Volume 4 Number 2 (2026)
July-December 2026
Page:2302- 2316

Journal of Creative Power and Ambition (JCPA)
https://edujavare.com/index.php/jcpa
E-ISSN: 3031-4054
DOI: 10.70610/jcpa.v4i02.1886

Transforming Social Assistance into Sustainable Household Welfare: A Financial Literacy and Economic Empowerment Model

Fahri Abdullah[1], Samsidar[2], Andi Fajriansyah[3]

[12] Institut Agama Islam Negeri Bone, Indonesia
[3] Institut Bisnis dan Keuangan Nitro
Email: fahriduladam@gmail.com; samsidarfahri@gmail.com, andifajriansyah19@gmail.com

Article history Submitted: 2026/08/06; Revised: 2026/08/00; Accepted: 2026/08/13

Abstract

Social assistance is a central instrument of social protection policy aimed at reducing poverty and improving household welfare, yet empirical evidence shows that its effectiveness in producing sustainable welfare outcomes remains inconsistent: some households achieve lasting improvement while others remain vulnerable despite receiving aid regularly. This article aims to develop a conceptual model explaining how social assistance can be transformed into sustainable household welfare through financial literacy and economic empowerment. Using a qualitative library research approach in the form of a conceptual paper, the study synthesizes theories and prior findings from reputable scholarly journals, academic books, international institutional reports, and government policy documents, analyzed through content analysis and narrative synthesis. The results show that social assistance should not be viewed as the end goal of welfare policy, but as an initial instrument that must be integrated with financial literacy and economic empowerment. Based on this synthesis, the article proposes the Integrated Household Welfare Transformation Model (IHWTM), a conceptual model explaining the transformation process from social assistance to sustainable household welfare. The model is expected to enrich social protection theory and serve as a reference for designing more adaptive, productive, and sustainable welfare policies

Keywords conceptual model; economic empowerment; financial literacy; household welfare; social assistance

INTRODUCTION

Societal welfare is one of the primary goals of national development, reflected in various economic, social, and human development policies. Improving welfare is not merely defined as an increase in people's income, but also encompasses the fulfillment of basic needs, access to education and health services, opportunities to obtain decent employment, and the capacity of households to face various economic and social risks. From the perspective of modern development, welfare is no longer viewed solely as an economic indicator, but as a multidimensional condition reflecting the overall quality of life of society (Sen, 1999). Consequently, welfare development has become one of the key indicators of a nation's success in achieving inclusive and sustainable development (UNDP, 2024).

Social protection has developed into one of the principal instruments of development policy for reducing poverty, addressing social vulnerability, and strengthening the economic resilience of society. The International Labour Organization (ILO) defines social protection as a set of policies and programs designed to reduce and prevent poverty and vulnerability throughout the human life cycle (ILO, 2024). In line with this, the World Bank positions social protection as part of a development strategy aimed at increasing resilience, equity, and opportunity for both poor and vulnerable populations (World Bank, 2025). Social assistance therefore functions not merely as an instrument of income redistribution, but also as a social investment capable of improving people's quality of life when appropriately designed.

In the Indonesian context, social protection is implemented through various social assistance programs such as Direct Cash Transfers (Bantuan Langsung Tunai/BLT), the Family Hope Program (Program Keluarga Harapan/PKH), Non-Cash Food Assistance (Bantuan Pangan Non Tunai/BPNT), the Smart Indonesia Program (Program Indonesia Pintar/PIP), and the Health Insurance Contribution Assistance (PBI-JKN), among other forms of social assistance. These programs are aimed at maintaining people's purchasing power, meeting the basic needs of poor households, and reducing the impact of economic instability. Data from the Ministry of Social Affairs of the Republic of Indonesia indicate that social assistance has become one of the government's primary instruments for strengthening social protection, particularly during periods of economic crisis and in the post-COVID-19 era (Kementerian Sosial Republik Indonesia, 2024).

The evolution of the welfare concept shows that the success of social assistance policy can no longer be measured solely by the size of the budget disbursed or the number of beneficiaries, but by the policy's ability to generate a sustainable change in household capacity. From Jeremy Bentham's utilitarian perspective, social assistance is viewed as an instrument for increasing the happiness and welfare of society through the redistribution of economic benefits. However, this approach is enriched by Amartya Sen's Capability Approach, which asserts that welfare is determined not only by resource ownership but also by an individual's ability to convert those resources into a productive and valuable life. Based on this perspective, the present study argues that social assistance will generate more sustainable welfare when integrated with improved financial literacy and economic empowerment as forms of strengthening the capability of recipient households (Bentham, 1907/1789; Sen, 1985, 1999).

Building on a synthesis of various theories and prior research, this article proposes the Integrated Household Welfare Transformation Model (IHWTM) as a conceptual model explaining the mechanism through which social assistance is transformed into sustainable household welfare. The model positions social assistance as the initial instrument of social protection, while financial literacy and economic empowerment are positioned as mechanisms that strengthen households' capacity to manage resources productively, ultimately generating sustainable welfare (ILO, 2024; OECD, 2023; World Bank, 2025). Accordingly, the main contribution of this article lies not only in presenting a literature synthesis on social assistance, but also in developing a conceptual framework that integrates welfare theory, social protection, financial literacy, and economic empowerment into a single model that can serve as a foundation for future empirical research and social protection policy formulation.

METHODS

This study employs a qualitative approach in the form of library research, structured as a conceptual paper. This approach was chosen because the study does not aim to test relationships among variables through empirical data, but rather to develop a conceptual model of the transformation of social assistance into sustainable household welfare through a synthesis of theory and prior research findings. In conceptual research, model development is carried out through a critical analysis of various concepts, theories, and empirical findings, resulting in a new conceptual framework with a strong theoretical foundation (Creswell & Poth, 2018).

The data sources for this study consist of secondary data obtained from various scholarly references relevant to the research focus. These references include reputable national and international journal articles, academic books, reports from international institutions, and government policy documents addressing social assistance, social protection, household welfare, financial literacy, and economic empowerment. The literature search was conducted through various scientific databases such as Scopus, Web of Science, ScienceDirect, SpringerLink, Emerald Insight, Taylor & Francis, Wiley Online Library, and Google Scholar (O'Leary, 2021). Policy documents, meanwhile, were obtained from official publications of the International Labour Organization (ILO), the World Bank, the Organisation for Economic Co-operation and Development (OECD), the United Nations Development Programme (UNDP), the Central Bureau of Statistics (Badan Pusat Statistik/BPS), the Ministry of Social Affairs of the Republic of Indonesia, and the National Development Planning Agency (Bappenas) (ILO, 2024;

World Bank, 2025).

Literature selection was carried out purposively based on four criteria. First, the literature had to be directly relevant to the themes of social assistance, social protection, household welfare, financial literacy, and economic empowerment (Webster & Watson, 2002). Second, priority was given to articles published in reputable scholarly journals between 2020 and 2025 to capture recent developments in the field. Third, the study continued to draw on classic works as a theoretical foundation, particularly Jeremy Bentham's utilitarian theory and Amartya Sen's Capability Approach, given that both theories serve as key foundations for understanding the concept of welfare (Bentham, 1907/1789; Sen, 1999). Fourth, various reports from international organizations and government policy documents were used to strengthen the analysis of the development of the social protection system.

Data collection was carried out through documentary study, namely identifying, inventorying, classifying, and evaluating literature relevant to the research focus. Documentation is a common technique in library research because it enables researchers to obtain data systematically from various published scholarly documents (Denzin & Lincoln, 2018). Each piece of literature was subsequently analyzed based on the main themes related to social assistance, household welfare, financial literacy, and economic empowerment, in order to identify patterns of relationships among concepts and to determine remaining research gaps.

Data analysis was conducted using content analysis combined with narrative synthesis. Content analysis was used to identify the main concepts, patterns of relationships among variables, and tendencies in previous research findings (Krippendorff, 2019). Narrative synthesis was then used to integrate the various theories and empirical findings into a coherent conceptual framework (Snyder, 2019). Through this approach, the study not only describes previous research findings but also produces the Integrated Household Welfare Transformation Model (IHWTM) as a conceptual model explaining the mechanism through which social assistance is transformed into sustainable household welfare via the strengthening of financial literacy and economic empowerment.

To enhance the credibility of the findings, this study applies source triangulation, comparing various theories, empirical research findings, and policy documents from institutions with authority in the fields of social protection and welfare development (Torraco, 2005). The synthesis was carried out critically, taking into account the consistency of concepts, the coherence of arguments, and the context of each study, so that the resulting conceptual model has a strong theoretical foundation.

FINDINGS AND DISCUSSION

Social Assistance within the Social Protection Framework

Social protection is a public policy instrument designed to protect society from various social and economic risks that can lower the level of welfare. The International Labour Organization (ILO) defines social protection as a set of policies and programs aimed at preventing and reducing poverty, vulnerability, and social exclusion throughout the human life cycle (ILO, 2024). Within this perspective, social assistance is positioned as part of the social protection system that functions to provide support to segments of society facing economic constraints or other social risks.

The World Bank views social protection as functioning not only as a mechanism of income redistribution but also as a development instrument that strengthens society's capacity to face various economic shocks (World Bank, 2025). Consequently, social assistance is no longer understood merely as the provision of cash or in-kind aid, but as a social investment expected to improve people's quality of life through the strengthening of individual and household capacity. This approach reflects a paradigm shift from a charity-based approach toward a rights-based approach, in which social assistance is viewed as part of citizens' rights to obtain protection from the state.

In Indonesia, the social protection system is implemented through various social assistance programs such as BLT, PKH, BPNT, PIP, and PBI-JKN, along with other forms of assistance aimed at maintaining people's purchasing power, reducing poverty, and improving household welfare (Kementerian Sosial Republik Indonesia, 2024). These programs demonstrate the government's commitment to strengthening the social protection system as part of a national development strategy oriented toward improving people's quality of life.

Nevertheless, the effectiveness of social assistance remains debated across various studies. Some research shows that social assistance is able to increase household consumption, improve access to education and health, and reduce poverty (World Bank, 2025; ILO, 2024). Other studies, however, indicate that the benefits of social assistance are often short-term when not followed by an increase in the economic capacity of beneficiaries. This condition indicates that social assistance has not yet been fully able to generate sustainable welfare, so a more comprehensive approach is needed to understand the mechanism by which social assistance is transformed into household welfare.

Building on this literature, social assistance can be seen as having undergone a fairly significant paradigm shift over time. Initially, social assistance was regarded as a form of income redistribution aimed at meeting the basic needs of the poor through cash or in-kind transfers. However, the development of social protection theory shows that social assistance is no longer understood as a purely charity-based instrument, but rather as a social investment directed at strengthening society's capacity to achieve sustainable welfare (Barr, 2020).

This paradigm shift indicates that the success of social assistance cannot be measured adequately by the amount of aid disbursed or the number of beneficiaries alone. A more substantive indicator of success is the extent to which social assistance is able to increase household capacity so that households can independently move out of poverty. From this perspective, social assistance is positioned as an initial stimulus that opens society's access to economic resources, education, health, and business opportunities. Social assistance therefore has a broader function than simply maintaining household consumption; it serves as an instrument that strengthens the foundation of long-term welfare development.

Prior studies indicate that the effectiveness of social assistance is influenced by beneficiary characteristics, the quality of accompaniment, the social environment, and households' ability to use assistance productively. This study therefore argues that social assistance should be positioned as an instrument of social transformation, not merely as an instrument of economic distribution. This shift in perspective forms the basis for the conceptual model developed in this study.

Welfare Theory: From Bentham's Utilitarianism to Sen's Capability Approach

The concept of welfare is one of the central themes in economics, public policy, and social development, as it constitutes the primary objective of virtually every policy designed by governments. In general, welfare is not only understood as an increase in income or the fulfillment of material needs, but also encompasses the ability of individuals and households to live a healthy, productive, and secure life with the opportunity to develop their potential (UNDP, 2024). Consequently, welfare theory has undergone considerable development, moving from a utilitarian approach that emphasizes happiness (utility) toward a capability approach that emphasizes human ability to make use of resources to improve quality of life.

One of the most influential figures in the development of welfare theory is Jeremy Bentham, through his theory of utilitarianism. Bentham argued that the primary aim of public policy is to achieve "the greatest happiness for the greatest number," that is, to produce the greatest possible level of happiness for as many people as possible (Bentham, 1907/1789). In this perspective, welfare is measured according to the level of utility or satisfaction obtained by society through increased consumption, income, or access to various life necessities. A policy is therefore considered successful if it is able to increase aggregate social benefit and produce a positive impact for the majority of society.

Bentham's view provides a philosophical foundation for many modern state policies, including social protection and social assistance policy. Social assistance programs are essentially a form of redistribution of economic resources from the state to groups facing the risk of poverty or social vulnerability (Barr, 2020). Through such assistance, governments seek to increase societal utility by reducing the burden of household expenditure, so that basic needs such as food, education, health, and social protection can be met. From the utilitarian perspective, the greater the benefit perceived by society from a policy, the higher the level of social welfare it generates.

Nevertheless, utilitarian theory has attracted various criticisms because it tends to treat welfare merely as an accumulation of satisfaction, without considering individuals' ability to make use of the resources they possess. Two households receiving the same amount of social assistance do not necessarily achieve the same level of welfare, because each has different capabilities, opportunities, and social conditions. This critique underlies the development of a more comprehensive approach to welfare, particularly through Amartya Sen's thinking on the Capability Approach (Sen, 1985).

According to Amartya Sen, welfare cannot be adequately measured by the size of a person's income or the amount of assistance received, but must instead be assessed through capability, that is, an individual's ability to convert the resources they possess into a valuable life, or "valuable functioning" (Sen, 1999). The focus of development therefore shifts from simply increasing income toward strengthening people's ability to determine their own life choices, obtain education, access health services, develop skills, and participate in economic activity. This approach positions human beings as the subject of development, rather than merely as recipients of policy benefits.

From the Capability Approach perspective, social assistance is viewed as a means of expanding opportunities, rather than as the final goal of welfare development. Social assistance will generate greater benefit when it is able to increase households' ability to manage resources, strengthen economic productivity, and create long-term economic independence (Alkire, 2002).

The fundamental difference between Jeremy Bentham and Amartya Sen lies in how each views welfare. Bentham emphasizes the end result in the form of happiness or utility, while Sen emphasizes the process of strengthening human capability to achieve a valuable life. In practice, these two perspectives are not contradictory but complementary: the utilitarian approach explains the importance of redistributive policy as an instrument for improving welfare, while the capability approach explains why the outcomes of such policy can differ across individuals or households.

Financial Literacy as a Mechanism for Strengthening Household Capability

Financial literacy is an important factor in strengthening the ability of individuals and households to make rational economic decisions. The OECD defines financial literacy as a combination of knowledge, skills, attitudes, and behaviors that enable a person to make effective financial decisions in order to achieve financial well-being (OECD, 2023). This definition shows that financial literacy is not only related to understanding financial products or services, but also includes the ability to manage income, prepare financial plans, control expenditure, save, invest, and manage various financial risks in daily life.

The development of financial literacy studies shows that the ability to manage finances is an important determinant of improved household welfare. Lusardi and Mitchell (2014) explain that individuals with a good level of financial literacy tend to be better able to prepare financial plans, allocate income efficiently, avoid detrimental economic decisions, and prepare for long-term needs through savings and investment. Conversely, low financial literacy is often associated with consumptive behavior, high levels of debt, weak income management capability, and low household economic resilience when facing economic shocks (ILO, 2024).

From the perspective of Amartya Sen's Capability Approach, financial literacy can be understood as a form of capability that enables individuals to convert economic resources into tangible welfare. The social assistance received by a household is essentially a resource, but that resource does not automatically generate welfare if the recipient lacks the ability to manage it effectively (Sen, 1999). Financial literacy therefore functions as a capacity that expands households' ability to use social assistance to meet basic needs, reduce economic vulnerability, and create opportunities for income growth through more productive activities.

In the context of social protection policy, financial literacy plays a strategic role in increasing the effectiveness of various social assistance programs. Households with good financial management skills tend to use social assistance in a more planned manner, not only to meet short-term consumption needs but also to build productive assets, increase savings, and strengthen family economic resilience (OECD, 2023; Lusardi & Mitchell, 2014). Conversely, low financial literacy can cause social assistance to be entirely consumed for immediate needs without generating sustainable economic change. This explains why households receiving a relatively similar amount of assistance can show different levels of welfare.

This finding reinforces Amartya Sen's Capability Approach, according to which welfare is determined not by the amount of resources received but by an individual's ability to convert those resources into a more valuable life. In the context of this study, financial literacy is understood as a form of economic capability that enables households to use social assistance more productively, thereby acting as the mechanism that bridges the relationship between social assistance and improved household welfare.

Furthermore, financial literacy also plays a role in shaping household economic behavior. The ability to prioritize needs, manage cash flow, avoid consumptive debt, and set aside part of one's income for savings or investment are important indicators that strengthen family economic resilience. For this reason, strengthening financial literacy should be an integral part of the implementation of social assistance programs.

Economic Empowerment as a Strengthening of Sustainable Welfare

In addition to financial literacy, this study finds that economic empowerment plays an important role in transforming social assistance into sustainable welfare. Various studies show that households with access to business training, skills development, financing, and economic mentoring have greater opportunities to increase their income and achieve economic independence (May, 2023; Suharto, 2021). This indicates that social assistance will produce more optimal benefits when accompanied by an empowerment process capable of strengthening the productive capacity of society.

From a development perspective, economic empowerment is understood not only as an increase in income but also as a process of strengthening individuals' ability to access economic opportunities, develop businesses, expand social networks, and increase household economic competitiveness. Economic empowerment therefore represents a further stage that follows a household's development of financial management capability through improved financial literacy. The integration of these two aspects produces a more effective transformation process toward sustainable welfare.

This study views the relationship between social assistance, financial literacy, and economic empowerment as mutually reinforcing: social assistance provides the initial resource, financial literacy strengthens the ability to manage that resource, while economic empowerment converts the resource into productive economic activity capable of improving household welfare in the long term.

Development of the Conceptual Model: The Integrated Household Welfare Transformation Model (IHWTM)

The synthesis of various theories and prior research shows that social assistance has generally been understood as a social protection instrument oriented toward increasing household consumption and reducing poverty. This approach has made an important contribution to maintaining people's purchasing power, particularly among vulnerable households. However, various studies also show that the effectiveness of social assistance in producing sustainable welfare remains mixed: some households are able to move out of poverty, while others remain vulnerable despite receiving assistance repeatedly (ILO, 2024).

This difference indicates that the relationship between social assistance and household welfare is not linear, but is instead influenced by households' ability to manage the resources they receive. Within the Capability Approach, Amartya Sen asserts that economic resources do not automatically generate welfare; rather, they must be converted into functionings through the capability possessed by the individual (Sen, 1985). The success of social assistance is therefore strongly determined by recipients' ability to manage income, prioritize needs, develop productive businesses, and increase family economic capacity.

Based on this synthesis, this study develops a conceptual model referred to as the Integrated Household Welfare Transformation Model (IHWTM). The model is built on the assumption that social assistance is the initial instrument of social protection, while financial literacy and economic empowerment are the transformation mechanisms that strengthen household capability. Household welfare is therefore not viewed as a direct consequence of social assistance, but as the outcome of a process that strengthens the community's economic ability to manage and use assistance productively and sustainably. Conceptually, the model developed in this study is presented in Figure 1.

Figure 1. The Integrated Household Welfare Transformation Model (IHWTM)

As shown in Figure 1, social assistance is not the final goal of welfare policy, but the starting point for building household economic capacity. Financial literacy enables households to use assistance effectively through income management, consumption control, and improved economic planning. This capability then drives economic empowerment, marked by increased productivity, business independence, and the ability to generate sustainable income, ultimately producing more stable household welfare.

Building on the synthesis of theory and prior research findings, this article develops the IHWTM as a conceptual model explaining the mechanism of transformation from social assistance to household welfare. The model integrates Social Protection Theory, Jeremy Bentham's welfare theory, Amartya Sen's Capability Approach, financial literacy theory, and economic empowerment theory. This integration produces a conceptual framework that positions social assistance as the initial instrument, while financial literacy and economic empowerment serve as the transformation mechanisms leading toward sustainable welfare.

Unlike prior studies, which generally explain only a direct relationship between social assistance and household welfare, the model developed in this study explains that this relationship occurs through a process of strengthening household capability. Households with good financial literacy are better able to manage social assistance effectively, while economic empowerment enables that assistance to be developed into productive economic activity that generates sustainable income. Household welfare is therefore not determined solely by the amount of assistance received, but by households' ability to transform that assistance into productive economic resources.

This conceptual model offers a new perspective for the development of social protection policy in Indonesia. Social assistance is no longer positioned merely as a consumptive policy but as an instrument of human development directed at strengthening the economic capacity of society. This study therefore proposes that the implementation of social assistance programs be integrated with financial literacy programs, entrepreneurship training, business mentoring, and strengthened access to productive economic resources, so that the goal of sustainable welfare development can be achieved more effectively.

Theoretical Implications

The conceptual model developed in this study makes several contributions to the development of welfare and social protection theory. First, this study extends the perspective of Social Protection Theory by showing that social assistance functions not only as an instrument of income redistribution, but also as a means of strengthening societal capability. The effectiveness of social assistance is therefore not adequately measured by the amount of assistance disbursed, but also by recipients' ability to convert that assistance into an improved quality of life.

Second, this study integrates Jeremy Bentham's utilitarian theory with Amartya Sen's Capability Approach. The utilitarian approach explains why the state provides social assistance as an effort to improve societal welfare, while the capability approach explains the mechanism by which such assistance can generate sustainable welfare through the strengthening of individual ability. The integration of these two theories produces a more comprehensive perspective than that of previous studies, which generally employ only one approach.

Third, this study positions financial literacy as a form of economic capability that bridges the relationship between social assistance and economic empowerment. Economic empowerment, in turn, is positioned as the transformation process that converts social assistance into sustainable household welfare. This article therefore not only offers a new conceptual relationship among variables, but also enriches the study of welfare development based on strengthening societal capacity.

Policy Implications

These findings carry important implications for the development of social protection policy in Indonesia. The success of social assistance has generally been measured by the size of the budget, the number of beneficiaries, and targeting accuracy. Although these indicators remain important, this approach does not yet fully capture social assistance's ability to create sustainable welfare. Accordingly, the evaluation of social assistance policy needs to be expanded to include indicators of improved financial literacy, economic independence, and the productive capacity of beneficiary households.

The government also needs to integrate various social assistance programs with community empowerment programs through entrepreneurship training, business mentoring, financial literacy education, and improved access to formal financial institutions. This integration is expected to shift the orientation of social assistance from merely meeting short-term consumption needs toward becoming a more productive instrument of household economic development. In this way, social assistance functions not only as a social safety net, but also develops into a social investment capable of generating long-term welfare impact (World Bank, 2025).

In addition, local governments, financial institutions, universities, and community organizations need to build collaboration to strengthen the capacity of social assistance recipients. Universities can contribute through community service programs based on financial literacy, while financial institutions can expand access to inclusive financial services for low-income groups. This inter-institutional synergy will strengthen the effectiveness of social protection policy, ultimately producing a society that is more independent, productive, and economically resilient.

CONCLUSION

Based on the synthesis of various theories and prior research, it can be concluded that social assistance is an important instrument within the social protection system, functioning to reduce poverty, maintain people's purchasing power, and improve household welfare. However, the effectiveness of social assistance in generating sustainable welfare is determined not only by the amount of assistance received, but also by households' ability to manage and use that assistance productively. Social assistance therefore cannot be viewed as the final goal of welfare policy, but rather as a starting point for building the economic capacity of society (ILO, 2024).

This article develops the Integrated Household Welfare Transformation Model (IHWTM) as a conceptual model integrating Social Protection Theory, Jeremy Bentham's welfare theory, Amartya Sen's Capability Approach, financial literacy theory, and economic empowerment theory. The model explains that the transformation of social assistance into household welfare occurs through a process of capability strengthening realized through improved financial literacy and economic empowerment. This study therefore provides a conceptual contribution in the form of a new framework that extends the study of the relationship between social assistance and household welfare, moving from an approach originally oriented toward the distribution of aid to one oriented toward the development of capability and economic independence.

Theoretically, this article enriches scholarship by integrating Jeremy Bentham's utilitarian theory and Amartya Sen's Capability Approach into a modern social protection perspective. This integration produces a conceptual model explaining that household welfare is determined not only by the presence of social assistance, but also by households' ability to manage economic resources through financial literacy and economic empowerment. This study therefore opens space for the development of empirical models that test these relationships across different social contexts and regions (Sen, 1999; OECD, 2023).

Practically, these findings imply that the implementation of social assistance programs in Indonesia needs to be directed not only at the disbursement of aid, but also at strengthening the capacity of beneficiaries. Social assistance programs should be integrated with financial literacy education, entrepreneurship training, business mentoring, and improved access to productive economic resources. This integration is expected to transform social assistance from a consumptive instrument into a social investment that promotes economic independence and sustainable household welfare. Future empirical studies are encouraged to test the IHWTM across different regional and socio-economic contexts in order to validate and refine the model.

REFERENCES

Alkire, S. (2002). Valuing freedoms: Sen's capability approach and poverty reduction. Oxford University Press.

Barr, N. (2020). The economics of the welfare state (6th ed.). Oxford University Press.

Bentham, J. (1907). An introduction to the principles of morals and legislation. Clarendon Press. (Original work published 1789)

Creswell, J. W., & Poth, C. N. (2018). Qualitative inquiry and research design: Choosing among five approaches (4th ed.). SAGE Publications.

Denzin, N. K., & Lincoln, Y. S. (Eds.). (2018). The SAGE handbook of qualitative research (5th ed.). SAGE Publications.

Devereux, S., & Sabates-Wheeler, R. (2004). Transformative social protection (IDS Working Paper No. 232). Institute of Development Studies.

International Labour Organization. (2024). World social protection report 2024–2026: Universal social protection for climate action and a just transition. ILO.

Kementerian Sosial Republik Indonesia. (2024). Profil perlindungan sosial Indonesia 2024. Kementerian Sosial RI.

Krippendorff, K. (2019). Content analysis: An introduction to its methodology (4th ed.). SAGE Publications.

Lusardi, A., & Mitchell, O. S. (2014). The economic importance of financial literacy: Theory and evidence. Journal of Economic Literature, 52(1), 5–44.

May, J. (2023). The structure of economic empowerment and household welfare. World Development, 171, Article 106332.

Organisation for Economic Co-operation and Development. (2023). OECD/INFE 2023 international survey of adult financial literacy. OECD Publishing.

Organisation for Economic Co-operation and Development. (2024). OECD economic surveys: Indonesia 2024. OECD Publishing.

O'Leary, Z. (2021). The essential guide to doing your research project (4th ed.). SAGE Publications.

Sen, A. (1985). Commodities and capabilities. North-Holland.

Sen, A. (1999). Development as freedom. Alfred A. Knopf.

Snyder, H. (2019). Literature review as a research methodology: An overview and guidelines. Journal of Business Research, 104, 333–339.

Suharto, E. (2021). Membangun masyarakat memberdayakan rakyat: Kajian strategis pembangunan kesejahteraan sosial dan pekerjaan sosial. Refika Aditama.

Torraco, R. J. (2005). Writing integrative literature reviews: Guidelines and examples. Human Resource Development Review, 4(3), 356–367.

United Nations Development Programme. (2024). Human development report

2023/2024: Breaking the gridlock—Reimagining cooperation in a polarized world. UNDP.

Webster, J., & Watson, R. T. (2002). Analyzing the past to prepare for the future: Writing a literature review. MIS Quarterly, 26(2), xiii–xxiii.

World Bank. (2025). The state of social protection report 2025: The 2-billion-person challenge. World Bank