



ISSN Print: 2541-5298  
ISSN Online: 2541-6464

# SRIWIJAYA Law Review

**Editorial Office:** Faculty of Law, Sriwijaya University  
Jalan Srijaya Negara, Palembang, South Sumatra 30139, Indonesia.  
Phone: +62711-580063 Fax: +62711-581179  
E-mail: sriwijalayawreview@unsri.ac.id| sriwijalayawreview@gmail.com  
Website: <http://journal.fh.unsri.ac.id/index.php/sriwijalayawreview>

## State-Owned Enterprise's Debt in the State Financial Regime

Hidayatulloh<sup>a\*</sup> and Éva Erdős<sup>b</sup>

<sup>a\*</sup> Faculty of Law, University of Miskolc, Hungary and Faculty of Sharia and Law, Syarif Hidayatullah State Islamic University, Indonesia. Corresponding author Hidayatulloh, e-mail: [hidayatulloh87@uinjkt.ac.id](mailto:hidayatulloh87@uinjkt.ac.id)

<sup>b</sup> Faculty of Law, University of Miskolc, Hungary. E-mail: [jogerdos@uni-miskolc.hu](mailto:jogerdos@uni-miskolc.hu)

Article	Abstract
<p><b>Keywords:</b> <b>Debt; Privatisation; State-Owned Enterprise; State Finance; Government Financial Rescue.</b></p> <p><b>Article History:</b> Received: May 11, 2022; Reviewed: Dec 23, 2022; Accepted: Jan 25, 2023; Published: Jan 31, 2023.</p> <p><b>DOI:</b> 10.28946/slrev.Vol7.Iss1.1843.pp105-120</p>	<p>Several Indonesian State-Owned Enterprises (SOEs) have had very high debts recently. Several reasons, such as government assignment projects, the impact of the Covid-19 pandemic, and corrupt management behaviour, have caused the increase in liability. There is a fierce debate among academics and legal scholars regarding whether the SOE's debt is state debt. A state company is an independent legal entity separate from the state and obtains capital from separated state assets. Besides, the state, as the majority shareholder, assigns SOEs to projects that support government programs even though they are not profitable. In addition, several SOEs often receive State Equity Participation to survive bankruptcy caused by running out of capital or large debts. This paper will analyse the country's debt status from the perspective of public finance by taking the case of Indonesia. Moreover, it will explore the theoretical and empirical aspects of SOE's debt from a state finance point of view. This study will use doctrinal legal research to interrogate the law as it is and should be. Although this research concludes that SOEs' finances are a state financial regime, the supervision of SOEs is not Government Judgment Rules but Business Judgment Rules. SOE's debt is the responsibility of SOE as a corporate legal entity. In the case of Indonesia, the government often rescues SOEs that have failed to pay their debts through State Equity Participation and/or privatisation while maintaining most state ownership shares, for instance, Garuda Indonesia, a national airline. Finally, state accountability for SOE's debt only occurs indirectly because of the financial separation between the state and companies. The Indonesian government saved Garuda Indonesia's finances to protect national assets and continue to control vital businesses. However, the state must also reform the management of SOEs so as not to harm state finances by upholding good corporate governance and preventing fraud and corruption.</p>

©2023; This is an Open Access Research distributed under the term of the Creative Commons Attribution-ShareAlike 4.0 International License (<https://creativecommons.org/licenses/by-sa/4.0/>), which permits unrestricted use, distribution, and reproduction in any medium, provided the original works are properly cited.

### INTRODUCTION

State-Owned Enterprises (SOEs) are essential in many developed and developing countries economic and trade policies framework. Generally, many countries hand over the management

of natural resources, central infrastructure, and public services to SOEs as a form of positive intervention and state responsibility for the welfare of its people.<sup>1</sup> The economic development of a country must be connected to the existence of SOEs, which play an important role.

Indonesia, as the largest country in the Southeast Asian region, gives responsibility to SOEs to support the development of sustainable infrastructure and energy resources, especially during Joko Widodo's leadership. The Indonesian government involves SOEs in developing physical infrastructure such as toll roads, railways, dams, airports, and ports. In the 2015 record, total spending (CaPex) for SOEs was IDR 221 trillion, which then experienced a significant increase to IDR 487 trillion in 2018.<sup>2</sup>

Based on processed data from the Indonesian Public Sector Debt Statistics (SUSPI) of Bank Indonesia, SOE's debt has increased drastically since 2016, so in the third quarter of 2020, it reached IDR 2,140 trillion. In the last 6 or 5 years, the trend of SOE's debt, financial or non-financial institutions, has increased rapidly.<sup>3</sup> The Indonesian government's investment in public infrastructure is necessary for increasing economic growth and employment. Because the state budget is limited, SOEs develop many projects assigned by the government as the majority shareholder, even though the capital comes from debt. Even though fiscal stability is still good in the short term, the debt expansion of SOEs can have an impact in the future, as experienced by SOEs in the People's Republic of China. Therefore, prudent debt management needs to become a national financial policy framework.<sup>4</sup>

Several SOEs experienced a significant debt increase, especially during the Coronavirus pandemic during 2020-2021. Garuda Indonesia, the national flag carrier, is an actual example of an SOE that has received special attention from creditors. The government's promise of IDR 8.5 trillion in assistance in the form of mandatory convertible bonds, which would later become common shares, failed to materialise because the company had received only IDR 1 trillion. The government, finally, did not fulfil its promise because Garuda Indonesia has yet to show any improvement in the company's performance. Another alternative to saving this state company from bankruptcy is State Equity Participation, debt restructuring, or privatisation.<sup>5</sup>

The issue of SOEs debt raises legal polemics related to the status of company debt, whether it is also state debt that will burden the State Revenue and Expenditure Budget. The position of SOEs in the state financial regime is an interesting legal issue because it raises the question of how SOE shareholders, the state, is responsible for the company's debt burden that threatens its existence in the future.

---

<sup>1</sup> Edimon Ginting and Kaukab Naqvi, "Reforms, Opportunities, and Challenges for State-Owned Enterprises" (Manila, Philippines, July 1, 2020), <https://doi.org/10.22617/TCS200201-2>.

<sup>2</sup> Stefano Reinard Sulaiman, "How Are SOEs Performing under Jokowi?," *thejakartapost*, 2019, <https://www.thejakartapost.com/news/2019/03/11/how-are-soes-performing-under-jokowi.html>.

<sup>3</sup> "Statistik Utang Sektor Publik Indonesia (SUSPI)," Bank Indonesia, 2021, <https://www.bi.go.id/statistik/ekonomi-keuangan/suspi/default.aspx>.

<sup>4</sup> Kyunghoon Kim, "Who Is Responsible for State-Owned Enterprises' Debts?," *The Jakarta Post*, 2019, <https://www.thejakartapost.com/academia/2016/11/29/who-is-responsible-for-state-owned-enterprises-debts.html>.

<sup>5</sup> "Indonesian State-Owned Enterprise Debts Swell," *Economist Intelligence*, 2021, <http://country.eiu.com/article.aspx?articleid=1711123354&country=indonesia&topic=economy&subtopic=forecast&subsubtopic=fiscal+policy+outlook&u=1&pid=1471104330&oid=810892464>.

This paper explores the meaning of SOE from the state finance's point of view. The basic question is whether or not the position of SOE's assets in the state finance regime and the standing of SOE's debt is constantly debatable. Indonesia experienced a legal upheaval since scholars and stakeholders polemised the loss of several SOEs in recent years due to the mismanagement of the company, corruption, and huge debts. The Supreme Court and the Constitutional Court intervened in the contradiction and dispute by issuing verdicts and decisions. Besides, this paper took an example of Garuda Indonesia's case, a national airline of the Republic of Indonesia that received State Equity Participation from the government since it dealt with prodigious debts and bankruptcy.

The study explores secondary data from many resources, such as books, journals, court decisions, and other doctrinal references regarding the issue of SOEs' debt in Indonesia. It used doctrinal legal research to examine the core subject. The core problem is analysed with a legal approach related to the problems of debate on SOE's financial position within the framework of state finances, both in academic doctrine and in the decisions of the judges of the Constitutional Court of the Republic of Indonesia.

## ANALYSIS AND DISCUSSION

### State-Owned Enterprise: Legal Framework, Ownership, and Objective

SOE is a legal entity that has rights and obligations. In legal theory, a legal entity can be a natural person (human being) and a legal (or judicial) person. A corporation or company can be mentioned as "an artificial individual", which is organic and sovereign, just like a state.<sup>6</sup> Companies are creatures of the law since they exist due to the life of the legislature. The law has given birth to the company as a living entity.<sup>7</sup>

SOE can be understood as any corporate entity recognised by national law as an enterprise in which the state exercises ownership. It includes joint stock companies, limited liability companies, and partnerships limited by shares.<sup>8</sup> In another sentence, SOE means a legal entity established to undertake commercial activities and owned fully or largely by the sovereign.<sup>9</sup>

In Indonesian legal norms, SOE is a company with capital sourced from state equity which has been separated from the state financial regime. The state can only be the owner of the company's entire capital or majority ownership. *First*, a State-Owned Limited Liability Company is a profit-oriented enterprise possessed by the Indonesian government entirely or partially (at least fifty-one per cent). *Second*, a State-Owned Listed/Registered Company is a company subject to capital market rules, such as a private company, by making a public offering or a company that has met specific requirements regarding equity and its shareholders. *Third*, Public Corporation is wholly possessed by the country so that it is not split into shares. This company provides goods and services to the public at large.<sup>10</sup>

<sup>6</sup> Jakub Zapała, "Otto von Gierke and His Early Corporatism," *Przegląd Humanistyczny* 470, no. 64.3 (January 19, 2021): 18–19, <https://doi.org/10.31338/2657-599X.ph.2020-3.1>.

<sup>7</sup> Paul L. Davies and Sarah Worthington, *Gower Principles of Modern Company Law* (London: Sweet & Maxwell, 2008).

<sup>8</sup> "State-Owned Enterprise Engagement And Reform: Evaluation Document," Asian Development Bank, 2018, <https://www.adb.org/documents/state-owned-enterprise-engagement-and-reform>.

<sup>9</sup> The Organization for Economic Co-operation and Development, *OECD Guidelines on Corporate Governance of State-Owned Enterprises, 2015 Edition* (Paris: OECD, 2015), <https://doi.org/10.1787/9789264244160-en>.

<sup>10</sup> Law of the Republic of Indonesia Number 19 of 2003 on State-Owned Enterprises.

Under Indonesian law, the government can become the whole or majority owner of SOE capital. Besides, the government places its capital in SOE as a business entity by direct participation. The state company and the state are two separate legal subjects. This position is firm so that there is a clear distinction between SOE and ministries or government agencies which are a sub-structure of the state. Moreover, article 4 number 1 mentions that state finances used as capital participation in State-Owned Enterprises are separated state assets.<sup>11</sup> More clearly, state finance law explains that the meaning of *state finance* is state wealth that is separate from SOE, central or regional, and the wealth of other parties who take advantage of government facilities to obtain profits.<sup>12</sup>

Each country has a different model of state ownership of State-Owned Enterprises. It is frequently hard to classify existing organisational structures into a rigid model. However, as described in table 1, ownership models can be commonly categorised into one or more of the following types: a centralised model, a coordinating agency model, a dual ownership model, a twin-track model, and a decentralised ownership model.<sup>13</sup>

**Table 1: Types of Ownership Models in 52 Countries**

Centralised ownership	<b>Centralised model:</b> The share control of all state companies is in one government agency, such as a unique agency or a particular ministry.	Austria, Chile, China, Colombia, Finland, France, Greece, Hungary, Iceland, Israel, Italy, Korea, Netherlands, New Zealand, Norway, Peru, Russia, Slovenia, South Africa, Spain, Sweden
	<b>A coordinating agency/department:</b> The state establishes a particular agency tasked with coordinating all SOEs. However, each SOE is responsible to the ministry related to the type of business.	Bulgaria, Costa Rica, India, Ireland, Latvia, Lithuania, Morocco, Philippines, Poland, United Kingdom
↑	<b>Twin Track Model:</b> Ownership of each SOE share is in two government agencies.	Belgium, Turkey
	<b>Separate Track Model:</b> SOE share ownership is divided among many government agencies.	Kazakhstan, Malaysia
	<b>Dual ownership:</b> The government assigns two ministries or public bodies as SOE owners with a division of tasks between monitoring financial and operational performance.	Australia, Brazil, Croatia, Czech Republic, Estonia, Indonesia, Romania, Switzerland
Decentralised ownership	<b>Dispersed ownership:</b> There needs to be a coordinating body in the management and supervision of SOE. The government appoints several ministries or public bodies as SOE owners.	Argentina, Canada, Denmark, Germany, Japan, Mexico, Saudi Arabia, Tunisia, Ukraine

*Source: OECD, 2021*

Table 1 depicts that according to the OECD category, Indonesian SOE applies a dual ownership model because the state's role in SOE is carried out by the Ministry of State-Owned Enterprises and technical ministries. In law, the Ministry of SOEs has several authorities, such as establishing a company, being a company organ, representing the country at the General Meeting of Shareholders, appointing and dismissing Directors and Commissioners, and giving spe-

<sup>11</sup> Law of the Republic of Indonesia Number 19 of 2003 on State-Owned Enterprises.

<sup>12</sup> Law of the Republic of Indonesia Number 17 of 2003 on State Finance.

<sup>13</sup> “Organisation for Economic Co-Operation and Development,” Organisation for Economic Co-operation and Development, 2021, <https://www.oecd.org/corporate/ownership-and-governance-of-state-owned-enterprises-a-compendium-of-national-practices.htm>.

cial assignments related to public services. Meanwhile, certain technical ministries are related to the SOEs' business sector. For example, the Ministry of Health, Ministry of Agriculture, Ministry of Transportation, and Ministry of Energy and Mineral Resources have authority over SOEs according to the business sector related to the ministry's duties.<sup>14</sup>

More importantly, every country has its purpose and reasons for owning a company and controlling its ownership. In general, many countries make SOE a supporting entity for fundamental economic programs at the national level. The state wants to retain control of companies supplying essential goods and public services, even in natural monopoly situations such as energy supply and transportation.<sup>15</sup> For instance, Indonesian policy stipulates that SOE pursues profits and contributes to increasing national welfare. In particular, SOE can increase state revenue, apart from taxes, by distributing dividends yearly from company profits. Nevertheless, on the other hand, SOE is also tasked with providing high-quality goods and services not provided by private companies, such as military armaments and roads. Some SOEs assist and foster the poor, small businesses and marginalised groups.<sup>16</sup>

SOEs have been recognised as a grand social, political unification, and economic development design.<sup>17</sup> SOEs have been an essential part of the economy and are considered tools of national development strategies.<sup>18</sup> For instance, Russian and Chinese SOEs have recently shown aggressive behaviour in international capital markets. They have maintained the foundation of past socialist outgrowth designs adjusted to the nowadays fact and are considered national champions that must continue to exist in state proprietorship. Besides, SOEs have followed economic and political objectives based on foreign policy priorities.<sup>19</sup>

### Is State-Owned Enterprise's Debt A State Debt?

The direct equity participation of the State Revenue and Expenditure Budget to SOE raises problems related to the disjunct status of state finances. In state theory, the state is a public legal subject. However, in his role as the owner of a state company that invests capital, he changes as if he becomes a subject of private law.<sup>20</sup> The principal capital of SOE is direct equity participation from the state budget. It is a country's asset divided from the state monetary system, so its supervision is not ruled established on the State Revenue and Expenditure Budget.<sup>21</sup> State assets separated into SOE's capital are the separation of property

<sup>14</sup> Law of the Republic of Indonesia Number 19 of 2003 on State-Owned Enterprises.

<sup>15</sup> "Organ. Econ. Co-Operation Dev."

<sup>16</sup> Law of the Republic Indonesia Number 19 of 2003 on State-Owned Enterprises.

<sup>17</sup> Robert Millward, "Public Enterprise in the Modern Western World: An Historical Analysis," *Annals of Public and Cooperative Economics* 82, no. 4 (December 2011): 375–98, <https://doi.org/10.1111/j.1467-8292.2011.00447.x>.

<sup>18</sup> Aldo Musacchio and Sergio G. Lazzarini, "Reinventing State Capitalism: Leviathan in Business, Brazil and Beyond," *Enterprise and Society* 15, no. 4 (December 2, 2014): 936–38, <https://doi.org/10.1093/es/khu039>.

<sup>19</sup> Bala Ramasamy, Matthew Yeung, and Sylvie Laforet, "China's Outward Foreign Direct Investment: Location Choice and Firm Ownership," *Journal of World Business* 47, no. 1 (January 2012): 17–25, <https://doi.org/10.1016/j.jwb.2010.10.016>.

<sup>20</sup> Arifin P. Soeria Atmadja, *Keuangan Publik Dalam Perspektif Hukum: Teori, Kritik Dan Praktik* (Jakarta: Rajawali Press, 2009).

<sup>21</sup> Gatot Supramono, *BUMN Ditinjau Dari Segi Hukum Perdata* (Jakarta: Rineka Cipta, 2016).

from the owner that becomes the assets of a state company. Therefore, the capital is no longer a state asset but a company asset that has become a separate legal subject.<sup>22</sup>

The definition of state finance needs to be clearly explained. In Article 1 of Law Number 17 of 2003, state finances are all state rights and obligations that can be valued in money. In addition, state finances are money, goods, or other things that can be used as state property connected to enforcing rights and obligations. Next, article 2 stated that state finances include: a) the right of the state to collect taxes, issue and circulate money and make loans. b) the state's obligation to carry out public service tasks for the state government and pay bills to third parties. c) state revenue. d) state expenditure. e) regional reception. f) regional output. g) separated state or regional assets managed by themselves or by other parties in the form of securities, receivables, goods, and other rights that can be valued in money, including separated state assets in state/regional companies. h) assets of other parties controlled by the government in the context of carrying out government duties and/or public interests. i) other party's assets are obtained using the government's facilities.

Technically, the Government of the Republic of Indonesia issued Regulation Number 44 of 2005 concerning procedures for participating and administering state capital in SOEs and limited liability companies. This rule explains that State Equity Participation is a process of separating state assets from state finances as SOE capital. For example, the government decides to place State Revenue and Expenditure Budget funds into SOE as additional business capital or for other purposes. In addition, State Equity Participation can be in the form of placing SOE reserves or other funds with SOE or other companies. For example, SOE buys shares of private companies, or the government places capital into private companies for specific purposes. The main purpose of state equity participation in SOEs is to improve the capital structure of SOEs and increase the business capacity of SOEs and/or Limited Liability Companies. The government can inject capital into SOEs even in certain circumstances to save the national economy. However, this provision is full of political interests and multiple interpretations.

The definition of state assets in Law Number 31 of 1999 concerning the Crime of Corruption is different from the Law on State Finance. The law states the definition of state finances in a general explanation as follows:

“State finances are all state assets in any form, separated or not separated, including all parts of state assets and all rights and obligations arising from: a) are under the control, management, and accountability of state agency officials, both at the central and regional levels, b) are in the control, management, and accountability of State-Owned Enterprises/Regional-Owned Enterprises, foundations, legal entities, and companies that include state capital, or companies that include third party capital based on agreements with the State.”

According to Erman Rajagukguk, company shares are not SOE assets, but state assets in physical form are shares. However, the state wealth in SOE shares has been separated from the state budget.<sup>23</sup> In contrast, according to H.F. Makawimbang, the definitions of state finances in the two laws can be used and complement each other. The formulation of state finances in the State Finance Law is specific as a rule regarding state financial affairs. Next, the State Finance

<sup>22</sup> Rudhi Prasetya, *Kedudukan Mandiri Perseroan Terbatas Disertai Dengan Ulasan Menurut Undang-Undang Nomor 1 Tahun 1995* (Bandung: Alumni, 1995).

<sup>23</sup> Erman Rajagukguk, *Pengertian Keuangan Negara Dan Kerugian Negara” in Pengertian Keuangan Negara Dalam Tindak Pidana Korupsi* (Jakarta: The National Legal Commission of the Republic of Indonesia, 2006).

Law regulates aspects of objects, subjects, processes, and objectives, while the Corruption Law regulates features of the control area for state financial management.<sup>24</sup>

Moreover, Article 4, paragraph 1 of Law Number 19 of 2003 concerning SOE mentions that SOE capital is and comes from detached state properties. In the explanation of the law, the meaning of "separated" is the disjunction of wealth from state finance. Wealth is referred to as state shares of SOE. Furthermore, SOE, an independent corporate entity, carries out the principles of good corporate governance and aims to profit.<sup>25</sup> Separated state assets are a form of state capital participation given to SOE. The implementation of state capital participation has resulted in problems related to the meaning of separated state assets due to the incompatibility of laws and regulations. Based on this, the meaning of separated state assets is different. The State Finance Law assumes that state finances in SOE are still state finances and subject to public law, while the SOE Law states are SOE's finances subject to private law.<sup>26</sup>

The impact of ambiguity in the meaning of state finance is the understanding of SOE debt. The Indonesian government has issued rules for procedures and write-offs for state and regional companies' receivables to the State Receivables Affairs Committee. The policy is the Government Regulation Number 14 of 2005, which was later revised because it caused technical problems in settlement of problematic SOE receivables.<sup>27</sup> If law enforcement officials understand that the wealth of SOEs is the wealth of the state, then the state must also be responsible for the debts of the SOEs. The state will allocate a very large budget to pay the debts of SOEs.<sup>28</sup>

To clear up misunderstandings about the meaning of state finances, the Minister of Finance requested a Fatwa from the Supreme Court of the Republic of Indonesia. The fatwa has several main points as follows:<sup>29</sup> 1). The meaning of separated state assets is the separation of state assets from the State Revenue and Expenditure Budget to be used as state capital participation in SOEs. Furthermore, the development and management of state assets are based on the principles of good corporate governance, not the State Revenue and Expenditure Budget principles. 2) Article 1 point 6 of Law Number 1 of 2004 concerning the State Treasury mentions that "State receivables are the amount of money that must be paid to the Central Government and/or the rights of the Central Government which can be valued in money as a result of agreements or other consequences based on applicable laws or other lawful effects." Based on the contents of this article, the Supreme Court stated that SOE receivables are not State receivables. 3) Article 8 of Law Number 49 Prp of 1960 concerning the Committee for

<sup>24</sup> Hernold Ferry Makawimbang, *Memahami Dan Menghindari Perbuatan Merugikan Keuangan Negara Dalam Tindak Pidana Korupsi Dan Pencucian Uang* (Yogyakarta: Thafa Media, 2015).

<sup>25</sup> Law of the Republic Indonesia Number 19 of 2003 on State-Owned Enterprises.

<sup>26</sup> Lala Taprisa Paksi Nurfahmi, Henny Juliani, and Nabitatus Sa'adah, "Tinjauan Terhadap Pemaknaan Kekayaan Negara Yang Dipisahkan Pada Bumn Dan Akibat Yang Timbul Pasca Putusan Mahkamah Konstitusi Nomor 48/Puu-Xi/2013," *Diponegoro Law Journal* 8, no. 2 (2019): 1277–94, <https://ejournal3.undip.ac.id/index.php/dlr/>.

<sup>27</sup> Government Regulation of the Republic of Indonesia Number 14 of 2005 on Procedure for Write-off of State/Regional Receivables.

<sup>28</sup> Ridwan Khairandy, "Korupsi Di Badan Usaha Milik Negara Khususnya Perseroan: Suatu Kajian Atas Makna Kekayaan Negara Yang Dipisahkan Dan Keuangan Negara," *Jurnal Hukum IUS QUIA IUSTUM* 16, no. 1 (2009): 73–87, <https://doi.org/10.20885/iustum.vol16.iss1.art5>.

<sup>29</sup> Fatwa of the Supreme Court of the Republic of Indonesia No WKMA/YUD/20/VIII/2006/2006 on SOE Receivables.

State Receivables stipulates that state receivables include receivables from entities whose assets and capital are partly or wholly owned by the state, for example, state banks, state companies, and others. However, the provision for SOEs receivables in the law only applies due to Law Number 19 of 2003 concerning SOEs, which is the particular and latest law. 4) The legal provisions regarding state finances in Article 2 letter g of Law Number 17 of 2003 concerning State Finances mentioned that assets separated from state companies or regional companies do not have legally binding force.

The Supreme Court's fatwa did not solve the problem because it caused rejection from several parties. For instance, the Supreme Audit Agency considers that the Supreme Court's fatwa on separating state properties from SOEs cannot be used as a valid principle. This means that a state company that cuts its receivables can still be considered detrimental to the state. A member of the Supervisory Board of the Main Auditor of the Supreme Audit Agency, Baharuddin Aritonang, confirmed that the fatwa could not be accepted because it weakened the existence of the law.<sup>30</sup> Anwar Nasution, chairman of the Supreme Audit Agency, also gave a similar rejection. He emphasised that the fatwa can only be applied in countries with good governance. In contrast to the content of the fatwa, he argues that the divided country's properties are still state assets. Every use of the country's properties must still be examined to be accountable to the budget right holder.<sup>31</sup>

The scope of state finances creates horizontal legal conflicts between several laws when faced with provisions for state losses in corruption.<sup>32</sup> Besides, the Law on State Finance and the Law on SOEs define state finances differently. As a result, there was a legal conflict between the two laws. In several paragraphs, the State Finance Law is excessive because the expenditure obligations are still in the state's financial status. Meanwhile, the SOEs Law allows parties to manipulate state financial inclusion in state companies/regional companies to be misused, such as by establishing subsidiaries, grandchildren, and great-grandchildren of state/regional companies that can obscure and even eliminate state finances.<sup>33</sup> According to DS Widjanarko, the main problem is placing State Equity Participation for SOE as part of state finances outside the State Revenue and Expenditure Budget, which creates legal uncertainty and legal inequality.<sup>34</sup> The ambiguity of the financial status of SOEs in the laws and regulations leaves a problem in law enforcement.<sup>35</sup>

The Constitutional Court's decision interprets state finances broadly and comprehensively. The purpose of interpreting state finances in Article 1 point 1 of the Law on State Finance is to protect the state assets such as taxes, levies, and other income. More importantly, the meaning

<sup>30</sup> "BPK: Fatwa Mahkamah Agung Tak Bisa Jadi Landasan Hukum," Tempo.co, 2006, <https://bisnis.tempo.co/read/84680/bpk-fatwa-mahkamah-agung-tak-bisa-jadi-landasan-hukum>.

<sup>31</sup> Tif, "Fatwa MA Yang Menjadi Kontroversi," Hukumonline, 2006, <https://www.hukumonline.com/berita/a/fatwa-ma-yang-menjadi-kontroversi-hol15556>.

<sup>32</sup> Zainal Asikin, Lalu Wira Pria Suhartana, and Usman Usman, "Aspek Hukum Pertangg Jawaban Keuangan Negara Dalam BUMN," *Jurnal Kompilasi Hukum* 4, no. 2 (2019), <https://doi.org/https://doi.org/10.29303/jkh.v4i2.29>.

<sup>33</sup> Arman Nefi, "Conflict of Law UU Keuangan Negara vs UU BUMN," Hukumonline, 2021.

<sup>34</sup> Donny Satya Widjanarko, *Implikasi Yuridis Putusan Mahkamah Konstitusi Nomor 48/PUU-XI/2013 Terhadap Independensi Perusahaan Mengenai Pengelolaan Harta Kekayaan BUMN Dalam Mewujudkan Prinsip Good Corporate Governance.* PhD Diss (Malang: Brawijaya University, 2015).

<sup>35</sup> Sopian Sitepu, "State Owned Enterprises Finance from the Perspective of State Funds," *Yuridika* 35, no. 2 (December 26, 2020): 363–88, <https://doi.org/10.20473/ydk.v35i2.16874>.



of SOE assets as state assets prevents fraud in company management which can result in state losses. SOEs that lose money or go bankrupt indirectly reduce state wealth through company shares. SOE is a representative of the government in carrying out government functions broadly. Therefore, state companies, regional companies, and state-owned universities manage state finances with a different paradigm. However, it justified the state assets position sourced from state finances and separated from the state budget to be incorporated as the value of share participation in SOEs remains part of the state financial regime. In the context of prudent and responsible management of state finances, the Supreme Audit Agency, as the state's representative, oversees the use of state assets in SOEs or other institutions. The government provides facilities and regulations that support SOEs in order to support the improvement of people's welfare and state revenues.<sup>36</sup>

Meanwhile, the Constitutional Court Decision Number 62/PUU-XI/2013 mentioned that the nature of state companies or other similar names whose shares are all or most of the shares are state-owned are extensions of the state, in this case, the government or local government, in the field of the economy whose capital or shares are partly or wholly derived from separated state finances. The Constitutional Court emphasised that SOE finance is part of the state financial regime. However, supervision of state finances in SOE differs from supervision in ministries or other government agencies. As with private companies, government oversight of SOE must use the Business Judgment Rules (BJR) approach in company law. In contrast to state financial supervision of government institutions that use the principles of Government Judgment Rules (GJR). Furthermore, the Constitutional Court submitted the formulation of BJR for SOE to the government with statutory regulations. The principles of transparency, accountability, responsibility, independence, and fairness must become the SOE framework. The responsibilities of the directors, commissioners, and management of SOE are subject to and comply with BJR principles inside and outside the court.<sup>37</sup>

The two decisions of the Constitutional Court embodied legal certainty, which affirmed that state-owned shares in SOEs constitute the state's financial regime.<sup>38</sup> The Constitutional Court also considers global economic developments by encouraging SOEs to carry out their business activities based on the principles of the Business Judgment Rule.<sup>39</sup>

### **Government Financial Rescue for State-Owned Enterprise' Debt**

All state-enterprise debt leads to a clear or knotted guarantee by the parent government. Besides, the full faith and credit of the government lie behind the borrowing of SOEs without

---

<sup>36</sup> The Constitutional Court of Decision Number 48/PUU-XI/2013, <https://www.mkri.id/index.php?page=download.Putusan&id=2050>

<sup>37</sup> The Constitutional Court of Decision Number 62/PUU-XI/2013, <https://www.mkri.id/index.php?page=download.Putusan&id=2053>

<sup>38</sup> Teuku Syahrul Ansari, Herdi Sahrasad, and Irfan Iryadi, "Indonesian State Owned Enterprises (BUMN or SOEs), and the Urgency of Implementation of Principle of 'Business Judgment Rule'," *Jurnal Cita Hukum* 8, no. 1 (March 23, 2020): 163–82, <https://doi.org/10.15408/jch.v8i1.15042>.

<sup>39</sup> Teuku Syahrul Ansari, "Reminding State Enterprises (BUMN) Management Using the Principle of 'Business Judgment Rule': A Preliminary Note," *Budapest International Research and Critics Institute (BIRCI-Journal) : Humanities and Social Sciences* 2, no. 3 (July 31, 2019): 27–38, <https://doi.org/10.33258/birci.v2i3.390>.

paying attention to the contrary. More importantly, the creditworthiness of developing country governments is affected by, among others, the high debt of SOEs.<sup>40</sup>

Even though SOE has large debts and tends to lose, the state generally retains ownership for several reasons. First, many governments keep natural monopolies in public ownership for several goods and services, such as energy, transportation, and communication. Second, state ownership is preferred for public service obligations when purchasing private operators is deemed inefficient or unfeasible, such as postal business. Third, SOE business activities function as controls over public facilities such as airports, train stations, ports, and airlines. Fourth, SOE performs the function of state policy intending to protect and secure the research, development, and implementation of national strategic business.<sup>41</sup>

The main criticism of SOE's financial recovery with state financial assistance, for example, the government injecting new capital into SOE, is the vast potential for corrupt behaviour and moral hazard by company management. Moreover, SOE rescue policies can worsen investment strategies and undermine fair market competition.<sup>42</sup> A moral hazard emerges when investors believe that government will save their life of them in the case of financial distress. For instance, some Chinese SOEs defaulted on their debts, such as Tewood Group Co. and Peking University Founder Group. The authorities are allowing more companies to renege on their debts where once they would have found ways to engineer bailouts.<sup>43</sup>

Based on International Monetary Fund and World Bank report, domestic and foreign investors tend to choose investments in SOE instruments because of the general perception that SOEs provide less risk or higher expected recovery ratios compared to non-SOE issuers, even though they have similar credit ratings.<sup>44</sup> Moreover, a survey among OECD countries concluded that 40% of respondents agreed that commercial creditors recognise a lower risk for SOE lending, so the commercial lending of SOE is preferable.<sup>45</sup>

In the case of Indonesia, the government issued regulations regarding State Equity Participation to save SOEs that have large debts and are about to go bankrupt. Government Regulation Number 72 of 2016 is one of the most significant rules in rescuing SOEs that suffer losses, default on debt, and mismanagement. This regulation stipulates that State Equity Participation separates state assets from the state budget. In addition, State Equity Participation is also a decision to place state company reserves as SOE capital or private companies based on company law.<sup>46</sup>

The addition of SOE capital aims to improve the capital structure and increase the business capacity of SOEs. Then SOEs use additional funds from the state to carry out government

<sup>40</sup> Malcolm Gillis, "The Role of State Enterprises in Economic Development," *Social Research* 47, no. 2 (1980): 248–89.

<sup>41</sup> Hans Christiansen, *Balancing Commercial and Non-Commercial Priorities of State-Owned Enterprises*, 6th ed. (Paris: OECD Publishing, 2013).

<sup>42</sup> *The Bankable SOE: Commercial Financing for State-Owned Enterprises* (Manila, Philippines: ADB, 2021), <https://doi.org/10.22617/TCS210329>.

<sup>43</sup> Xie Yu, "Bond Defaults Reach Once-Safe Corners of Chinese Finance," *WJS.com*, 2019, <https://www.wsj.com/articles/bond-defaults-reach-once-safe-corners-of-chinese-finance-11576232065>.

<sup>44</sup> "Republic of Indonesia Financial Sector Assessment," *International Monetary Fund* (Washington DC, 2017), <https://openknowledge.worldbank.org/handle/10986/28391>.

<sup>45</sup> "Organ. Econ. Co-Operation Dev."

<sup>46</sup> Government Regulation Number 72 of 2016 on Procedures for State Capital Participation and Administration in State-Owned Enterprises and Limited Liability Companies.

assignments such as building infrastructure, restructuring or rescuing SOEs, and developing company businesses.<sup>47</sup> Even more so, during the Covid-19 pandemic, the Indonesian government poured large funds for State Equity Participation into SOEs, amounting to 25.27 trillion rupiahs. In the National Economic Recovery Program, the government helps SOEs improve the capital structure of companies and their subsidiaries affected by the Corona Virus Disease 2019 (COVID-19) pandemic and increase the business capacity of SOEs and their subsidiaries, including carrying out special assignments by the government in implementing the National Economic Recovery.<sup>48</sup>

In the theory of economic regulation, there are two views regarding financial policy. First, the state issues rule is based on the interests and protection of the majority of the public or certain groups. Second, political processes can conflict with rational explanations.<sup>49</sup> Besides, government policies are obliged to protect the economic interests of the public broadly, even at great cost.<sup>50</sup> So, in the case of the Indonesian government channelling trillions of state funds to SOEs, it is an affirmative policy to prevent a financial crisis for state companies which can result in bankruptcy and termination of employment. However, the distribution of state funds must be supervised and audited to prevent fraud and abuse of authority.

Garuda Indonesia, a national airline, was one of the enormous cases of State Equity Participation in SOEs that caught the public's attention. This company experienced mismanagement, corruption, and debt defaults outside the Covid-19 pandemic.<sup>51</sup> With a total debt of 189 trillion rupiahs, the creditors totalling 503 parties, sued for bankruptcy against Garuda Indonesia to the Commercial Court. Garuda Indonesia has also proposed to postpone the payment of debt obligations twice, first on January 21, 2022, and then on March 21, 2022. So, the company has until May 21, 2022, to settle its obligations to creditors.<sup>52</sup>

The Government of Indonesia has obtained the approval of the House of Representatives to provide State Equity Participation of 7.5 trillion rupiahs if Garuda Indonesia reaches a peace agreement with its creditors in the Suspension of Debt Payment Obligations. The source of funds for the State Equity Participation to Garuda Indonesia is the 2022 State Revenue and Expenditure Budget. In addition, the House of Representatives approved the sale of state-owned shares as long as state ownership remained at 51%.<sup>53</sup> In detail, the company's debt restructuring scheme will include the settlement of tax debts, employee debts and employee benefits,

<sup>47</sup> Regulation of the Minister of State-Owned Enterprises of the Republic of Indonesia Number 1 of 2021.

<sup>48</sup> Mohammad Iqbal Firzada, "Penyertaan Modal Negara, Pemulihan Ekonomi Nasional Untuk BUMN," Ministry of Finance of the Republic of Indonesia, 2020, <https://www.djkn.kemenkeu.go.id/artikel/baca/13145/Penyertaan-Modal-Negara-Pemulihan-Ekonomi-Nasional-Untuk-BUMN.html>.

<sup>49</sup> George J. Stigler, "The Theory of Economic Regulation," *The Bell Journal of Economics and Management Science* 2, no. 1 (1971): 3–21, <https://doi.org/10.2307/3003160>.

<sup>50</sup> Dani Rodrik, "Understanding Economic Policy Reform," in *In Modern Political Economy and Latin America* (Routledge, 2018), 59–70.

<sup>51</sup> Suparjo Ramalan, "3 Penyebab Utang Garuda Bengkok," iNews.id Multimedia, 2021, <https://www.inews.id/multimedia/infografis/infografis-3-penyebab-utang-garuda-bengkok>.

<sup>52</sup> Anita Widya Puspa, "PKPU Garuda (GIAA) Diperpanjang 2 Kali, Ini Nasib Proposal Perdamaian," *Bisnis.com*, 2022, <https://ekonomi.bisnis.com/read/20220322/98/1513769/pkpu-garuda-giaa-diperpanjang-2-kali-ini-nasib-proposal-perdamaian>.

<sup>53</sup> Achmad Dwi Apriyadi, "Skema Penyelamatan Garuda Terungkap! Disuntik PMN Hingga Investor," *Detik Finance*, 2022, <https://finance.detik.com/berita-ekonomi-bisnis/d-6046243/skema-penyelamatan-garuda-terungkap-disuntik-pmn-hingga-investor>.

payment of taxes in stages after deducting carryforward tax losses arising from the cancellation of debt entry, repayment of financing assets, and settlement of other debts to Himbara, Private Banks, AirNav. and other third parties. Payments are also made to aircraft lessors, manufacturers, and other vendors.<sup>54</sup>

The philosophical basis for saving Garuda Indonesia is the function of the national airline as an important business for the country and related to many people's lives. It embodies the values contained in the 1945 Constitution, particularly in article 33. Government regulations strengthen the argument for saving this company legally. Even more interesting, sociologically, if Garuda Indonesia goes bankrupt and stops operating, Indonesia will no longer have a national airline. Only the private sector will control the aviation business, which is dangerous for national interests and security.

In many previous cases, State Equity Participation did not impact state revenues from state company profits. SOEs use money from State Equity Participation to plan long-term business activities. Capital growth of state enterprises, whether sourced from State Equity Participation, does not increase the distribution of dividends to the state as shareholders.<sup>55</sup> Although the injection of state capital for SOEs could positively impact good corporate governance, such as improving business strategies. However, State Equity Participation did not impact several variables of increasing company performance.<sup>56</sup>

According to Posner's economic analysis of law, government intervention in markets, private business activities, and public economic policies must be oriented towards maximum profit and efficiency.<sup>57</sup> On the other hand, the state has the right to regulate and issue policies that, according to it, are good and beneficial for the common good. Although under certain conditions, the state is often controlled by the interests of certain companies and elite groups.<sup>58</sup> Therefore, state equity participation for Garuda Indonesia, sourced from public taxes, must be the last time for this national airline. The state may not spend state funds to benefit companies detrimental to national interests because legal policies should favour wider benefits.

## CONCLUSION

SOE finance is part of the state finances, separated from the state budget in the state financial regime that applies in Indonesia. The difference with state finances in government ministries or institutions with SOEs is the implementation of the Business Judgment Rule, not the Government Judgment Rule. Two Constitutional Court decisions confirmed SOE's financial position in

<sup>54</sup> "Skema Penyelamatan Garuda Indonesia Dari Kementerian BUMN," CNN Indonesia, 2022, <https://www.cnnindonesia.com/ekonomi/20220425183412-92-789516/skema-penyelamatan-garuda-indonesia-dari-kementerian-bumn>.

<sup>55</sup> Riya Dwi Handaka and Ilham Akbar. "Analysis of the Effect of State Equity Participation and Divestment on Government's Share of Income on Profits from State-Owned Enterprises: Evidence from Indonesia." In *Public Sector Accountants and Quantum Leap: How Far We Can Survive in Industrial Revolution 4.0?*, Routledge, 2020, 353-357.

<sup>56</sup> Siti Maimunah, Srihadi Winarningsih, and Ida Farida, "How Does State Equity Participation Contribute to Performance of State-Owned Enterprises in Indonesia?," *Cuadernos de Economía* 45, no. 1 (2022): 32-43, <https://cude.es/submit-a-manuscript/index.php/CUDE/article/view/213>.

<sup>57</sup> Peter A. Diamond and Richard A. Posner, "Posner's Economic Analysis of Law," *The Bell Journal of Economics and Management Science* 5, no. 1 (1974): 294-300, <https://doi.org/10.2307/3003108>.

<sup>58</sup> Stephen R. Barley, "Corporations, Democracy, and the Public Good," *Journal of Management Inquiry* 16, no. 3 (September 22, 2007): 201-15, <https://doi.org/10.1177/1056492607305891>.

the Indonesian state economic system. Therefore, SOEs debt is the responsibility of companies as legal entities that differ from the state. SOEs debt is not part of the state debt.

In the case of the State Equity Participation of 7.5 trillion rupiahs to Garuda Indonesia, this policy is an example of efforts to save the state against SOEs that are facing the threat of bankruptcy due to large debts, mismanagement, fraud, and corruption. The main reason for this legal policy is to maintain state control over a very important air transportation business and to protect national airlines' existence. However, the Indonesian government is obliged to ensure that the rescue of Garuda Indonesia can improve the company's performance by reforming good corporate governance to prevent fraud and corruption in the future.

## REFERENCE

- Ansari, Teuku Syahrul. "Reminding State Enterprises (BUMN) Management Using the Principle of 'Business Judgment Rule': A Preliminary Note." *Budapest International Research and Critics Institute (BIRCI-Journal) : Humanities and Social Sciences* 2, no. 3 (July 31, 2019): 27–38. <https://doi.org/10.33258/birci.v2i3.390>.
- Ansari, Teuku Syahrul, Herdi Sahrasad, and Irfan Iryadi. "Indonesian State Owned Enterprises (BUMN or SOEs), and the Urgency of Implementation of Principle of 'Business Judgment Rule'." *Jurnal Cita Hukum* 8, no. 1 (March 23, 2020): 163–82. <https://doi.org/10.15408/jch.v8i1.15042>.
- Apriyadi, Achmad Dwi. "Skema Penyelamatan Garuda Terungkap! Disuntik PMN Hingga Investor." *Detik Finance*, 2022. <https://finance.detik.com/berita-ekonomi-bisnis/d-6046243/skema-penyelamatan-garuda-terungkap-disuntik-pmn-hingga-investor>.
- Asikin, Zainal, Lalu Wira Pria Suhartana, and Usman Usman. "Aspek Hukum Pertanggung Jawaban Keuangan Negara Dalam BUMN." *Jurnal Kompilasi Hukum* 4, no. 2 (2019). <https://doi.org/https://doi.org/10.29303/jkh.v4i2.29>.
- Atmadja, Arifin P. Soeria. *Keuangan Publik Dalam Perspektif Hukum: Teori, Kritik Dan Praktik*. Jakarta: Rajawali Press, 2009.
- Barley, Stephen R. "Corporations, Democracy, and the Public Good." *Journal of Management Inquiry* 16, no. 3 (September 22, 2007): 201–15. <https://doi.org/10.1177/1056492607305891>.
- Tempo.co. "BPK: Fatwa Mahkamah Agung Tak Bisa Jadi Landasan Hukum," 2006. <https://bisnis.tempo.co/read/84680/bpk-fatwa-mahkamah-agung-tak-bisa-jadi-landasan-hukum>.
- Christiansen, Hans. *Balancing Commercial and Non-Commercial Priorities of State-Owned Enterprises*. 6th ed. Paris: OECD Publishing, 2013.
- Davies, Paul L., and Sarah Worthington. *Gower Principles of Modern Company Law*. London: Sweet & Maxwell, 2008.
- Development, The Organization for Economic Co-operation and. *OECD Guidelines on Corporate Governance of State-Owned Enterprises, 2015 Edition*. Paris: OECD, 2015. <https://doi.org/10.1787/9789264244160-en>.
- Diamond, Peter A., and Richard A. Posner. "Posner's Economic Analysis of Law." *The Bell Journal of Economics and Management Science* 5, no. 1 (1974): 294–300.

<https://doi.org/10.2307/3003108>.

- Firzada, Mohammad Iqbal. “Penyertaan Modal Negara, Pemulihan Ekonomi Nasional Untuk BUMN.” Ministry of Finance of the Republic of Indonesia, 2020. <https://www.djkn.kemenkeu.go.id/artikel/baca/13145/Penyertaan-Modal-Negara-Pemulihan-Ekonomi-Nasional-Untuk-BUMN.html>.
- Gillis, Malcolm. “The Role of State Enterprises in Economic Development.” *Social Research* 47, no. 2 (1980): 248–89.
- Ginting, Edimon, and Kaukab Naqvi. “Reforms, Opportunities, and Challenges for State-Owned Enterprises.” Manila, Philippines, July 1, 2020. <https://doi.org/10.22617/TCS200201-2>.
- Economist Intelligence. “Indonesian State-Owned Enterprise Debts Swell,” 2021. <http://country.eiu.com/article.aspx?articleid=1711123354&country=indonesia&topic=economy&subtopic=forecast&subsubtopic=fiscal+policy+outlook&u=1&pid=1471104330&oid=810892464>.
- Khairandy, Ridwan. “Korupsi Di Badan Usaha Milik Negara Khususnya Perseroan: Suatu Kajian Atas Makna Kekayaan Negara Yang Dipisahkan Dan Keuangan Negara.” *Jurnal Hukum IUS QUIA IUSTUM* 16, no. 1 (2009): 73–87. <https://doi.org/10.20885/iustum.vol16.iss1.art5>.
- Kim, Kyunghoon. “Who Is Responsible for State-Owned Enterprises’ Debts?” The Jakarta Post, 2019. <https://www.thejakartapost.com/academia/2016/11/29/who-is-responsible-for-state-owned-enterprises-debts.html>.
- Maimunah, Siti, Srihadi Winarningsih, and Ida Farida. “How Does State Equity Participation Contribute to Performance of State-Owned Enterprises in Indonesia?” *Cuadernos de Economía* 45, no. 1 (2022): 32–43. <https://cude.es/submit-a-manuscript/index.php/CUDE/article/view/213>.
- Makawimbang, Hernold Ferry. *Memahami Dan Menghindari Perbuatan Merugikan Keuangan Negara Dalam Tindak Pidana Korupsi Dan Pencucian Uang*. Yogyakarta: Thafa Media, 2015.
- Millward, Robert. “Public Enterprise in the Modern Western World: An Historical Analysis.” *Annals of Public and Cooperative Economics* 82, no. 4 (December 2011): 375–98. <https://doi.org/10.1111/j.1467-8292.2011.00447.x>.
- Musacchio, Aldo, and Sergio G. Lazzarini. “Reinventing State Capitalism: Leviathan in Business, Brazil and Beyond.” *Enterprise and Society* 15, no. 4 (December 2, 2014): 936–38. <https://doi.org/10.1093/es/khu039>.
- Nefi, Arman. “Conflict of Law UU Keuangan Negara vs UU BUMN.” Hukumonline, 2021.
- Nurfahmi, Lala Taprisa Paksi, Henny Juliani, and Nabitatus Sa’adah. “Tinjauan Terhadap Pemaknaan Kekayaan Negara Yang Dipisahkan Pada Bumn Dan Akibat Yang Timbul Pasca Putusan Mahkamah Konstitusi Nomor 48/Puu-Xi/2013.” *Diponegoro Law Journal* 8, no. 2 (2019): 1277–94. <https://ejournal3.undip.ac.id/index.php/dlr/>.
- Organisation for Economic Co-operation and Development. “Organisation for Economic Co-operation and Development,” 2021. <https://www.oecd.org/corporate/ownership-and-governance-of-state-owned-enterprises-a-compendium-of-national-practices.htm>.

- Prasetya, Rudhi. *Kedudukan Mandiri Perseroan Terbatas Disertai Dengan Ulasan Menurut Undang-Undang Nomor 1 Tahun 1995*. Bandung: Alumni, 1995.
- Puspa, Anita Widya. "PKPU Garuda (GIAA) Diperpanjang 2 Kali, Ini Nasib Proposal Perdamaian." *Bisnis.com*, 2022. <https://ekonomi.bisnis.com/read/20220322/98/1513769/pkpu-garuda-giaa-diperpanjang-2-kali-ini-nasib-proposal-perdamaian>.
- Rajagukguk, Erman. *Pengertian Keuangan Negara Dan Kerugian Negara* in *Pengertian Keuangan Negara Dalam Tindak Pidana Korupsi*. Jakarta: The National Legal Commission of the Republic of Indonesia, 2006.
- Ramalan, Suparjo. "3 Penyebab Utang Garuda Bengkok." *iNews.id Multimedia*, 2021. <https://www.inews.id/multimedia/infografis/infografis-3-penyebab-utang-garuda-bengkok>.
- Ramasamy, Bala, Matthew Yeung, and Sylvie Laforet. "China's Outward Foreign Direct Investment: Location Choice and Firm Ownership." *Journal of World Business* 47, no. 1 (January 2012): 17–25. <https://doi.org/10.1016/j.jwb.2010.10.016>.
- "Republic of Indonesia Financial Sector Assessment." *International Monetary Fund*. Washington DC, 2017. <https://openknowledge.worldbank.org/handle/10986/28391>.
- Rodrik, Dani. "Understanding Economic Policy Reform." *In Modern Political Economy and Latin America*, 59–70. Routledge, 2018.
- Sitepu, Sopian. "State Owned Enterprises Finance from the Perspective of State Funds." *Yuridika* 35, no. 2 (December 26, 2020): 363–88. <https://doi.org/10.20473/ydk.v35i2.16874>.
- CNN Indonesia. "Skema Penyelamatan Garuda Indonesia Dari Kementerian BUMN," 2022. <https://www.cnnindonesia.com/ekonomi/20220425183412-92-789516/skema-penyelamatan-garuda-indonesia-dari-kementerian-bumn>.
- Asian Development Bank. "State-Owned Enterprise Engagement And Reform: Evaluation Document," 2018. <https://www.adb.org/documents/state-owned-enterprise-engagement-and-reform>.
- Bank Indonesia. "Statistik Utang Sektor Publik Indonesia (SUSPI)," 2021. <https://www.bi.go.id/id/statistik/ekonomi-keuangan/suspi/default.aspx>.
- Stigler, George J. "The Theory of Economic Regulation." *The Bell Journal of Economics and Management Science* 2, no. 1 (1971): 3–21. <https://doi.org/10.2307/3003160>.
- Sulaiman, Stefano Reinard. "How Are SOEs Performing under Jokowi?" *thejakartapost*, 2019. <https://www.thejakartapost.com/news/2019/03/11/how-are-soes-performing-under-jokowi.html>.
- Supramono, Gatot. *BUMN Ditinjau Dari Segi Hukum Perdata*. Jakarta: Rineka Cipta, 2016.
- The Bankable SOE: Commercial Financing for State-Owned Enterprises*. Manila, Philippines: ADB, 2021. <https://doi.org/10.22617/TCS210329>.
- Tif. "Fatwa MA Yang Menjadi Kontroversi." *Hukumonline*, 2006. <https://www.hukumonline.com/berita/a/fatwa-ma-yang-menjadi-kontroversi-hol15556>.

- Widjanarko, Donny Satya. *Implikasi Yuridis Putusan Mahkamah Konstitusi Nomor 48/PUU-XI/2013 Terhadap Independensi Perusahaan Mengenai Pengelolaan Harta Kekayaan BUMN Dalam Mewujudkan Prinsip Good Corporate Governance.* PhD Diss. Malang: Brawijaya University, 2015.
- Yu, Xie. "Bond Defaults Reach Once-Safe Corners of Chinese Finance." WJS.com, 2019. <https://www.wsj.com/articles/bond-defaults-reach-once-safe-corners-of-chinese-finance-11576232065>.
- Zapała, Jakub. "Otto von Gierke and His Early Corporatism." *Przegląd Humanistyczny* 470, no. 64.3 (January 19, 2021): 18–19. <https://doi.org/10.31338/2657-599X.ph.2020-3.1>.