

**STATE-OWNED ENTERPRISE LAW IN THE PERSPECTIVE OF GOOD CORPORATE GOVERNANCE: A LITERATURE ANALYSIS OF THE MANAGEMENT, SUPERVISION, AND ACCOUNTABILITY OF STATE-OWNED ENTERPRISES AS INSTRUMENTS OF NATIONAL DEVELOPMENT AND PROFIT-ORIENTED ECONOMIC ENTITIES — A LITERATURE REVIEW**

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**Abstract**

State-Owned Enterprises (SOEs) occupy a strategic position as instruments of national development and profit-oriented economic entities, making good governance a key prerequisite for realising this dual function. This study is a literature review that analyses SOE law from the perspective of *Good Corporate Governance* (GCG), focusing on the aspects of SOE management, supervision and accountability. Through a normative literature analysis of Law No. 19 of 2003 on SOEs, KNKG guidelines, and OECD GCG principles, this study identifies that the formal structure of SOE organs is in line with the principle of *separation of functions*, but the practice of organ appointment, political intervention, and weak supervisory independence remain major obstacles. SOE accountability requires the integration of public and private law norms, with the *business judgement rule* and *fiduciary duty* principles as pillars of legal protection for the Board of Directors as well as a guarantee of state interests. In conclusion, strengthening GCG through regulatory reform, professionalisation of management bodies, and external oversight synergy is necessary to ensure that SOEs can carry out their dual roles effectively and sustainably.

**Keywords:** State-Owned Enterprises, Good Corporate Governance, management of State-Owned Enterprises, supervision of State-Owned Enterprises, legal accountability, business judgement rule, fiduciary duty, national development

**INTRODUCTION**

State-Owned Enterprises (SOEs) in Indonesia occupy a strategic position as state instruments that also function as profit-oriented economic entities. SOEs are not only expected to generate profits for the state, but also to serve as instruments of economic policy, providers of public goods and services, and drivers of national development (Ministry of SOEs, 2024; Law No. 19 of 2003, 2003). In practice, this dual role often creates tension between public interests and commercial logic, thus requiring strong and structured governance.

Constitutionally, the role of SOEs in Indonesia is rooted in Article 33 of the 1945 Constitution of the Republic of Indonesia, which places important branches of production and those that control the livelihoods of many people under state control. This provision forms the philosophical basis that SOEs should not be understood solely as private companies, but rather as a means for the government to achieve public welfare and equitable development (Soekanto, 2017; Law No. 19 of 2003, 2003). Within this framework, SOEs become one of the state's main instruments in controlling strategic sectors, such as energy, transportation, and infrastructure, while ensuring that the public interest is maintained (Shleifer & Vishny, 1998).

However, in line with the dynamics of globalisation and economic liberalisation, demands for efficiency, professionalism, and accountability of SOEs are increasing. SOEs are required not only to carry out their public mission but also to compete healthily in the domestic and international markets, thus necessitating modern and transparent governance (OECD, 2015; KNKG, 2021). It is in this context that the concept of *Good Corporate Governance* (GCG) becomes relevant, as it offers a normative framework that integrates the principles of transparency, accountability, responsibility, independence, and fairness in the management of companies, including SOEs (Shleifer & Vishny, 1998).

In Indonesia, the regulation of state-owned enterprises is specifically governed by Law No. 19 of 2003 on State-Owned Enterprises, which has undergone several amendments, including through Law No. 1 of 2025 on the Third Amendment to Law No. 19 of 2003 (Law No. 19 of 2003, 2003; Law No. 1 of 2025, 2025). This law stipulates that SOEs can take the form of *Persero* or *Perum*, each with different legal characteristics and objectives, but still within the framework of state control and public responsibility (Law No. 19 of 2003, 2003; Explanation of Law No. 19 of 2003, 2003). On the other hand, this law also emphasises the importance of applying the principles of good corporate governance in the management and supervision of SOEs, thereby providing a legal basis for strengthening GCG within SOEs (Explanation of Law No. 19 of 2003, 2003).

Substantively, SOEs in Indonesia are expected to be agents of development that not only generate foreign exchange and state revenue, but also create jobs, strengthen national industries, and promote inclusive economic growth (Ministry of SOEs, 2024). In this role, SOEs are often entrusted with strategic infrastructure projects, technology development, and *public service obligation* programmes, so that the success of SOEs is not only measured by their financial performance, but also by their contribution to social welfare and equitable development (Law No. 19 of 2003, 2003). However, on the other hand, the pressure to continue generating profits and added value for the state requires SOEs to operate with high efficiency and professionalism, thus creating a need to balance their public and commercial functions (Kurniawan, 2023).

This situation poses serious challenges to the governance of SOEs, particularly in relation to conflicts of interest between the government as owner, the public as beneficiaries, and other shareholders. In many cases, political intervention, rigid

bureaucracy, and weak internal and external oversight mechanisms often hinder the optimal implementation of GCG in SOEs (OECD, 2015; KNKG, 2021). Various corruption scandals, asset mismanagement, and investment failures in a number of SOEs show that without strong governance, SOEs can potentially become a source of inefficiency, state losses, and loss of public trust (OECD, 2015; Ministry of SOEs, 2024).

Within the framework of *Good Corporate Governance*, the management of SOEs should ideally be carried out through a clear division of roles between the owner (the state through the Minister of SOEs), the Board of Commissioners, and the Board of Directors, with each party having specific responsibilities and functions. The principle of transparency requires that information regarding the performance, risks, and strategic decisions of SOEs be openly accessible to the public and stakeholders; the principle of accountability requires clear accountability for decisions and results achieved; while the principle of independence requires that management bodies not be subject to political pressure or personal interests that could harm the public interest (OECD, 2015; KNKG, 2006); (Bozec & Bozec, 2008). The application of these principles is expected to reduce the risk of conflicts of interest, increase efficiency, and strengthen the legitimacy of SOEs as public entities.

However, in practice, the implementation of GCG in Indonesian SOEs still faces a number of structural and cultural obstacles. The structure of ownership, which is entirely in the hands of the state, the pattern of appointing directors and commissioners, which is often influenced by political considerations, and the weak independence of internal and external supervision are some of the factors that hinder the optimisation of governance (OECD, 2015; KNKG, 2021). On the other hand, a bureaucratic organisational culture, low human resource capacity in understanding GCG principles, and a lack of clear reward and sanction mechanisms also exacerbate this problem (OECD, 2015; Ministry of SOEs, 2024). Therefore, a literature review of SOE management, supervision, and accountability is important to identify policy and practice gaps that need to be addressed. In addition, SOEs also play a role as profit-oriented economic entities that must be able to compete in the free market, so that the demands for managerial professionalism, operational efficiency, and risk management are very high. In this context, SOEs can no longer rely solely on state protection but must be able to compete with private and foreign companies, making good governance a prerequisite for maintaining competitiveness. Consistent implementation of GCG is expected to improve the financial performance of SOEs, attract investment, and strengthen market confidence in the role of SOEs as healthy and sustainable economic actors.

From a legal perspective, the regulation of SOEs within the framework of GCG requires integration between the norms of state administrative law, corporate law, and economic law. Law No. 19 of 2003 on SOEs, Law No. 40 of 2007 on Limited Liability Companies, as well as various implementing regulations and GCG guidelines issued by

the National Committee on Corporate Governance (KNKG) and the Financial Services Authority (OJK) constitute the main normative framework governing the relationship between the state, shareholders, management bodies, and other stakeholders (Law No. 19 of 2003, 2003; Law No. 40 of 2007, 2007; KNKG, 2021). However, as indicated by several studies, there is still a discrepancy between formal norms and practices in the field, thus requiring a critical analysis of how SOE law actually operates in the context of GCG (OECD, 2015; KNKG, 2021).

## **Research Method**

Methodologically, this study uses a qualitative approach with a *literature review*, where all data is sourced from reference materials, including legislation, policy documents, supervisory agency reports, and scientific journal articles in the fields of law and economics (Eliyah & Aslan, 2025); (Ferrari, 2020).

## **Results and Discussion**

### **Management and Supervision of SOEs from a GCG Perspective**

The management of state-owned enterprises (SOEs) from the perspective of *good corporate governance* (GCG) cannot be separated from their dual status as state-owned entities and companies operating in a competitive market. SOEs must be able to integrate the public interests entrusted to them by the state with the need to compete efficiently and generate profits, so that good governance is a key prerequisite for the sustainability and legitimacy of SOEs (OECD, 2015; KNKG, 2021). In this framework, SOE management is no longer understood merely as the implementation of administrative policies, but as a structured, professional managerial process based on the principles of transparency, accountability, and independence (Widjaja, 2025).

Structurally, the management of state-owned enterprises in Indonesia is regulated by Law No. 19 of 2003 concerning State-Owned Enterprises, which is further clarified through various implementing regulations, including Regulation of the Minister of State-Owned Enterprises No. PER-01/MBU/2011 concerning the Implementation of Good Corporate Governance (GCG) in State-Owned Enterprises (Law No. 19 of 2003, 2003; PER-01/MBU/2011, 2011). The structure of SOE management bodies differs between Persero and Perum, but both recognise the division of functions between the owner (the state through the Minister of SOEs), the supervisory body (Board of Commissioners/Supervisory Board), and the management body (Board of Directors), each of which has specific authorities and responsibilities (PER-01/MBU/2011, 2011; PER-3/MBU/2023, 2023).

In the context of Persero, the management of state-owned enterprises is carried out through the General Meeting of Shareholders (GMS), the Board of Commissioners, and the Board of Directors, with the Minister of State-Owned Enterprises acting as the representative of the state capital owner and regulator. The GMS functions as a forum

for determining strategic policies and approving financial reports, the Board of Commissioners is tasked with supervising management policies and providing advice to the Board of Directors, while the Board of Directors carries out the daily management of the company in accordance with its mandate (PER-01/MBU/2011, 2011; PER-3/MBU/2023, 2023). This division of functions is in line with the principles of GCG, which emphasise the separation of supervisory and management functions, thereby creating an effective system of *checks and balances* within SOEs (Lin et al., 2011).

On the other hand, the management of state-owned enterprises in the form of Perum places the Minister as the highest authority, assisted by the Supervisory Board and the Board of Directors. The Supervisory Board is tasked with overseeing management policies and general management, as well as providing advice to the Board of Directors, while the Board of Directors remains the body responsible for the company's operational implementation (PER-01/MBU/2011, 2011; PER-3/MBU/2023, 2023). In both models, the principles of GCG require that the Minister, the Board of Commissioners/Supervisory Board, and the Board of Directors carry out their respective roles professionally, without excessive political intervention, so that strategic decisions can be made based on balanced business considerations and public interests (OECD, 2015; KNKG, 2021).

Supervision of state-owned enterprises in the context of corporate governance is not only internal in nature, but also involves strong and independent external mechanisms. Internal supervision is carried out through the Board of Commissioners/Supervisory Board, committees such as the Audit Committee and Risk Monitoring Committee, as well as internal audit units tasked with ensuring compliance with regulations, operational efficiency, and adequate risk management (Widjaja, 2025; PER-01/MBU/2011, 2011). Through this mechanism, the Board of Commissioners/Supervisory Board is expected to act as a *gatekeeper* that prevents irregularities, optimises decision-making, and ensures that the Board of Directors' policies remain in line with the long-term strategy of SOEs and the interests of state shareholders (Lin et al., 2011).

In addition to internal supervision, SOEs are also subject to external supervision by state institutions, particularly the Supreme Audit Agency (BPK), the Financial Services Authority (OJK) for SOEs listed on the capital market, and the Corruption Eradication Commission (KPK) in the context of combating corruption (Widjaja, 2025; Busro, 2018). The BPK has the authority to audit SOEs' financial statements, performance, and compliance with laws and regulations, with the results of the audit submitted to the House of Representatives and relevant agencies for follow-up (Law No. 19 of 2003, 2003; Busro, 2018). These comprehensive BPK audits are an important instrument in maintaining the integrity of state finances managed through SOEs.

The OJK, as the supervisory agency for the financial services sector, plays a role in supervising state-owned enterprises in the form of public limited companies through

the regulation of information transparency, financial reporting, and corporate governance in accordance with capital market standards. In this context, SOEs listed on the Indonesia Stock Exchange are required to comply with provisions regarding information disclosure, financial report quality, and independent board structure, thereby building investor and market confidence (OJK, 2021; KNKG, 2021). The disclosure of information required by the OJK is also in line with the principle of transparency in GCG, which requires stakeholders to have access to relevant and accurate information.

External oversight of SOEs also involves the House of Representatives as a representative body of the people authorised to oversee government policies, including policies on SOE ownership and management. The DPR may invite the Minister of SOEs, SOE leaders, and supervisory agencies to provide information on performance, strategic projects, and issues arising in the management of SOEs, so that legislative oversight can serve as a means of political accountability for the use of state finances through SOEs (Widjaja, 2025; Ministry of SOEs, 2024). In practice, the synergy between the DPR, BPK, and the Ministry of SOEs is expected to strengthen a holistic and non-overlapping oversight mechanism.

However, a number of studies show that the implementation of GCG in the management and supervision of SOEs in Indonesia still faces various challenges, both in terms of regulations and practices. Political intervention in the appointment of directors and commissioners/supervisory boards, weak independence of supervisory bodies, and low human resource capacity in understanding GCG principles often hinder the optimisation of SOE governance (Widjaja, 2025; Jati, 2025). In addition, the misalignment between formal norms and practices in the field, as well as the lack of strict sanctions for GCG violations, also contribute to irregularities, conflicts of interest, and state losses.

In the context of oversight, recent changes to the State-Owned Enterprises Law, including the third revision regulating the authority of the Supreme Audit Agency (BPK), have sparked debate regarding the power and independence of supervisory institutions. Following the revision, the BPK's authority to conduct regular audits of SOEs has been limited, so that the BPK can only conduct audits for specific purposes (PDTT), which, according to a number of observers, has the potential to weaken the supervisory function over state finances managed through SOEs (ICW, 2025; Busro, 2018); (La Porta et al., 2000) . This situation calls for the strengthening of alternative oversight mechanisms, such as enhancing the role of the Corruption Eradication Commission (KPK), the Financial Services Authority (OJK), and internal oversight of SOEs, to prevent loopholes that could be exploited for corruption or other irregularities.

From a GCG perspective, the management and supervision of SOEs must also be directed towards creating long-term added value, rather than merely achieving short-term profits. The principles of responsibility and fairness require that SOE strategic

decisions take into account broader social, environmental, and economic impacts, so that SOEs can act as agents of sustainable development (OECD, 2015; KNKG, 2021). In practice, this can be realised through the application of *environmental, social, and governance* (ESG) in investment policies, risk management, and social programmes implemented by SOEs, so that the success of SOEs is not only measured by financial indicators, but also by their contribution to public welfare (La Porta et al., 2000).

Strengthening the management and supervision of SOEs within the framework of GCG also requires a restructuring of the relationship between the state as owner and SOEs as corporate entities. The state must act as a professional owner, setting clear objectives and performance indicators, but not interfering in the day-to-day management of the company (OECD, 2015; KNKG, 2021). In this context, the Minister of SOEs is expected to play a greater role as a *shareholder representative* who safeguards the interests of the state, while the Board of Directors and Board of Commissioners/Supervisory Board are responsible for the management and supervision of SOEs in accordance with professional standards and GCG principles, thereby creating a balance between state control and corporate autonomy (Peng & Jiang, 2010).

Overall, the management and supervision of SOEs from a GCG perspective requires the integration of legal norms, institutional mechanisms, and organisational culture that support transparency, accountability, and professionalism. Strengthening the structure of management and supervisory bodies, strengthening the independence of external supervisory institutions, and restructuring the relationship between the state and SOEs are key to ensuring that SOEs can effectively and sustainably perform their dual functions as instruments of national development and profit-oriented economic entities. In this framework, GCG is not merely a normative framework, but a prerequisite for the creation of sound, efficient, and accountable SOE governance in the public eye.

### **Accountability and Legal Responsibility of State-Owned Enterprises as Development and Business Entities**

The accountability of SOEs must be understood as a legal and moral obligation to provide explanations and accountability for decisions, actions, and results produced in the management of state finances and assets. In this context, SOEs are not only accountable to the state as the owner of capital, but also to the public as beneficiaries of the public services and development functions carried out by SOEs (OECD, 2024; KNKG, 2021). The principle of accountability in *Good Corporate Governance* requires clarity in the functions, structure, and accountability systems of company organs, so that every decision can be traced and evaluated objectively (Theodora, 2020).

As entities that manage state finances, SOEs are at the intersection of public and private law regimes. On the one hand, SOEs are subject to state administrative law and the principle of public accountability, meaning that the use of the state budget and

assets must meet standards of transparency, efficiency, and compliance with government policy (Herwibowo, 2025; Law No. 17 of 2003 on State Finances). On the other hand, SOEs in the form of limited liability companies are also subject to limited liability company law, which emphasises corporate accountability to shareholders and other stakeholders through financial reporting mechanisms, independent audits, and information disclosure (Law No. 40 of 2007; Theodora, 2020). The tension between the two regimes often creates a grey area in the supervision and legal accountability of SOEs.

Within the framework of public accountability, SOEs are required to prepare financial statements and performance reports that can be audited by the Supreme Audit Agency (BPK) and submitted to the House of Representatives as the representative of the people. The BPK has the authority to audit the compliance, performance and finances of SOEs, and to submit the results of its audits to the DPR for follow-up, thereby creating a channel of political accountability for the use of state finances through SOEs (Busro, 2018; Law No. 19 of 2003). However, since the third revision of the SOE Law, the BPK's authority over SOEs has been limited to audits with specific objectives (PDTT), which, according to a number of observers, has the potential to weaken the function of public oversight and accountability of SOEs (ICW, 2025; Anggia, 2025).

In addition to public accountability, SOEs must also meet corporate accountability standards as stipulated in the Limited Liability Company Law and GCG guidelines. In this context, the Board of Directors and Board of Commissioners are responsible for ensuring that the company's strategic and operational decisions are made professionally, based on risk analysis, and do not harm the company or state shareholders (Theodora, 2020; Diansyah, 2025). The Board of Directors' legal liability can be civil (compensation for company losses) or criminal (if there are elements of corruption or other criminal acts), placing the Board of Directors in a position that is vulnerable to conflicts between discretionary authority and accountability demands (Theodora, 2020; Diansyah, 2025).

To protect the Board of Directors in making risky business decisions, Indonesian law adopts the *business judgement rule* (BJR) doctrine, which affirms that decisions made by the Board of Directors in good faith, based on adequate information, and in the interests of the company do not necessarily give rise to legal liability, as long as there is no violation of the law or corruption (Diansyah, 2025; Herwibowo, 2025). The application of BJR in SOEs is regulated in Article 97 paragraph (5) of the Limited Liability Company Law and Article 9F of the SOE Law, so that the Board of Directors is given the space to make strategic decisions without the threat of criminalisation, as long as they continue to comply with the principles of GCG and adequate risk management (Diansyah, 2025; Herwibowo, 2025). However, a number of studies show that the implementation of BJR in SOEs is still weak, so that the Board of Directors often

becomes the main target of legal accountability, while broader structures and policies are less affected.

The accountability of state-owned enterprises cannot be separated from the concept of *fiduciary duty* attached to the Board of Directors and Board of Commissioners. As the managers and supervisors of the company, the Board of Directors and Board of Commissioners are obliged to act in the best interests of the company and state shareholders, avoid conflicts of interest, and ensure that the decisions made do not harm state finances (Herwibowo, 2025; KNKG, 2021). In practice, breaches of *fiduciary duty* often form the basis for the legal accountability of the Board of Directors, especially when the company suffers losses as a result of irrational, non-transparent decisions or decisions involving conflicts of interest (Theodora, 2020; Diansyah, 2025).

As development entities, SOEs also have an obligation to fulfil *public service obligations* (PSOs), namely the obligation to provide strategic goods and services, maintain affordable prices, and support government policies in the field of development. These PSOs add to the complexity of SOE accountability, as decisions that are not commercially optimal can be justified by considerations of public interest, but must still be explained and accounted for transparently (Herwibowo, 2025; KNKG, 2021). In this context, SOEs are not only measured by their financial performance, but also by their contribution to equitable development, job creation, and strengthening the national industry, so that SOE accountability must include broader social and economic dimensions.

On the other hand, as profit-oriented business entities, SOEs must also meet strict corporate accountability standards, including accurate information disclosure, independent audits, and the application of *environmental, social, and governance* (ESG) principles. The Financial Services Authority (OJK) and capital market supervisory agencies require SOEs listed on the stock exchange to comply with transparency and information disclosure requirements so that investors and the public can objectively assess the company's performance and risks (OJK, 2021; KNKG, 2021). The application of ESG principles also requires SOEs to consider environmental, social, and governance impacts in every strategic decision, so that SOE accountability is not only financial but also ethical and sustainable (Megginson & Netter, 2001).

The latest revision of the State-Owned Enterprises Law, including Law No. 1 of 2025 concerning the Third Amendment to Law No. 19 of 2003, reaffirms the importance of accountability and transparency in the management of state-owned enterprises. This law strengthens the *business judgement rule* principle, clarifies the authority of SOE organs, and strengthens internal and external oversight mechanisms, thereby creating a balance between legal protection for directors and corporate accountability (Anggia, 2025; KNKG, 2021). However, a number of observers believe that the flexibility given to SOEs through super holding companies such as Danantara has the potential to pose

accountability risks if not balanced with adequate oversight mechanisms (Ansugi, 2025; ICW, 2025).

In practice, the legal accountability of SOEs often focuses on individual directors, while broader structures and policies are less scrutinised. Cases of corruption and state losses involving SOEs show that directors are often the main targets of legal accountability, while the roles of the Minister of SOEs, the Board of Commissioners, and other supervisory institutions are not comprehensively evaluated (Theodora, 2020; Diansyah, 2025). This situation calls for the strengthening of collective accountability mechanisms, whereby all SOE management and supervisory bodies are jointly responsible for strategic decisions, so that accountability is not concentrated on just one party.

A hybrid governance model that integrates the principles of public and corporate accountability can be a solution to overcome the duality of SOEs' roles as instruments of development and business entities. In this model, SOEs remain under state ownership but are managed professionally with strong GCG principles, so that strategic decisions can be made based on balanced business considerations and public interests (OECD, 2024; KNKG, 2021). Strengthening corporate accountability mechanisms, such as independent audits, audit committees, and information disclosure, must be combined with public accountability mechanisms, such as BPK audits, DPR supervision, and performance evaluations by the Ministry of SOEs, so that SOEs can carry out their dual functions effectively and sustainably (Megginson & Netter, 2001).

Overall, the accountability and legal responsibility of SOEs as development and business entities require the integration of public and private legal norms, strong oversight mechanisms, and an organisational culture that supports transparency and professionalism. Strengthening the *business judgement rule* principle, strengthening the role of the State Audit Agency (BPK) and the House of Representatives (DPR), and strengthening collective accountability mechanisms are key to ensuring that SOEs can effectively and sustainably perform their dual functions as instruments of national development and profit-oriented economic entities. In this framework, accountability is not merely a legal obligation, but a prerequisite for the creation of sound, efficient, and accountable SOE governance in the public eye.

## **Conclusion**

State-Owned Enterprise Law in the perspective of *Good Corporate Governance* shows that SOEs are in a strategic position as instruments of national development as well as profit-oriented economic entities, so that good governance is a prerequisite for the realisation of these dual functions. Regulations such as Law No. 19 of 2003 on SOEs and its derivative regulations have emphasised the importance of applying the principles of transparency, accountability, responsibility, independence, and fairness in the management and supervision of SOEs. However, the dual status of SOEs as state-

owned and commercial corporations creates tension between public and private legal regimes, so that consistent implementation of GCG in the field still faces various structural and cultural obstacles.

In terms of management and supervision, the structure of SOEs, which divides functions between the Minister of SOEs as the owner of state capital, the Board of Commissioners/Supervisory Board, and the Board of Directors, is formally in line with the principle of *separation of functions* in GCG. However, the practice of appointing organs, political intervention, and weak internal and external supervisory independence often hinder the optimisation of governance and the implementation of the " " thereby potentially giving rise to conflicts of interest, irregularities, and losses to the state. On the other hand, oversight by the State Audit Agency (BPK), the Financial Services Authority (OJK), the House of Representatives (DPR), and other supervisory institutions emphasises the importance of public and corporate accountability, although the latest revision of the SOE Law has sparked debate regarding the power and independence of supervisory institutions, particularly in relation to the authority of the BPK.

Overall, the accountability and legal responsibility of SOEs require the integration of public and private law norms, strong oversight mechanisms, and an organisational culture that supports transparency and professionalism. The principles of *the business judgement rule*, *fiduciary duty*, and the application of ESG standards are important instruments for protecting the Board of Directors in making risky business decisions, while ensuring that these decisions do not harm state finances and the public interest. Thus, strengthening SOE governance within the framework of GCG is not merely a legal obligation, but a prerequisite for creating healthy, efficient, and accountable SOEs in the public eye, enabling them to effectively and sustainably perform their dual function as instruments of national development and profit-oriented economic entities.

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