

Assessing the Impact of Trump's Economic Policy Strategies on Economic Reform in Indonesia

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Abstract

This study focuses on the economic policy strategies implemented by Trump and their implications for economic reform in Indonesia, while also uncovering the multidimensional and complex interactions between foreign policy and its impact on the domestic economy. The purpose of this study is to understand the influence of Donald Trump's economic decisions on public behavior, as well as their suitability to policies in Indonesia. The data collection method was carried out using a qualitative approach, using literature studies and analysis of the applicable policy context. The data were analyzed through interdisciplinary nuances that include Public Choice Theory, Behavioral Economics, and Sustainable Economic Development, each of which provides thematic-impressive and case-impactful insights into the dynamics of policy and public response. Primary sources used in this study include academic reports, news articles, and analysis from experts in the field of political economy. The research findings prove that economic policies in the US can trigger sentiments and behavioral patterns that directly affect Indonesian society, especially in the context of dissatisfaction with local policies. The conclusion of this analysis boldly asserts that economic reform in Indonesia needs to capitalize on existing psychological and social factors. The novelty of this research is seen in the development of an analytical framework that links foreign economic policy with broader public responses, as well as the importance of public



involvement in the decision-making process. Limitations of this research include the lack of specific quantitative data, and further research is recommended to explore the interaction between policies from other countries and their impacts on Indonesian society more holistically, both directly and indirectly.

Keywords: *Trump's Policy; Economic Reform; Behavioral Economics; Sustainable Economic Development*

Introduction

The context of ongoing globalization has presented social facts related to economic and political dynamics that have become urgent concerns for understanding the development of religious identity, especially in the context of Muslim-majority countries such as Indonesia. The process of formulating and determining economic decisions is often intervened by religious aspects (Bornstein & Miller, 2024; Chan & Ananthram, 2019; Mansori et al., 2020; Misra et al., 2019; Sarumi et al., 2019), where the interpretation and articulation of Islamic values have been able to act as guidelines for public policies implemented by the government. Countries with a religious basis in economic policy tend to accommodate and even adapt strategies that abstract sharia principles (Alam et al., 2021; Alibašić, 2024; Aulia et al., 2024; Lattanzio, 2022; Luhuringbudi, 2018; Luhuringbudi, Putra, et al., 2024), so that this phenomenon has become an interesting and impactful unit of analysis in socio-political studies, especially in this research paper. Therefore, the relevance of the hadith and related Islamic concepts (such as Maqāṣid al-Sharī'ah) in the context of social and economic justice has become very crucial, because the hadiths and the normative-ideological-dogma of Islam related to honesty in trade can be applied in economic reform in Muslim countries such as Indonesia. The “handshake” relationship has signaled thematic knowledge related to the development of foreign and economic policies of major world powers such as the United States, under the administration of President-elect Donald Trump, which is in contrast to religious aspects in other countries. Consideration of the contestation of the discourse has seen that a comprehensive study is needed to bring together the field of study with insights into Islamic politics, communication, and the interrelated economy. In theoretical summary, Indonesia has

the potential to be an interesting case-worth conceptualizing-reflecting, which also remembers its position as the country with the largest Muslim population.

Previous thematically relevant studies related to Trump's economic policy strategy have covered various aspects, from the impact of national-international trade policies implemented to their role and function on global market dynamics; however, previous studies have often been limited to focusing on the relevance of these policies to the Indonesian context. Several studies have appreciated the negative impact of Trump's protectionist policies (in various aspects) on developing countries (Delpeuch et al., 2021; Essig et al., 2021; Hopewell, 2021; McKibbin et al., 2024; Robinson & Thierfelder, 2024; Woolhandler et al., 2021), but more casuistic aspects related to the interaction between these economic policies and religious and social values in Indonesia have not been fully considered or even studied. Of course, the series of research arguments have triggered a knowledge gap that can be studied and considered through a multidisciplinary approach that leads to Islamic thought and political communication, for example. This representative research fills the gap (lacuna) and has presented adequate and holistic insight and knowledge into the impact of Donald Trump's policies (Braunstein, 2022; Haynes, 2021a, 2021b; Hickel Jr & Murphy, 2022; James, 2021; Kim & Knuckey, 2022; Román & Sagás, 2021), which were previously considered separate from the religious context (especially the Islamic context) in Indonesia. The emphasis on the development and dynamics of economic policies that can be understood and realized through the perspective of Islamic values, this research has enriched the existing discussion. The nuance of novelty that has been put forward in this research paper will not only pay attention to the dominant economic analysis, but will also reconsider the ethical responsibilities and moral implications that may arise from the implementation of the policy. Certainly, this research paper presents a "new path" in the study of international relations between great powers and developing countries with Muslim majority populations.

The purpose of this paper is to examine thematically and focused on the US economic policy strategy led by Trump and its dynamics to be translated into a reference for economic reform in Indonesia. This study is committed to revealing the limitations and deficiencies in knowledge of the impact of the policy on local and

national economic structures and its social implications, as well as the dynamics of the policies implemented to adjust the religious context of Indonesia regarding the lack of understanding of the impact of the policy on the structure. The dynamics of the context lead this research paper to identify specific elements of Donald Trump's policies related to the challenges and opportunities experienced by Indonesia so far. With a different emphasis, this kind of study aims to provide recommendations for policy makers and stakeholders in Indonesia to be able to respond to foreign and economic policies more adaptively, while still maintaining Sharia principles. This research invades the paradigm shift towards more inclusive and sustainable economic reform. Finally, the results of this study are expected to create synergy between economic policy decision-making at the national level and the interpretation of religious values rooted in Indonesian society.

In the framework of this research, the argument that has been put forward is that Trump's economic policy strategy has been able to provide valuable conceptual guidance for Indonesian economic reform, with the caveat that its implementation must be in line with local religious and social values. While some of these policies may appear as protectionist efforts that are solely for domestic interests, in fact, there are elements that have been adapted to strengthen Indonesia's economic sector. For example, Trump's efforts to revive domestic industries have been able to serve as a reference model for Indonesia in encouraging the growth of the manufacturing sector that is in line with national needs. This paper has argued that examining Trump's economic policies from the perspective of Islam and social justice can produce new insights into how Indonesia can take advantage of the global moment to strengthen its economy. In addition, a more balanced penetration of the domestic market with the use of technology and innovation has to be considered in order to enter a more competitive economic era. With this argument, this paper has emphasized to bring new perspectives in understanding the interaction between foreign policy, economics, and religious values in the Indonesian context.

Method

The material object of this study focuses on the implications of economic reform related to the Sustainable Development Goals (SDGs) in Indonesia, as well as the economic policy strategy implemented by Donald Trump as a formal object. This research paper chooses the material object in question because economic reform in Indonesia is directly related to the achievement of the SDGs carried out by many countries, including Indonesia itself. This selection was made through an analysis of the urgent need to strengthen the economic framework based on sustainable values. The selection process involved an in-depth study of the challenges faced by Indonesia in achieving the SDGs targets, as well as the opportunities that might arise from adopting economic strategies that have proven successful in other countries, such as the United States. The formal object in the form of Donald Trump's economic policy strategy provides a perspective that can be used to evaluate alternatives in achieving more populist and inclusive economic reforms. The combination of these two different types of objects, the study leads to answering more fundamental and substantial questions regarding the relevance and transferability of economic policies between countries with different cultural and socio-economic characteristics.

The research design has adopted a qualitative-descriptive approach, considering that a case-by-case understanding of Trump's economic policy strategy and its implications for Indonesian economic reform requires an urgent, appropriate, and contextual narrative. The qualitative approach has been chosen because this research aims to explore the rigid and varied dynamics of economic policy and its impact on socio-economic development at the national level, not merely to measure phenomena or produce quantitative data. Therefore, this analysis has considered the SDGs context as a theoretical framework that is accountable and impactful. The work process in this research has included extensive data collection from various electronic-online news sources, thus facilitating the disclosure of nuances and perspectives that describe the actual situation. This research has committed to connecting economic policy to the local context of Indonesia, with the aim of revealing a more appropriate and impactful relationship between foreign strategy and its impact on society.

Through this approach, it has been dedicated to finding more adaptive solutions to challenges that are not simple and relatively difficult to map.

The primary sources of this paper have come from news in various online media and social media related to Trump's economic policies and their impact on other countries, especially Indonesia. These sources have been selected because they provide direct and up-to-date information, allowing researchers to follow the case and contemporary developments of the economic policies being implemented. In the selection process, the media that have been selected have included news from recognized outlets that can be accounted for their credibility, as well as social platforms that allow public interaction with the policies. This description has led the analysis in this study to be carried out based on diverse perspectives, while also reflecting public opinion and responses from various stakeholders. The news that has been collected will provide a basis for broader interpretation, where the social and economic context can be seen more clearly. The primary source approach that has been established emphasizes the relevance of primary data in revealing the dynamics contained in the economic policies being analyzed.

Although the initial data obtained has indicated quite significant alignment, there are still inadequate results in capturing the acceptability, accountability, and complexity of the context studied. Therefore, the data collection techniques used in this paper have relied on documentation and literature studies as the main methods. Documentation has been chosen because through this method, researchers can access various literature that has been published online, including academic studies, official reports, and news related to the topic studied. Literature studies have also allowed researchers to understand the broader historical, political, and theoretical context, which can provide the information needed to support the argument. In the selection process, the references used have been taken from recognized, transparent-accessible, accredited and/or impactful works in the field of economic thought and public policy. The diverse literature search has positioned the data collection technique to be more possible in enriching insights into the economic implications to be studied.

The data analysis technique in this paper has been carried out through three interdisciplinary and separate stages, namely the analysis of Public Choice Theory,

Behavioral Economics, and Sustainable Economic Development, each of which provides a different but complementary perspective. First, Public Choice Theory by James M. Buchanan will analyze individual actions in a public context based on personal interests, in order to understand the dynamics of these policy choices in intervening in economic decisions in Indonesia directly or indirectly (Buchanan, 1962, 1993, 2003b, 2003a, 2014; Buchanan & Musgrave, 1999), inspired by the policies implemented by Trump. Second, Behavioral Economics by Richard Thaler will provide insight into the development of economic decisions that are often influenced by psychological and emotional factors (R. Thaler, 2016; R. H. Thaler, 1991, 1994, 1997, 1999, 2005, 2015, 2016, 2018a, 2018b; R. H. Thaler & Benartzi, 2007, 2004), rather than just logical considerations, this study focuses on efforts to analyze the role of economic policy on consumer behavior in Indonesia and relevant examples of Trump's policies. Third, Sustainable Economic Development by Kate Raworth will consider aspects of social and environmental welfare in economic development (Raworth, 2012, 2013, 2017b, 2017d, 2017c, 2017a, 2018, 2019; Raworth et al., 2014), this analysis focuses on the possibility of adopting Trump's policies that can strengthen sustainable development in Indonesia. Each stage of the analysis has been carried out carefully within a broad and measurable textual and contextual framework, with the aim of producing high-quality casuistic-thematic findings. Therefore, this study has focused on the process of facilitating a holistic understanding of the impact of Donald Trump's economic policies on sustainable economic reform in Indonesia.

Result

Examining Trump's Economic Policy Strategy through Public Choice Theory

In the context of Trump's economic policy strategy, Public Choice Theory echoed by James M. Buchanan has displayed a deep articulation and understanding of the economic decisions taken during his administration, especially through the 2017 tax cut law. This law has not only evaluated the tax system predominantly, but has also represented the development of individuals and groups interacting in the public arena to optimize their personal interests, which often have an impact on more holistic policies. Based on data from Kimberly A. Clausing, it has been detected that although

some tax provisions that benefit corporations have been made permanent, many other provisions have been scheduled to expire in 2025, which means triggering its own challenges for policy makers to policy implementers. The involvement of various stakeholders, from legislators, executives, to business groups, has represented the dynamics of rigid, thematic, detailed, and contemporary public choices, where these decisions can be articulated and interpreted as an effort to meet the demands of those who are influential in their economy. Observations of the impact of the decision have shown that even though tax cuts are dedicated to boosting growth, the risks to the deficit and national debt remain a concern that cannot be ignored. This has resulted in the presence of an opportunity for Indonesia, as a country with similar challenges in economic policy choices, to examine more realistically and contextually the role of individual interest campaigns in influencing national development policy and decision-making.

Figure 1. The Tax System Predominantly and the Development of Individuals and Groups Interacting in The Public Arena

Lessons From the 2017 Tax Law for the Future of U.S. Corporate Taxation

OCTOBER 17, 2024 | BY KIMBERLY A. CLAUSING^[1]

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Rate, and Disincentivize**

The 2017 Tax Cuts and Jobs Act (TCJA) made the looming 2025 tax policy reckoning nearly inevitable. While the legislation made its less popular provisions – corporate tax cuts – permanent, many others, including almost all of its individual provisions, pass-through business provisions, and estate tax provisions, are scheduled to expire at the end of 2025. A permanent extension of these provisions, plus reversing business tax increases that were included in TCJA, would cost approximately \$5 trillion over ten years, or \$6 trillion including interest costs on the new debt.^[2] Rather than incurring such enormous costs to extend all of these tax cuts, policymakers should use the opportunity offered by the 2025 TCJA expirations to build a corporate tax system that both encourages competition and better meets the nation's needs.

Policymakers on both sides of the aisle have expressed enthusiasm for a permanent extension of the TCJA provisions. EN English (United States)

Source: (Clausing, 2024)

The behavior of stakeholders in Indonesia in the context of economic policy selection can be analyzed using Public Choice Theory, which describes a direct relationship between individual interests and the policies implemented. Data disclosure from tax laws enacted in the US, as well as the response of society and

business people to the changes, proves the behavioral patterns that may emerge in Indonesia when faced with similar policies. Those in the business sector often have great influence in providing support or rejection of the policies offered, while also stimulating and triggering an atmosphere where personal interests often dominate over public interests. When a new tax vaccine is introduced, those who benefit tend to speak out louder, while disadvantaged groups may not have the same platform to express their objections. In this case, awareness of the existence of stakeholder behavior and their drive to adjust economic policies according to their interests is very meaningful. The results of this analysis have shown that paying attention to and caring about stakeholder behavior in Indonesia through the perspective of public choice theory can be a powerful tool for reformulating policies that are more inclusive and socially just.

From a comparative perspective between the US and Indonesia, the economic outcomes of the implementation of public choices have reflected stark contrasts and lessons that can be learned for policy improvement in Indonesia. On the one hand, decisions taken in the context of tax cuts in the US have sparked constructive debates about their impact on the deficit and sustainable economic growth. On the other hand, Indonesia stands at a crossroads between the hope of attracting investment through market-oriented liberalization policies and the need to maintain the social and economic welfare of the community. Thus, investigating the development of policies chosen in the US has made it possible to become an influence on the policy process in Indonesia to be relevant, especially in terms of maintaining the balance between growth and sustainability. In addition, the challenges regarding debt and deficit faced by the US have had clear parallels with the current situation faced by Indonesia, which requires a careful approach and awareness of the long-term impacts of each policy decision. Through this analysis, it has been seen that lessons from public policy choices in the US can be a reference for Indonesia to formulate economic strategies that not only focus on growth, but also consider their impact on the entire community and environmental sustainability.

Behavioral Economics

Analysis based on the principles of Behavioral Economics by Richard Thaler has indicated that economic policies implemented by Trump can affect consumer behavior in the US in ways that are not always expected. The context of the last presidential election has proven that the majority of voters who feel economic uncertainty, especially from the middle and working classes, have also gained impressive hopes and desires in Trump's narrative about economic recovery. Data from UC Berkeley has proven that this consumer reaction is more triggered by concerns about the cost of living, such as food and energy prices, compared to other political aspects that appear more explicitly. This reaction has resulted in a supportive attitude towards Trump, which can also be understood as describing the development of psychological and emotional factors in influencing voters. This influence has manifested itself in the form of solid voter loyalty in a portion of the population, which, based on the analysis, also proves that voter trust is often more related to the perception of the importance of economic stability than rational decisions. The influence of political decisions in the US has presented a reference perspective for Indonesia in articulating, abstracting, considering, and determining consumer reactions to current economic policies.

Figure 2. Consumer Behavior in the US in Ways

What is your main takeaway from the election results that will bring Donald Trump back to the White House?



Eric Schickler

There are many takeaways from the election results. But the most important implication is that just four years after the Jan. 6 insurrection, former President Trump will be back in the White House — now surrounded by staff and agency leaders who will be more committed to him both personally and to his agenda.

With a Republican Senate (and likely House), he will be able to make some major legislative changes, especially when it comes to taxes. But as head of the executive branch, he will be in a position to act unilaterally on a host of other issues, pushing the limits of presidential power. With a supportive Supreme Court, the implications for policy and governance are hard to overstate.

— Eric Schickler, political scientist and co-director of the UC Berkeley [Institute of Governmental Studies](#) (IGS)

You've spoken about how economic insecurity led white men, in particular, to support Trump and stick with him. What does his defeat of Kamala Harris tell you about the enduring power of that demographic's political beliefs and power?

I see the outcome of the presidential election fundamentally as an expression of anger about the state of the economy. As the saying goes, "It is the economy, stupid."

Source: (Schickler, 2024)

Figure 3. The Development of Psychological and Emotional Factors in Influencing Voters



Source: (Edward Lempinen, Jaso Pohl, 2024)

Furthermore, the response of Indonesian consumers to the prevailing economic policies can be understood and internalized within the framework of Behavioral Economics by observing the development of emotions and psychology of society adapting to policy changes. In the context of Indonesia, where economic uncertainty is still a major issue, policies taken by the government will be noticed and cared for by the public, especially by those below the poverty line. Announcements of policies that are considered to have been beneficial can arouse optimism, while policies that are considered to have been detrimental can trigger dissatisfaction and rejection. Considering the different levels of political involvement and perceptions of foreign policy, public reactions to economic decisions have been similar to the situation in the US, where self-interest has consequences for their support. Such discourse, interpreting and applying these dynamics have not only been important for the process of formulating and making decisions, but have also been able to shape communication and marketing strategies for business actors in Indonesia. This study has found that the anomalous behavior of consumers in Indonesia towards economic policies can adequately describe the rationality behind some policies that have been devastated by public opinion attacks.

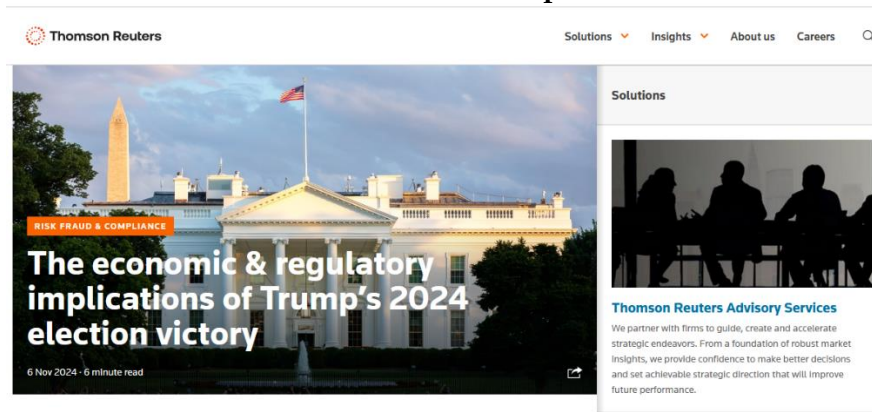
Finally, more effective policies based on behavioral economic principles can be formed by adopting and adapting to the more global socio-economic context and the

psychological realities of society locally and nationally. Through observation of the results of the US presidential election, policymakers in Indonesia have been able to reflect that the success of economic programs is not only based on economic rationality alone, but also needs to consider the attitudes and emotional responses of the community. Formulating policies that are adaptive to the needs and desires of the community, positive effects on public participation and social stability can be achieved. Economic policies that contemplate psychological factors also have the potential to urge public support, especially in facing the challenges of sustainable development. Of course, awareness of the impact of the narrative formed around economic policy has become crucial to strive for. Therefore, inclusive economic policy reform has not only revealed social justice, but also led to more sustainable and responsive-adaptive economic growth for all levels of society.

Public Choice Theory

In the context of Public Choice Theory proposed by James M. Buchanan, the analysis of Trump's economic policy strategy has observed the dynamics of individuals acting based on their self-interest, which triggers the policies chosen. The tax cut policy implemented in 2017 has proven a clear picture of the development of this decision in serving the specific interests of business groups while ignoring the potential injustice to the wider economy. For many businessmen, the reduction in corporate tax rates has been the main driver that urged support for the policy, despite the long-term consequences on the state deficit. A study of voter behavior in the US, especially from wealthier voters, has indicated that they are more likely to trigger policies that directly benefit themselves. In the Indonesian context, the lessons from this strategy have called for the cruciality of understanding the dynamics of interests in formulating more just and humane economic policies. Thus, for Indonesia, public choice-based analysis needs to be inventoried and mapped to produce policies that are more equitable and consider the needs of society as a whole.

Figure 4. The Dynamics of Individuals Acting Based on Their Self-Interest and The Policies Chosen Implementation



Source: The Economic and Regulatory Implications of Trump's 2024 Election Victory, 2024

Meanwhile, from a Behavioral Economics perspective, community groups in the US have indicated that economic decisions are often based on casuistic psychological and emotional factors, not just measurable and adequate rationality mechanisms. In several phases of his election, support for Trump has not only been linked to visible economic growth results, but also to the sense of security and trust played in his political narrative. This phenomenon has been manifested in the rapid reaction of society to decisions taken by the government, where economic uncertainty has triggered excessive anxiety among voters. Research on voter behavior has proven that emotional manipulation promoted during the campaign period can cause impressive and impactful reactions from voters, as well as influencing how they behave towards proposed policies. In Indonesia, in responding to the challenges of economic reform, it is crucial to think about and respond to the dynamics of existing policies that can manage people's expectations and uncertainties, so as to provide trust and a sense of involvement. Mapping consumer behavior through a Behavioral Economics perspective, more needed and conducive policies can be initiated, as well as leading to more active and responsible community involvement in the economy.

From the perspective of Sustainable Economic Development raised by Kate Raworth, economic policy reform in the US and its implications for Indonesia need to be referred to through a proportional adaptation mechanism that takes into account social and environmental welfare throughout the development process. The funds

allocated for corporate tax cuts in the US, although they have provided short-term benefits for corporations, have also left behind fundamental problems such as income inequality and declining quality of social services. In the context of Indonesia, it is urgent to identify and formulate that economic policies have not only emphasized economic growth alone, but must also care about sustainable development that pays attention to social and environmental aspects. A more inclusive approach also opens up space for innovation and investment in policies that favor the community, not only in the profitable business sector. In the future, the adoption of community-based sustainability principles has been able to facilitate more holistic reforms in the economic sector, which also address existing challenges in a more progressive and responsible manner. These rational considerations, to achieve optimal results in economic reform, Indonesia needs to map the experiences of policies in other countries, while ensuring that economic growth can be balanced with community welfare and environmental sustainability.

Discussion

The results of this study present a thematic-casuistic analysis of Donald Trump's economic policy strategy and its implications for economic reform in Indonesia, by considering various relevant economic theories. Through the perspective of Public Choice Theory, it is revealed that Trump's economic decisions are closely related to individual interests in the context of public policy, while also triggering a situation where certain groups gain unequal benefits. Behavioral Economics suggests that consumer emotions and perceptions often influence responses to established policies, while also showing the complex nature of society in responding to economic reform. In terms of sustainability, Sustainable Economic Development (SED) proves the urgency to re-address social and environmental factors in every economic decision taken, not only focusing on growth alone. These findings also provide a clear picture of the dynamics amidst various social and political backgrounds, Indonesian society is able to learn from strategies and experiences that have been implemented in the US. The context of choosing diverse economic policies is the basis for understanding the interaction between government decisions and

public reactions. The delivery of these results makes it clear that economic reform in Indonesia cannot be carried out in a vacuum, but must respond and adapt in a measured and proportional manner to various interrelated social, political, and economic dimensions.

The interpretation of the results of this study shows that the economic decision-making process in the US has a much greater impact than expected, due to the strong influence of various individual and group interests. Trump's tax cut policy is seen not only as an economic measure, but also as a strategy to embrace political support from certain segments of voters. This implies that the success of the policy depends on its ability to address the concerns and hopes of the affected community. Meanwhile, the public's reaction to the policy provides a deeper meaning about how they view economic welfare and stability. From a Behavioral Economics perspective, it is seen that collective emotions, such as fear of economic uncertainty, play a role in supporting political behavior that benefits Trump, creating a close relationship between economic conditions and political choices. This interpretation underlines that in order to achieve effective reform, economic policy in Indonesia needs to consider existing psychological nuances, so that it is in line with public aspirations. Thus, the results of this study emphasize the importance of sensitivity to social and psychological dynamics in formulating policy strategies that will be implemented in the future.

The contextualization of the results of this study basically shows the relevance of the three economic theories that have been described previously to the development of economic policy in Indonesia. Public Choice Theory by James M. Buchanan provides a critical explanation of how individuals in the public can influence policies taken by the government (Buchanan, 2003b, 2003a, 2014; Buchanan & Musgrave, 1999), highlighting the important role of personal interests that often ignore broader social impacts. Behavioral Economics by Richard Thaler emphasizes that decisions taken by society are driven more by emotional considerations than pure logical calculations (R. Thaler, 2016; R. H. Thaler, 2005, 2015, 2016, 2018a, 2018b; R. H. Thaler & Benartzi, 2007), creating challenges for policymakers to deliver policies that are acceptable to all groups. Meanwhile, Sustainable Economic Development emphasizes that economic growth needs to be in line with social and environmental welfare (Raworth, 2012, 2013,

2017b, 2017d, 2017c, 2017a, 2018, 2019; Raworth et al., 2014), indicating that policies that do not pay attention to these dimensions tend to be unsustainable. Therefore, the results of this study provide a clear context on how the integration of the three theories can form a more holistic framework in the formulation of economic policy in Indonesia. This context shows that to achieve success in economic reform, every policy must be rooted in in-depth analysis and comprehensive consideration of the interests of the wider community. Thus, the integration of these three theories provides a strong foundation for a more effective and sustainable policy strategy in Indonesia.

The implications of this research point to the importance of formulating economic policies that are not only responsive to the interests of certain segments, but also inclusive of the entire community. This research shows that policies that fail to recognize the needs and expectations of the community risk not getting the support needed for sustainability. Given the complexity of the interaction between economic policies and their impacts on society, there is a fundamental need for public involvement in the decision-making process. Therefore, economic reform in Indonesia must be based on an approach that prioritizes transparency and accountability, so that the community feels ownership and involvement in the policies being implemented. Following the US experience, a focus on data-driven policies and thorough analysis can ensure that the link between the economy and public discontent is minimized. The implications of this research convince policymakers to better integrate public feedback in policy formulation. Overall, a thorough understanding of the dynamics involved in economic policy will lead Indonesia towards a more progressive and sustainable direction.

Compared with previous research results, this study provides new insights into the context of the relationship between economic policies and broader social impacts, especially in the form of community responses to these policies. Previous studies often focus more on the quantitative aspects of economic growth (Armeanu et al., 2021; Jie et al., 2023; Mohsin et al., 2021; Neumann, 2021; Syarif et al., 2024), while this study emphasizes that growth must be balanced with social and environmental welfare (Anam & Masuwd, 2025; Asmar et al., 2023; Fatahillah et al., 2024; Hasanuddin et al., 2024; Lestari et al., 2025; Luhuringbudi, 2018; Syarif et al., 2024). This finding is in line

with studies conducted by a number of academics who argue that successful economic policies must involve the participation of communities and other stakeholders (Akinsulire et al., 2024; Alamoudi et al., 2024; Anthony Jr, 2024; Khatibi et al., 2021; Tembo et al., 2021). Thus, this study not only uses the case study of Trump's policies as a basis, but also shows how Indonesia can evaluate a more inclusive approach in formulating its economic policies (Bade et al., 2024; Dou et al., 2023; Engel-Cox & Chapman, 2023; Eweade et al., 2024; L. Kumar et al., 2022; Xie et al., 2021). Furthermore, the challenges faced by Japan and European countries in maintaining sustainable growth also show a lack of attention to the social aspect in their economic policies. With this comparison, the results of this study provide a significant contribution to understanding how responsive and inclusive economic policies can address social vulnerability. Thus, this comparison confirms that success in economic reform lies not only in growth figures alone, but also in the resulting social impacts.

Based on the research results, the action plan for economic reform in Indonesia needs to focus on developing policies that are more inclusive and responsive to the aspirations of all levels of society. The first step is to establish a dialogue forum between the government and the community to discuss the policies to be implemented, ensuring that the voices of the community are heard and accommodated. Furthermore, the government is advised to conduct regular evaluations of the impact of the policies taken, using data-based research methods to evaluate the results transparently. Capacity building in the integration of social and environmental aspects should also be a priority, as part of a broader Sustainable Economic Development approach. By adopting best practices from policies in other countries, Indonesia can establish international cooperation in implementing policies that have positive social and economic impacts. This action plan must then be closely monitored to ensure the accountability and effectiveness of each policy implemented. Through these concrete steps, it is hoped that the economic reforms initiated will bring sustainable results and benefit all people in Indonesia.

Conclusion

The most important finding of this study is the strong influence of Trump's economic policies on social and political dynamics in Indonesia that has not been widely identified before. In this study, it is seen that although the policies focus on the United States, the impact of the tax cut strategy and economic regulations on the Indonesian population can be interpreted in a broader context. The analysis shows that the response of the Indonesian public to US foreign policy, especially in terms of the reflection of the economic values implemented, is very complex and diverse. Moreover, the relationship between US economic decisions and other nations' attitudes towards domestic policies is a new focus for academics who focus their attention on international relations. In this context, Indonesian public dissatisfaction with economic policies can be influenced by patterns seen in US voter groups. This finding opens up new insights into how global perceptions can contribute to the creation of social tensions in developing countries such as Indonesia. Therefore, this study emphasizes that policy analysis should not only focus on domestic impacts, but also link broader international influences to social stability.

The scientific contribution of this study lies in the development of a theoretical framework that connects Public Choice Theory and Behavioral Economics with the context of economic reform in Indonesia. This study provides a new perspective on the interaction between political decisions and economic behavior faced by the public, which has not been widely studied in the current literature. In particular, the emphasis on how emotions and psychology influence the economic decisions of Indonesians paves the way for further research to dig deeper. Another novel aspect found is the relevance of Sustainable Economic Development which is aimed not only at economic growth but also at broader social welfare. By highlighting policy instruments that can promote inclusiveness and accountability, this study contributes to the development of more responsive and adaptive policies. The findings explain how new patterns in data-driven decision-making can be used as a reference for more impactful reforms. Through the presentation of data and in-depth analysis, this study becomes a catalyst for a wider exchange of knowledge on international economic policy and its impact on developing countries.

The limitations of this study lie in the centralized focus on the analysis of Trump's economic policies without a thorough review of policies from other countries that may have similar impacts in Indonesia. In addition, the data used in this study are mostly qualitative, which although providing in-depth insights, still requires quantitative data support to strengthen the conclusions drawn. Thus, there is potential for further research to explore the interplay between global economic policies and societal responses in a more in-depth and diverse context. Further research is recommended to explore the effects of economic policies of other countries, such as China or the European Union, on economic attitudes and behaviors in Indonesia. Further research could also explore the role of the media in shaping public perceptions of foreign policy, and how this contributes to the legitimacy of domestic economic decisions. By pursuing these new directions, future research could provide a more comprehensive view of the factors that influence economic reforms and their impact on society. Therefore, further research involving multi-dimensional and interdisciplinary approaches is highly recommended to produce more holistic and relevant findings.

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