



Strategic Investment Reforms for Indonesia's Economic Growth in Relation to Danantara as an Investment Management Agency

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ABSTRACT

Objective – This research aims to obtain research results on Daya Anagata Nusantara in relation to strategic investment reforms for Indonesia's economic growth.

Methodology – The author uses normative research with the aim of obtaining analysis results based on legal rules, legal principles by analyzing problems with descriptive research.

Findings – The existence of Danantara as an Investment Management Agency (BPI) provides a new change in terms of national strategic investment management. The establishment of Danantara is a strategic investment reform that is expected to be able to maximize state assets as a form of directed investment based on strong law. The existence of Danantara can have a significant impact that can potentially increase the layers of hierarchy that can extend the bureaucratic process.

Novelty – By employing normative research grounded in legal rules and principles and applying it to the practical context of Danantara, the research offers a novel bridge between legal theory and real-world strategic investment reform in Indonesia. It likely explores *how* specific legal frameworks underpin and potentially shape the effectiveness of Danantara.

Keywords: *investment reform, Indonesian economic growth, Danantara*

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I. INTRODUCTION

Investment is a common thing to do with the hope of getting profits in the future. Investment activities are often carried out with an investment plan scheme where it has been determined regarding the expected returns through the capital spent. This can be done either independently, namely individuals to the national government level through various different methods and schemes. Based on how to assess macroeconomics, investment is said to be part of state income or commonly known as "Gross Domestic Product (GDP)."



With the country's income, GDP consists of consumption, investment, purchases made by the government, and exports or imports.¹

To be able to make national-scale investments, there are things that are needed to be able to influence. National-scale investment can be done by investing in domestic capital and foreign investment.² There are research results related to the significant influence of investment interest among which there are results that hypotheses related to knowledge have a significant effect on investment interest, the next thing is related to motivation has a significant effect on investment interest, then the reciprocity obtained from investment results also significantly affects investment interest and another thing that is a significant influence on investment interest is risk.³ Companies that can receive investment from investors must be publicly listed companies (Tbk). In general, BUMN have stable financial health because they get direct investment from the government so the possibility of going bankrupt is very small.⁴

With the investment results and profits obtained by BUMN will be distributed to investors and become state revenues.⁵ Currently the government has created an Investment Management Agency, namely Daya anagata Nusantara or abbreviated as Danantara. The existence of Danantara is a manifestation of the government's efforts to be able to maximize investment management as stipulated in Government Regulation of the Republic of Indonesia Number 10 of 2025 concerning Organization and Governance of the Daya anagata Nusantara Investment Management Agency. Thus, the author will conduct a comprehensive and in-depth research related to "Strategic Investment Reforms Towards Indonesia's Economic Growth Regarding Danantara as an Investment Management Agency."

Based on the background study, the problem formulation is: (1) How does the reform of strategic investment in Indonesia's economic growth relate to Danantara as an investment management agency? (2) What is the influence of Danantara on strategic investment reform in Indonesia's economic growth?

III. METHODOLOGY

The research method used as a guide by the author is normative research which has the aim of providing the results of analysis and finding Several things such as legal rules, legal principles, and legal doctrines with the intention of analyzing related legal issues.

The specification of this research uses descriptive research, which means that a study has the aim of providing a description through systematic stages of the object of research through methods that aim to get an overview of the problem under study.

The type of data used in this study is a type of secondary data consisting of: (1) Primary legal materials that have juridically binding force, which include: (a) Constitution of the Republic of Indonesia Year 1945, and (b) Government Regulation of the Republic of Indonesia Number 10 of 2025 concerning Organization and Governance of the Daya Anagata Nusantara; (2) Secondary legal materials are law books, journals, and articles related to the research being studied.

¹Rika, A. R., & Syaiah, S. (2022). The Effect of Risk Perception and Risk Tolerance on Investment Decisions (Case Study of Investors in MNC Trade Syariah Kendari). *Journal of Accounting and Finance*, 7(2), 91-107.

²Kambono, H., & Marpaung, E. I. (2020). The effect of foreign investment and domestic investment on the Indonesian economy. *Journal of Accounting*, 12(1), 137-145.

³Widati, S., Wulandari, E., & Putriliawati, A. (2022). Analysis of the Effect of Investment Knowledge, Investment Motivation, Investment Return and Investment Risk on Student Interest in Investing in the Capital Market. *National Seminar on Tourism and Entrepreneurship (SNPK)*, 1, 483-491.

⁴Agustin, G., Sari, M. R., Lestari, M. T., & Faramitha, T. R. (2022). *Theory and realization of investment in Indonesia*. Samudra Biru.

⁵Paningrum, D. (2022). *Capital market investment reference book*. Chakra Brahmana Lentera Institute.



IV. RESULTS AND DISCUSSION

How does strategic investment reform for Indonesia's economic growth relate to Danantara as an investment management agency?

The existence of Danantara as an Investment Management Agency (BPI) provides a new change in terms of national strategic investment management. Listed in Article 1 paragraph (3) of Government Regulation of the Republic of Indonesia Number 10 of 2025 concerning Organization and Governance of Daya Anagata Nusantara, explains that: “Badan Pengelola Investasi Daya Anagata Nusantara, hereinafter referred to as Badan, is an agency that carries out government duties in the field of BUMN management as stipulated in the Law on BUMN.”

In carrying out its duties and authorities, Danantara is tasked with the management of BUMN, which in carrying out its duties, the Danantara body has the authority to:

- (a) Managing dividends Holding investment, dividends Holding BUMN operations and dividends;
- (b) Approve the addition and/or reduction of capital participation in BUMN sourced from dividend management;
- (c) Together with the minister, establish investment *holding* and *Holding* operational;
- (d) Together with the minister, approve the proposal for write-off and/or write-off of BUMN assets proposed by the Investment *Holding* or Operational *Holding*;
- (e) Make loans, receive loans, and pledge assets with the approval of the President;
- (f) To ratify and consult with the organs of the House of Representatives in charge of BUMN on the Work Plan and Budget of the Investment *Holding* Company and Operational Holding.”

The definitions of Investment Holding and Operational Holding are listed in Article 1 paragraph (6) and (7) of Government Regulation of the Republic of Indonesia Number 10 of 2025 concerning Organization and Governance of the Daya Anagata Nusantara, which explains that: “Investment Holding is an BUMN whose entire capital is owned by the Republic of Indonesia and an Agency that has the task of managing dividends and/or empowering BUMN assets as well as other tasks determined by the Minister and/or Agency.”

Article 1 paragraph (7) explains: “Operational Holding is an BUMN whose entire capital is owned by the Republic of Indonesia and an agency that has the task of supervising the operational activities of BUMN and other business activities.”

The establishment of Danantara is a strategic investment reform that is expected to maximize state assets as a form of directed investment based on strong laws. Danantara is also a concrete manifestation of the provisions contained in Article 33 of the 1945 Constitution which states: “The economy is structured as a joint effort based on the principle of kinship and the national economy is organized based on economic democracy with the principles of togetherness, equitable efficiency, sustainability, environmental insight, independence, and by maintaining a balance of progress and national economic unity.”

Based on the explanation above, the application of Danantara is a real principle that puts the state as the main actor in developing the national economy which aims to provide welfare for the community.⁶ Danantara has a strategic role in legal instruments that are useful for providing an increase in capital allocation and accelerating economic growth through investment in priority sectors. In addition, BUMN are also required by the state to be able to control branches of production that are in accordance with the interests of the community at large by paying attention to the welfare of the people. As with the management of The land, water and natural resources are used and managed by BUMN to provide prosperity for the

⁶Soesilo, N. I. (2021). Advocacy Coalition Framework of Ultra Micro Loan Policymaking in Indonesia. *Shirkah: Journal of Economics and Business*, 6(1), 115-136.



wider community.⁷ BUMN are the main representatives in improving national development, which certainly has a role in encouraging national economic growth and in terms of increasing global competitiveness.⁸ Based on this, BUMN are also useful as drivers of the national economy, where great capabilities possessed by BUMN make the basis for the government together with the DPR to revise Law Number 19 of 2003,⁹ which the main point of the revision is that the government formed a strategic investment management institution, the Daya Anagata Nusantara Investment Management Agency or commonly referred to as BPI Danantara. The main focus of the establishment of Danantara is the management of investment funds through the *Sovereign Wealth Fund* which is useful to encourage the improvement of the national economy, infrastructure development and strategically located investments in important sectors such as technology, as well as other industries.

Danantara's responsibility in managing the country's investment is aimed at providing cooperation between State-Owned Enterprises and attracting foreign investment in order to increase growth. Indonesia's competitiveness in the global economy. Investment management through Danantara is a professional investment management that can create national economic growth by reducing attachment to conventional financing. Therefore, Danantara does not only cover financial benefits, but also considers the *Sustainability Principle* in making investment decisions. The existence of Danantara still takes into account the principle of legal accountability, which is a guarantee of compliance with the law and other regulations that are required for the use of public funds. With the application of this principle, Danantara can provide legal responsibility for the management of investments made by the Agency and not create problems of interest that will occur in the future. However, in addition to the positive capabilities of Danantara as described above, the establishment of the Danantara Investment Management Agency also faces legal and economic challenges.¹⁰ Taking into account the positive capabilities and challenges faced by Danantara, the establishment of Danantara as a financial BUMN *Holding* can provide progress in strengthening national economic competitiveness based on strong laws.

How does Danantara influence strategic investment reform in Indonesia's economic growth?

Indonesia's economic growth has been pursued through various means, in the era of the government led by former President of Indonesia Mr. Joko Widodo, investment law reform was marked by A series of issuance, amendment, and elimination of regulations deemed to hinder investment reform.¹¹ When the new President took office, an investment strategy was implemented, namely the Danantara Investment Management Agency, which is a useful effort to restore performance in managing state assets.¹² However, the implementation of Danantara emerged when the government was dealing with various problems related to policies that contained many pros and cons. The implementation of Danantara has various positive and negative responses given by the public.

Basically, Danantara has a positive goal of strengthening the governance of state assets originating from state-owned companies in order to create transparency and be as coordinated as possible, where each

⁷Aprilia, Z. Z. (2020). Design of Information System for Performance Assessment of Project Coordinator of PT Atrium Propugnatorum Teknika. *Journal of Business Administration*, 16(1), 86-102.

⁸Chairunnisa, R & Irawan, F. (2020). Analysis of Entity Value after the Implementation of Financial Technology by PT Bank Negara Indonesia (Persero) Tbk. *Sustainability: Journal of Management and Journal of Accounting*, 5(2), 105-116.

⁹Hintoro, S & Wijaya, A. F. (2021). Competitive Strategy Analysis at Biznet Branch Salatiga Using Porter's Five Forces. *Journal of Information Systems Management Economics*, 2(6), 729-738.

¹⁰Sunaryo, D. (2021). *Investment and portfolio management*. Qiara Media Publisher.

¹¹Sutrisno, N., & Poerana, S. A. (2020). Legal Reform and Foreign Investment Realization in the Era of President Joko Widodo. *Undang: Journal of Law*, 3(2), 237-266.

¹²Sarwedi, S. (2002). Foreign Direct Investment in Indonesia and its Influencing Factors. *Journal of Accounting and Finance*, 4(1), 17-35.



company will contain a *Holding Company* by appointing a board of commissioners and directors or directly supervising the board of commissioners and board of directors. However, the existence of Danantara can have a significant influence that can potentially increase the layers of hierarchy that can prolong the bureaucratic process.¹³

That after the establishment of Danantara, some of the main challenges that can occur after the enactment of Danantara in Indonesia are the vulnerability of Danantara to abuse of authority, where *governance* of Danantara must be ensured to run well so that there are no problems with abuse of authority. Where, Danantara must provide transparency and accountability. Accountability in terms of managing state assets. This is a crucial issue that must be considered after Danantara is enacted. Furthermore, Danantara can potentially become an investment instrument that only provides benefits to certain parties rather than its original purpose, namely the national interest. Thus, the enactment of Danantara must pay attention to the applicable legal provisions while still applying transparency and accountability in its implementation.¹⁴

In addition, the existence of Danantara can also be risky, where the agency will manage state assets reaching 900 billion US dollars or the equivalent of IDR 14,648 trillion which gives Danantara the 4th largest in the world as a *Sovereign Wealth Fund*, but if the management of state assets is carried out in the wrong way, it can potentially not increase or economic growth in Indonesia which can result in many national strategic projects not running properly.

That with due regard to investment law in Indonesia, the implementation of Danantara must refer to the principle of legality stated in Law No. 1 of 2025, which is the juridical basis for the establishment of Danantara. The provision of the principle of legality aims to provide legal certainty in every policy related to the investment taken. This is done to avoid making decisions on the management of state assets that may conflict with applicable law.¹⁵ Basically, the principle of legality also has a relationship with the principle of *Fiduciary Duty*, which is a management of the state's investments that has responsibility for every action it takes, in order to safeguard the public interest.

V. CONCLUSION

The existence of Danantara as an Investment Management Agency (BPI) provides a new breakthrough in Indonesia, especially in relation to strategic investment reforms where the aim to maximize state assets managed to be reinvested in a more directed manner based on applicable law. Danantara is a reflection of national goals by becoming a legal instrument that has a strategic role in efforts to increase the effectiveness of capital allocation as a form of effort to accelerate economic growth in Indonesia.

Danantara exerts significant influence that has the potential to increase the hierarchy of bureaucracy. Along with the existence of Danantara, there are several key challenges that are likely to occur after the operation of Danantara. With a large amount of fund management, Danantara is expected to be able to realize the ideals of accelerating economic growth through investments made by the government. Optimal utilization of resources is considered to be influential in innovation, infrastructure development which can be an optimal step in managing state assets.

¹³Untung, H. B. (2024). Investment Law. Sinar Grafika.

¹⁴Mahadiansar, Setiawan, R., Darmawan, E., & Kurnianingsih, F. (2021). The Reality of Foreign Direct Investment Development in Indonesia in 2019. Matra Pembaruan: Journal of Policy Innovation 5(1), 65-75.

¹⁵Navisa, F. D. (2023). Mitigating Political Risk in Direct Investment. Thalibul Ilmi Publishing & Education.



Suggestions

The urgency related to Danantara is not needed at this time due to the risks that the government must face and will have a negative impact on society if it does not work as expected. Danantara aims to make investments using dividends from state-owned companies, but as it is known that investment itself does not always go well, so for now it is not appropriate to make investments because the risks are so great. The government should prioritize the availability of jobs, rather than making investments that use dividends from state-owned companies.

The government should focus more on small and medium enterprises first by providing capital distribution through requirements that have been met by the community. The government can create small and medium enterprises education or training so that people can create their own small and medium enterprises. If these small and medium enterprises develop and advance, then the community can be more prosperous and prosperous so that it will reduce poverty because the average income will increase and money will also rotate in the community. Furthermore, if all small and medium enterprises can run well, the community is prosperous, and finances in the community are getting better, then the government can impose Danantara with careful consideration.

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