International Journal of Environmental Sciences
ISSN: 2229-7359
Vol. 11 No. 4s,2025
https://theaspd.com/index.php

The Effectiveness of Government Equity Participation in Enhancing Development Performance: Challenges and Sustainability Prospects of State-Owned Enterprises in Indonesia

Hilmi Rahman Ibrahim[1], Nurliah Nurdin[2], Basseng[2], Ridwan Radjab[2]
[1]Doctoral Candidate in Applied Public Administration, Politeknik STIA LAN Jakarta
[2]Faculty Member, Doctoral Program in Applied Public Administration, Politeknik STIA LAN Jakarta

Abstract
This study aims to evaluate the effectiveness of Government Equity Participation (GEP) policies on State-Owned Enterprises (SOEs) in Indonesia by addressing four primary questions: (1) How is GEP policy implemented? (2) To what extent does it impact financial performance? (3) Does GEP strengthen the execution of government assignments? and (4) How can a more accountable and sustainable GEP policy framework be formulated? A qualitative approach was employed through case studies of three strategic SOEs: PT PLN, PT Hutama Karya, and PT Waskita Karya. The findings indicate that the effectiveness of GEP is highly contingent upon the quality of internal governance, institutional preparedness, and project design. GEP has supported capital structure reinforcement and expanded public service delivery, particularly in energy and infrastructure sectors. However, its impact on profitability and operational efficiency varies. PLN successfully utilized GEP for rural electrification and renewable energy projects; Hutama Karya began financial recovery as toll road projects progressed; meanwhile, Waskita Karya continued to face liquidity pressure due to weak management. This study emphasizes the importance of results-based evaluation and long-term development impact, and recommends institutional reform, enhanced transparency, and the use of cost–benefit analysis in GEP policy planning and oversight.

Keywords: *government equity participation, state-owned enterprises, policy effectiveness, institutional reform, national development.*

1. INTRODUCTION

Following the Asian financial crisis of 1997–1998, Indonesia experienced a relatively stable economic recovery, as indicated by an average real GDP per capita growth of 5.4% per year between 2000 and 2014. This recovery contributed to a significant reduction in the poverty rate from 24% to 11% (World Bank Report – Australian Aid, 2016). However, the benefits of growth were disproportionately captured by high-income groups, while the poorest 40% of the population saw their consumption increase by less than 2%. This persistent inequality compelled the government to accelerate inclusive development focused on job creation, regional equity, and the strengthening of new economic growth centers (Le et al., 2023).In response to the inequality challenge, the government formulated a sustainable development strategy that emphasizes resource efficiency, integrated fiscal planning, and the strengthening of innovation and technological competitiveness (Kumorotomo, 2015). Strategic sectors such as infrastructure and food security were prioritized as part of the long-term vision toward "Indonesia Emas 2045" - (Golden Indonesia 2045) (Ismail et al., 2014). In accordance with Law No. 19 of 2003, State-Owned Enterprises (SOEs) are expected to fulfill a dual mandate: to act as agents of development through government assignments, and to operate as commercial entities contributing to state revenue.Within this framework, Government Equity Participation (GEP) has become the government's primary fiscal instrument to strengthen the investment capacity of SOEs, particularly for implementing strategic projects in the energy and infrastructure sectors. From 2015 to 2024, total GEP allocations reached IDR 380.4 trillion (Bisnis.com, 2024). Nevertheless, the implementation of this policy has faced significant challenges, including corruption, low efficiency, and weak corporate governance (Kustepeli, 2005; Botlhale, 2020).Several studies have shown that while state fiscal support can expand SOE assets, this growth does not always correlate with improved financial performance. Excessive government intervention can even reduce profit margins, especially when GEP is used to fund commercially unviable projects (Nugroho, 2019). Compared to private enterprises, SOEs across Asia tend to lag behind in terms of efficiency and governance transparency (Le et al., 2023).International experiences reveal diverse approaches to SOE reform. In China, reforms focus on improving efficiency through governance and innovation (Huang & Jing, 2019); Vietnam emphasizes the social contributions of public investment despite limited efficiency (Nguyen & Trinh, 2018); and the United Kingdom has pursued privatization to reduce fiscal burdens (Filene, 2011; Putra et al., 2021). China also implements credit-based mechanisms for commercially viable projects instead of grants (Lin et al., 2020).In Indonesia, major SOE recipients of GEP, such as PT PLN, PT Hutama Karya, and PT Waskita Karya, still face challenges in generating optimal development outcomes (Directorate General of State Assets, 2020). Some of these enterprises continue to underperform despite receiving substantial equity injections. This underscores the need for a comprehensive evaluation of GEP policy effectiveness, beyond short-term financial indicators, to include institutional and governance dimensions.Some scholars argue that although monopolies are generally viewed as suppressing efficiency, under certain conditions they can increase total productivity (Wang, 2019). Nonetheless, SOE efficiency tends to decline over time compared to its private counterparts. In developing countries like Indonesia, SOEs still play a critical role in infrastructure development and in filling market gaps (Kim & Sumner, 2021).The South Korean experience demonstrates how the state can serve as an effective development agent through industrial protection and public investment, fostering competitive multinational SOEs (Pęciak, 2018).Given these various challenges, this study departs from the assumption that the effectiveness of GEP cannot be assessed solely through financial indicators. Instead, it must be examined within a theoretical framework that incorporates political economy and institutional governance. Accordingly, the study employs three primary approaches. First, public choice theory (Buchanan & Tullock, 1962) to highlight the risk of political distortion. Second, the developmental state model (Johnson, 1982; Evans, 1995) as a normative justification for state intervention via GEP. Third, the principal–agent approach (Jensen & Meckling, 1976; Ross & Eisenhardt, 1985), which underscores the importance of institutional relationships between the government and SOEs as implementing agents.The study seeks to answer four central research questions: (1) How is the GEP policy implemented in Indonesia? (2) To what extent does GEP impact the financial performance of SOEs? (3) Does GEP enhance the effectiveness of government-mandated assignments? (4) How can a more accountable and sustainable GEP policy framework be formulated?

METHODOLOGY

This study adopts a qualitative approach using the case study method (Creswell, 2014; Kusmarini, 2020; Sandelowski, 2000) to evaluate the implementation of Government Equity Participation (GEP) in State-Owned Enterprises (SOEs) within the framework of developmental administration. This approach allows for an in-depth exploration of policy dynamics, institutional governance, and the performance of state enterprises in fulfilling their development mandates.Data were collected through a document study involving systematic analysis of official records, including annual reports, audited financial statements, statutory regulations (laws, government regulations, and presidential decrees), as well as press releases and official websites of institutions such as the Ministry of SOEs and the Directorate General of State Assets. National media sources (e.g., Kompas, Bisnis.com, Antaranews, etc.) were also consulted to contextualize public discourse and policy narratives. It is important to note that most media reports cited primary sources, such as official government statements, SOE directors' presentations, or records of parliamentary hearings.To minimize the risk of reporting bias, data validation was conducted through cross-referencing and triangulation with multiple sources, including independent audit reports by Public Accounting Firms (Kantor Akuntan Publik/KAP), audit findings from the Audit Board of the Republic of Indonesia (Badan Pemeriksa Keuangan/BPK) when available, and other official government documents. In addition, macro-level indicators such as the national electrification ratio and the Incremental Capital Output Ratio (ICOR) were used as contextual benchmarks to assess data consistency and the developmental impact expected from GEP. In some cases, published academic studies from peer-reviewed journals were also used as supplementary references to enhance the objectivity of the analysis.Data analysis employed content analysis and thematic exploration to identify policy patterns, implementation effectiveness of GEP, and governance conditions within recipient SOEs. The validity of the findings was strengthened through source triangulation, cross-case comparison (PT PLN, PT Hutama Karya, and PT Waskita Karya), and their correlation with external development indicators. Through this design, the study aims to generate findings that are not only descriptive but also reflective and applicable for strengthening the governance of public investment in Indonesia.

RESULTS AND DISCUSSION

3.1 GEP in the Perspective of Political Economy and Institutional Governance

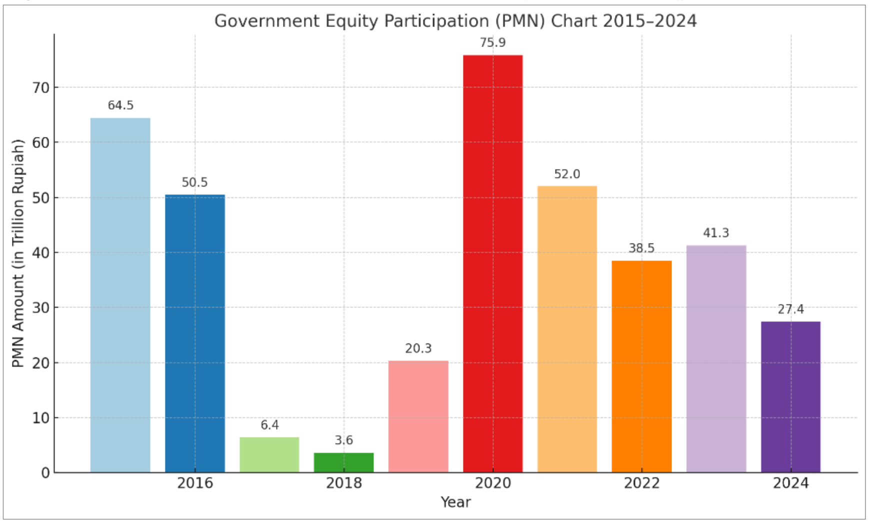
The effectiveness of Government Equity Participation (GEP) in enhancing the performance of State-Owned Enterprises (SOEs) cannot be narrowly understood through a purely technocratic or financial lens. A comprehensive analysis requires an interdisciplinary approach that combines perspectives from political economy, institutional theory, and public governance. This study employs three complementary theoretical frameworks to explain the dynamics of GEP implementation: public choice theory, the developmental state model, and the principal–agent approach.First, public choice theory, as developed by Buchanan and Tullock (1962), cautions that public policy is often shaped by the self-interest of political and bureaucratic actors rather than purely by economic efficiency. In the context of GEP, the allocation of state capital may become an arena for electoral calculation, political patronage, or responses to pressure from interest groups. The appointment of politically affiliated SOE executives, disbursement of GEP without transparent feasibility assessments, and funding of low-return projects are indicative of rent-seeking and political capture. Niskanen's (1971) view on bureaucratic budget-maximizing behavior and Olson's (1982) theory on the dominance of special interest groups further reinforce the risk of rent accumulation in GEP policy in the absence of strong public oversight.Conversely, the developmental state approach provides a normative justification for state intervention through GEP, especially in developing countries. Johnson (1982) and Evans (1995) argue that the state can and should act as a legitimate agent of development, particularly in building infrastructure, expanding public services, and reaching market-excluded sectors. In this view, GEP is a strategic fiscal instrument to stimulate national productive capacity and foster regional economic integration. However, the success of this model hinges on the quality of state institutions, professional bureaucracy, insulation from short-term political pressures, and a long-term developmental orientation. Ha-Joon Chang (2002) also stresses that industrial development can only succeed if the state retains the capacity for deliberate and strategic intervention, including equity participation in SOEs.Third, the principal–agent approach highlights the institutional dynamics between the government (as principal) and SOE management (as agent). Jensen and Meckling (1976) and Ross (1973) describe this relationship as prone to information asymmetry and conflicting interests, particularly when incentive systems and performance evaluation mechanisms are poorly designed. In the context of GEP, a misalignment between the government's macro objectives (e.g., public service delivery or regional equity) and the SOEs' operational goals (e.g., cost efficiency or profit margins) may lead to implementation failures. Moe (1984) warns that the complexity of principal–agent relationships in the public sector requires more carefully structured contracts and incentives. Adding to this perspective, Moore (1995) suggests that the performance of SOEs should be evaluated based on their ability to create public value rather than solely on financial metrics.These three approaches are not mutually exclusive; rather, they offer a holistic understanding of the complexity of GEP policy. Public choice theory alerts us to the risks of political distortion; the developmental state model legitimizes state intervention when conducted professionally; and the principal–agent approach underscores the need for institutional design that reconciles macro-level policy goals with micro-level execution. By integrating these perspectives, this study establishes a strong conceptual foundation for critically evaluating GEP implementation, both in financial terms and in the effectiveness of strategic mandates, while formulating a more accountable and sustainable policy direction

3.2 Implementation of Government Equity Participation Policy to SOEs

Government Equity Participation (GEP) is a fiscal intervention instrument designed to strengthen SOEs' capital structures, expand their business capacity, and support the execution of national strategic projects. This policy is grounded in a strong legal framework, notably Law No. 19 of 2003 on State-Owned Enterprises, and is further regulated through technical instruments such as Government Regulations No. 44 of 2005 and No. 72 of 2016, as well as Minister of SOEs Regulation No. PER-1/MBU/03/2021.

From the developmental state perspective, this legal framework acknowledges the role of the state as an agent of economic transformation, particularly in filling market gaps and accelerating infrastructure development. However, from a public choice viewpoint, the policy's implementation must be critically assessed due to the risks of political influence and bureaucratic patronage during the formulation process. Over the past decade, the implementation of GEP has shown a significant upward trend in allocations, as illustrated below:

Figure 3.1: Trends in Government Equity Participation Allocation to SOEs, 2014–2024



(Source: Processed from idxchannel.com, 2023; Bisnis.com, 2024)

The graph reflects the government's consistent fiscal support to strengthen SOEs as engines of development. However, sharp increases in allocation during certain years, such as 2020 and 2022, raise critical questions regarding the effectiveness and accountability of fund utilization, particularly given extraordinary circumstances such as the COVID-19 pandemic and electoral dynamics.Institutionally, the realization of GEP is shaped by the relationship between the government as capital owner and SOEs as implementing agents. Within the principal–agent framework, this relationship often suffers from information asymmetry, inadequate performance-based incentives, and suboptimal evaluation mechanisms. As a result, some SOEs have continued to receive substantial GEP support despite poor performance or weak governance.In response to such criticism, the government established the *Anagata Nusantara Sovereign Investment Agency* (Danantara) in 2025. Modeled after Temasek Holdings (Singapore), this agency is tasked with managing the state's equity in major SOEs such as Bank Mandiri, BRI, BNI, PLN, MIND ID, and Pertamina. The concept merges modern developmental state ideals with the demands for institutional efficiency. However, the success of Danantara will heavily depend on its governance design, particularly in mitigating conflicts of interest, as highlighted by both public choice and principal–agent theories.This study specifically examines GEP implementation in three strategic SOEs: PT PLN (Persero), PT Hutama Karya, and PT Waskita Karya. These entities were selected not only for data availability but also because they are the top cumulative recipients of GEP between 2015 and 2023. According to the 2024 State Budget Financial Note, PT Hutama Karya received IDR 105.1 trillion, PT PLN IDR 50.1 trillion, and PT Waskita Karya IDR 24.4 trillion. Together, these three SOEs accounted for IDR 179.6 trillion, over half of the national GEP allocation during this period (Bisnis.com, 2024).From a developmental perspective, all three enterprises perform highly strategic functions. PT PLN is tasked with ensuring national electricity access, a prerequisite for social and economic development, achieving an electrification ratio of 99.87% in 2024. PT Hutama Karya is responsible for constructing the Trans-Sumatra Toll Road (JTTS) to improve regional connectivity and integrate domestic markets. Meanwhile, PT Waskita Karya plays a key role in developing the Trans-Java toll network, dams, and other basic infrastructure, mostly financed through GEP and direct government assignments.

Analytically, these three SOEs offer ideal case studies to examine the trade-offs between social development goals and financial efficiency. They embody a dual function: as development agents and as financially viable corporate entities. Focusing on these cases allows for a comprehensive analysis of GEP implementation, reflecting the logic of state intervention (developmental state), risks of policy distortion (public choice), and institutional challenges (principal–agent).

Table 3.1: Comparison of GEP Allocations and Strategic Functions of Three SOEs

SOE	Total GEP 2015–2023 (IDR Trillion)	Primary Strategic Function	Key Achievements
PT PLN (Persero)	50.1	National electricity access and electrification in 3T areas	99.87% electrification ratio in 2024
PT Hutama Karya	105.1	Development of Trans-Sumatra Toll Road (JTTS)	1,021 km of JTTS operational as of 2023
PT Waskita Karya	24.4	Basic infrastructure: toll roads, dams, etc.	Trans-Java toll projects and national dam works

(Source: Processed from 2024 State Budget Financial Note and Bisnis.com, 2024)

Hence, the selection of these three SOEs is not only fiscally representative but also conceptually relevant for evaluating the alignment between state policy, institutional capacity, and the intended development outcomes.

3.2.1 PT Perusahaan Listrik Negara (PLN Persero)

PT Perusahaan Listrik Negara (PLN Persero) is a strategic State-Owned Enterprise (SOE) responsible for the provision of electricity throughout Indonesia. PLN operates under a dual mandate: as a provider of public services and as a corporate entity of the state. In its public service function, PLN is tasked with meeting the basic electricity needs of the population. As a corporate actor, it plays a vital role in supporting economic growth and maintaining the sustainability of national investment.The electricity sector plays a crucial role in driving economic development. The government supports this sector through Government Equity Participation (GEP), particularly to promote electrification in remote regions. PLN was one of the main recipients of GEP during 2015–2023, with total allocations amounting to IDR 49.81 trillion, or approximately 13.71% of the national GEP total of IDR 363.3 trillion. These funds were utilized to finance transmission infrastructure, substations, and rural electrification programs.

Table 3.2: Government Equity Participation to PT PLN (2015–2023)

Year		Amount (IDR Trillion)	Project Focus
2015		5.0	Power plants, transmission, and substations in regions such as Jatigede, Cisokan, Grati, Lontar, Gorontalo, and border areas.
2016		23,6	Expansion of rural electricity access, support for 35,000 MW program infrastructure.
2017		0.0	No new PMN disbursed; focus on internal funding and operational efficiency
2018		0.0	Continued focus from 2017
2019		6,5	Development of generation and distribution systems in rural and isolated regions

2020		5.0	Electrification in 3T regions and small-scale renewable energy infrastructure
2021		5.0	Rural electrification and public service projects based on renewable energy
2022		5.0	Distribution networks and access expansion in geographically challenging areas
2023		10.0	Accelerated electrification and energy transition initiatives in 3T regions

Source: Compiled from various official sources and media

The GEP provided to PLN reflects the government's commitment to expanding energy access and strengthening PLN's role as a development agent. The peak allocation in 2016 supported the national 35,000 MW program. Despite receiving no GEP in 2017–2018, PLN continued its programs through internal financing. In 2023, the IDR 10 trillion allocation was focused on electrifying 3T regions and facilitating a geospatial-based clean energy transition.To evaluate PLN's financial and operational performance over the past decade, three indicators were analyzed: net profit, Debt-to-Equity Ratio (DER), and national electrification ratio. These represent financial efficiency, capital structure, and social impact respectively—aligning with the theoretical approaches used in this study.

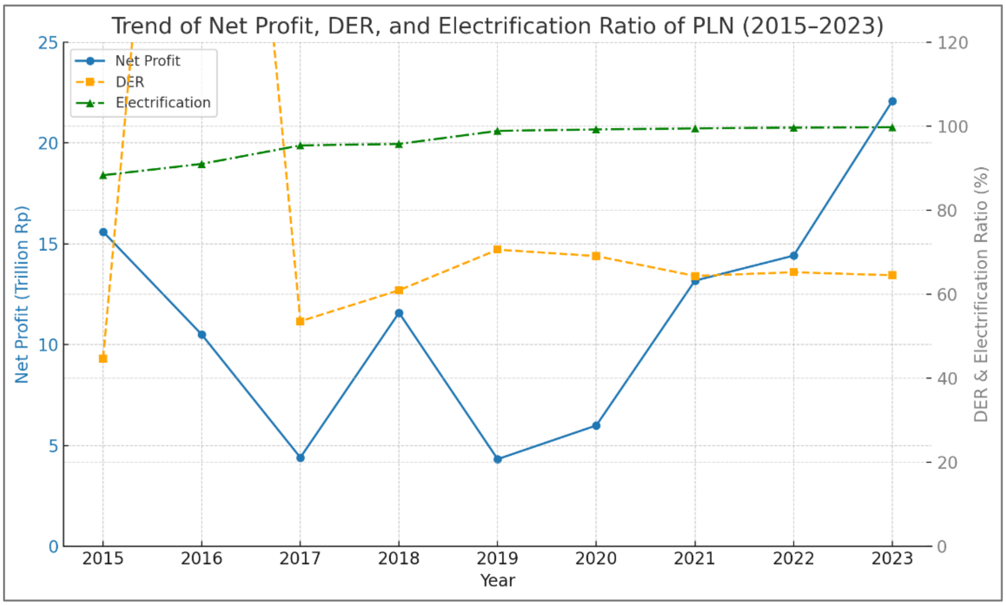
Table 3.3: Financial and Operational Performance of PT PLN (2015–2023)

Year	Net Profit (IDR Trillion)	DER (%)	Electrification Ratio (%)
2015	15.6	44.7	88.3
2016	10.5	300	91
2017	4.4	53.55	95.4
2018	11.58	60.93	95.75
2019	4.32	70.59	98.86
2020	5.99	69.06	99.2
2021	13.17	64.34	99.45
2022	14.41	65.22	99.63
2023	22.07	64.49	99.74

Note: Data compiled from official and public sources; minor discrepancies may exist across sources.

PLN's net profit trend shows fluctuations, with notable declines in 2017 and 2019, but a strong rebound starting in 2020, peaking at IDR 22.07 trillion in 2023. DER surged dramatically to 300% in 2016, then stabilized between 60–70% in subsequent years. The national electrification ratio rose from 88.3% in 2015 to 99.74% in 2023, demonstrating the success of service expansion.

Figure 3.2: Trends in Net Profit, DER, and Electrification Ratio of PT PLN (2015–2023)



This figure reinforces the finding that GEP contributed to PLN's financial stabilization while expanding social service delivery. PLN not only improved its financial performance but also successfully fulfilled its development mandate, particularly in achieving inclusive electrification in underserved areas.

3.2.2 PT Hutama Karya (Persero)

As a State-Owned Enterprise (SOE) with a strategic mandate in national infrastructure development, particularly the Trans-Sumatra Toll Road (JTTS), PT Hutama Karya (Persero) has been one of the main recipients of Government Equity Participation (GEP) over the past decade. The JTTS project, mandated by Presidential Regulation No. 100 of 2014 and updated by Presidential Regulation No. 117 of 2015, was designed to enhance economic connectivity across Sumatra, with a total planned length of 2,770 km stretching from Lampung to Aceh.The government appointed Hutama Karya as the lead implementer of the project on the grounds that toll road development in Sumatra was unattractive to private investors due to low financial viability, despite its high strategic value in terms of promoting equitable development. From a developmental state perspective, such intervention is legitimate and indeed essential to accelerate regional growth.To support this mandate, the government allocated GEP funds gradually through the state budget (APBN). The following table presents the GEP allocations received by Hutama Karya between 2015 and 2024:

Table 3.4: Government Equity Participation to PT Hutama Karya (2015–2024)

Table 3.3. PMN Allocations to PT Hutama Karya (2015–2024)

Tahun	Amount (IDR Trillion)	Assignment
2015	3.6	Initial PMN for four JTTS segments
2016	3.0	Continued funding (approved by Parliament)
2017	0.0	No new cash PMN; focus on utilization
2018	0.0	Same as 2017
2019	10.5	Acceleration of seven JTTS segments
2020	3.5	Continuation of Pekanbaru-Dumai and other toll segments
2021	15.2	Disbursed in two phases: IDR 6.2T (Aug), IDR 9T (Dec)
2022	31.5	Large-scale allocation for JTTS Phase I and Phase II
2023	28.8	Completion of JTTS Phase I and II
2024	18.6	Completion of priority JTTS segments

Source: Compiled from various official and public sources

The GEP funds were used for phased construction of the JTTS, with peak disbursement in 2022. The absence of allocations in 2017 and 2018 reflects a period of consolidation and evaluation of prior disbursement effectiveness.To assess the effectiveness of GEP in Hutama Karya, the analysis focuses on five key financial indicators: net profit (or loss), Return on Equity (ROE), Return on Assets (ROA), Debt-to-Equity Ratio (DER), and current ratio. These indicators represent profitability, efficiency, capital structure, and liquidity dimensions.These five indicators were selected based on their relevance in evaluating the impact of GEP policy on SOE performance. Net profit reflects overall profitability; ROE and ROA capture capital and asset efficiency, respectively; while DER and current ratio assess financing stability and short-term liquidity. Although not all financial ratios are included, these five were chosen based on their widespread use in public enterprise performance assessments and compatibility with fiscal policy and institutional governance analysis standards. Additionally, consistent data availability from 2015 to 2023 provided a practical basis for selection.

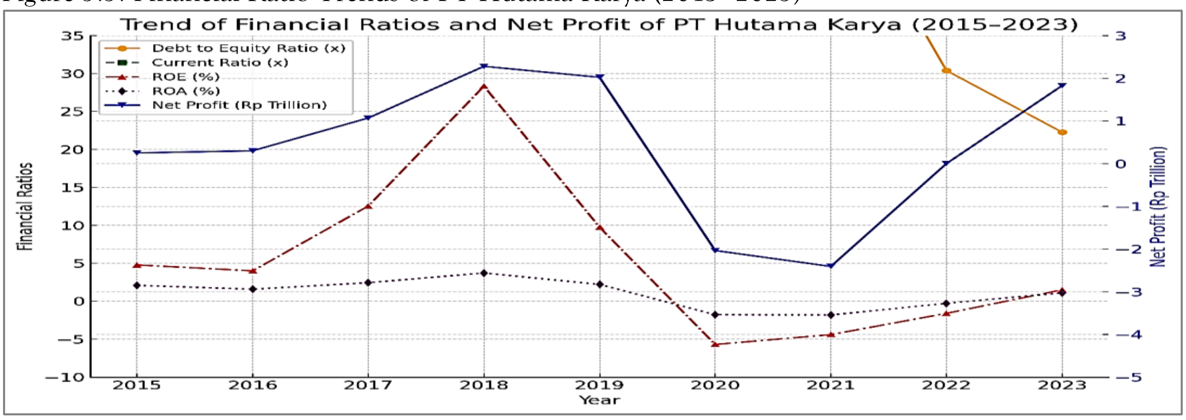
Table 3.5: Financial Performance of PT Hutama Karya (2015–2023)

Year	Net Profit (IDR Trillion)	ROE (%)	ROA (%)	DER (%)	Current Ratio (%)
2015	0.251	4.78	2.09	134.74	185.56
2016	0.302	4.00	1.58	157.17	133.24
2017	1.070	12.54	2.44	246.05	108.22
2018	2.280	28.34	3.72	301.98	104.00
2019	2.023	9.75	2.21	145.03	91.49
2020	-2.035	-5.70	-1.78	110.66	79.77
2021	-2.408	-4.40	-1.81	56.68	108.15
2022	0.001	-1.6	-0.28	30.39	215.70
2023	1.828	1.50	1.10	22.27	233.54

Note: Data compiled from various official and public publications; discrepancies across sources may occur.

The table above reveals a dynamic but progressively improving financial performance. Following significant pressure from the pandemic and accumulated debt burdens in 2020–2021, PT Hutama Karya's financial metrics began to show signs of structural recovery. The following figure visualizes the trends of these key indicators from 2015 to 2023, highlighting general tendencies and critical turning points.

Figure 3.3: Financial Ratio Trends of PT Hutama Karya (2015–2023)



The data show a marked improvement in Hutama Karya's performance since 2022, following a period of distress caused by the pandemic. The decline in DER from 301.98% (2018) to 22.27% (2023) and the increase in current ratio to 233.54% demonstrate strong fiscal recovery. GEP has proven to not only support strategic infrastructure projects but also reinforce the company's financial structure and institutional capacity.

3.2.3 PT Waskita Karya (Persero)

To assess the relationship between government support and the financial performance of PT Waskita Karya (Persero) Tbk, it is essential to review the pattern of Government Equity Participation (GEP) received by the company over the past decade. GEP has served as a fiscal policy instrument aimed at strengthening SOE capital structures and supporting the implementation of National Strategic Projects (NSPs), particularly in toll road infrastructure development. Table 3.6 summarizes GEP allocations to Waskita Karya from 2015 to 2024, along with their respective assignment contexts. This data is critical for evaluating whether state intervention through GEP effectively supported business expansion, alleviated financial pressure, or revealed limitations in its long-term effectiveness.

Table 3.6: Government Equity Participation to PT Waskita Karya (2015–2024)

Year	Amount (IDR Trillion)	Assignment
2015	3,5	Realized via rights issue in July 2015; government subscribed IDR 3.5T, public IDR 1.8T
2016-2020	0.0	No new capital injections; company relied on debt, which grew from IDR 22.6T (2017) to IDR 44.2T (2020)
2021	7,9	Disbursed end of year; part of debt restructuring with government guarantee
2022	0	Planned IDR 3T PMN withheld; project mandates shifted to Hutama Karya
2023	0	
2024	0	

Source: Setkab.go.id, Fitriani et al., and other public media (compiled)

Following the IDR 3.5 trillion GEP in 2015, PT Waskita Karya received an initial boost to its capital structure and funding for strategic toll road projects through a rights issue. However, for the next five years (2016–2020), the company received no additional GEP. During this period, Waskita relied heavily on external financing, leading to a substantial increase in its debt burden. Only in late 2021 did the government provide another GEP injection of IDR 7.9 trillion, also through a rights issue, intended to support financial restructuring and resume delayed NSPs.Although the 2021 GEP injection provided short-term fiscal relief, a planned IDR 3 trillion allocation in 2022 was never realized. Subsequently, several project assignments originally designated to Waskita were transferred to other SOEs, such as PT Hutama Karya. There were no further GEP allocations in 2023 and 2024, indicating a shift in the government's strategy for managing national strategic infrastructure projects.To better understand the impact of GEP on Waskita Karya's performance, five key financial indicators were analyzed: net profit (or loss), Return on Assets (ROA), Return on Equity (ROE), Debt-to-Equity Ratio (DER), and current ratio. These indicators were selected because they represent essential dimensions of corporate performance, profitability, efficiency, capital structure, and liquidity, and align with the theoretical approaches of this study, particularly institutional capacity and the effectiveness of fiscal intervention.

Table 3.7: Financial Performance of PT Waskita Karya (2015–2023)

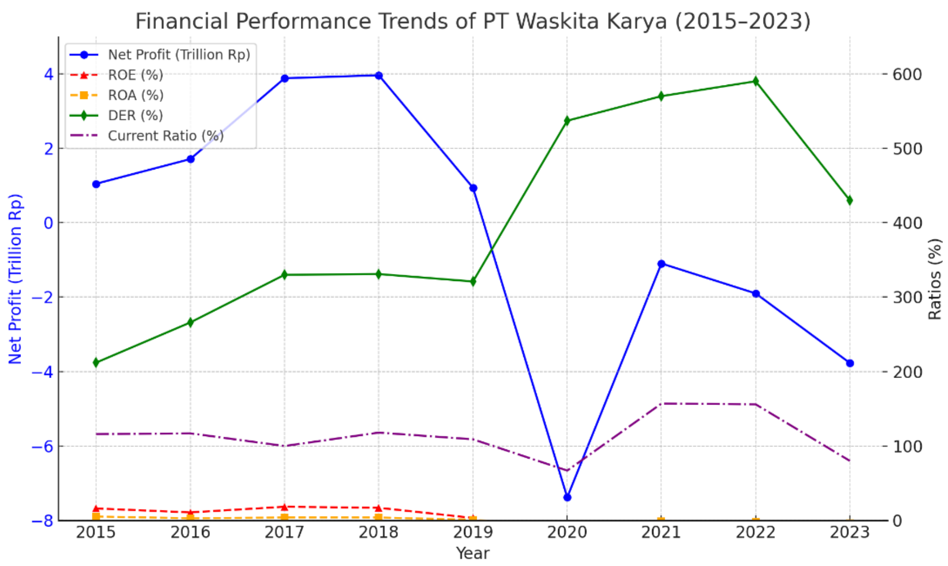
Tahun	Laba (Rugi) Triliun	ROA (%)	ROE (%)	DER (%)	Current Rasio

					(%)
2015	1.047	5.2	16.1	212	116
2016	1.710	2.9	10.8	266	117
2017	3.881	3.9	18.4	330	100
2018	3.962	3.9	17.0	331	118
2019	0.938	0.8	3.3	321	109
2020	-7.380	-8.8	-55.9	537	67
2021	-1.096	-1.06	-11.1	570	157
2022	-1.900	-1.7	-12.0	590	156
2023	-3.770	-3.94	-18.85	430	80

Note: Data compiled from various official and public sources; discrepancies may exist across sources.

The data in Table 3.7 show that the period from 2015 to 2018 marked a growth phase for Waskita, with peak net profit of IDR 3.96 trillion in 2018 and ROE reaching 18.4% in 2017. However, since 2019, the company's financial performance deteriorated sharply. Losses were first recorded in 2020 at IDR -7.38 trillion, accompanied by negative ROA and ROE. DER reached a critical peak of 590% in 2022, signaling extreme debt pressure.Although the late-2021 GEP provided temporary fiscal relief, it was insufficient to restore financial health. By 2023, ROE remained deeply negative at -18.85%, the current ratio declined to 80%, and net losses continued at IDR -3.77 trillion. This suggests that while GEP may help improve capital structure in the short term, it is inadequate to resolve underlying structural problems such as negative cash flow, burdensome non-commercial projects, and poor project efficiency.

Figure 3.4: Financial Performance Trends of PT Waskita Karya (2015–2023)



Source: Official and online media sources

Figure 3.4 reinforces the observation that, despite occasional improvements, structural stress continues to dominate Waskita Karya's financial performance. Profitability has declined continuously, leverage ratios remain high, and liquidity indicators reflect an inability to meet short-term obligations. Therefore, fiscal interventions through GEP must be accompanied by institutional and managerial reforms that target core structural issues. Comprehensive reform is necessary for Waskita to emerge from prolonged financial distress and operate as a sustainable business entity.

Nevertheless, it should be noted that the assessment of GEP effectiveness cannot be separated from macroeconomic conditions that also affect SOE performance. For instance, the financial crisis faced by Waskita Karya after 2020 does not fully reflect GEP ineffectiveness, but is also shaped by external factors such as the global economic slowdown and supply chain disruptions caused by the COVID-19 pandemic, warranting further in-depth study.

3.3 The Impact of Government Equity Participation on SOE Financial Performance

Financial performance refers to the achievements of an entity in managing its finances within a given period (Dinarjito, 2019). Research by Firdausi et al. (2024) shows that Government Equity Participation (GEP) has a significant impact on the financial performance of state-owned enterprises (SOEs). GEP strengthens capital structure and contributes to enhanced business capacity and operational efficiency. Consistently, Mada and Dati (2022) found that asset growth positively correlates with improved financial performance.An analysis of three major SOE recipients of GEP, PT PLN (Persero), PT Hutama Karya (Persero), and PT Waskita Karya (Persero) Tbk, reveals that the effectiveness of GEP is significantly influenced by internal governance, managerial capacity, and the readiness of funded projects. Although these companies received substantial capital injections, their financial outcomes varied considerably. This highlights an important lesson: GEP is only effective when supported by strong institutional foundations and sound strategic planning.Theoretically, the effectiveness of GEP as a fiscal policy instrument is shaped by the interaction between institutional design, managerial governance, and market structure. Within the framework of the developmental state (Johnson, 1982; Woo-Cumings, 1999), GEP can serve as a critical tool to accelerate strategic development if directed toward sectors with strong multiplier effects. However, from the perspective of principal–agent theory (Eisenhardt, 1989), the success of government mandates to SOEs depends on supervision, incentives, and the competence of executing agents. Meanwhile, public choice theory (Buchanan & Tullock, 1962) warns that without strong accountability, GEP may fall prey to rent-seeking and political distortion.First, PT PLN demonstrates a relatively successful and sustainable utilization of GEP. The funds have been consistently allocated to productive assets and public service obligations, such as rural electrification, renewable energy power plants, and transmission networks. GEP has strengthened the company’s capital structure, reduced debt ratios, and maintained liquidity and profitability. Although PLN’s annual profits are affected by external variables, GEP has generally reinforced the company’s financial and operational resilience. This effectiveness is underpinned by relatively stable corporate governance and structured management of government mandates.Second, PT Hutama Karya initially faced challenges in utilizing GEP, but its performance has improved in recent years. The company experienced significant debt pressure from financing the Trans-Sumatra Toll Road project, which had yet to generate revenue. However, with phased capital injections and the operationalization of several toll segments, financial indicators such as DER, current ratio, ROE, and ROA began to show positive trends. This demonstrates that GEP can yield gradual positive impacts when supported by project completion, improved efficiency, cost control, and sufficient time to generate cash flow.Third, PT Waskita Karya serves as a cautionary example that GEP alone cannot resolve structural issues. Despite receiving sizable GEP allocations, the company continues to struggle with high debt, weak liquidity, and persistent losses. This ineffectiveness is primarily due to poor project planning, limited transparency, and managerial unpreparedness in handling investment burdens. GEP has had limited short-term effects and has not fundamentally improved the company's financial structure. Without comprehensive reforms, GEP becomes merely a temporary buffer that fails to address the root causes of financial distress.From these three cases, it can be concluded that GEP is effective when accompanied by disciplined governance, economically viable projects, and support for long-term cash flow generation. PT PLN and Hutama Karya illustrate that the effectiveness of GEP increases with productive asset development and internal efficiency. In contrast, PT Waskita Karya demonstrates that without foundational improvements, GEP merely delays deeper financial crises. Therefore, GEP should not be viewed as a standalone solution but as part of an integrated financial strategy aligned with structural reforms and sound project planning.

3.4 Reforming Governance: Lessons from Temasek and SASAC

As part of a more practical institutional reform effort, there is a need to develop a comprehensive and structured policy framework encompassing three analytical layers: (1) existing policies, (2) additional policies required, and (3) theoretical justifications and best practices that support the intended direction of reform.First, to ensure the independence of *Danantara* (Indonesia's Sovereign Investment Agency) as the state equity manager, Presidential Regulation No. 52/2023 has formally established Danantara as a professional body. However, political interference risks remain unless further institutional safeguards are implemented. Therefore, derivative policies are needed to institutionalize an Independent Supervisory Board composed of non-political professionals, alongside mandatory annual external audits by independent bodies. In theoretical terms, the principal–agent approach (Jensen & Meckling, 1976) underscores the importance of oversight in principal-agent relations, while Moore (1995) advocates for public value-based evaluation in public sector management.Second, to improve transparency and accountability, the financial and performance reports currently published by the Ministry of SOEs and the Ministry of Finance must be complemented by an interactive public dashboard based on value-for-money metrics. This is essential for demonstrating the link between GEP inputs, output performance, and generated social benefits. Public choice theory (Buchanan & Tullock, 1962) reinforces this by asserting that public control over state policy is critical to preventing distortion and misallocation of public resources.Third, performance contracts and output-based incentives should become the core architecture in the relationship between Danantara and GEP-recipient SOEs. Key Performance Indicators (KPIs) set by the Ministry of SOEs can be formalized into a legally binding *Performance Agreement* outlining measurable output and outcome targets. Both the principal–agent theory and new public management perspective advocate for performance-based accountability and clearly defined managerial contracts.The functional separation between the Ministry of SOEs as regulator and Danantara as portfolio manager is an initial but vital step toward a professional and independent institutional model, in line with modern governance reform principles.Furthermore, this institutional reform agenda can be enriched by drawing lessons from international best practices, particularly those of Temasek Holdings (Singapore) (https://temasek.com.sg) and the State-owned Assets Supervision and Administration Commission (SASAC) of China (https://en.sasac.gov.cn). Temasek was established as an independent entity managing state assets based on professional business principles. Its board and commissioners are composed entirely of non-political professionals, with audited annual reports published transparently. In contrast, SASAC functions as a government agency under the State Council, serving as owner and regulator of China's strategic SOEs through centralized coordination and long-term performance indicators.

To better contextualize Indonesia's reform direction, Table 3.8 compares the institutional structures, functions, and governance frameworks of Danantara, Temasek, and SASAC:

Table 3.8: Comparative Overview of Temasek, SASAC, and Danantara

Aspect	Temasek (Singapore)	SASAC (China)	Danantara (Indonesia)
Year Established	1974	2003	2025
Legal Form	State-owned investment company	Government agency under State Council	Sovereign Investment Agency (quasi-holding)
Core Function	Manage state portfolio commercially	Supervise, manage, and restructure SOEs	Manage state equity in strategic SOEs
Managed Entities	>80 core companies, ~370 including subsidiaries	>87 major SOEs (2023), down from 150 in 2008	844 companies including

			subsidiaries (Antara, 2025)
Investment Focus	Global, commercial, profit-oriented	Domestic, strategic, industrial policy-based	Balanced focus: development and institutional efficiency
Level of Independence	High (professional, non-political)	Limited, subject to central government policy	Emerging, under development
Governance Principles	Transparency, accountability, ROE	Bureaucratic control, policy alignment	Good corporate governance, conflict minimization

Source: Compiled from various official and public sources.

A key distinction between Danantara and Temasek lies in legal status and managerial autonomy. Temasek enjoys full decision-making authority over investments and asset governance, whereas Danantara operates within a bureaucratic state framework. While SASAC adopts a model of direct state control over strategic SOEs, Danantara is envisioned as a professional entity that separates policy formulation from investment management. Comparing these models systematically allows for a clearer formulation of Indonesia's GEP reform trajectory based on proven global practices. Danantara's official website (https://danantaraindonesia.com) also affirms its commitment to professional governance and investment transparency.Nonetheless, it is essential to consider alternative financing mechanisms beyond GEP, such as Public–Private Partnerships (PPP), asset recycling, and limited privatization. While GEP offers flexibility and allows direct state control over strategic projects, PPP enables private sector participation without burdening the state budget. Asset recycling can optimize existing assets to fund new development, and even privatization—despite political sensitivity—can improve managerial efficiency if executed selectively and responsibly. Thus, GEP should be positioned as one policy instrument among many. Its use must be justified through sound economic, social, and governance rationales rather than political expediency or bureaucratic convenience. By explicitly incorporating these alternatives into policy design, GEP will gain legitimacy, adaptability, and developmental value.In conducting a critical evaluation, corruption in GEP allocation must also be examined systemically. The governance failure at PT Waskita Karya, for example, should not be viewed merely as a managerial issue but as a result of loose incentive structures and lack of transparency in public fund distribution. Weak competitive project selection, political dominance in decision-making, and inadequate internal controls open avenues for rent-seeking. Public choice theory again becomes relevant, highlighting how poorly supervised fiscal policy tends to be captured by narrow interests. By clarifying the allocation process—from proposal, selection, disbursement, to evaluation, institutional reform can target corruption risks and ensure that every rupiah of public money delivers value to national development.Another major challenge in future GEP policymaking is managing the trade-off between social mandates and profitability pressures. For instance, SOEs like PLN are mandated to provide basic services to remote areas, an inherently non-commercial task. Simultaneously, these entities face mounting demands for financial performance and public accountability. The mixed profitability outcomes of GEP observed in this study reflect the dual roles of SOEs as both development agents and business entities.Reconciling these dual objectives requires a policy framework that explicitly distinguishes between social and commercial functions in funding and evaluation structures. One option is to establish a dual-track scheme within GEP: social GEP and commercial GEP, each with different success indicators. The social track emphasizes service inclusion and long-term benefits, while the commercial track focuses on efficiency and financial returns. This approach enables a fair and proportionate evaluation of GEP outcomes and prevents penalizing SOEs committed to public service delivery.3.5 The Impact of Government Equity Participation on the Effectiveness of State Assignment Implementation

State intervention in development, particularly in developing countries like Indonesia, is justified by three main factors: (1) market failure in efficiently allocating resources; (2) the need for strategic mobilization of economic resources; and (3) the importance of securing political and social legitimacy through national development planning (Winarno, 2009). From an institutional perspective, State-Owned Enterprises (SOEs) serve to strengthen the state's role in managing national development (Sumodiningrat, 2000).Government Equity Participation (GEP) has become one of the primary instruments used to support SOEs in fulfilling their developmental mandates, particularly in implementing strategic projects that are not always financially viable. The effectiveness of SOE assignment implementation depends on two main factors: the adequacy and precision of GEP allocation, and the institutional capacity of SOEs to absorb, manage, and execute such mandates. The developmental state perspective (Johnson, 1982; Woo-Cumings, 1999) emphasizes that state fiscal interventions, such as GEP, are effective when directed toward sectors with strong multiplier effects. However, from the principal–agent perspective (Eisenhardt, 1989), success depends largely on the professionalism of agents in executing their mandates. Public choice theory (Buchanan & Tullock, 1962) also warns that without sound governance, GEP is prone to misuse and political capture.The experiences of PT PLN, PT Hutama Karya, and PT Waskita Karya illustrate varying degrees of GEP effectiveness. PT PLN successfully expanded electricity access and developed renewable energy (RE) in underdeveloped regions, with national electrification rising from 84% in 2014 to 99.79% in 2023 (gatrik.esdm.go.id). This demonstrates GEP's effectiveness in enhancing essential public services that may lack commercial viability but are socially critical.PT Hutama Karya serves as an example of how GEP supports long-term strategic infrastructure projects such as the Trans-Sumatra Toll Road (JTTS). As more toll segments became operational and cash flows improved, the effectiveness of the state's assignment strengthened. This underscores the importance of combining a clear mandate, an adequate time horizon, and proportional fiscal support.Conversely, PT Waskita Karya demonstrates that without proper planning and institutional reform, GEP cannot sustainably improve financial health. Despite receiving GEP, the company remained mired in liquidity crises and high leverage ratios. This supports public choice theory's argument that fiscal interventions, when not accompanied by strong oversight and institutional improvements, may result in inefficiency and rent-seeking.To holistically assess GEP effectiveness, the evaluation must go beyond short-term financial metrics and consider the long-term developmental impacts. Rural electrification programs financed through GEP have fostered economic participation and boosted the productivity of micro, small, and medium enterprises (MSMEs) in remote regions. Similarly, toll road infrastructure built by Hutama Karya has improved connectivity and logistics efficiency, which in turn contributes to regional GDP growth and strengthens domestic market integration. In central and southern Sumatra, for instance, the regional GDP of the trade and transportation sectors has shown upward trends following the opening of key toll segments.Nonetheless, national investment efficiency remains a concern. Indonesia's Incremental Capital Output Ratio (ICOR) increased from 4.1 in 2010 to 6.3 in 2023. The average ICOR during this period was 4.9 (including 2020) and 6.4 (excluding 2020), indicating declining investment efficiency, as more capital is now required to produce each unit of economic output (Gunadi Brata, 2024). A key contributing factor is large-scale investment in financially unprofitable areas, such as low-traffic toll roads or underutilized airports, which, while strategically significant for equitable development, have low economic returns.In this context, cost–benefit analysis becomes essential. Such evaluations should assess the extent to which GEP expenditures generate tangible socio-economic benefits, including job creation, enhanced regional competitiveness, and contributions to national development goals such as poverty reduction or the transition to a green economy. This approach aligns with Moore's (1995) concept of *public value*, which posits that public investments must yield measurable value for citizens.Therefore, GEP should be viewed as a long-term investment tool focused on development outcomes, not merely a short-term financial bailout. The successful implementation of SOE assignments depends on the combination of adequate funding, institutional accountability, and a development-oriented, measurable strategy.In this regard, Buchanan and Tullock's (1962) insights are particularly relevant: institutional design should minimize internal and external decision-making costs. Their theory asserts that individuals are more likely to support collective policies when the benefits outweigh the personal costs. As such, GEP policies must be designed around principles of consensus and appropriate incentives to avoid political distortions or unquantifiable fiscal burdens. Instead, these policies should deliver developmental benefits that are widely accepted by all stakeholders.

CONCLUSION

This study aims to evaluate the policy of Government Equity Participation (GEP) in Indonesia by focusing on its implementation, its impact on the financial performance of State-Owned Enterprises (SOEs), the effectiveness of state assignment execution, and the formulation of a more accountable and sustainable policy design. Based on the analysis of three SOEs, PT PLN, PT Hutama Karya, and PT Waskita Karya, four main findings emerge:First, the implementation of GEP in Indonesia reflects an adaptive yet not fully systematic approach. GEP has been used to support both national strategic projects and the strengthening of SOE capital structures, though often without a clearly defined results-based evaluation framework. The establishment of *Danantara* as the GEP management entity marks an important initial step, but further institutional strengthening is needed.Second, the impact of GEP on SOE financial performance varies across companies. PT PLN demonstrated improved financial resilience and success in funding rural electrification programs. PT Hutama Karya has shown signs of recovery after a period of high debt pressure. In contrast, PT Waskita Karya continues to face a financial crisis despite receiving significant GEP, indicating that capital injection alone does not guarantee improved performance in the absence of strong governance.Third, the effectiveness of GEP in fulfilling government-assigned mandates is evident in specific sectors, such as rural electrification and toll road development. However, inefficiencies also arise when projects are implemented without sufficient planning or oversight. GEP can enhance the execution of public assignments when accompanied by institutional capacity, realistic timeframes, and accountability in implementation.Fourth, future GEP policy design should be oriented toward results-based and public value–driven institutional approaches. Reforms are needed, including the separation of regulatory and asset management functions, the implementation of output-based performance contracts, and enhanced transparency through public information systems. Long-term evaluation should also incorporate cost–benefit analysis so that GEP effectiveness is assessed not only through financial indicators but also through its contribution to economic growth, job creation, and social welfare.Thus, GEP should be positioned as a long-term strategic development instrument, managed through professional governance, not merely as a short-term fiscal remedy. Only through institutional reform and an inclusive development orientation can GEP truly serve as a tool for national economic transformation.

Limitations and Disclaimer

This study is subject to certain limitations in both scope and methodology. Its focus on three major SOEs constrains the generalizability of findings to the broader population of GEP-receiving SOEs. Additionally, most of the data used are derived from open-access secondary sources and may involve estimation. Therefore, the findings should be further tested using more comprehensive qualitative and quantitative methods.All views, conclusions, and findings presented in this article are solely the responsibility of the author and do not represent the official stance of any institution. The validity of the data relies on the availability and reliability of the sources at the time of research. The author declares no conflicts of interest and received no external funding for this work.

1. **REFERENCES**

A. Books and Journal Sources Aqil, N. A. (2022). Strategi Dalam Pemberantasan Tindak Pidana Korupsi Di Lingkungan PT Waskita Karya. *(Strategy for Combating Corruption within PT Waskita Karya). The Digest: Journal of Jurisprudence and Legisprudence*, 3(1), 59–72. ISSN Online 2746-0371, ISSN Print 2746-2110.
2. Alberta, V., & Dalimunthe, Z. (2024). Impact analysis of national assignment projects (PSN) on state-owned construction enterprises as project assignment recipients: A case study on the assignment of state-owned construction enterprises for the period 2014–2022. *DIJEFA*, *5*(3). https://doi.org/10.38035/dijefa.v5i3
3. Botlhale, E. K. (2020). Corporate governance in state-owned enterprises in Lesotho. *Social Responsibility Journal*, *17*(3), 429–443. https://doi.org/10.1108/SRJ-12-2019-0402
4. Buchanan, J. M., & Tullock, G. (1962). *The calculus of consent: Logical foundations of constitutional democracy*. University of Michigan Press.
5. Chang, H.-J. (2002). *Kicking away the ladder: Development strategy in historical perspective*. Anthem Press.
6. Creswell, J. W. (2014). Research design: Pendekatan metode kualitatif, kuantitatif dan campuran *(Research Design: Qualitative, Quantitative, and Mixed Methods Approaches)* (A. Fawaid & R. K. Pancasari, Trans.; 4th ed.). Pustaka Pelajar.Dinarjito, A. (2019). *Analisis kinerja keuangan BUMN*. Deepublish.
7. Eisenhardt, K. M. (1989). Agency theory: An assessment and review. *Academy of Management Review*, *14*(1), 57–74.
8. Evans, P. (1995). *Embedded autonomy: States and industrial transformation*. Princeton University Press.

9. Firdausi, D., Utami, R. M., & Harimurti, S. (2024). Pengaruh PMN terhadap kinerja keuangan BUMN *(The Effect of Government Equity Participation on the Financial Performance of State-Owned Enterprises). Jurnal Ekonomi dan Kebijakan Publik*, 15(1), 77–89.
10. Firdausi, Irfan B., Zakaria, A., & Yusuf, M. (2024). Analisis Pengaruh Penyertaan Modal Negara (PMN) dan Pertumbuhan Aset terhadap Kinerja Keuangan pada BUMN dengan Ukuran Perusahaan sebagai Variabel Moderasi *(Analysis of the Effect of Government Equity Participation and Asset Growth on the Financial Performance of SOEs with Firm Size as a Moderating Variable)* (Vol. 5, Issue 3). https://journal.unj.ac.id/unj/index.php/japa
11. Fitriani, T., Serang, S., Stie, F., & Bulan, J. (2023). Resiliensi Kinerja Keuangan PT Waskita Karya (Persero) Tbk *(Financial Performance Resilience of PT Waskita Karya (Persero) Tbk). SEIKO: Journal of Management & Business*, 6(2), 235–247.Grindle, M. S. (2012). *Jobs for the boys*. Harvard University Press.
12. Huang, Q., & Jing, Y. (2019). State-owned enterprises in China: Their reform process, performance efficiency and future road. *China Political Economy*, *2*(2), 201–214. https://doi.org/10.1108/cpe-10-2019-0022
13. Ismail, M., Sabtoso, D. B., & Yustika, A. E. (2014). *Sistem Ekonomi Indonesia: Tafsiran Pancasila dan UUD 1945*. Penerbit Erlangga.
14. Jain, R. K. (2024). Investment effectiveness in Indonesia: A study of ICOR trends and impacts. *SSRN*. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4779783
15. Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, *3*(4), 305–360.
16. Johnson, C. (1982). *MITI and the Japanese miracle: The growth of industrial policy, 1925–1975*. Stanford University Press.
17. Kim, K. (2021). Indonesia's restrained state capitalism: Development and policy challenges. *Journal of Contemporary Asia*, *51*(3), 419–446. https://doi.org/10.1080/00472336.2019.1675084
18. Kim, K. (2022). Key features of Indonesia's state capitalism under Jokowi. *Journal of ASEAN Studies*, *10*(2), 207–226. https://doi.org/10.21512/jas.v10i2.9075
19. Kim, K., & Sumner, A. (2021). Bringing state-owned entities back into the industrial policy debate: The case of Indonesia. *Structural Change and Economic Dynamics*, *59*, 496–509. https://doi.org/10.1016/j.strueco.2021.10.002
20. Kusmarini, Y. (2020). Review tentang Penelitian Studi Kasus Menurut (John W. Creswell) *(A Review of Case Study Research According to John W. Creswell)*.Kumorotomo, W. (2015). *Etika Administrasi Negara. Jakarta* (Vol. 3). PT Rajawali Press.
21. Kustepeli, Y. (2005). *Effectiveness of Fiscal Spending: Crowding out and/or crowding in? YÖNETMVEEKONOMYl:2005 Cilt:12Say:1 CelalBayarÜniversitesi..B.F.MANSA*
22. Le, T. H., Park, D., & Cynthia, C. P. (2023). Performance comparison of state-owned enterprises versus private firms in selected emerging Asian countries. *Journal of Asian Business and Economic Studies*, *30*(1), 26–48. https://doi.org/10.1108/JABES-08-2021-0116
23. Lee, C. L., Ahmad, R., Lee, W. S., Khalid, N., & Karim, Z. A. (2022). The financial sustainability of state-owned enterprises in an emerging economy. *Economies*, *10*(10). https://doi.org/10.3390/economies10100233
24. Lin, K. J., Lu, X., Zhang, J., & Zheng, Y. (2020). State-owned enterprises in China: A review of 40 years of research and practice. *China Journal of Accounting Research*, *13*(1), 31–55. https://doi.org/10.1016/j.cjar.2019.12.001
25. Mada, D., & Dati, F. (2022). Pertumbuhan aset dan kinerja keuangan: Studi pada BUMN sektor infrastruktur *(Asset Growth and Financial Performance: A Study on State-Owned Enterprises in the Infrastructure Sector). Jurnal Manajemen Strategis*, 8(2), 113–126.
26. Moe, T. M. (1984). The new economics of organization. *American Journal of Political Science*, *28*(4), 739–777.
27. Moore, M. H. (1995). *Creating public value: Strategic management in government*. Harvard University Press.
28. Nada, L. Q., & Wahyono, S. I. (2022). Kekuasaan dan Politik di BUMN / BUMD *(Power and Politics in State-Owned and Regional-Owned Enterprises)*.
29. Nugroho, H. (2019). *ADBI Working Paper Series: The Impact of Government Support on The Performance of Indonesia's State-Owned Enterprises; Asian Development Bank Institute*. https://www.adb.org/publications/impact-government-support-
30. Niskanen, W. A. (1971). *Bureaucracy and representative government*. Aldine-Atherton.
31. Ng, W. (2010). The evolution of sovereign wealth funds: Singapore's Temasek Holdings. *Journal of Financial Regulation and Compliance*, *18*(1), 6–14. https://doi.org/10.1108/13581981011019589
32. Nguyen, C. T., & Trinh, L. T. (2018). The impacts of public investment on private investment and economic growth: Evidence from Vietnam. *Journal of Asian Business and Economic Studies*, *25*(1), 15–32. https://doi.org/10.1108/JABES-04-2018-0003
33. Olson, M. (1982). *The rise and decline of nations: Economic growth, stagflation, and social rigidities*. Yale University Press.
34. Pęciak, R. (2018). Is the Korean developmental state a model to follow? *Prace Naukowe Uniwersytetu Ekonomicznego We Wrocławiu*, *523*, 312–323. https://doi.org/10.15611/pn.2018.523.26
35. Peters, B. G. (2018). *The politics of bureaucracy: An introduction to comparative public administration*.
36. Purna Adhitya, W., & Solikin, A. (2025). Dampak Investasi Pemerintah Berupa Penambahan Penyertaan Modal Negara Terhadap Kinerja BUMN *(The Impact of Government Investment in the Form of Additional State Equity Participation on SOE Performance)*. In *Jurnal Bisnis dan Akuntansi Unsurya* (Vol. 10, Issue 1).
37. Sandelowski, M. (2000). Focus on Research Methods Whatever Happened to Qualitative Description? In *Research in Nursing & Health* (Vol. 23). John Wiley & Sons.

38. Saputri, R. D. A., Kafit, Moh. A. Al, & Prawira, A. P. (2025). Penilaian Kinerja Keuangan PT. PLN (Persero) Menggunakan Analisis Rasio Likuiditas dan Solvabilitas Periode 2019–2023 *(Financial Performance Assessment of PT PLN (Persero) Using Liquidity and Solvency Ratio Analysis for the 2019–2023 Period). Jurnal Bisnis Mahasiswa*, 5(1), 503–509. https://doi.org/10.60036/jbm.v5i1.579
39. Sipahutar, M. A. (2023, February 15). Selayang Pandang ICOR Indonesia Dibanding di Asean *(An Overview of Indonesia's ICOR Compared to ASEAN). Investor.Id.*
40. Sumodiningrat, G. (2000). Responsi Pemerintah terhadap Kesenjangan Ekonomi *(Government's Response to Economic Disparities). PerPod.*
41. Warburton, E. (2018). A New Developmentalism in Indonesia: , Special issue: The Indoneia Economy in Transition: Policy Chalenges in The Jokowi Era and Beyond. Singapore . ISEAS, Yusof Ishak Institute. *Journal of Southeast Asian Economies*, *Vol 35*(3).
42. Wang, G. (2019). Monopoly behavior of China's manufacturing enterprises. *China Political Economy*, *2*(1), 157–179. https://doi.org/10.1108/cpe-04-2019-0011
43. Winarno, B. (2009). Kebijakan publik: Teori, proses dan studi kasus *(Public Policy: Theory, Process, and Case Studies). UPP STIM YKPN.*
44. Woo-Cumings, M. (1999). *The developmental state*. Cornell University Press.
45. B. Media and Official Website Sources
46. Antara News. (2025). Rosan ungkap 844 BUMN resmi gabung Danantara *(Rosan reveals 844 SOEs officially joined Danantara).* https://jambi.antaranews.com/
47. Antara News. (2023). Penyaluran PMN dan dampaknya terhadap kinerja BUMN *(The Distribution of Government Equity Participation and Its Impact on SOE Performance).* https://www.antaranews.com
48. Antaranews.com. (2015, December 18). Perubahan penggunaan PMN 2015 untuk PLN disetujui *(Change in the Use of 2015 Government Equity Participation for PLN Approved). Kantor Berita Indonesia Antara (Indonesian National News Agency).*
49. Bareksa.com. (2015, November 3). PMN 2016 Ditolak DPR, Waskita Jadi Kontraktor BUMN Terkuat: Modal (ekuitas) Waskita dua kali lipat dari perusahaan konstruksi BUMN lain *(2016 GEP Rejected by Parliament, Waskita Becomes the Strongest SOE Contractor: Waskita's Equity Doubled Compared to Other State Construction Firms). Bareksa.com; Published 03/11/2015. Accessed 09/04/2025 at 9:43 AM.*
50. Bisnis.com. (2024). Daftar 17 BUMN Dapat PMN Rp27,4 Triliun dan Segudang Masalahnya *(List of 17 SOEs Receiving IDR 27.4 Trillion in GEP and Their Numerous Issues). Bisnis.com, Thursday, July 4, 2024 | 11:30 AM. Downloaded at 1:41 PM.*
51. Bisnis.com. (2024). Rincian PMN BUMN Tahun Anggaran 2024 *(Details of SOEs Government Equity Participation for Fiscal Year 2024).* Retrieved from https://ekonomi.bisnis.com
52. Bisnis.com. (2024, April 4). PLN, Hutama Karya, dan Waskita Karya serap lebih dari setengah alokasi PMN nasional *(PLN, Hutama Karya, and Waskita Karya absorb more than half of the national Government Equity Participation allocation).* Retrieved from https://ekonomi.bisnis.com
53. Bisnis.com. (2024, Juli 4). Daftar 8 BUMN Infrastruktur dengan Suntikan PMN Jumbo Sejak 2015 *(List of 8 Infrastructure SOEs with Jumbo GEP Injection Since 2015).* Retrieved from https://market.bisnis.com/read/20240704/192/1779431/daftar-8-bumn-infrastruktur-dengan-suntikan-pmn-jumbo-sejak-2015
54. Businessupdate.id. (2025, March 5). Hutama Karya Raih Laba Bersih Rp2,4 Triliun Sepanjang 2024 *(Hutama Karya Achieves IDR 2.4 Trillion Net Profit Throughout 2024). BusinessUpdate*, by Iyan Pahlevi, 05/03/2025; Accessed 07/04/2025 at 8:01 AM.
55. Cnbcindonesia.com. (2021, May 25). Laba PLN Naik ke Rp 5,9 T di 2020, Ternyata Ini Penyebabnya *(PLN's Profit Rises to IDR 5.9 Trillion in 2020, Here's Why). Wilda Asmarini, CNBC Indonesia, May 25, 2021, 13:50*. Accessed 06/04/2025 at 08:24.
56. DDTC News.co.id. (2023, October 2). Komisi XI DPR Setujui Usulan Pemerintah soal Alokasi PMN 2023 dan 2024 *(Commission XI of the House Approves Government Proposal on GEP Allocation for 2023 and 2024). DDTC News; Author: Muhamad Wildan, Editor: Ringkang Gumiwang.*
57. Dunia-energi.com. (2020, November 18). Harus Mandiri, PLN Diminta Setop Andalkan Penyertaan Modal Negara *(Must Be Independent, PLN Urged to Stop Relying on Government Equity Participation). www.dunia-energi.com; Author: Rio Indrawan, 18/11/2020, 21:37:54. Accessed 06/04/2025 at 6:53.*
58. Emedia.dpr.go.id. (2025, April 4). DPR RI Sahkan Revisi UU BUMN Jadi Undang-Undang *(The Indonesian House of Representatives Passes the SOE Law Revision into Law). E-Media DPR RI; February 4, 2025; Downloaded April 18, 2025 at 08:40 PM.*

59. Hutama Karya Annual Report. (2016). Annual Report 2016: Change for The Future *(Laporan Tahunan 2016: Perubahan untuk Masa Depan).* Retrieved from www.hutamakarya.com
60. Hutama Karya Annual Report. (2017). Hutama Karya Annual Report 2017: Driving Transformation Toward Excellence *(Laporan Tahunan Hutama Karya 2017: Mendorong Transformasi Menuju Keunggulan).*

61. Hutama Karya Annual Report. (2018). Hutama Karya Annual Report 2018: Spirit to Reach A Higher Performance *(Laporan Tahunan Hutama Karya 2018: Semangat untuk Mencapai Kinerja yang Lebih Tinggi)*. Retrieved from www.hutamakarya.com
62. Hutama Karya Annual Report. (2019). Hutama Karya Annual Report 2019: Together Toward a Progressive Indonesia *(Laporan Tahunan Hutama Karya 2019: Bersama Menuju Indonesia yang Progresif)*. Retrieved from www.hutamakarya.com
63. Hutama Karya Annual Report. (2020). Hutama Karya Annual Report 2020: Connecting Goodness for Onward Indonesia *(Laporan Tahunan Hutama Karya 2020: Menghubungkan Kebaikan untuk Indonesia Maju)*.
64. Hutama Karya Annual Report. (2021). Hutama Karya Annual Report 2021: Infinite Spirit to Innovate and Build the Nation *(Laporan Tahunan Hutama Karya 2021: Semangat Tak Terbatas untuk Berinovasi dan Membangun Bangsa)*. Retrieved from www.hutamakarya.com
65. Hutama Karya Annual Report. (2022). Hutama Karya Annual Report 2022: Work Resilient and Sustainable *(Laporan Tahunan Hutama Karya 2022: Bekerja dengan Ketangguhan dan Keberlanjutan)*.
66. Hutamakarya.com. (2024, July 24). PMN Dukung Keberlanjutan Proyek Jalan Tol Trans Sumatera, Hutama Karya Optimis Perkuat Koneksitas dan Dorong Ekonomi *(PMN Supports the Continuation of the Trans-Sumatra Toll Road Project, Hutama Karya Optimistic to Strengthen Connectivity and Boost the Economy)*. Hutamakarya.com. Shared on July 24, 2024; Accessed on June 4, 2025, 2:47 PM.
67. ICW. (2021, June 4). catatan-kritis-kebijakan-pemulihan-ekonomi-nasional-untuk-bumn *(A Critical Note on National Economic Recovery Policy for SOEs)*. Indonesia Corruption Watch.
68. IDXChannel.com. (2023). Tren alokasi PMN BUMN 2014–2024 *(Trends in State Capital Injection (PMN) Allocation to SOEs 2014–2024)*. Retrieved from https://www.idxchannel.com
69. Ina.go.id. (2024, July 29). Successfully Reducing Debt, Hutama Karya Ensures It Won't Affect National Strategic Projects. Indonesia Investment Authority; July 29, 2024; Accessed on July 4, 2025, 8:32 AM.
70. Katadata.co.id. (2021, December 15). Sri Mulyani Keluhkan BUMN Penerima PMN, 40% Rugi dan Dililit Utang *(Sri Mulyani Criticizes SOEs Receiving State Capital Injection, 40% Suffer Losses and Are Burdened with Debt)*. Retrieved from https://katadata.co.id/
71. Katadata.co.id. (2022, May 22). Penjualan Listrik Melejit, PLN Raih Laba Bersih Rp13,17 Triliun pada 2021 *(Electricity Sales Soar, PLN Earns Net Profit of IDR 13.17 Trillion in 2021)*. https://databoks.katadata.co.id/. Author: Vika Azkiya Dihni; Published: May 25, 2022, 14:00 WIB; Accessed: April 6, 2025, 08:38.
72. Kompas.com. (2019, December 2). Ini 8 BUMN yang Disuntik PMN oleh Pemerintah Rp 17,7 Triliun *(These Are the 8 SOEs Injected with IDR 17.7 Trillion in Government Capital)*. Kompas.com. Authors: Mutia Fauzia & Yoga Sukmana, Editorial Team. Published: December 2, 2019, 14:53 WIB.
73. Kompas.com. (2021, May 25). Naik 38,6 Persen, PLN Kantongi Laba Bersih Rp 5,9 Triliun di 2020 *(Up 38.6 Percent, PLN Records Net Profit of IDR 5.9 Trillion in 2020)*. Kompas.com – May 25, 2021, 09:30 WIB. Authors: Yohana Artha Uly & Bambang P. Jatmiko, Editorial Team. Accessed on April 6, 2025, 07:00.
74. Kompas.com. (2022a, February 9). Daftar 7 Tol yang Dituntaskan Waskita Usai Raup PMN Rp 7,9 Triliun *(List of 7 Toll Roads Completed by Waskita After Receiving IDR 7.9 Trillion in State Capital Injection)*. Kompas.com – February 9, 2022, 13:39 WIB. Authors: Suhaiela Bahfein & Hilda B. Alexander (Editorial Team). Accessed on April 9, 2025, 10:05 AM.
75. Kompas.com. (2022b, November 28). PLN Hanya Gunakan 57 Persen Dana PMN Tahun Ini *(PLN Only Utilized 57 Percent of This Year's State Capital Injection Funds)*. Kompas.com – November 28, 2022, 16:41 WIB. Authors: Kiki Safitri & Yoga Sukmana, Editorial Team. Accessed on April 6, 2025, 08:34.
76. Kompas.id. (2024, April 24). Jalan Tol Trans Sumatera: Hutama Karya terima Penyertaan Modal Negara Rp 18,6 triliun *(Trans-Sumatra Toll Road: Hutama Karya Receives IDR 18.6 Trillion in State Capital Injection)*. Retrieved from https://www.kompas.id
77. Kompas.com. (2025a, February 24). Daftar 7 BUMN yang Asetnya Bakal Dikelola Danantara *(List of 7 State-Owned Enterprises Whose Assets Will Be Managed by Danantara)*. Kompas.com – February 24, 2025, 09:45 WIB. Alinda Hardiantoro (Author), Ahmad Naufal Dzulfaroh (Editor). Accessed April 18, 2025, 06:38 AM.
78. Kompas.com. (2025b, March 8). Hutama Karya Ajukan PMN Rp 13,86 Triliun, Kebut Tol Trans Sumatera *(Hutama Karya Proposes IDR 13.86 Trillion in State Capital Injection, Accelerates Trans-Sumatra Toll Road Project). Kompas.com*.
79. Konstruksimedia.com. (2023, January 2). Jokowi Berikan Penyertaan Modal Negara untuk Hutama Karya Sebesar Rp7,5 Triliun *(Jokowi Allocates IDR 7.5 Trillion in State Capital Injection to Hutama Karya). Konstruksimedia*. Retrieved April 6, 2025.
80. Kumparan.com. (2019, October 23). PLN dan Hutama Karya Disuntik Modal Rp 17 Triliun, Buat Apa? *(PLN and Hutama Karya Receive IDR 17 Trillion Capital Injection, What For?) Kumparan Bisnis*; October 23, 2018, 20:16 WIB; Updated March 14, 2019, 21:05 WIB; Retrieved April 6, 2025, 2:43 PM.
81. Kumparan.com. (2020, November 18). DPR ke PLN: Jangan Bergantung pada Suntikan Modal Negara. *(House of Representatives to PLN: Don't Rely on State Capital Injections.) Kumparan Bisnis*; November 18, 2020, 15:33 WIB; Retrieved April 6, 2025, 5:49 AM.
82. PLN. (2020). PLN Statistik 2019. *(PLN Statistics 2019.)*