

# ***Hamemayu Hayuning Nagara: A Bibliometric Analysis of the Policy on Increasing the Value Added Tax Rate as a Means of Welfare and Social Justice***

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## **ABSTRACT**

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This study analyzes developments in Value Added Tax (VAT) research in developing countries using a bibliometric approach and relates them to the Javanese philosophy of *Hamemayu Hayuning Nagara*, which emphasizes harmony between state interests and public welfare. Bibliometric data were obtained from the Scopus database for the 2014–2024 period, comprising 856 selected articles. The analysis was conducted through keyword mapping, author and country collaboration networks, co-citation analysis, document coupling, and thematic mapping using Biblioshiny in RStudio. The results show that the global VAT discourse is dominated by themes such as tax reform, value-added tax, and fiscal policy, with an increasing shift of focus toward issues of equity, redistribution, poverty, and inequality. The findings indicate that VAT is not merely a fiscal instrument, but also a tool of social and economic intervention used by governments to promote equity and achieve social justice. In the case of Indonesia, the increase of the VAT rate to 12% needs to be positioned within a framework of protecting vulnerable groups, ensuring fiscal transparency, and enhancing the effectiveness of social policies. Through the Javanese philosophy of *Hamemayu Hayuning Nagara*, an ideal VAT policy is understood as an effort to balance the need for state revenue with the moral obligation to safeguard public welfare. This study contributes by providing an intellectual map of VAT research and offering an ethical perspective based on local wisdom for the formulation of fair and sustainable tax policies.

**Keywords:** VAT, Bibliometric, Tax Reform, Fiscal Policy, Social Justice, *Hamemayu Hayuning Nagara*.

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## **1. INTRODUCTION**

Indonesia has implemented Value-Added Tax (VAT) since the enactment of Law No. 8 of 1983, and this instrument has continuously undergone reforms in response to national economic, social, and political dynamics. The most recent reform was implemented in January 2025 through an increase in the VAT rate from 11% to 12% on taxable goods and services, as stipulated in Law No. 7 of 2021 on the Harmonization of Tax Regulations. This policy is intended not only to strengthen state revenue but also to build a tax system that is more equitable, efficient, and sustainable [1].

This reform represents a strategic step by the government to reinforce the national fiscal structure; however, it has also reignited debates regarding the effectiveness and fairness of the tax system, particularly in developing countries such as Indonesia. For Indonesia, optimizing tax revenue is a critical element in maintaining fiscal stability and ensuring sustainable development. Taxation functions not merely as the primary source of state revenue but also as a strategic public policy instrument to promote welfare distribution and social justice. VAT, with its broad tax base and relatively stable revenue contribution, is widely regarded as an effective fiscal instrument in supporting economic growth and sustainable development. Nevertheless, the success of this policy depends not only on its formulation and administrative implementation, but also on the extent to which it aligns with principles of social justice, cultural values, and public awareness of tax obligations.

Accordingly, a more comprehensive perspective is required to understand VAT policy in Indonesia, one that goes beyond fiscal considerations by incorporating the social and cultural contexts that shape taxpayer behavior and awareness. In this study, Javanese local wisdom values such as *Hamemayu Hayuning Nagara*—an adaptation of *Hamemayu Hayuning Bawono* [2] are adopted as a philosophical foundation for understanding citizens' responsibility to contribute to collective welfare. This concept enriches the interpretation of VAT by framing it not merely as a fiscal instrument for revenue collection, but also as a manifestation of social responsibility oriented toward national welfare and harmony.

This philosophical perspective is essential for interpreting empirical findings, as prior studies demonstrate that changes in VAT rates generate diverse impacts across developing countries. [3], in the context of China, found that VAT reforms in the form of tax reductions positively affected corporate innovation through increased investment and reduced debt ratios. In contrast, [4] showed that VAT rate increases in South Africa prompted small businesses to exit the tax system, thereby reducing tax compliance and weakening revenue effectiveness. These findings suggest that VAT policy cannot be evaluated solely from a taxation or revenue perspective, but must be analyzed within a broader social and cultural framework.

Globally, VAT has become a major source of government revenue in many countries [5]. Academic research has extensively examined the role of VAT in tax reform, economic growth, and fiscal sustainability. However, studies that specifically address the social, equity, and welfare implications of VAT rate increases remain relatively limited. This study seeks to address this gap by reviewing the development of VAT literature through a bibliometric approach and linking it to social justice values derived from Javanese local wisdom.

The bibliometric approach is employed to map the structure, trends, and direction of global research on VAT policy, particularly in relation to rate increases in developing countries. This analysis not only illustrates the quantitative evolution of VAT research but also provides a broader understanding of how tax policy implementation contributes to public welfare and economic justice. By integrating the values of *Hamemayu Hayuning Nagara* as a moral framework, this study seeks to connect modern fiscal policy with the notion of the state as an instrument of harmony in maintaining welfare, justice, and social sustainability. Based on this framework, the objectives of this study are to: (1) analyze trends, core themes, and global research networks related to VAT policy using bibliometric analysis; (2) identify the extent to which social justice and welfare issues are incorporated into VAT research discourse; (3) compare Indonesia's position in global VAT research with that of other developing countries; and (4) interpret the VAT rate increase policy within the framework of *Hamemayu Hayuning Nagara* as an effort to balance state fiscal interests with public welfare.

Accordingly, this study not only provides an empirical contribution through bibliometric analysis but also offers a broader understanding of how modern tax systems can function as a means of realizing *Hamemayu Hayuning Nagara*, namely maintaining harmony, justice, and social welfare in national and state life.

## 2. LITERATURE REVIEW

### 2.1 Value-Added Tax from Economic and Social Perspectives

Value-Added Tax (VAT) is one of the most important indirect tax instruments in maintaining the stability of government revenue. In the context of developing countries

such as Indonesia, VAT functions not only as a source of fiscal revenue but also as a policy tool to achieve social objectives, namely welfare redistribution and the reduction of economic inequality. [5] note that, globally, VAT contributes significantly to state revenue and exhibits relatively stable characteristics due to its reliance on domestic consumption.

However, [3] demonstrate that VAT reforms affect not only fiscal revenue but also economic behavior, including corporate investment and innovation. Meanwhile, [4] find that increases in VAT rates in African countries generate negative effects on tax compliance among small businesses. These findings indicate that VAT rate policy requires a careful balance between fiscal objectives and the socio-economic sustainability of society.

In Indonesia, the policy of increasing the VAT rate to 12% in 2025 has generated academic discourse regarding the trade-off between the government's fiscal needs and household purchasing power. Several studies emphasize that the effectiveness of tax policy is determined not only by economic considerations, but also by the extent to which such policy reflects principles of social justice and supports collective welfare. Therefore, a conceptual review of the design and justification of VAT policy is essential for understanding the direction and epistemological foundations of Indonesia's tax system.

## 2.2 *Values of Justice and Welfare from the Perspective of Javanese Local Wisdom*

The concept of *Hamemayu Hayuning Nagara* in Javanese philosophy signifies "preserving and enhancing harmony in the life of the state." This principle emphasizes balance among individual interests, society, and the state. In this study, the concept is interpreted as a moral imperative that fiscal policy—particularly VAT—should not be oriented solely toward maximizing state revenue, but should also ensure social welfare and justice for all segments of society. *Hamemayu Hayuning Nagara* reflects a social ethic that places collective prosperity above individual interests. When applied to the tax system, this value encourages a balance between economic efficiency and equitable development outcomes.

This perspective aligns with [6] concept of *justice as fairness*, which argues that social justice should form the foundation of public policy, including taxation. Accordingly, this study positions local values as a cultural lens through which the implementation of VAT policy in Indonesia can be understood and evaluated. This approach extends bibliometric analysis by incorporating social and cultural dimensions, thereby enhancing the relevance of the findings to Indonesia as a developing country rooted in local wisdom.

Although numerous studies have examined VAT from economic and policy perspectives [3]–[5], [7], research integrating bibliometric analysis with value-based and cultural approaches remains limited. In Indonesia in particular, few studies have bridged the technocratic fiscal dimension with the ethical and cultural dimensions of tax policy.

Recent studies on VAT reform reveal diverse findings encompassing economic, social, and environmental dimensions. [8] show that VAT reform in Germany not only increased government revenue but also influenced changes in household consumption

patterns. [9] identify that the imposition of VAT on sugar-sweetened beverages reduced sales volumes, although the policy was partially shaped by industry intervention. [10] find that VAT policy may hinder innovation among small enterprises, while [11] emphasize that VAT rate increases are only partially passed on to consumers.

[12] reveal the failure of tax reform in China to stimulate investment and employment, whereas [13] highlights the potential of VAT instruments in supporting environmental agendas. Furthermore, [14] emphasize the linkage between VAT rates and social protection in Uzbekistan, and [15] find that VAT revenues are vulnerable to external shocks such as natural disasters. [16] provides evidence of policy–compliance gaps in VAT collection, while [17] underscores the role of VAT reform in promoting long-term economic growth, albeit with high sensitivity to inflation.

A substantial body of research has also examined the impact of VAT on income distribution, consumption, investment, and economic efficiency across countries. [18] demonstrate that VAT in Italy is regressive, with low-income households bearing a proportionally higher burden than wealthier households. Similar evidence of regressivity is reported by [19], who find that preferential VAT rates disproportionately benefit high-income households, suggesting that targeted cash transfers may be a more effective policy alternative. In Nigeria, [20] finds that VAT has a negative and significant effect on household purchasing power, whereas in Kenya the effect is negative but insignificant, reflecting better societal adaptation. [21], [22] further emphasize the adverse effects of VAT on household consumption, labor prices, and national output, although employment levels tend to return to baseline in the long run.

Conversely, several studies report positive outcomes from VAT rate reforms. [23] notes that a 15% reduction in VAT rates significantly increased redevelopment activity, while [24] find that VAT rate reform promotes corporate innovation through improved profitability. Consistent findings are reported by [25], who argue that VAT rate reductions significantly lower operational costs, particularly in non–state-owned enterprises. [26] show that VAT rate unification increases real GDP and employment by improving resource allocation efficiency. Similar conclusions are drawn by [27], who find that VAT reform enhances household consumption and investment, although the effects vary across sectors.

Other studies highlight the impact of VAT on market structure and consumption behavior. [28] show that VAT rate reductions in China increase firms' vertical integration, particularly in manufacturing sectors facing high financial constraints. [29] emphasizes that VAT reform alters asset values and cost structures by allowing VAT credits on capital goods purchases. [30] and [31] find that VAT rate increases shift consumption patterns and reduce household utility; however, in Thailand, the public benefits of increased government revenue outweigh these losses. Meanwhile, [32] demonstrates that VAT reform on food products in Europe can shift consumption toward healthier choices while reducing calorie intake. Simulation results further indicate that a VAT rate of 17% is optimal for the transportation sector, as it generates the highest net present value and more stable economic indicators compared to rates of 10% and 13%.

Accordingly, this study seeks to extend taxation research through two main contributions. First, it provides an intellectual mapping of VAT research in developing countries using bibliometric analysis. Second, it interprets VAT as an instrument of *Hamemayu Hayuning Nagara*, namely an effort to maintain social welfare and justice through a balanced tax system that reconciles fiscal interests with public moral considerations. This approach is expected not only to enrich the academic literature but also to offer insights for policymakers in designing tax reforms that are more equitable, context-sensitive, and sustainable.

### 3. METHODS

This study employs a bibliometric approach combined with network analysis to examine the intellectual structure and recent research trends related to Value-Added Tax (VAT) in Indonesia and other developing countries. The research data were obtained from the Scopus database up to September 2025 using the keywords “value-added tax,” “VAT,” “indirect taxation,” and “tax reform.” Only English-language publications in the form of journal articles, conference proceedings, and review papers were included in the analysis. All bibliographic data were subsequently exported in BibTeX format for further processing.

Specifically, the data were retrieved from the Scopus database using the following search query: TITLE-ABS-KEY (“value added tax” OR “VAT” OR “indirect taxation” OR “tax reform”). The search was conducted on 10 September 2025 to ensure consistent and up-to-date results. The publication period analyzed covered 2014–2024, yielding an initial total of 1,264 documents. After screening based on publication type (journal articles, conference proceedings, and review papers) and language (English), 856 articles remained and constituted the final sample of this study.

All bibliographic records were exported in BibTeX format and analyzed using Biblioshiny v4.2.3 within RStudio v2024.06. The analysis was conducted in several stages, encompassing:

- a. Analysis of annual publication trends to examine the growth dynamics of VAT-related literature.
- b. Identification of core sources based on Bradford’s Law.
- c. Author productivity analysis, including the calculation of the H-index, G-index, and publication distribution in accordance with Lotka’s Law.
- d. Mapping of collaboration networks among authors (co-authorship networks) and across countries (country collaboration networks).
- e. Co-citation analysis with a minimum citation threshold of  $\geq 5$  to identify the most influential clusters of literature.
- f. Keyword co-occurrence analysis with a minimum frequency threshold of  $\geq 3$  to uncover dominant themes and topical interconnections.
- g. Thematic mapping and thematic evolution analysis to assess the development of research themes over time.

All parameters and thresholds were selected to ensure data representativeness, enhance analytical validity, and facilitate the replicability of the study by future researchers.

Data analysis was conducted using Biblioshiny in RStudio and involved publication trend mapping, identification of core sources based on Bradford’s Law, assessment of author productivity and citation impact, and visualization of collaboration networks among authors and countries. Furthermore, keyword co-occurrence analysis was employed to reveal dominant themes, inter-topic relationships, and emerging research issues.

The results of the analysis were visualized through co-citation networks, keyword maps, and thematic maps, which collectively illustrate the dynamic evolution of VAT-related literature. Accordingly, this study not only presents a global knowledge mapping of VAT research but also

identifies existing research gaps, opportunities for international collaboration, and future research directions, particularly in relation to digitalization, fiscal equity, and global tax policy harmonization



Figure 1. Research Process Flow Diagram

## 4. RESULTS AND DISCUSSION

### 4.1 Core Journals and Intellectual Foundations of VAT Research

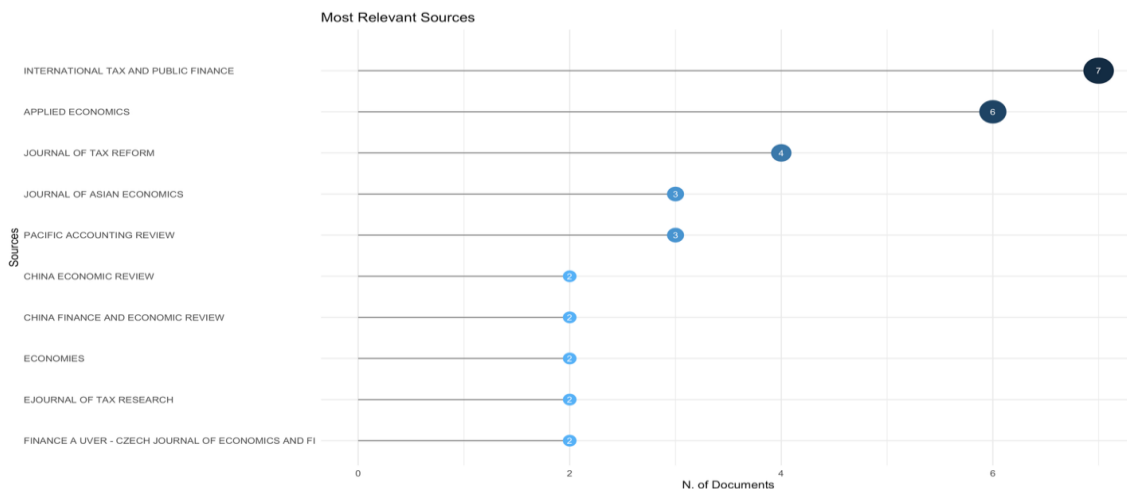


Figure 2. Most Relevant Literature Sources

Based on the bibliometric analysis, research on Value-Added Tax (VAT) is predominantly published in internationally reputable journals. International Tax and Public Finance emerges as the primary publication outlet with seven articles, followed by Applied Economics with six articles and the Journal of Tax Reform with four articles. These three journals occupy a central position in shaping the global scholarly discourse on consumption taxation and fiscal policy.

This dominance indicates that VAT-related issues extend beyond the technical aspects of revenue collection and constitute an integral component of macroeconomic strategy and public policy with direct implications for social welfare. Accordingly, research published in these journals contributes to the development of a paradigm that conceptualizes taxation not merely as a fiscal tool, but as an instrument for redistribution and sustainable development.

In addition, the *Journal of Asian Economics* and *Pacific Accounting Review*, each publishing three articles, reflect a growing scholarly focus on VAT issues in the Asian region, from both macroeconomic and accounting perspectives. The presence of other journals—such as *China Economic Review*, *China Finance and Economic Review*, *Economies*, and the *eJournal of Tax Research*—each with two articles, indicates active engagement by various countries in examining VAT reform and policy implementation. These findings are consistent with international studies that highlight the diversity of VAT application across different institutional and economic contexts.

[33] identify that World Trade Organization (WTO) membership encourages countries to compensate for declining import tariff revenues through increased reliance on VAT. Meanwhile, [7] and [34] examine VAT reforms in China, showing reductions in tax burdens alongside emerging structural challenges. Comparative analyses have also been conducted by [35] in Botswana, drawing lessons from New Zealand's Goods and Services Tax (GST), and by [36], who evaluates VAT performance in the Middle East and North Africa (MENA) region. In Europe, Artés et al. (2019) discuss VAT reforms in Spain during the economic crisis, while Geringer (2023) highlights the environmental dimensions of VAT rate reform in the European Union. Studies from Uzbekistan [14] and Ukraine [37] further enrich the global perspective on the effectiveness of VAT implementation across jurisdictions.

The emergence of journals from the Asia-Pacific region, such as *Pacific Accounting Review* and *China Economic Review*, signals a geographical shift in research focus toward this region. The Asia-Pacific region has increasingly become a dynamic laboratory for tax reform, particularly in addressing the challenges of globalization, economic digitalization, and income redistribution. Countries in this region, including Indonesia, have begun to adopt VAT rate increases as a strategy to strengthen fiscal capacity while balancing the tax burden across different segments of society. Consequently, studies published in Asian journals enrich the global literature by incorporating more contextual cultural, social, and equity dimensions relevant to developing economies.

Within the philosophical framework of *Hamemayu Hayuning Nagara*, these findings reflect an intellectual process aimed at maintaining balance between state authority and public welfare. This concept provides a normative foundation suggesting that tax policy, including VAT rate increases, should be implemented with careful consideration of social justice values and economic harmony. The academic sources referenced in this study function not merely as repositories of data or theory, but as representations of intellectual “centers of wisdom” that guide both scholarship and policy toward a higher objective: organizing and refining the state order to remain prosperous, just, and sustainable.

More broadly, the philosophy of *Hamemayu Hayuning Nagara* can be understood as a worldview that integrates moral, social, and ecological dimensions into public policymaking. In the context of taxation, this principle emphasizes that increases in government revenue must be balanced by a commitment to protecting low-income groups, safeguarding environmental sustainability, and ensuring equitable distribution of development outcomes. Accordingly, a VAT rate increase grounded in the spirit of *Hamemayu Hayuning Nagara* represents an ethical manifestation of national development—one that places the people at the center of welfare while serving as the moral source of state legitimacy.

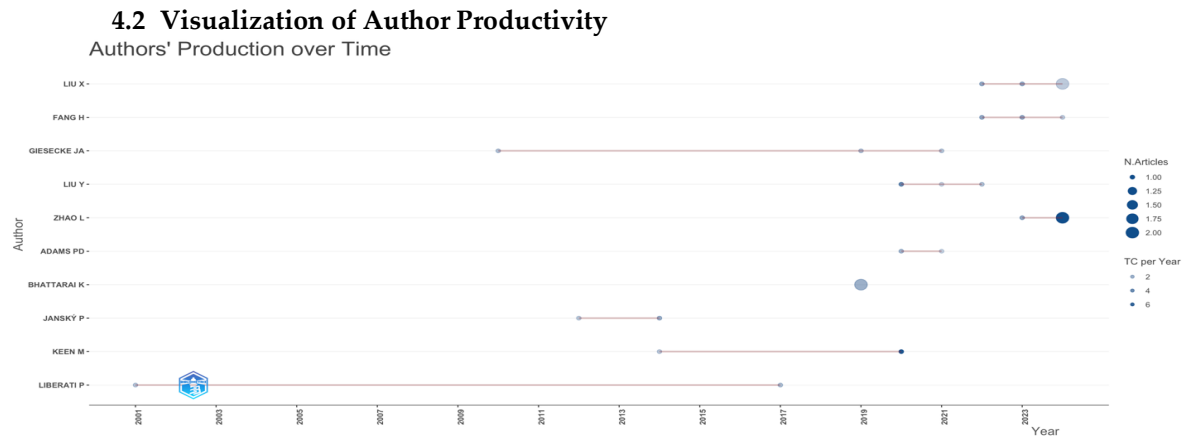


Figure 3. Articles with the Highest Global Citation Counts

Based on the results of the bibliometric analysis, author productivity in the field of Value Added Tax (VAT) research exhibits diverse patterns over the study period, with several authors standing out due to their significant and sustained contributions. Liu X. emerges as the most productive and consistent author, particularly approaching 2023, followed closely by Fang H., who demonstrates a similar trajectory of scholarly output. Both authors have played a crucial role in advancing VAT policy analysis with an emphasis on equity and macroeconomic stability.

In addition, Zhao L. has made substantial contributions through publications that have achieved high citation counts, as reflected by the larger bubble sizes in the bibliometric visualization. In contrast, authors such as Giesecke J.A., Liu Y., and Adams P.D. show more limited engagement within this research domain. Meanwhile, senior scholars including Liberati P. and Keen M. have been contributing since the early 2000s and are widely recognized as pioneers in the study of VAT policy.

In the period following 2018, new contributors such as Bhattarai K. and Janský P. have emerged, broadening the analytical perspectives of VAT research in line with growing global attention to VAT reform across different countries. The noticeable increase in publications after 2018 marks the emergence of a new wave of research addressing the transformation of VAT within an increasingly complex global economic environment, particularly in relation to social inequality, economic digitalization, and the need for adaptive and inclusive tax systems.

Empirical studies by Liu X., Fang H., and Zhao L., for instance, examine the effects of VAT rate reforms in China on employment stability [38], business innovation (Liu et al., 2024), and the performance of small and medium-sized enterprises [10]. These works provide robust evidence of how VAT policy adjustments influence both macroeconomic outcomes and firm-level behavior.

Furthermore, Giesecke J.A.'s contribution through the development of Computable General Equilibrium (CGE) models to evaluate tax policy in Italy [26] enriches the methodological approaches employed in VAT analysis. Earlier foundational studies by [39] on the redistributive effects of taxation in OECD countries and by [40] on the determinants and consequences of VAT adoption worldwide serve as key conceptual underpinnings for contemporary research focused on fiscal equity and efficiency.

Overall, the evolving pattern of scholarly contributions indicates that VAT research has progressed beyond a purely technical discussion of taxation toward a broader conceptual framework that positions VAT as an instrument of socio-economic engineering. Researchers such as Liu, Fang, and Giesecke have played a pivotal role in expanding both theoretical and empirical understanding of how tax policy can be designed to reduce social disparities and enhance societal welfare. This development underscores a paradigm shift in which VAT is no longer viewed solely as a source of government revenue, but also as a mechanism for balancing economic growth with social justice.

Within the philosophical framework of *Hamemayu Hayuning Nagara*, these researchers may be interpreted as representations of panatagama and panatata nagara in the realm of knowledge production—actors who strive to cultivate balance and harmony in the economic order through equitable thought and policy design. Their efforts embody the spirit of memayu hayuning nagara, namely the pursuit of harmony between state interests and public welfare through inclusive, sustainable, and ethically grounded fiscal governance. Consequently, the development of VAT research not only reflects academic progress but also represents the enduring normative ideal that tax policy should be implemented as an ethical practice aimed at preserving and enhancing the collective well-being of the nation.

### 4.3 Articles with the Highest Global Citation Counts

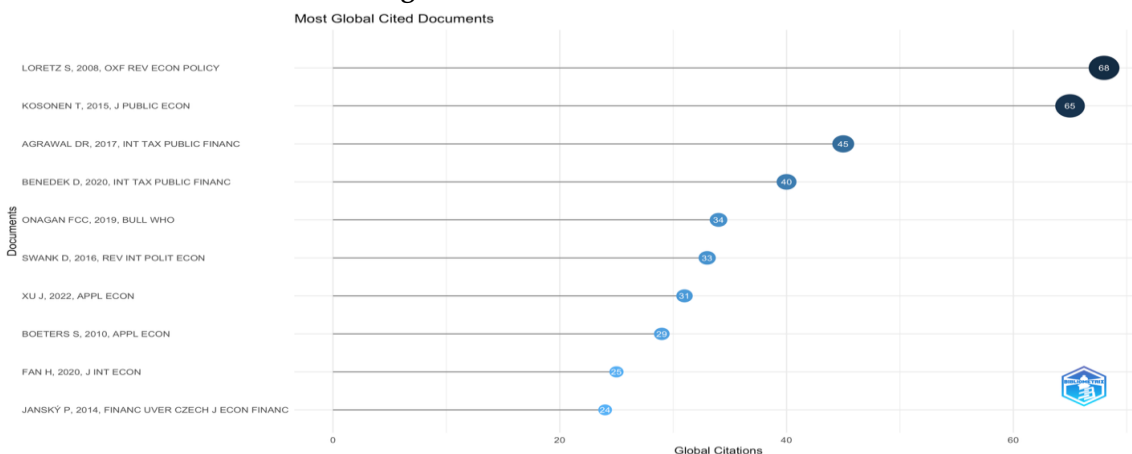


Figure 4. Articles with the Highest Global Citation Counts

Based on the bibliometric analysis, the article with the highest global citation count in the field of Value Added Tax (VAT) research is [41], published in the *Oxford Review of Economic Policy*, which has received 68 citations. This is followed by [42] in the *Journal of Public Economics* with 65 citations. These two studies occupy a central position in the international literature, as they provide comprehensive analyses of tax system reforms and their implications for income distribution, economic efficiency, and social stability. Loretz highlights the complexity of harmonizing VAT rates across countries and the equity challenges inherent in consumption tax systems, while Kosonen emphasizes the importance of policy compensation mechanisms for vulnerable groups to prevent tax reforms from exacerbating social inequality. Together, these studies reflect a shared recognition that fiscal policy must balance revenue optimization with the protection of societal welfare.

In addition, articles by [43] and [44], both published in *International Tax and Public Finance*, further expand the discourse by examining the role of VAT in modern fiscal policy, particularly in relation to distributive justice, economic inclusion, and sustainable development. Empirically, these studies demonstrate that tax rate increases can function as instruments of redistribution when accompanied by fiscal transparency and adequate social compensation mechanisms.

Several other studies also reveal the cross-sectoral impacts of VAT. For instance, [9] in the *Bulletin of the World Health Organization* links VAT to global health financing, while [45] in the *Review of International Political Economy* analyzes VAT within the framework of international political economy. Additional contributions by [46] in *Applied Economics*, [5], [47] and [30] further enrich the literature through interdisciplinary perspectives encompassing labor markets, firm productivity, and the distribution of tax burdens in developing countries.

Overall, these findings indicate that the VAT literature is dominated by highly reputable studies with substantial global citation counts, underscoring VAT's strategic importance in macroeconomic, fiscal, and public policy research. This trend also signals a paradigm shift in which VAT is no longer viewed merely as a fiscal instrument for revenue generation, but increasingly as a

tool of socio-economic engineering aimed at balancing economic growth with social equity. In the global context, these studies represent an emerging paradigm that positions taxation as a moral and social instrument for achieving collective welfare.

When interpreted through the philosophical lens of *Hamemayu Hayuning Nagara*, these findings suggest that fiscal policy fundamentally constitutes a moral practice aimed at maintaining harmony between the state and its citizens. This principle emphasizes that taxation is not merely a fiscal mechanism, but a means of *memayu hayuning nagara*—that is, of enhancing, structuring, and sustaining national life in a manner that is just, equitable, and prosperous. Accordingly, increases in VAT rates should ideally be oriented not only toward boosting government revenue, but also toward realizing social justice, economic sustainability, and the protection of vulnerable groups. Within this framework, taxation functions as a reflection of the government’s moral responsibility to create an economic order that is equitable, civilized, and dignified for all citizens.

#### 4.4 Keyword Network Mapping

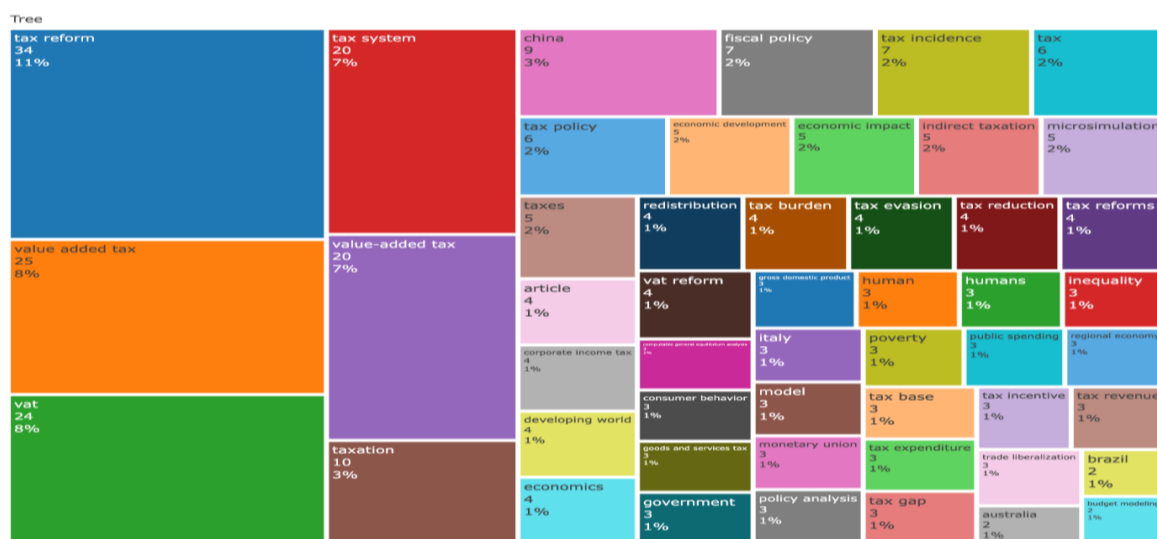


Figure 5. Keyword Network Map

Based on the keyword analysis, research on Value Added Tax (VAT) is predominantly shaped by issues of tax reform, as reflected in the frequent occurrence of the keyword tax reform, which appears 34 times (11%). This is followed by value added tax (25 occurrences, 8%), VAT (24 occurrences, 8%), and tax system (20 occurrences, 7%), indicating that the core focus of the literature revolves around policy renewal, improvements in tax system design, and tax collection mechanisms. The dominance of these terms underscores the centrality of tax reform and VAT in contemporary economic and public policy research, while also reflecting a broader scholarly dynamic that positions fiscal reform as a strategic instrument for strengthening government revenue and ensuring tax systems that are adaptive to global economic change.

The presence of keywords such as taxation (10 occurrences, 3%), fiscal policy (7 occurrences, 2%), and tax incidence (7 occurrences, 2%) further reinforces the relevance of VAT within the context of fiscal policymaking, the distribution of tax burdens, and sectoral economic impacts. The moderate frequency of keywords such as economic impact, indirect taxation, and microsimulation (each appearing 5 times, 2%) suggests a strong research tendency toward assessing the effects of VAT on economic growth, consumption behavior, and income distribution.

The keyword analysis also reveals a growing research orientation toward social equity dimensions, as evidenced by the appearance of terms such as inequality, poverty, redistribution, and fiscal policy. This emphasis reflects a paradigm shift in which taxation is no longer viewed solely as a technocratic instrument for revenue collection, but increasingly as a social mechanism that signals



The cluster labeled Tax Reform and Value Added Tax focuses primarily on fiscal policy efficiency and its implications for macroeconomic stability and economic growth, illustrating how VAT reforms can enhance productivity without undermining household purchasing power. Another prominent cluster, Business and Equity Taxation, highlights the relationship between VAT, corporate taxation, and vertical equity, examining the extent to which tax policy can equitably distribute fiscal burdens between large and small economic actors. Meanwhile, the Developing Countries cluster concentrates on consumption patterns, structural reforms, and the challenges of VAT implementation in developing economies such as Brazil and Belize, which often face trade-offs between revenue mobilization and the protection of low-income households.

Additionally, clusters with high impact but lower centrality include themes such as tax incidence and difference-in-differences, reflecting more specialized research trajectories that focus on the distributional effects of VAT, its impact on consumption behavior, and policy evaluation using econometric methodologies. In contrast, clusters characterized by low centrality and limited impact encompass themes such as cascading, household, and indirect taxation. These clusters tend to be more technical and micro-oriented, emphasizing layered taxation effects and household-level implications of VAT. Despite their relatively limited connectivity, such studies make substantive contributions by deepening understanding of VAT implementation at the operational and practical levels.

Overall, the coupling map suggests that VAT research can be classified into three main tiers: (1) central themes that dominate global scholarly discourse, (2) focused themes with strong analytical depth but more limited interconnections, and (3) technical and micro-level themes that address detailed aspects of policy implementation.

This mapping is consistent with a wide range of empirical studies addressing VAT reform in global contexts. [26] develop a Computable General Equilibrium (CGE) model for Italy that links VAT to trade openness, while [14] emphasize the role of VAT in fiscal policymaking in developing countries. Similar analyses are conducted by [50], who examine the household burden of VAT in Iran, and by [51], who evaluate VAT reforms in Russia and Eastern Europe through a comparative approach. [52] highlight the determinants of tax effort, and [53] reaffirms the importance of VAT and excise taxes within the broader framework of indirect taxation. These inter-document linkages reveal an increasingly integrated academic network connecting economic, social, and distributive issues, indicating that VAT research is no longer fragmented but is evolving toward a holistic approach that combines fiscal efficiency with social equity and public welfare considerations.

This dynamic may be interpreted through the philosophical principle of *Hamemayu Hayuning Nagara*, which emphasizes the enhancement and preservation of balance between state authority (*nagara*) and public welfare (*hayuning kawula*). The three research clusters symbolically represent academic and policy-oriented efforts to harmonize economic productivity with social justice. In the context of VAT reform, the spirit of *memayu hayuning nagara* underscores that fiscal policy should not merely pursue efficiency and growth, but must also be grounded in a moral responsibility to maintain social balance, protect vulnerable populations, and foster an economic order that is just, civilized, and sustainable.





specific national policy environments. While their global influence may be relatively limited, these themes provide in-depth insights into the dynamics of VAT policy at the country and sectoral levels. For instance, [57] reviews GST implementation in India, emphasizing policy complexity, while [20] examine the impact of VAT on household purchasing power in Africa. Such studies have the potential to enrich global literature when integrated into broader international tax reform agendas.

Additionally, emerging or declining themes, such as VAT reform in Vietnam [49] and ICMS reform in Brazil [11], represent new research trajectories that are particularly relevant for developing countries, including Indonesia. Although some of these themes remain in early developmental stages or may gradually lose relevance, their emergence is important to monitor as they may signal paradigm shifts in both academic research and tax policy practices. Overall, the thematic map analysis confirms that VAT research has evolved from a predominantly technical perspective toward a broader socio-economic and development-oriented analysis that addresses not only fiscal efficiency but also equity, distribution, and public welfare.

Within the philosophical framework of *Hamemayu Hayuning Nagara*, this thematic map may be interpreted as a metaphor for a harmonious fiscal order. Motor themes symbolize the driving force of the state, representing tax reform as an instrument of public welfare and fiscal sustainability. Basic themes illustrate the foundational structure of the system, embodying values such as honesty, transparency, and efficiency in tax governance. Niche themes reflect the cultural and contextual dimensions of policy implementation, while emerging themes represent the evolution toward fiscal policy harmony aligned with social justice.

From the perspective of *Hamemayu Hayuning Nagara*, the global trajectory of VAT research does not merely reflect advancements in fiscal science but also represents a collective effort to maintain balance between state revenue, economic growth, and public welfare. An ideal tax policy, therefore, is not the one that imposes the greatest burden, but the one that elevates societal welfare—enhancing economic order by upholding justice, maintaining balance, and embodying compassion in every fiscal decision.

## Discussion and Policy Implications within the Framework of *Hamemayu Hayuning Nagara*

### 1) The Significance of the Findings for Understanding VAT and Social Welfare

The results of the bibliometric analysis indicate that the direction of global research on Value-Added Tax (VAT) has undergone a significant paradigm shift—from an initial focus on increasing state revenue toward a more comprehensive understanding of the role of VAT in promoting welfare and social justice. Dominant keywords such as *tax reform*, *value-added tax*, and *redistribution* emphasize that taxation is no longer viewed merely as a fiscal instrument, but as a means of economic redistribution and a pillar of social resilience.

Within the philosophical framework of *Hamemayu Hayuning Nagara*, this direction reflects the noble value that public policy, including taxation, should not be oriented solely toward strengthening state finances, but also toward maintaining social harmony. VAT, in this view, is not merely a matter of figures and rates, but a symbol of the state's effort to *memayu*—to beautify and organize the order of life—so that balance is preserved between *nagara* (the interests of the state) and *hayuning kawula* (the welfare of the people). Thus, VAT becomes a concrete manifestation of *hamemayu*: safeguarding prosperity without imposing a disproportionate burden on the lower-income population.

In this context, VAT is not only a technocratic instrument, but also a reflection of public ethics. It functions as a bridge between the government's fiscal responsibility and the people's right to a decent standard of living. When tax policy is managed according to principles of distributive justice and social concern, the state actualizes the deepest meaning of *Hamemayu Hayuning Nagara*—beautifying the economic order by upholding justice, maintaining balance, and protecting the common good.

## 2) Implications for Tax Policymakers in Indonesia

The plan to increase the Value-Added Tax (VAT) rate to 12% in Indonesia needs to be situated within the framework of bibliometric findings and the philosophy of *Hamemayu Hayuning Nagara*. Based on trends in the global literature, the success of VAT reform is not determined solely by the level of the tax rate, but by the extent to which the policy is able to:

- a. Ensure fairness in the distribution of the tax burden,
- b. Provide protection for vulnerable groups,
- c. Implement transparent and efficient tax administration, and
- d. Optimize digital technology to strengthen fiscal accountability and public services.

Within the definition of *Hamemayu Hayuning Nagara*, a sound VAT policy is not one that merely enlarges state revenues, but one that also *ngayomi rakyat*—protecting the people, especially smaller and more vulnerable groups, from economic pressures resulting from rate increases. Therefore, compensatory policies such as food subsidies, the strengthening of social assistance programs, and the enhancement of tax literacy become essential elements in ensuring a balance between fiscal efficiency and social justice.

The values of *Hamemayu Hayuning Nagara* can serve as an ethical and philosophical foundation in the formulation of national fiscal policy. The government needs to ensure that every increase in the VAT rate is accompanied by effective social protection mechanisms, such as cross-subsidies, incentives for MSMEs, and consumption incentives for essential sectors, so that the tax burden does not create distortions in public welfare. This approach aligns with the spirit of *memayu*, which seeks to organize and beautify the economic system so that it does not become imbalanced, while maintaining harmony between development and justice.

VAT policy in Indonesia can thus become a concrete manifestation of the philosophy of *Hamemayu Hayuning Nagara*: a policy that harmonizes the state's fiscal strength with public welfare, building a tax system that is not only efficient, but also just, ethical, and dignified. Tax reform pursued in this spirit not only strengthens the foundations of the national economy, but also enhances the face of Indonesian public policy by fostering harmony among revenue generation, economic growth, and the welfare of the people.

## 3) Research Limitations

This study uses data sourced from the Scopus database; therefore, it does not fully encompass local literature or grey literature such as government reports, OECD and IMF publications, or national policy studies that are not internationally indexed. In addition, the bibliometric approach places greater emphasis on quantifying interconnections among the literature, and thus has not yet captured in depth the narrative and contextual dimensions of VAT policy in Indonesia.

Nevertheless, the findings of this study provide an overview of the global scholarly landscape related to VAT and its relevance in building a tax system oriented toward welfare and social justice. By enriching these results with qualitative analysis and local context in future research, similar studies can further deepen the understanding of how the values of *Hamemayu Hayuning Nagara* may be applied in the formulation of fair and humanistic fiscal policies in Indonesia.

## CONCLUSION

This study adopts the philosophy of *Hamemayu Hayuning Nagara* as a philosophical lens to understand the dynamics and direction of global research on Value-Added Tax (VAT), with particular attention to the context of developing countries such as Indonesia. Through a bibliometric analysis approach, the study finds that VAT-related research has developed significantly over the past two decades, with a primary focus on fiscal efficiency, tax reform, and its impact on economic

growth. However, themes highlighting social justice, welfare distribution, and cultural dimensions in VAT policy remain relatively limited and have not yet become mainstream in the global literature.

The results of the keyword network analysis indicate a shift in research orientation from technical issues toward more multidimensional concerns, such as governance, fairness, and sustainability. This shift signifies that the VAT paradigm is undergoing a transformation—from merely an instrument of state revenue to a tool of socio-economic engineering that functions to maintain a balance between fiscal stability and social justice. In the Indonesian context, these findings are particularly relevant, as policies to increase the VAT rate have the potential not only to raise state revenue but also to serve as a means to strengthen social cohesion and promote equitable welfare, provided they are designed based on principles of justice and protection for vulnerable groups.

The values of Javanese local wisdom, particularly the philosophy of *Hamemayu Hayuning Nagara*, which means “to preserve the beauty and welfare of the state,” provide an ethical and moral foundation for modern fiscal policy reform. Within this framework, VAT is not viewed merely as an economic obligation, but also as a moral and social instrument to maintain harmony between *nagara* (state interests) and *hayuning kawula* (the welfare of the people). By embedding the values of *memayu*—to organize, beautify, and balance the order of life—fiscal policy is expected to create a taxation system that is just, ethical, and sustainable.

Overall, this study emphasizes the importance of an interdisciplinary and contextual approach in VAT studies, combining quantitative bibliometric data analysis with philosophical and socio-cultural reflection. By embracing the spirit of *Hamemayu Hayuning Nagara*, future directions of tax research and policy are expected to be oriented not only toward increasing state revenue, but also toward maintaining balance and equitable welfare for all segments of society, so that taxation truly becomes a means to *memayu hayuning nagara*—enhancing the order and beauty of national and state life.

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