instead working in the opposite direction. The state reduces the tax burden on capital owners, while inequality deepens as the largest income gains are captured by a small number of ultra-wealthy individuals.

Figure 16. Income Share of the Top 1% vs. Corporate Income Tax as a Percentage of GDP in Indonesia, 2000–2025



Source: WID.world (2025); Ministry of Finance (2025); BPS (2025); and Trading Economics (2025), processed by the researcher(s).

“

Various forms of annoying behavior exist across all layers of society. However, the most extreme is when those in power praise the resilience of the poor without really healing the deep wounds in their lives.

2

Oligarchy: A Machine Destroying the Future of the Younger Generation

“

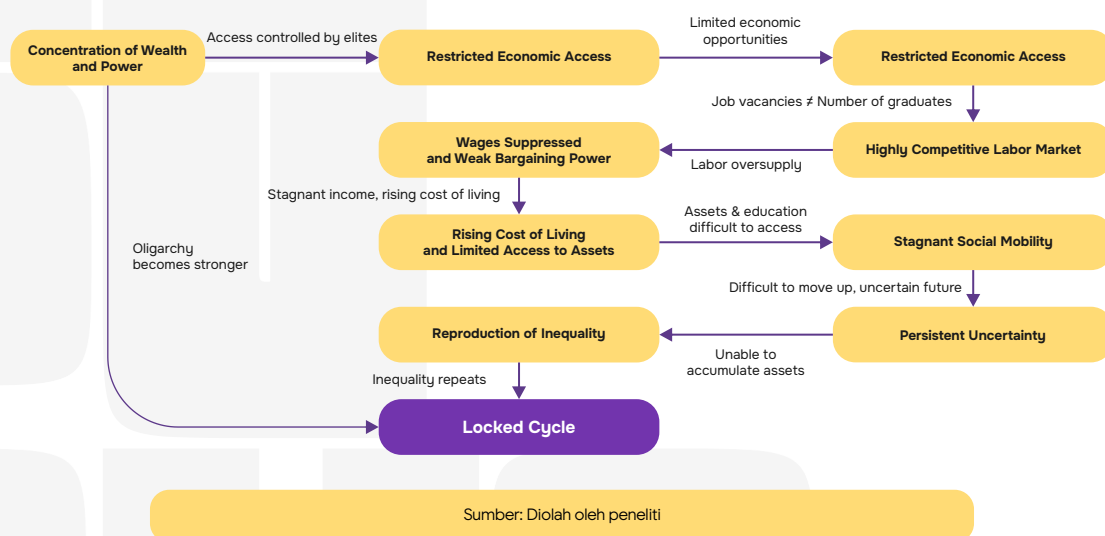
The younger generation would need to work hard for up to 104 years to catch up with the current wealth of Gibran Rakabuming Raka!

Why, in an Oligarchic System, Does the Younger Generation Become the Most Squeezed Group?

Oligarchy builds a system that systematically narrows the future of the younger generation (see Figure 17). When job opportunities and resources are concentrated in the hands of a small elite, the number of opportunities available to young people becomes limited. Even when jobs are available, the wages offered remain low. The income they earn is spent merely on survival, and they often still have to support their parents and siblings. This cycle continues without pause. Even when they start their own families, they are not truly free, but instead enter new pressures as part of the sandwich generation.

Today's younger generation is forced to work multiple layers, eight hours of primary work, combined with part-time jobs and freelance work, not to move up the social ladder, but simply to survive and hope to accumulate a small amount of assets. As a result, many are even afraid to begin life (such as getting married or starting a family) because they do not yet have adequate economic security.

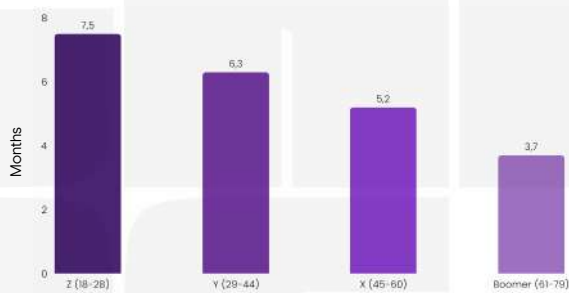
Figure 17. The Younger Generation Squeezed by the Oligarchic System



Gen Z must remain unemployed for up to 7.5 months before being able to secure a job (see Figure 18). Due to long waiting times and intense competition, 7.8 million Gen Z are forced to work in low-skilled sectors. They have no choice. They must accept such jobs to survive, while hoping for better employment opportunities (see Figure 19).

Figure 18.

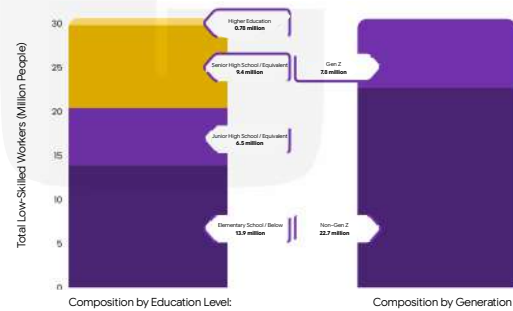
Gen Z Experiences the Longest Unemployment Duration



Source: Sakernas (August, 2025), processed by the researcher(s)

Figure 19.

University Graduates and Gen Z Become Low-Skilled Workers

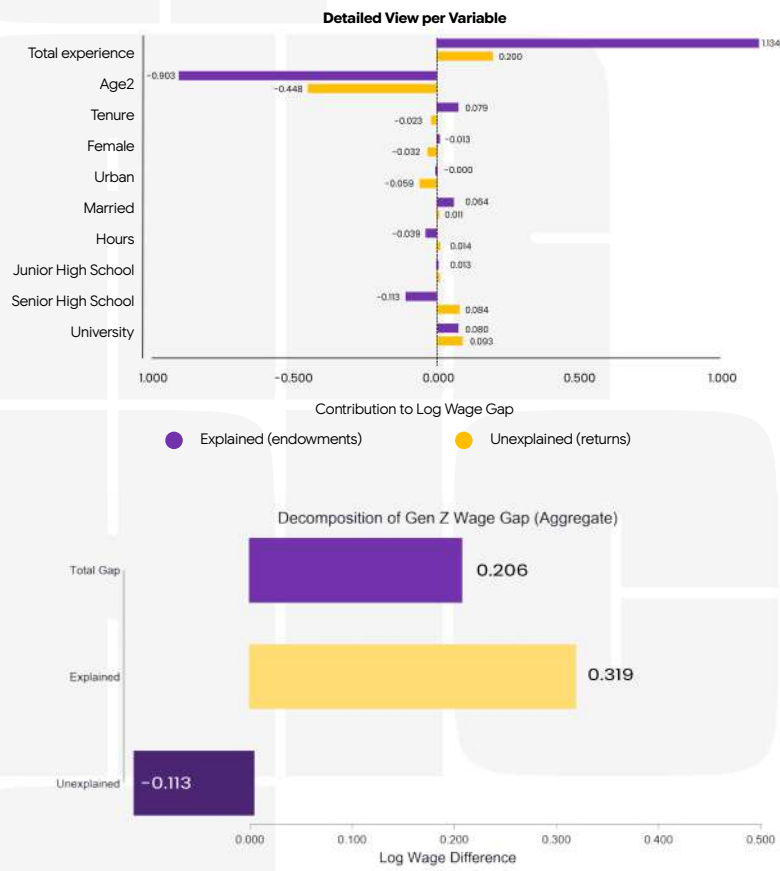


Source: Sakernas (August, 2025), processed by the researcher(s)

Figure 20 further confirms that wage inequality is not a matter of capability, but the result of a system shaped by oligarchy. Seniority becomes the dominant factor not because it is more productive, but because the system deliberately rewards tenure to protect established groups. Even workers with longer years of experience are trapped in stagnant positions, while younger, more competent individuals enter the workforce with low wages and limited social mobility. We also find a wage gap of around 22.8%, with Gen Z falling significantly behind older generations.

Figure 20.

Factors Behind the Wage Gap Between Gen Z and Non-Gen Z²²



Source: Sakernas August 2025, processed by the researcher(s)
 Note: this analysis uses the Oaxaca-Blinder decomposition.



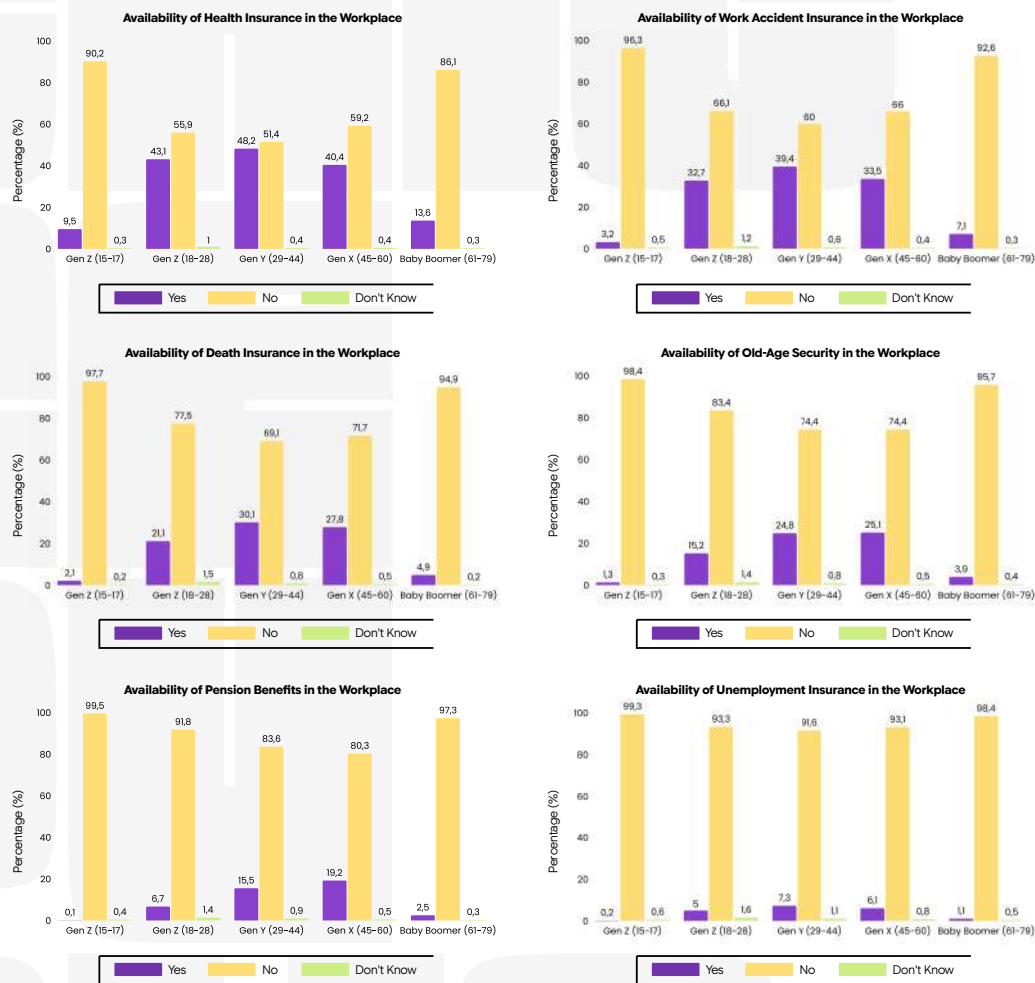
Dokumentasi CELIOS (2026)

Young People Work with Minimal Protection and Security

In this economy, Gen Z is not allowed to fall ill, not allowed to have accidents, and not allowed to die, because their jobs provide no protection at all. But if they do not keep working to the point of burnout, how are they supposed to eat and survive?

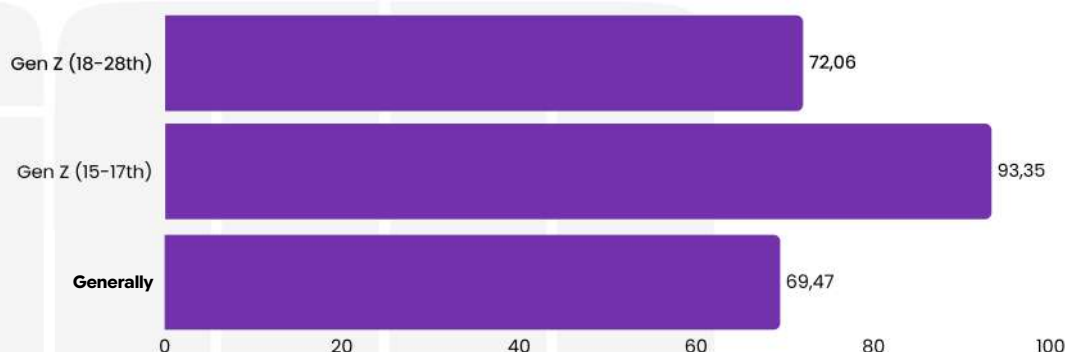
Working in Indonesia, within a system influenced by oligarchy, not only fails to guarantee welfare but actively produces vulnerability, especially for the younger generation. The narrative of “young and wealthy, old and happy” becomes nothing more than an illusion.

Figure 21. Worker Protection in Indonesia



Source: Sakernas August 2025, processed by the researcher(s)

Figure 22. Unpaid Leave Among Young People



Source: Sakernas August 2025, processed by the researcher(s)

Figure 21 reveals a consistent and troubling pattern: Generation Z faces the lowest level of labor protection, even compared with Generation Y, the generation immediately above it. Gen Z workers aged 18 to 28 are confronting highly precarious working conditions, with most lacking even the most basic safeguards. Around 55.9 percent have no health insurance, 66.1 percent lack workplace accident coverage, and 77.5 percent have no death benefit protection (see Figure 21).

They work until they are exhausted, burned out, even sick. Yet the moment their performance slips, they can be dismissed and replaced almost instantly, with no protection against unemployment. Zero safety net.

Approximately 93.3 percent of Gen Z have no protection against job loss. Around 83.4 percent lack old-age security, while 91.8 percent have no pension coverage (see Figure 21). Compared with older generations, Gen Z occupies a far more vulnerable position, entering the workforce without basic protections and without any guarantee of long-term security.

Figure 22 shows that unpaid leave is also widespread in Indonesia, and it disproportionately affects Gen Z. As many as 72.06 percent of Gen Z workers aged 18 to 28 have experienced unpaid leave, far above the national average of 69.47 percent.

Many people dream of this:
 The dream many people grow up with:
 “Young, wealthy, happy in old age, and welcomed
 into heaven after death.”



Our elites:
 “Young and
 wealthy, growing
 old in comfort,
 yet even great
 fortunes cannot
 guarantee heaven.”



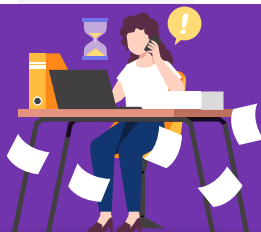
Our Generation Z:
 “Young and overworked,
 growing old while still
 struggling to survive,
 and leaving this world
 without certainty
 that peace will ever come.”

Figure 23. Young people are carrying the weight of a deeply unequal economy



**Wage Inequality:
 Young workers are paid less**

- The wage gap between generations remains wide, even within the same sector.
- 109 million workers still earn below the minimum wage.
- Young people make up the majority of low-wage workers.



**Overwork:
 Surviving, not thriving**

- 25 million workers put in more than 48 hours per week.
- Young workers labor longer hours just to compensate for low wages.



**Informalization:
 A career without certainty**

- Most young workers enter the informal sector.
- No contracts, no income security, and major life decisions are postponed.



Ride-Hailing as a "Temporary Way Out"

- App-based motorcycle taxi work has become the most accessible option.
- Long working hours and unstable earnings remain the norm.

Source: Processed by the researcher(s)

Is Meritocracy Still Considered Important in Indonesia?

Meritocracy vs. Structural Nepotism

A reality deeply embedded in everyday life: privilege and structural nepotism are real.



Young People from Ordinary Families		Young People Within Oligarchic Circles
Start from zero, without strong connection	Starting Point	Born with elite networks already in place
Apply through platforms such as JobStreet, LinkedIn, Kalibr, and Glints	Finding a Job	Hear about opportunities from parents, business associates, or receive direct offers
Send dozens, even hundreds, of CVs, complete online tests, psychometric assessments, and multiple rounds of interviews	Entering the Workforce	No formal selection process, direct entry through recommendations
Unpaid internships or short-term contract work	Early Experience	Immediate access to strategic positions or major projects
Junior staff, administrative roles, sales, or informal work	Initial Career Position	Young commissioner, project manager, advisor, or other "strategic" roles
Depend on public information, such as online vacancies and job fairs	Access to Information	Access internal information on projects, investments, and business opportunities
Extremely high, with thousands of applicants competing for a single position	Competitive Pressure	Low, because access is limited to certain networks
Minimum wage, or below, sometimes supplemented by unstable freelance work	Starting Income	Far above average, even without extensive experience
Take odd jobs, freelance, or work as a ride-hailing driver	Survival Strategy	Focus on building business portfolios and networks
High: layoffs, expiring contracts, and non-renewal are constant threats	Career Risk	Low: protected by family networks and inherited assets
Slow, requiring years to move upward	Social Mobility	Fast, due to access to capital and major opportunities
Difficult to secure business funding or credit	Access to Capital	Easy access to investors, banks, or family capital
Build connections from scratch through seminars and job fairs	Networking	Already connected to officials, CEOs, and politicians
Must work harder for results that remain uncertain	The Meaning of "Hard Work"	Hard work accelerates success, but it is not the primary determinant
Apply to more than 100 vacancies, often without ever receiving a call	Reality on the Ground	Never "apply for a job" in the formal sense
Difficult to buy a home, save, or invest	Long-Term Impact	Able to accumulate assets from a young age
Pushed downward by inequality	Systemic Structure	Benefiting from an oligarchic system

When Will Young People Be Able to Own a Home?

In Indonesia, land, the single largest component of housing prices, is heavily concentrated in the hands of a small elite with privileged access to permits, concessions, and large-scale capital. This ownership is often not matched by proportional taxation, allowing land to be hoarded and speculated upon. As a result, property prices rise far faster than the incomes of young people. The problem, therefore, is not simply that young people cannot afford to buy a home. It is that access to land itself has been locked behind an oligarchic structure, while property prices continue to soar. Consequently, young people are pushed farther away from economic centers and forced to bear even higher living costs.

Even subsidized housing priced at IDR 166–185 million (\$9.8–11 thousand), with down payments of just 1–5 percent and interest rates of around 5 percent, remains out of reach for Generation Z. Monthly mortgage payments would consume around 31–35 percent of a minimum wage salary, and in some cases as much as 48 percent of a monthly income of IDR 2.2 million (\$130). Under such conditions, homeownership feels almost impossible.

Housing is a basic necessity, equal to food and healthcare, and a key to accessing education, employment, and life stability,... For young people, homeownership also represents independence, readiness to start a family, and a means of accumulating assets, even serving as a form of social security amid a weak protection system,... Yet access remains unequal. Although subsidized homes are available at prices of IDR 166–185 million (\$9.8–11 thousand), with down payments of 1–5 percent, interest rates of around 5 percent, and loan terms of up to 20 years, the ability to purchase one still depends on a person's initial economic position.



Dokumentasi CELIOS (2026)

Case Study

Family Privilege and the Collapse of Meritocracy

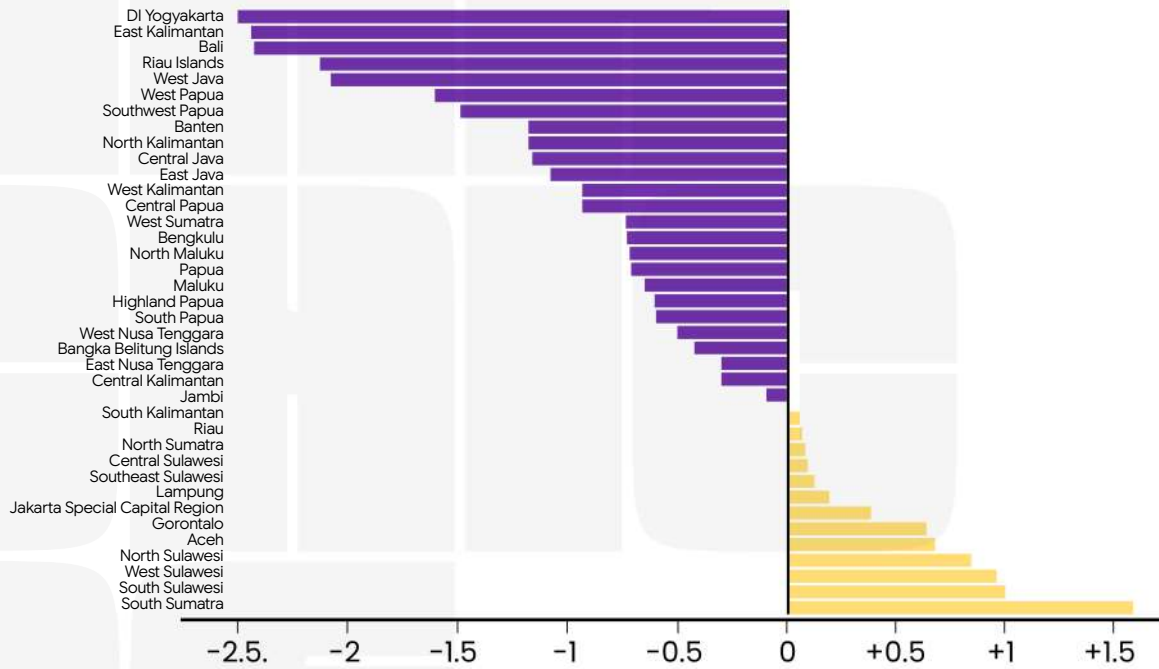


This income comparison shows that the inequality faced by young people is not a matter of lacking skills or education. A bachelor's degree holder earning Yogyakarta's minimum wage (IDR2.2 million/month, approximately \$130/month) would need around 88 months of work to match a single day's profit earned by the child of a public official operating dozens of SPPG kitchens under the MBG program, estimated to generate IDR200 million per day (\$11.8 thousand/day).

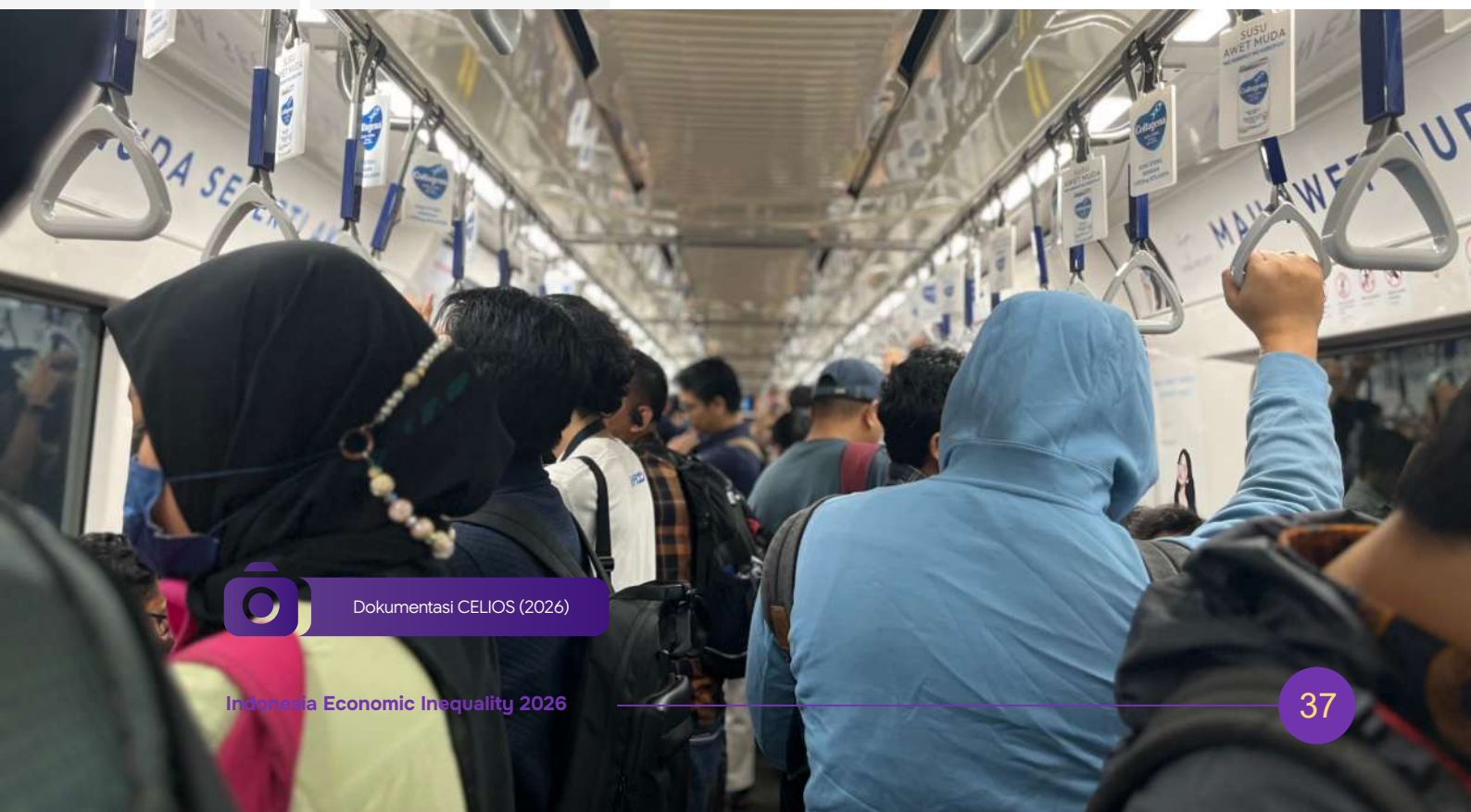
When highly educated formal employment cannot compete with income based on connections and capital, the labor market fails to serve as a pathway for social mobility. This comparison reveals an extreme inequality that is almost absurd: young people earning the equivalent of the minimum wage (\pm IDR2.26 million/month, approximately \pm \$134/month) would need years, or might never succeed without support, even to access subsidized housing, while the child of a regional legislator earning IDR200 million per day (\$11.8 thousand/day) could purchase a home, even without a mortgage, in just 1–3 days.

Property prices continue to rise, far outpacing the earning capacity of young people. Meanwhile, the wages of most Generation Z workers remain around the level of the minimum wage, with many trapped in "karjimum", short for karyawan gaji imut, or workers earning tiny salaries (see Figure 24).

Figure 24. Minimum Wages That Are Insufficient to Support a Family.



Source: Ministry of Manpower, 2025, processed by the researcher(s).



Dokumentasi CELIOS (2026)

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When young people from ordinary backgrounds fail, they are often blamed for lacking perseverance or competence, and sometimes even labeled as too afraid to seize opportunities. Yet when young people from wealthy families rise quickly, their success is rarely questioned. **Nepotism is frequently reframed as opportunity, while structural inequality is too often reduced to a matter of personal failure.**

3

Ride-Hailing Drivers and the Real Face of Modern Economic Inequality

The conditions experienced by ride-hailing drivers are not an anomaly, but part of a broader pattern of economic inequality. The ride-hailing business model is perhaps the clearest example of how an exploitative economic system operates, with profits concentrated at the top, while risks and burdens are pushed downward onto workers.

What appears as "flexibility" and "partnership" is actually a new form of structural inequality, where workers have no protection, yet remain under the full control of an unfair economic system.

The digital platform business model depends on commissions from every transaction, the larger the cut taken, the greater the company's profits and valuation, with algorithms determining fares, incentives, and order distribution in ways that benefit the company. On the other hand, "partner" status is used to avoid obligations such as minimum wages, social security, and labor protections, so all risks, income uncertainty, and operating costs are borne by the drivers, while control remains in the hands of the platform (see Figure 25).

Figure 25. Commission-Sharing Mechanism Between Ride-Hailing Platforms and Drivers



This study shows the unequal distribution of value in ride-hailing transactions, where drivers receive only around IDR55,600 (\$3.3), or 80% of the "trip fare", while 20% is taken by the platform as commission. This inequality is normalized behind the narrative of workplace flexibility. Many drivers even have to use more than one application to maintain their income, due to the instability of relying on a single platform alone.

Source: Qualitative Interview with a Ride-Hailing Driver (2026)

In practice, drivers travel up to 42 km per day while working 10–11 hours, or even longer, exceeding standard working hours. Yet their monthly income remains below the minimum wage. In Bekasi, for example, they earn only around IDR3.9 million (\$231), or 79% of the IDR5 million (\$296.2) minimum wage. Amid rising living costs, real earnings continue to decline. Ironically, the platform's valuation continues to rise, with profits concentrated among investors, while drivers remain trapped in low wages and precarious employment.

Figure 26. Life Cycle of Ride-Hailing Drivers.



Tabel 3.

Dimensions of Exploitation and Mechanisms of Control in the Ride-Hailing Business

Key Issue	Economic Exploitation	Elite Economic Control
 Pseudo "Partner" Status	 Drivers are called partners, but have no control over fares or working conditions	 Avoids formal employment obligations while maintaining full control
 Algorithm as the "Boss"	 Orders, ratings, and suspensions are determined by the system	 Driver behavior is controlled through opaque algorithms
 Risks Borne by Drivers	 Fuel, maintenance, and accidents are paid for by drivers themselves	 Risks are shifted downward to minimize company costs
 Low Fares	 Low prices suppress driver earnings	 Fares are controlled to attract customers and increase transaction volume
 Exploitation of Working Time	 Drivers work extremely long hours just to earn enough	 Incentives are designed to keep drivers constantly active
 Death from Exhaustion	 There have been cases of drivers dying while working	 The system imposes no effective limits on working hours
 Risky Incentives	 Bonuses encourage excessive working hours	 Behavior is directed without direct coercion
 Hidden Costs	 Health costs and vehicle depreciation are excluded	 Only gross income is emphasized
 Driver Over-Supply	 More drivers mean lower individual earnings	 Competition is maintained to suppress fares
 Inequality of Life Time	 Rest and family time are sacrificed	 No compensation is provided for lost personal time
 Stalled Mobility	 Economic upward mobility is extremely difficult	 The model is not designed to improve drivers' economic standing
 Normalization of Suffering	 Exhaustion and risk are treated as normal	 The narrative of hard work is constantly reinforced
 Empathy Inequality	 Consumers focus primarily on fast service	 Expectations are shaped by the platform
 Weak Regulation	 Social protections remain minimal	 Regulatory loopholes are deliberately exploited

Source: Author's Analysis

“

Ride-hailing drivers compete on the streets under the constant direction of algorithms, pursuing orders, racing against time, and adapting to ever-changing incentives. They shoulder the costs of fuel, vehicle maintenance, and the risks of the road. Meanwhile, platform owners reap the rewards from above, without ever touching the asphalt or paying a single rupiah for the vehicles that keep the system running

4

From Inequality to Powerlessness: Women in an Oligarchic System

Oligarchy is a fundamental driver of inequality, as wealthy elites are able to dominate policymaking even within a formal democratic system^{33,34}. Economic elites act as architects of the law, while obstructing reforms that could threaten their wealth or privileges^{35,36}. This dynamic reinforces social inequality and weakens the democratic principle of equal participation³⁷.

In an oligarchic system, women's empowerment is not prioritized, because it can increase production costs, strengthen workers' bargaining power, and encourage fairer policies. As a result, although gender inequality long predates the present, oligarchy continues to reproduce and deepen it, keeping women in the most vulnerable positions within the system.

Gender inequality has existed for decades, even centuries, but under an oligarchic system, it is exploited and reinforced because it benefits the elite. This system depends on cheap labor, policy control, and stability, which is why women's weaker position, characterized by lower wages, informal employment, limited protection, and disproportionate domestic burdens, is actively maintained.

Women Surviving Economic Injustice

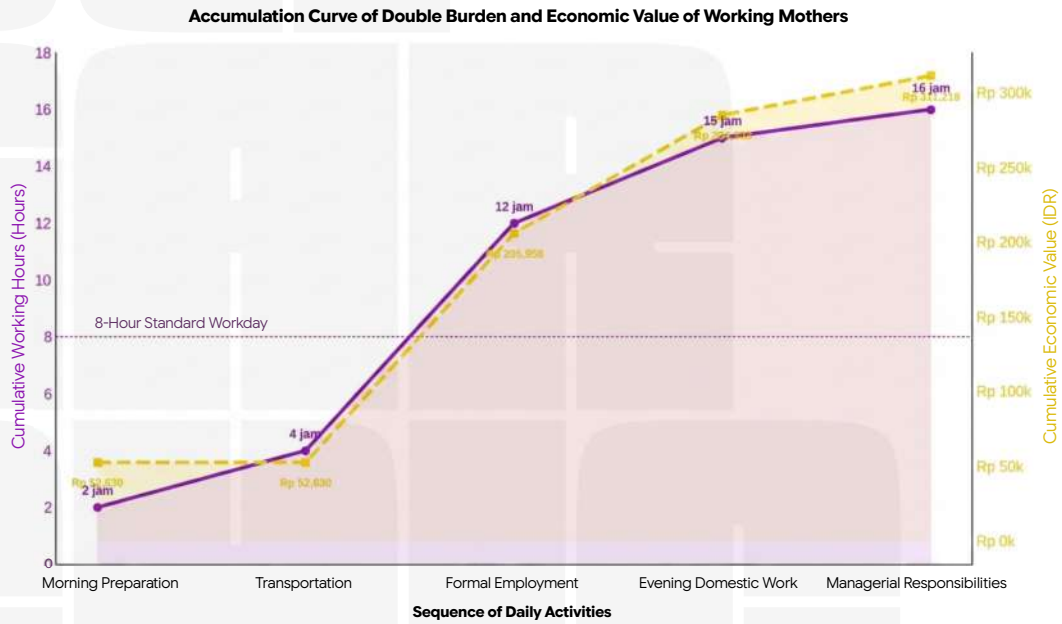
Women in Indonesia are trapped within an unfair labor structure (see Figure 27): low wages, minimal protections, and the burden of paying childcare costs out of pocket, while the state, shaped by oligarchic interests, has failed to provide adequate childcare policies capable of correcting these inequalities.



Dokumentasi CELIOS (2026)

Figure 27.

Simulation 1: Simulation of the Double Burden of Working Mothers

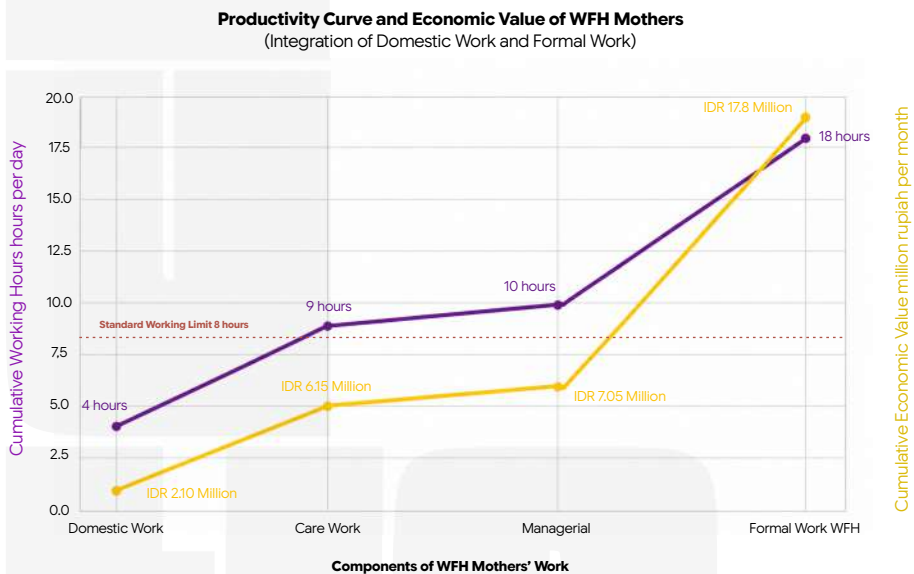


Source: Processed by the researcher(s) (2026)

Figures 27 and 28 show that working mothers including WFH bear a burden of up to 16–18 hours per day, far exceeding standard working hours, with significant economic value up to around IDR19 million per month (\$1.1 thousand/month), however most of it comes from unpaid and unrecognized domestic work and care work. This confirms that the economic system relies on women’s reproductive labor to sustain the productivity of the formal sector without bearing its costs.

Figure 28.

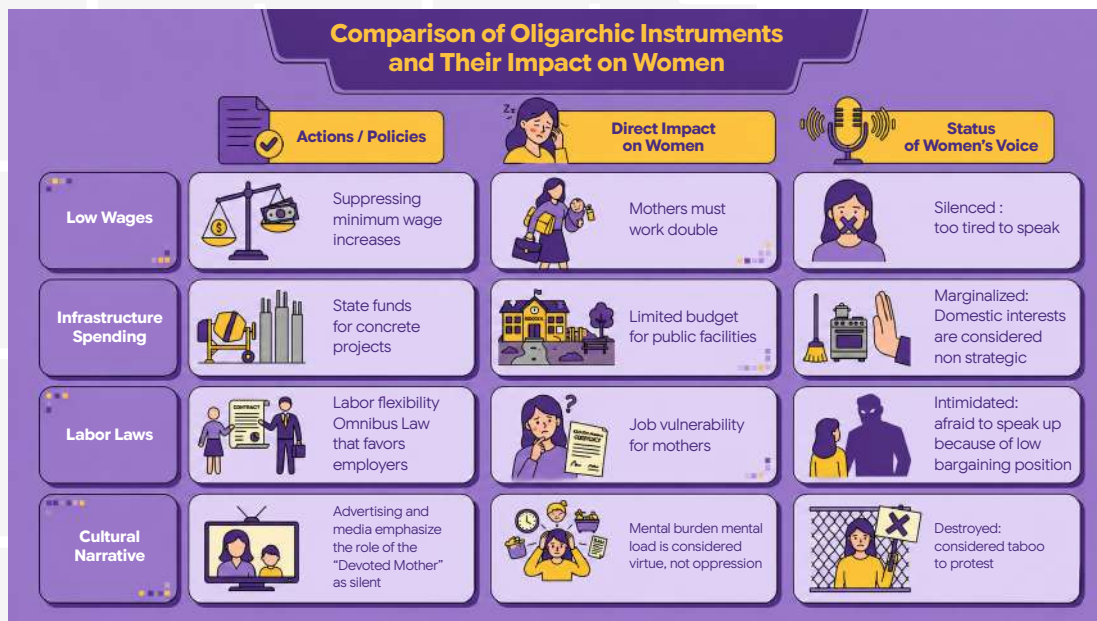
Simulation 2: Simulation of the Economic Value of WFH Mothers’ Work³⁸



Source: Processed by the researcher(s) (2026)

One concrete step that the government can take is to provide incentives or subsidies for women to ease the burden of paid childcare costs, or as a form of compensation for the double workload they bear. Thus, the cost of caregiving is not fully imposed on household expenditures or the income they earn, but instead becomes part of more equitable public policy support.

Figure 29. Identification of Problems Faced by Women in the Oligarchic System

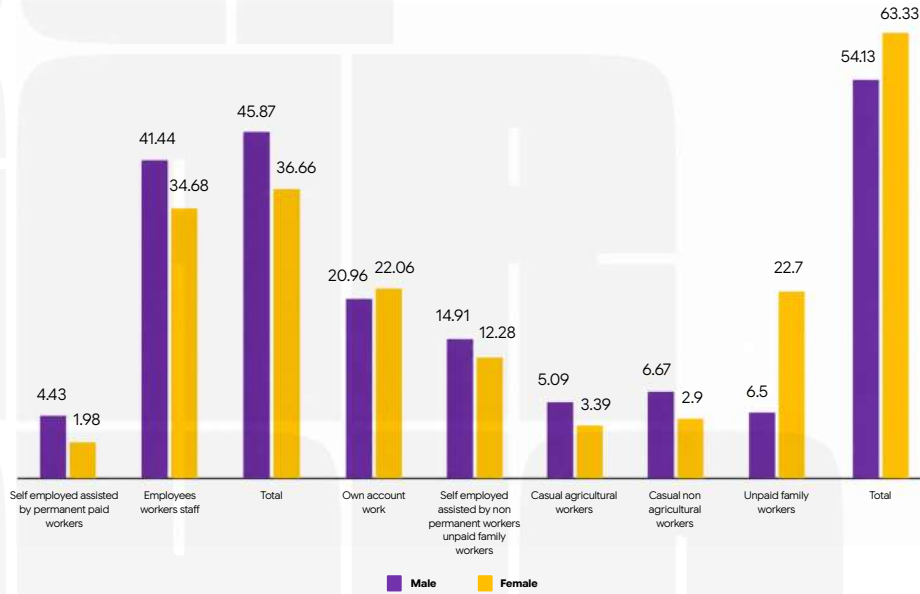


Source: Processed by the researcher(s) (2026)

The system shaped by oligarchy is increasingly constraining women

In Indonesia, women's economic status has consistently been lower than men's since 1995, when more than 65 percent of the female labor force worked in the informal sector. After three decades, in 2025, the share of women still dominates the informal sector at 63.33 percent, higher than men at only 54.13 percent. Conversely, the share of women is lower than men in the formal sector, at 36.66% compared to 45.87% see figure 30. This phenomenon proves that there has been no serious intervention from the government to address gender inequality in the labor structure over the past 30 years.

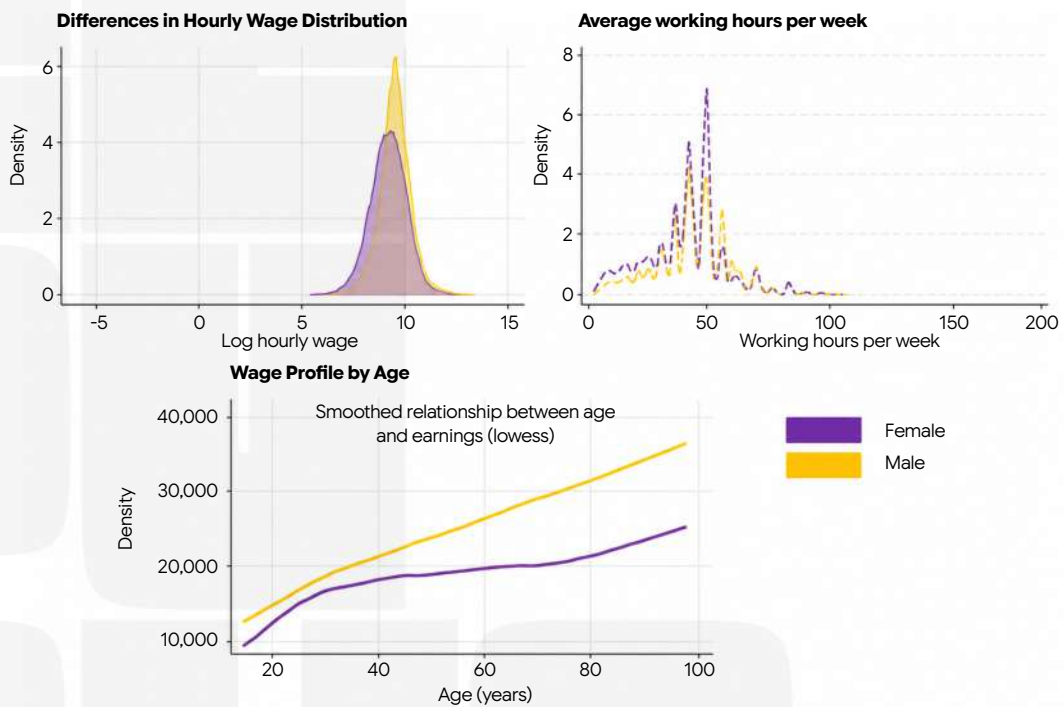
Figure 30. More Women Work in the Informal Sector



Source: Sakernas August 2025, processed by the researcher(s)

Figure 31 also shows wage inequality across the life course: women are already behind in their 20s and the gap continues to widen into older ages, even their hourly wages are lower than men, indicating an accumulation of injustice that increases over time.

Figure 31. Wage Gap by Gender



Source: Sakernas August 2025, processed by the researcher(s)

Did you know?

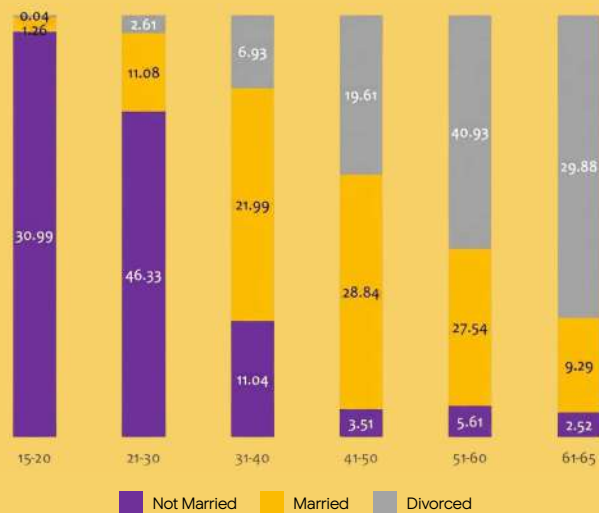
A total of 623,937 women aged 15–65 have become discouraged from seeking work, driven by limited formal job opportunities and the inability of the labor market to absorb educated workers. Among unmarried women, 77.32% of those who are discouraged are dominated by young ages 15–30, while 50.83% of married women are constrained by marital status discrimination see Figure 32.

More severe conditions are experienced by divorced women, especially those aged 51–60, who face double discrimination, gender and age. This shows that the issue is not competence, but rather a discriminatory labor market structure, which continues to widen economic inequality and trap women in vulnerability.

The impact is not only on individuals, but also on the broader social structure: when women are excluded from the labor market, economic potential is wasted, dependency increases, and the risk of household poverty becomes higher. Without changes toward a more inclusive and equitable system, this condition will continue to reproduce inequality across generations.

Figure 32.

Many women are discouraged from seeking work



Source: Sakernas August 2025, processed by the researcher(s)

5

The Military behind the oligarchy

The involvement of the military in the extractive business sector is increasingly strengthening in the Prabowo Gibran era. The policy of annexation of assets from mining and palm oil companies which constitutes an activity of Operasi Militer Selain Perang (OMSP) is stipulated in several regulations.

One example is Presidential Regulation No. 5/2025 concerning the establishment of the Garuda Task Force for Forest Area Control (PKH). This policy is then followed up with the signing of a memorandum of understanding between TNI Headquarters and the Ministry of Forestry. The Garuda PKH Task Force is led by TNI Chief of General Staff Lieutenant General TNI Richard Tampubolon, and as of the end of March 2025 has seized approximately 538,868 hectares of oil palm plantations which are directly handed over to PT Agrinas.

PT Agrinas itself is led by retired TNI personnel, extending the list of former high ranking military officials in the management of state owned enterprises in the extractive sector. It should be noted that the state owned mining holding PT Mind ID is managed by Maroef Sjamsoeddin, a retired Air Vice Marshal of the Indonesian Air Force, serving as President Director of MIND ID since the March 2025 General Meeting of Shareholders.

Furthermore, the TNI conducted the 2025 Integrated Exercise in Bangka Belitung and Morowali, two regions with high natural resource wealth as well as vulnerability to illegal mining. In Bangka Belitung, a simulation of the arrest of illegal pontoons and a review of sand mining sites were carried out. The controversy continued in Morowali, where the presence of the TNI secured the IMIP airport as it was considered a loophole for the leakage of illegal export and import of goods. In fact, the IMIP airport had previously obtained a permit from the Ministry of Transportation.

Following the Sumatra floods, there were 9 companies audited by the Ministry of Environment, and 24 companies by the Ministry of Forestry. Companies indicated to have carried out deforestation, land use change, and caused flooding disasters were initially halted in their operations. The public expected that degraded critical land would be restored to its original ecosystem. However, a plan emerged to transfer the business permits of companies proven guilty to state owned enterprises. At the same time, Perminas emerged, a new state owned enterprise tasked with managing mineral mining.

The contestation of military interests is also visible in an event referred to as the star war in Kotabaru, South Kalimantan.

The star war involves two large companies competing over land: PT Sebuk Iron Lateritic Ores (SILO), which operates in iron ore and coal mining, and PT Multi Sarana Agro Mandiri (MSAM) owned by businessman Haji Isam, which develops oil palm plantations. This conflict involves armed institutions at the highest leadership level, MSAM employs Brimob personnel to guard oil palm planting, while SILO seeks protection from the military, including involving TNI cooperatives in securing the mining area.

There are several consequences of the strengthening role of the military in the extractive business:



First, the distortion of business competition in the mining and palm oil sectors. The military collaborates with state owned enterprises in land appropriation, managed through direct appointment.



Second, efforts to carry out revitalization or restoration of land resulting from permit seizures by law enforcement authorities are thwarted. The interest in continuing natural resource exploitation constitutes a collaboration between the military and state owned enterprises. Economic losses due to environmental damage are not used as a basis in strategic decision making.



Third, indigenous communities and civilians directly face the military in defending their living space from the expansion of mining and palm oil. The inequality in natural resource governance with the presence of the military indicates the existence of state capitalism that increasingly harms the long term economy.

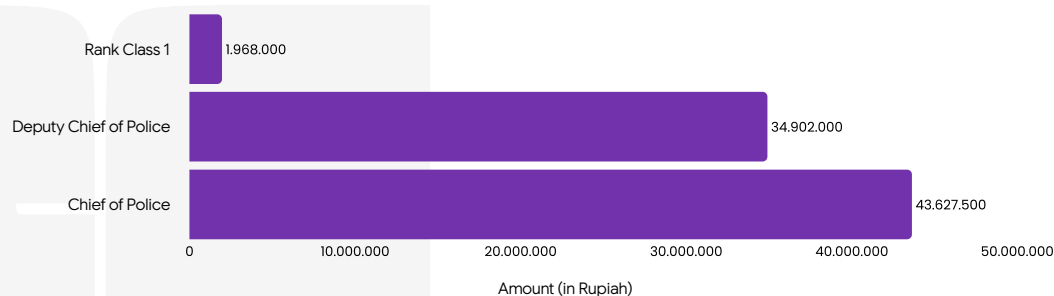
Incentive Inequality as a Root Cause of Military Involvement in Business

Figure 33. Performance Allowance Inequality within the Indonesian National Armed Forces



Source: Presidential Regulation Number 102 of 2018

Figure 34. Performance Allowance Inequality within the Indonesian National Police Force



Source: Presidential Regulation Number 102 of 2018

The incentive structure within the military and police institutions also reveals significant disparities. Performance allowances between the lowest rank class and the highest leadership in the armed forces differ by as much as eighteen times, while in the police force the gap exceeds twenty two times. This inequality reflects a highly hierarchical distribution of welfare, while also creating incentives to seek additional sources of income outside formal mechanisms. In this context, military involvement in the extractive business sector cannot be separated from this unequal internal incentive structure (see Figures 33 and 34).

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Within law enforcement institutions, those on the front lines receive the least, while senior officials receive the most. Those who risk their lives to protect public safety often live modestly, managing their expenses and monthly installments one month at a time.

6

Oligarchic Political Parties

Oligarchic political parties⁴⁰ have become one of the primary mechanisms for preserving the power and position of the elite. Political parties no longer function as institutions of public representation, but rather as instruments for protecting the interests of the economic elite. This aligns with the argument of Jeffrey A. Winters (2011), who defines oligarchy as a system in which individuals with extreme wealth use their material power to preserve and protect their fortunes from redistribution by the state or society through every available political institution, including political parties.

Figure 35. Oligarchy in Democratic Clothing: How Elites Acquire Political Parties



Source: researcher(s)'s Analysis

In the Indonesian context, political oligarchy is understood as the intersection of extreme wealth accumulation and control over state institutions, as explained by Jeffrey A. Winters through the concept of oligarchic capitalism, in which a small group of super wealthy elites use political power to protect and expand their assets. This dynamic is further reinforced by the phenomenon of state capture as described by Joel S. Hellman, whereby economic actors are able to shape regulations, fiscal policies, and even the direction of national development to align with their business interests.

Within this framework (see Figure 35), electoral democracy does not function as a mechanism for distributing power, but rather as an arena of competition among oligarchs. The Reformasi of 1998 failed to dismantle oligarchic structures; instead, it reorganized them into a new form that proved more adaptable to democratic institutions, allowing power to remain concentrated within networks of both old and new elites to this day⁴³.

Political costs typically consist of campaign expenses, general logistics, political dowries, and voter mobilization costs⁴⁴. At present, the political cost of running for regent or mayor, as well as deputy regent or deputy mayor, is estimated at around IDR30 billion (\$1.8 million), while a gubernatorial or vice gubernatorial candidacy can require as much as IDR100 billion (\$5.9 million). At the presidential and vice presidential level, political costs can reach IDR9.8 trillion (\$580.6 million)⁴⁵.

Political oligarchies maintain their power through political control by financing parties, providing political sponsorship, setting political dowries, and acquiring political parties outright. Elections, burdened by enormous costs and dependent on extensive media networks for victory, become merely procedural instruments, far removed from democratic ideals. Once in power, political oligarchies design policies that benefit their cronies and inner circles, making control over both the legislature and the executive, often through oversized governing coalitions, an absolute necessity. Today, this fusion of power has expanded further into the judiciary and the security and military apparatus, strengthening oligarchic dominance. These efforts are intended to ensure that public policy delivers corporate incentives⁴⁶, concessionary tenders⁴⁷, regressive taxation⁴⁸, amnesties for the super wealthy⁴⁹, and the expansion of problematic National Strategic Projects (PSN)⁵⁰.

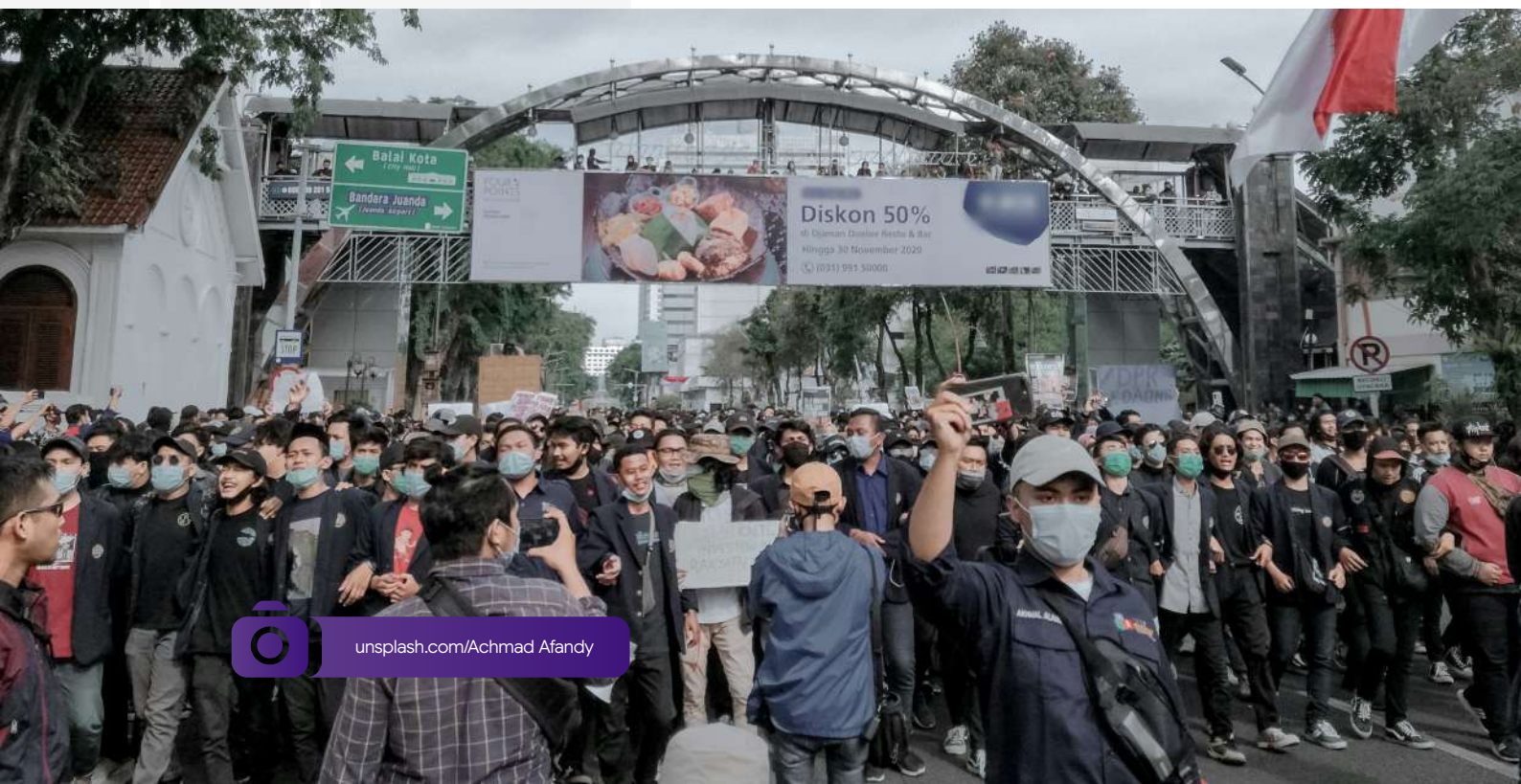


Figure 36.

Mapping Political Parties Controlled by Political Oligarchs



Table 4 illustrates Indonesia's national political landscape, where the country's major political parties are controlled by a small number of political families that serve as the foundation of political oligarchy. These families pass political parties down within their own bloodlines and maintain control alongside their close associates. This is precisely what makes political dynasties the breeding ground for oligarchic power. This phenomenon is known as oligarchic political parties, in which political parties, rather than serving as vehicles of democracy, instead become instruments of oligarchic control over government and sources of wealth. The results of the 2024 election show that these political oligarchies secured 57.08 percent of the popular vote and captured 61.55 percent of the seats in parliament.

Tabel 4. Wealth Accumulation of Political Oligarchies



Sumber : LHKPN KPK dan media (2024)



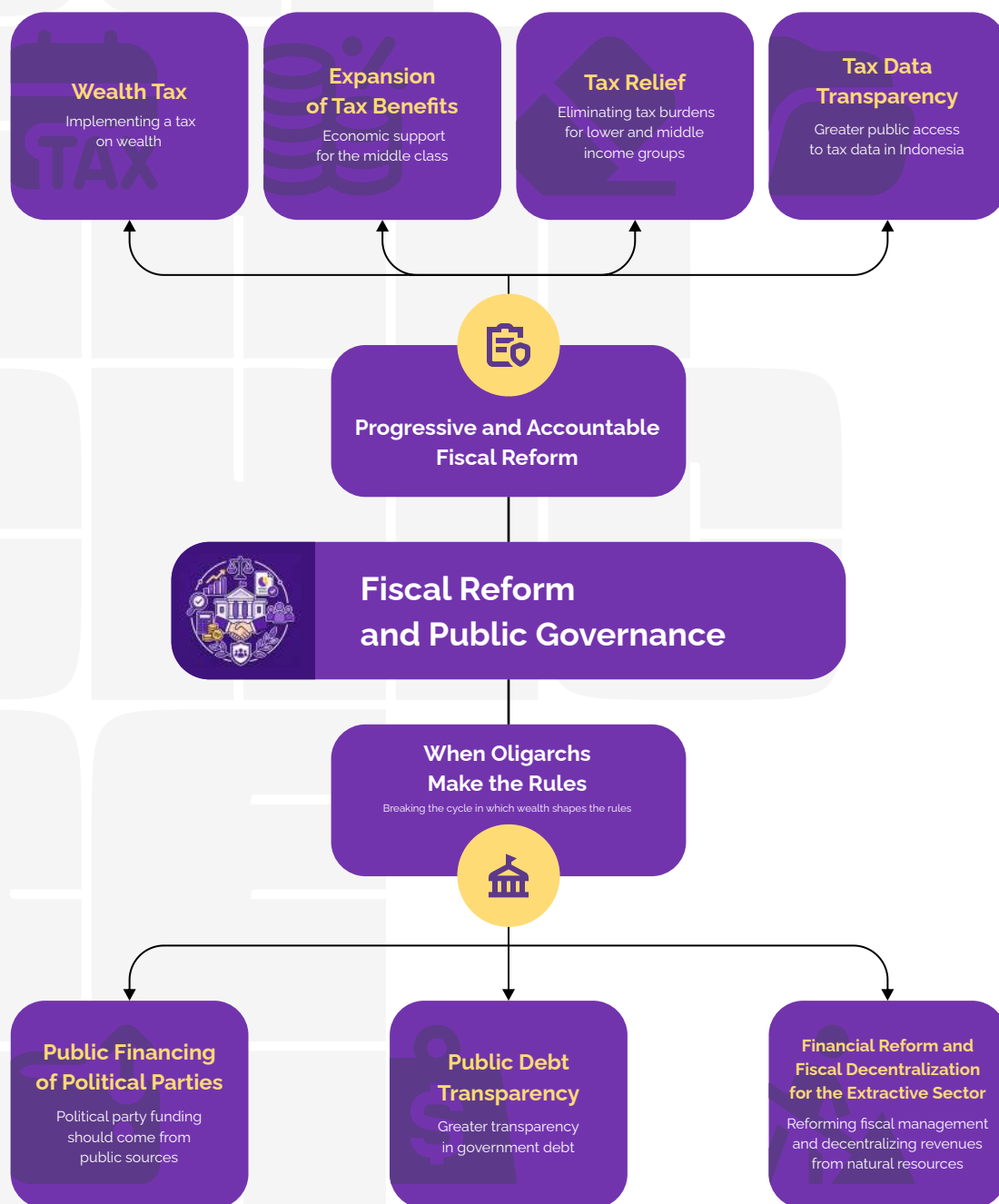
If there is no change in Indonesia's political oligarchic structure, it is highly likely that the presidents of 2029, 2034, 2039, 2044, and 2049 will be the children, grandchildren, or relatives of today's party owners and ruling elites. In an oligarchic republic, power is no longer elected, but inherited like a throne.

7

Policy Recommendations

This study emphasizes that fiscal reform and improvements in public governance must be directed toward breaking the dominance of oligarchic interests in shaping economic and political rules. On the fiscal front, measures such as a wealth tax, stronger tax benefits for the middle class, tax relief for lower income groups, and greater transparency in tax data are intended to create a fairer and more accountable system.

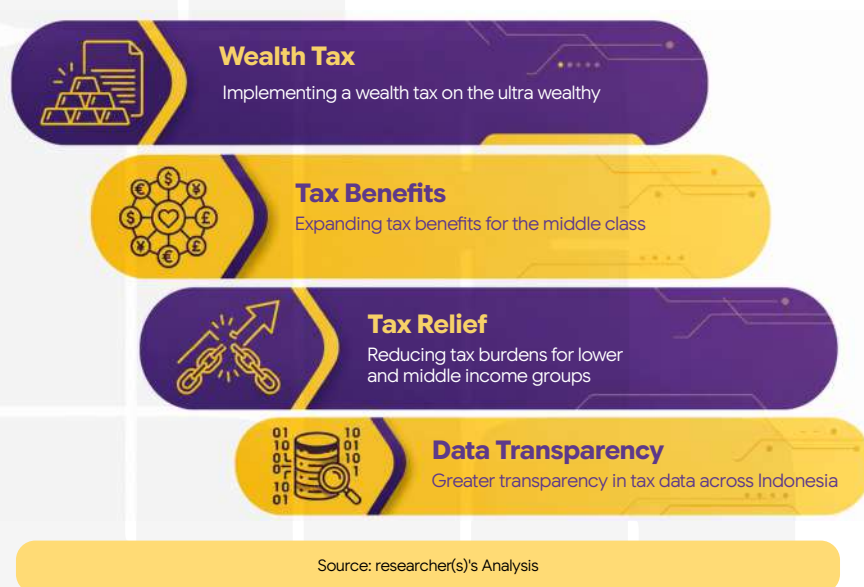
Figure 37. Recommendations for Reducing Inequality and Oligarchic Influence



Source: researcher(s)'s Analysis

On the political and governance front, public financing for political parties, presidential term limits, and greater transparency in public debt are essential to reducing the influence of wealth over political power (see Figure 37). These measures should be reinforced through fiscal reform (see Figure 38) and the decentralization of extractive revenues, ensuring that natural resource management becomes more transparent and that its benefits are distributed more equitably across society.

Figure 38. Fiscal Reform Through Tax Governance



A. Progressive and Accountable Fiscal Reform

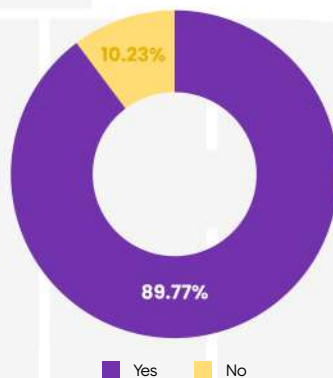
7.1. Implementing a Wealth Tax

What Is a Wealth Tax?

The concept of a wealth tax has long been discussed as an alternative form of progressive annual taxation based on an individual's total assets, net of liabilities (Yang, 2021). Countries such as Colombia, Argentina, Bolivia, and Norway continue to maintain wealth tax systems today. A more aggressive wealth tax targeted specifically at ultra wealthy individuals can effectively complement the existing income tax system (Advani et al., 2021). Wealth taxes are classified as progressive because the burden falls proportionately more on the wealthy, rather than placing greater pressure on lower income groups, as is often the case under regressive taxation.

CELIOS survey findings on public perceptions of a wealth tax also show strong support. A majority of respondents agree that a wealth tax should be implemented in Indonesia.

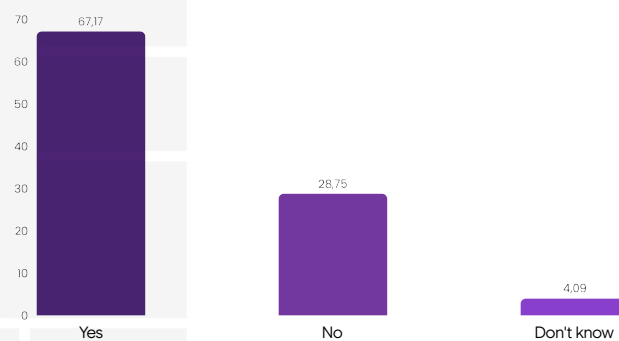
Figure 39. Public Support for the Implementation of a Wealth Tax in Indonesia



Source: CELIOS Wealth Tax Survey, 2025

A majority of respondents also believe that a wealth tax could reduce economic inequality across social classes. Tax revenues would increase significantly, enabling the government to expand spending on social protection without raising existing tax rates. During times of crisis, a wealth tax could also serve as a fiscal shock absorber (see Figure 39).

Figure 40. Public Perception of the Impact of Wealth Tax in Reducing Economic Inequality in Indonesia

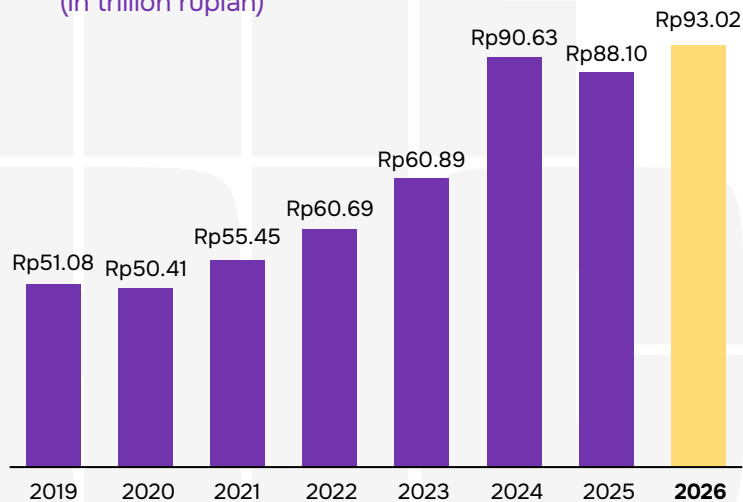


Source: CELIOS Wealth Tax Survey, 2025

A 2% rate applied to the 50 richest individuals could generate IDR93 trillion (\$5.5 billion) per year for the state.

The potential of a wealth tax could be more optimal with a threshold or minimum limit for the imposition of the wealth tax of IDR84 billion (\$5 million). With a progressive rate of 1 to 2%, the potential of a wealth tax could reach IDR142.2 trillion (\$8.4 billion) per year (see Table 5). Amid widening inequality, the state actually has room to draw greater contributions from the top group, not from ordinary people who are already burdened.

Figure 41. Potential Wealth Tax of the 50 Richest (2019 to 2026)
(in trillion rupiah)



Source: Data from Forbes 50 Richest 2026, processed by the researcher(s)

Tabel 5. Wealth Tax Simulation Based on Wealth Thresholds

Wealth Group	Tax Rate (%)	Number of Billionaires	Potential Income (IDR Billion)
< IDR84 billion (< \$5 million)	0	12.910	0
IDR84–506 billion (\$5–30 million)	1	11.180	6.093
IDR506 billion (\$30 million)	2	1.729	136.112
Total Potential Wealth Tax			142.205

Source: Global Wealth Tax Simulator (2026), processed by CELIOS⁵⁶

Figure 42.

Wealth Tax of Executive and Legislative Officials

Members of DPD RI	
Total Wealth > Rp506 Billion (> \$30 million)	-
Total Wealth > Rp84 Billion (> \$5 million)	IDR885,781,517,824
Potential Wealth Tax	IDR8,857,815,178
Members of DPR RI	
Total Wealth > Rp506 Billion (> \$30 million)	IDR7,094,104,754,648
Total Wealth > Rp84 Billion (> \$5 million)	IDR9,074,180,974,818
Potential Wealth Tax	IDR232,623,904,841
Cabinet Officials of the Merah Putih Cabinet	
Total Wealth > Rp506 Billion (> \$30 million)	IDR22,893,474,942,200
Total Wealth > Rp84 Billion (> \$5 million)	IDR5,296,566,823,295
Potential Wealth Tax	IDR510,835,167,077
Executive and Legislative Officials	
Total Wealth > Rp506 Billion (> \$30 million)	IDR29,987,579,696,848
Total Wealth > Rp84 Billion (> \$5 million)	IDR15,256,529,315,937
Potential Wealth Tax	IDR752,316,887,096

Source: Public Officials Financial Disclosure Data (LHKPN) 2024 and 2025, processed by the researcher(s)

“

Wealth tax for all ultra wealthy individuals can generate **IDR142,2 trillion (\$8.4 billion)** per year, almost **60% of the total income tax** paid by all workers in Indonesia.

7.2. Implementation of Tax Benefits to Support the Middle Class Economy

One approach to reducing economic inequality is through a tax benefit scheme, which is a tax policy that not only raises revenue, but also actively redistributes income. The principle is that higher income groups pay more taxes, while vulnerable middle class and low income groups receive direct benefits, either in the form of tax reductions or cash transfers. Thus, tax benefits are expected to balance rights and obligations while enhancing tax compliance and revenue (Subroto, 2025), aligning with the view that taxation is not merely a legal obligation but a fiscal contract that shapes civic morality; the duty to pay taxes should ideally arise from a sense of ownership rather than coercion (Subroto, 2019). In this context, tax benefits for the middle class, through deductions, credits, or exemptions, are designed to ease financial burdens and sustain purchasing power (Subroto, 2025).

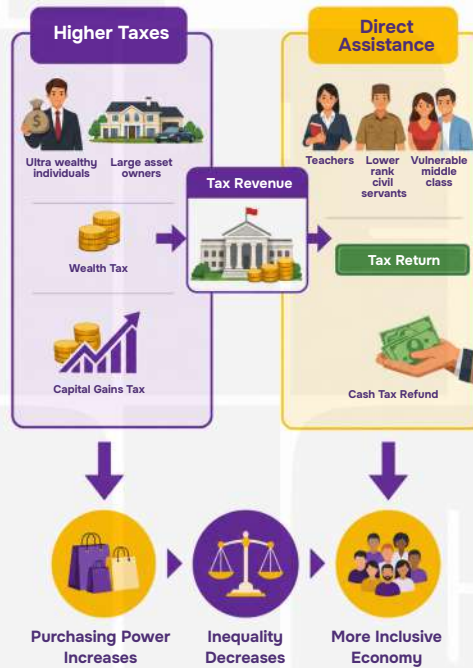
This scheme can be designed through progressive taxation, wealth taxes, as well as refundable tax credits, so that even if an individual does not have a large tax liability, they can still receive financial benefits from the state (see Figure 43).

In practice, this scheme can be implemented concretely by providing tax returns in the form of cash to groups such as teachers, lower rank civil servants, formal workers with low wages, as well as the vulnerable middle class. For example, after annual tax filing, individuals in these groups receive tax refunds directly into their accounts as additional income. This mechanism is similar to the earned income tax credit in several countries, where the state “tops up” the income of certain worker groups through the tax system. On the other hand, the financing of this scheme comes from increased taxation on ultra rich individuals and large asset holders, creating real redistribution from the top to the bottom.

The impacts are immediate and tangible. First, the purchasing power of lower middle income groups increases because they receive additional cash income. Second, inequality decreases because the tax system is no longer neutral, but actively corrects income distribution. Third, this policy also increases trust in the tax system, because people see concrete benefits, not only the obligation to pay.

Figure 43.

Tax Benefit Scheme to Reduce Economic Inequality



Source: researcher(s) Analysis

7.3. Eliminating Taxes that Burden the Lower Middle Class

One concrete step to reduce inequality is to eliminate or reduce taxes that disproportionately burden the lower middle class, especially during crucial moments such as job loss or retirement. Taxes on severance pay, for example, are substantively unfair because they are imposed on individuals who are undergoing an economic transition and have lost their regular source of income. The same applies to pension taxes, which reduce the income of elderly groups who are no longer economically productive. In addition, reducing VAT on basic necessities, or even exempting certain categories altogether, would directly lower the cost of living for the broader population. At the regional level, eliminating unclear levies, such as informal charges, layered administrative fees, or non-transparent public service charges, is also important to reduce the daily economic burden on ordinary people.

Wealth Tax Campaign



Wealth tax does not tax everyone, only those who are ultra wealthy, with assets above IDR84 billion (\$5 million)

Wealth tax is not a threat to the economy, but a test of political courage. Does the state side with a handful of the ultra wealthy or with justice for hundreds of millions of its citizens? We invite all parties to get involved through the website pajakkekayaan.com, jointly advocating for the Wealth Tax Bill, and expanding the Wealth Tax Pocketbook. This campaign openly challenges inequality and advocates for the adoption of a wealth tax in Indonesia].

The following is the barcode for the Wealth Tax Pocketbook:



7.4. Transparency of Individual Tax Data in Indonesia

The idea of individual tax transparency, as practiced in several European countries, stems from the need to strengthen public accountability and tax compliance. In countries such as Norway and Sweden, individual tax data is publicly accessible, and research shows that this transparency is correlated with higher levels of tax compliance and strong tax morale. By contrast, in Indonesia, tax data is inaccessible, limiting public oversight of the elite.

The most straightforward policy recommendation is to promote tax data transparency. The government can require the publication of aggregate tax data for the top 10 percent of trillionaires, as well as senior public officials, including the president, the vice president such as Prabowo Subianto and Gibran Rakabuming Raka, and ministers, in the form of tax to wealth or income ratios. Tax transparency can also be extended to the broader public while still protecting personal and confidential information. With a combination of elite transparency and tax structure reform, public trust can increase while also reducing excessive pressure on the lower middle class.

“

When tax data in Finland was published, lower paid workers asked, "Why is my colleague paid more than I am?" This had the effect of increasing wages.

Tuomo Pietilainen,
Helsingin Sanomat journalist, Finland.

B. Breaking the Cycle: When Oligarchy Sets the Rules

7.5. Public Funding for Political Parties

One structural solution to reduce economic inequality is to publicly fund political parties while also creating space for financing from the broader public (see Figure 44). This scheme aims to break parties' dependence on oligarchs and large capital owners, which has long emerged as a result of the high cost of politics. Through transparent public funding from the state budget, based on vote share, strictly audited, and complemented by small donations from the public through political crowdfunding, parties can access healthier and more diversified sources of funding. All funding, whether from the state, individuals, or business entities, must also be reported openly and in real time so that potential conflicts of interest can be monitored by the public.

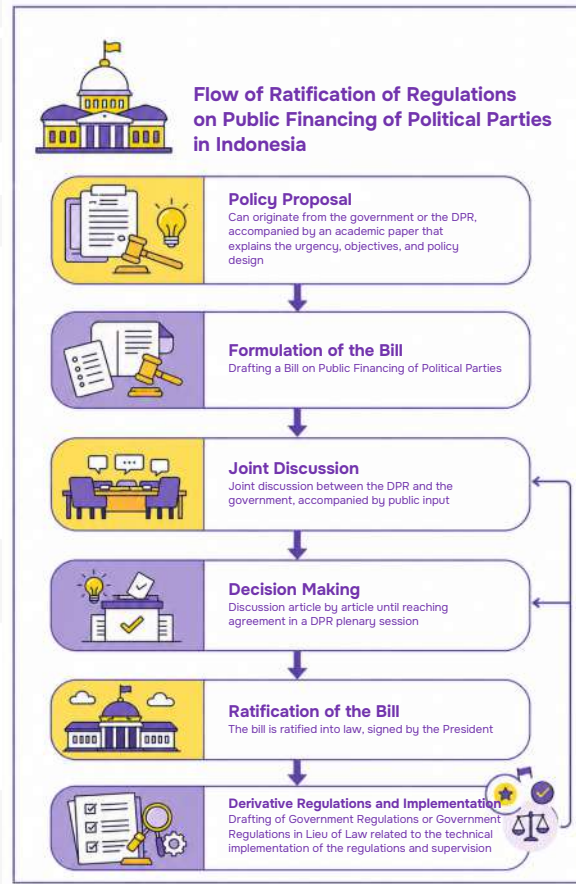
Experience from various countries shows that this approach is effective in preserving political integrity. In Germany, the Nordic countries, and Canada, strong public funding, high transparency, and contribution limits have successfully reduced the dominance of large donors and strengthened citizen participation. People's Party, formerly known as Move Forward Party in Thailand, has developed a substantial grassroots crowdfunding mechanism (see Figure 45). The use of digital platforms to raise funds from constituents has increased party transparency. The policies championed by the party in 2023 reflect the close relationship between direct public contributions and its political platform.

The phenomenon of Zohran Mamdani in New York offers an important lesson. Zohran's political funding came from small donations, and in one campaign fundraising drive, he raised US\$844,000, equivalent to approximately IDR13 billion (\$770.2 thousand), from 11,000 donors. The same approach had previously been practiced by Alexandria Ocasio-Cortez, a member of Congress in the United States, with 70 percent of her campaign funds coming from donations below US\$200 per person.

If implemented in Indonesia, this model has the potential to reduce the high cost of politics, broaden public involvement, and encourage fairer competition based on ideas. In the long run, political parties would become more accountable to the broader public rather than to a small elite, ensuring that the policies they produce are more aligned with the interests of the majority and helping to break the close relationship between wealth and power.

Figure 44.

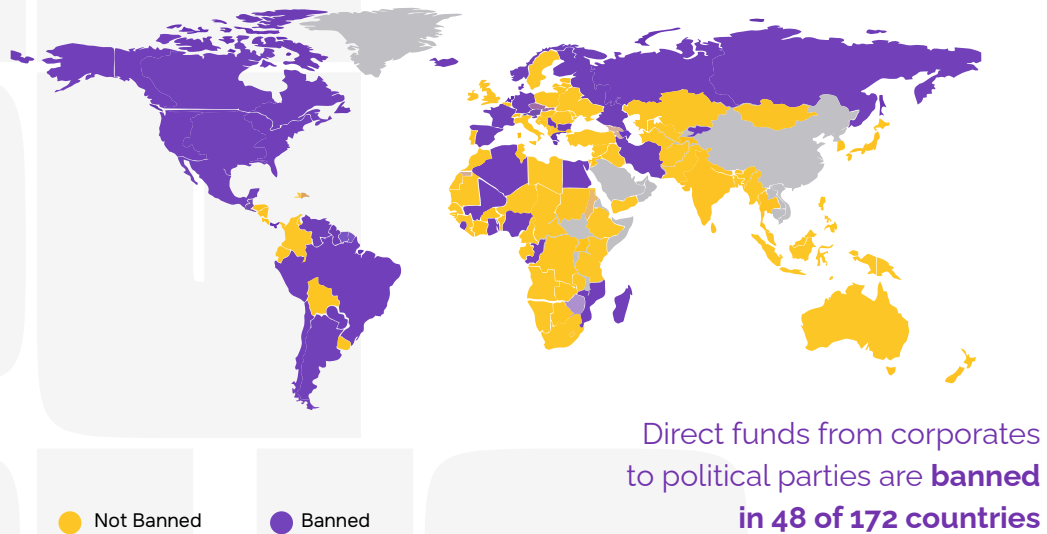
Flow of Ratification of Political Party Public Financing Regulations



Source: researcher(s) Analysis

Figure 45.

Corporate Donations to Political Parties



Source: International Institute for Democracy and Electoral Assistance

Figure 45 illustrates a global trend in which many countries have begun restricting or even prohibiting corporate donations to political parties because they are seen as undermining the independence of public policy. The logic is simple, when companies can finance politics, policy can become a form of political repayment. Recent developments point in an even firmer direction, in several jurisdictions in Australia, political donations are beginning to be replaced by public funding.

Currently, Indonesia still allows corporate donations (shown in purple). With political costs that are extremely high and a two period system, politicians have a strong incentive to depend on funding from the economic elite. This is where oligarchy enters and gains influence over the direction of policy, while weak transparency makes this relationship difficult for the public to monitor.

7.6. Resetting the Regional Revenue Sharing Scheme Through a Social Dividend Mechanism

Resource producing regions bear the environmental and social costs but do not fully enjoy the benefits, reflecting a resource curse within a framework of incomplete decentralization. Therefore, full decentralization of extractive revenues is necessary so that regions can manage their own resources and promote more equitable development.

The case of natural resource producing regions such as Siak Regency in Riau Province, which experienced cuts to regional revenue sharing funds due to fiscal recentralization, has significantly disrupted regional development. Regions have been forced to tighten spending when DBH (Revenue Sharing Funds) was reduced under the pretext of reallocating funds to national programs, one of which is MBG. The injustice in central regional relations cannot be resolved through the 2022 Law on Fiscal Relations Between the Central Government and Regional Governments. Structural reform is needed in the form of a new scheme that is more oriented toward regional welfare.

This revenue can be managed through a regional social dividend scheme, with allocations for public development, sovereign wealth funds, and direct transfers to citizens. To break elite monopolies, ownership must be democratized through public, community, and worker based schemes, supported by regulatory reform and transparency. Although there are risks such as local elite capture, interregional inequality, and economic dependency, this approach can still promote fairer redistribution, expand access to capital ownership, and strengthen fiscal decentralization.

Social Dividend

An example of social dividend implementation can be seen in the current nickel industry boom in Sulawesi, driven by global demand for electric vehicle batteries, which has created a surge in investment and high value production. Until now, state revenues from the nickel sector, including royalties and non tax state revenue, have first been collected by the central government, then returned to the regions through Revenue Sharing Funds with a limited share that is not always proportional to what was sent to the center. In Central Sulawesi, for example, the region receives only around IDR200 billion (\$11.8 million) in Revenue Sharing Funds annually, even though investment in the nickel sector reached IDR127 trillion (\$7.5 billion) in 2025. Under a social dividend scheme, this chain would be broken. Profits from nickel would no longer flow up to the center and then return in limited amounts, but would instead be directly pooled into a common fund, similar to the Alaska Permanent Fund in Alaska, and distributed to citizens as cash dividends or public services. In this way, communities become the direct beneficiaries of the wealth generated in their own regions. This scheme could also be applied to other extractive companies across Indonesia.

7.7. State Budget Audit

In the context of the state budget, the key issue that must be advanced is transparency: the public has the right to know how the national budget is being used. Without transparency, public debt risks becoming trapped in an oligarchic cycle, where state financing flows into projects that benefit large corporations with close ties to those in power, rather than serving the public interest. As a result, funds that should support basic services, social protection, and sustainable development instead reinforce the concentration of wealth and power in the hands of a small elite.

A Citizens' Budget Audit is therefore essential as a tool to uncover the flow of public funds, ensure accountability, and guarantee that debt is truly used for the welfare of the people rather than to strengthen oligarchic networks. A Citizens' Budget Audit scheme could take the form of a platform supported by public funding, making it participatory and collectively owned by society. The Philippines has implemented the Citizen Participatory Audit, allowing citizens to serve on audit teams alongside official auditors from the Commission on Audit. Public participation takes place at every stage of the audit, not merely as observers but as active auditors. The country that pioneered Citizens' Budget Audit was Brazil, which introduced participatory budgeting in 1989 in Porto Alegre. By 2024, participatory budgeting had been implemented in more than 11,500 local government financial processes at the municipal and district levels.



In a wealthy nation, a child loses hope simply because they do not have IDR10,000 (\$59 cents) to study. As long as resources are seized by oligarchy, state policies only benefit a handful of people, this tragic misfortune will continue to repeat.

Kerjas ti mama Reti
mama Jao zee
mama molo Jao
Jalo mata mae
nee rita ee mama

Mama Jao Galomata
ma hoo rita nee
Galngao e-C



LETTER FOR MAMA RETI

MAMA I GO FIRST

MAMA LET ME GO (DIE)

DO NOT CRY YES MAMA

MAMA I GO (DIE)

NO NEED MAMA TO CRY AND
LOOK FOR OR MISS ME

GOODBYE MAMA

A letter from a 10-year-old fourth-grade child in NTT, who may have begun losing hope after their mother could not fulfill a simple request: buying a notebook and a pen worth less than IDR10,000 (\$59 cents). We extend our deepest condolences to the grieving family. No child should ever have to endure circumstances like this. This child's story is a painful reminder for all of us to keep fighting for a society where no child feels abandoned simply because of poverty and hardship. Inequality in Indonesia is real, and social justice can only be achieved through public policies that genuinely stand with and protect ordinary people.

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