

The Effect of Government Policy on SOE Investment Strategies in the Development of National Infrastructure on Toll Roads (Review of Law no. 25 of 2004 Concerning the National Development System)

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Abstract

The policy direction National Development is carried out based on democracy with the principles of togetherness, justice, sustainability, environmental insight, and independence by maintaining balanced progress and national unity until the presence of law No. 25 of 2004 expected as a basis for determining the direction of investment infrastructure development policies carried out by state-owned companies, state-owned companies as institutions regulated by Law No. 19 of 2003 About State-Owned Enterprises as a business entity whose capital is wholly or primarily owned by the state through direct participation originating from separated state assets. Most state-owned companies invest in infrastructure development in Indonesia such as toll roads, it is proven that several state-owned companies are involved in the proven direction of infrastructure development policies targeting toll roads, and currently business king toll roads are controlled by State-Owned Enterprises (BUMN), namely PT Jasa Marga (PERSERO) TBK, development investments made by state-owned companies to support the policy direction of President Joko Widodo's government regarding infrastructure development such as toll roads in order to increase investment competitiveness and support sustainable economic growth, but unfortunately the construction of various toll road sections does not look at the long-term profit side of investment where the government through its state-owned companies issues policies related to the sale of toll road sections as an investment, even though on the other hand it is actually a sale to cover the debt burden in the BUMN financial balance sheet.

Keywords: *Influence of Government Policy, State-Owned Investment, Law No. 25 of 2004.*

INTRODUCTION

Realizing the importance of the position of BUMN in the national economy, the Ministry of BUMN, as the authorized ministry tasked with carrying out the function of state ownership of BUMN, has several company management strategies to improve and optimize the performance of BUMN. The Ministry of BUMN currently manages 119 BUMN spread across Indonesia. It operates in various business sectors, including plantations, pharmaceuticals, energy, logistics, industrial areas, tourism, strategic industries, mining, media, ports, transportation, banking, insurance, construction, and other sectors that are all around us.

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Just mention the names of several BUMNs such as Pertamina, PLN, Telkom, Jasa Marga, Kimia Farma, Krakatau Steel, Bank Mandiri, BRI, BNI, BTN, Perumnas, Adhi Karya, Wijaya Karya and so on. Some BUMNs are closely related to community travel activities, such as Damri, PPD, Kereta Api, Garuda Indonesia, Angkasa Pura I and II, which manage airports, Indonesian Harbors I to IV, and others. Of the 119 existing BUMNs, 20 have gone public on the Indonesia Stock Exchange and control 26.35 percent of market capitalization, according to data from the Financial Services Authority (OJK).

The Ministry of BUMN, which has reached 17 years of age, will continue to carry out various BUMN development strategies in the form of restructuring, expansion, holding, and other corporate actions that are believed to improve BUMN's performance. Holding is needed to make BUMN business efficient currently in Indonesia. The 25 largest state-owned companies alone have contributed around 90 percent of the 119 existing companies' assets, equity, and net profit. Indonesia's economic growth of 4.73 percent as of September 2015 is still far from expectations, mainly because Indonesia needs growth. At least 7 percent so that it can become a developed country by 2025. By embracing the spirit of acceleration, the Indonesian government has made several efforts to encourage investment in infrastructure-related sectors.

Improvements in regulations, fiscal, and institutions have been made to encourage achievement milestones and priority projects. Currently, the government is issuing various policies related to development in the social, health, economic, and infrastructure development sectors; one of the policies taken by the government is to improve various sectors in national development efforts. Infrastructure development has been proven to have a multiplier effect on a country's economy. Country. These effects include improving the investment climate, increasing industrialization, promoting the tourism sector, and speeding up the distribution process, which improves the supply chain. Realizing the importance of infrastructure development, the government, through the Ministry of State-Owned Enterprises (KBUMN), the Development Financing Coordination Forum through Financial Markets (FKP3K), 14 (fourteen) BUMNs, and investors agreed to sign an investment cooperation for Infrastructure, State-Owned Enterprises (BUMN) Indonesia plays an increasingly important role in the Indonesian economy, contributing to the welfare of society. This occurs because of the transformation carried out by BUMN in the infrastructure sector.

According to the American Public Works Association (Stone, 1974 in Kodoatie, R.J. 2005), infrastructure is physical facilities developed by public agents for government functions to provide water, electricity, construction waste, transportation, and similar services to facilitate social and economic objectives. So, infrastructure is a physical system needed to meet basic human needs in the social and economic spheres. With the presence of law no. 25 of 2004 as the basis for the state to build and guarantee implementation and to ensure that development activities run effectively, efficiently, and patiently, then national development planning is needed. Several achievements in the performance of BUMN that can bring happiness, such as the construction of the first toll road over the sea, the result of collaboration between several BUMN, the workers' hospital, the result of collaboration between Jamsostek, Pelni and KBN, Biofarma's work as a supplier of polio vaccines used in more than 100 countries, development photovoltaic (solar cell) factory developed by LEN Industri, and many more.

In the early days of the Joko Widodo (Jokowi) government, infrastructure was one of the main things of concern. Minister of Finance Sri Mulyani explained that as an emerging market, Indonesia had a serious infrastructure gap at that time. There is no longer an argument about the importance of infrastructure because a country needs to build, but the question is how to build 128 National Strategic Projects. On the other hand, the toll road business is also profitable. There are several players in this line of business. However, those still the kings of the toll business are State-Owned Enterprises (BUMN), namely PT Jasa Marga (Persero) Tbk.

Toll roads are one of the infrastructure development policies that have been most widely built by President Jokowi's government, apart from also being a form of food security, because infrastructure development can encourage increased economic growth and reduce inequality, and can be used as an instrument to reduce poverty, thereby developing infrastructure. Has become a top priority in policy in various countries (Calderon & Serven, 2014). On the other hand, infrastructure can also absorb most of the fiscal stimulus deployed amidst the global crisis in 2007-2008.

On average, 40 percent of government spending in several developing countries is for infrastructure spending, while for developed countries, it is only 21 percent (International Labor Organization, 2011). Infrastructure performance, with its various variables, generally has a positive impact on the economy in Indonesia. (Widayati, 2010) found that infrastructure has a significant effect on productivity. Each infrastructure has a different impact. Long road infrastructure has a significant influence over other infrastructure on Java (clean water, electricity, telephone).

SOEs as development agents have a strategic role as agents of development to support the realization of government programs. This is in line with the mandate of Law Number 19/2003 concerning State-Owned Enterprises regarding the critical role of BUMN in the national economy to realize community welfare. Philosophically, BUMN was born to implement the state's obligation to provide welfare to the people.

Building a solid economic structure through healthy and ethical business is one way to achieve prosperity. The state can only carry out business activities indirectly. Therefore, BUMN is the right choice for the state to provide welfare to its people by placing state capital in it (Muchayat, 2010), with number of BUMN as many as 118 in 2016 and in all industrial sectors both open (listed) or closed, the potential for BUMN to make a maximum contribution to the country is enormous. This is supported by the condition of Indonesia, which has a huge population and resources and a very potential economic market. In 2016, total assets owned by BUMN reached IDR 6,469 trillion, an increase of 12% from 2015, with total equity reaching IDR 2,226 trillion or an increase of 14% from 2015. This BUMN equity represents the value of the government's permanent investment recorded in the Central Government Financial Report, which, in the last 2 (two) years of President Joko Widodo's administration, experienced a very significant increase, namely 205%. However, this also contributed to asset revaluation.

The availability of infrastructure is a vital aspect in accelerating the national development process in various fields. Every year, the government allocates an investment financing budget or National Capital Participation (PMN) to State-Owned Enterprises (BUMN). Based on data from the 2023 RAPBN Financial Note 2018, investment financing or PMN to BUMN amounted to IDR 3.6 trillion. BUMN has demonstrated a strategic role in infrastructure development, including building toll roads, several airports/ports, railway lines/stations, implementing the 35-gigawatt program, and creating fuel prices

In Papua, like the island of Java, the Indonesian government has initiated several large infrastructure projects in recent years, both in the transportation, energy, and other sectors.

In the era of President Joko Widodo's administration, infrastructure development has accelerated with the release of the State Revenue and Expenditure Budget (APBN), which disbursed funds amounting to IDR 176.3 trillion for spending which came out in the form of investment. About 48.5% of the total funds, or almost half of IDR 85.3 trillion, were disbursed to finance infrastructure projects. Of the IDR 176.3 trillion, IDR 85.3 trillion, or around 48.5%, will support the infrastructure cluster. Government assignments to BUMN for Indonesia's infrastructure development could burden the 2024 APBN. This is as revealed in the Financial Note Book along with the RAPBN 2024.

Considering the limitations of the APBN, President Jokowi has issued Presidential Regulation Number 38 of 2015 concerning Government Cooperation with Business Entities in Providing Infrastructure. This presidential regulation provides an alternative funding option and an excellent space for business entities to participate in development.

The basis for the establishment of Presidential Decree 38 of 2015 is that the availability of adequate and sustainable infrastructure is an urgent need to support the implementation of national development to improve the national economy, improve the welfare of society, and increase Indonesia's competitiveness in global competition. Apart from that, to accelerate infrastructure development, it is necessary to take comprehensive steps to create an investment climate to encourage the participation of business entities in providing infrastructure and services based on sound business principles. Furthermore, to encourage and increase cooperation between the government and business entities in providing infrastructure and social services, regulations are needed to reasonably protect and safeguard the interests of consumers, society, and business entities.

The book states that in 2024, infrastructure BUMN will experience an increase in risks from increasing geopolitical tensions, persistent global inflation, and the continued strengthening of the US dollar. Government investment is the placement of several funds and/or goods by the central government in the long term for investment in the purchase of securities and direct investment, which can return the principal value plus economic benefits, social, and/or other benefits within a certain period.

One of the goals of the government's efforts to build infrastructure is to reduce logistics costs and increase connectivity between regions. Apart from physically supporting development, BUMN is also trying to encourage infrastructure development by participating in financing. Through the BUMN Fund scheme established by BUMN, the Ministry of BUMN believes that national development can be accelerated to strengthen the economy. This scheme will likely be a solution for more organized infrastructure funding and optimizing the management of BUMN funds by investing in projects and portfolios. BUMNs with assets that have reached IDR 7,200 trillion have significant investment potential. BUMN has also invested in commercial national strategic projects. In 2016, the breakthrough made by BUMN, in this case, BUMN Contractors and Toll Roads, was also to break the deadlock in taking over several infrastructure projects that had been stalled, such as the Trans Sumatra and Trans Java toll roads. This breakthrough can explore the realization of toll road construction so that 342 kilometers of new toll roads are ready to operate in 2017. This achievement will also complement the new toll road section, which was operated in 2015-2016 with a length of 171 kilometers, so that the length of toll roads operated by BUMN by the end of 2017 reaches 568 kilometers, with a target length of toll roads operated by BUMN by the end of 2019 reaching 2,048 kilometers.

The breakthrough in developing toll road infrastructure cannot be separated from the contribution of BUMN. Banking has also significantly provided financial support, especially to BUMN, which implements various infrastructure projects.

Investment policy, also called the capital budgeting decision, is related to long-term investments that should be made, either in the form of tangible assets or intangible assets; this is the most critical policy for policy management (Haryadi, 2016). There are various government policies to even out investment in Indonesia. An explanation regarding investment itself is contained in Law Number 25 of 2007 concerning Capital Investment. According to these regulations, investment is also called capital investment.

The definition of investment is all forms of investment activities, both by domestic and foreign investors, to conduct business in Indonesia. Apart from that, development carried out by the government aims to create a just and prosperous society that is materially and spiritually equitable based on Pancasila and The 1945 Constitution in the framework of

the Unitary State of the Republic of Indonesia, which is independent, sovereign, united and sovereign of the people in an atmosphere of safe and prosperous national life.

The implementation of these goals is to increase national economic growth, create jobs, increase sustainable economic development, and increase the competitiveness of the national business world. Investment is the center of sustainable growth and development. Under the right conditions, foreign investment can increase recipient countries' production capacity and economic growth potential, encourage job creation and improve living standards, enable the transfer of technology and knowledge, and spur domestic investment, including creating relationships with local suppliers. Building a business overseas allows a company to access resources and specialize or divide production according to the comparative advantages of the investment location, thereby lowering production costs and expanding potential markets for products and services.

On the other hand, foreign investment can also have negative impacts, primarily if good business behavior practices are not implemented. To gain significant benefits from the potential of foreign investment coming into the country, the government is trying to promote and facilitate incoming investment, which they hope will provide economic benefits, by increasingly focusing on sustainable and accountable investment. Related to the National Strategic Project (PSN). Based on Coordinating Minister for Economic Affairs Regulation number 21 of 2022, several priority programs total 210 PSN. The investment requirement for all PSN is around IDR 5,746.4 trillion.

Considering the limited APBN funds, the government is encouraging PSN financing by other parties. Apart from local governments, the private sector is also mentioned. One is through a government and business entity cooperation scheme (KPBU). Divided into 67.5% from the private sector, 19.7% from BUMN/BUMD, and 12.8% APBN/APBD, the 210 PSNs are divided into 45 projects in North Sumatra worth IDR 834.2 trillion, 83 projects and one program in IDR 2,027.2 trillion, 13 projects in Kalimantan IDR 238.1 trillion, 18 projects in Bali and Nusa Tenggara IDR 45.5 trillion, 25 projects in Sulawesi with a value of IDR 352.5 trillion, 15 projects in Maluku and Papua with a value of IDR 596, 7 trillion, as well as 11 projects and 11 national programs with a value of IDR 1,652.4 trillion. The government is targeting 210 projects and 12 programs to be completed in 2024 with an estimated total investment value of IDR 5,746.4 trillion. As of July 2023, 158 PSNs have been completed with an investment value of IDR 1,102.7 trillion. Specifically for 2023, the target is for 30 PSNs to be completed with a budget of IDR 288 trillion. As of July 11, 2023, five PSNs have been completed, including the Cileunyi-Sumedang-Dawuan (Cisumdawu) toll road. The impact of completing this PSN, said Coordinating Minister Airlangga, is quite large for the community's economy. The development of infrastructure PSN, for example, reduces logistics costs, increases competitiveness, and aims to equalize development for social justice. Apart from that, PSN is also related to state needs and productivity, ultimately oriented towards employment needs.

Based on Law Number 25 of 2004 concerning the National Development Planning System (UU 25/2004), it is the legal basis for implementing development planning in Indonesia, including in policy efforts towards infrastructure development carried out by the government through state-owned companies. In October 2004, Law 25/2004 was passed. This law establishes a national development planning system, a unified national development planning procedure to produce long-term, medium-term, and annual development plans implemented by all elements of government both at the center and in the regions by involving the community. With this law, it is hoped that there will be coordination between development actors and the creation of integration, synchronization, and synergy between regions, spaces, times, and government functions, both central and regional. In the future, Law 25/2004 is expected to guarantee consistency and optimization between planning, budgeting, implementation, and supervision in the

planning process. National long-term development is stipulated in Law No. 17 of 2007 concerning the National Long-Term Development Plan 2005 – 2025, which is then translated into the National Medium-Term Development Plan (RPJMN).

The RPJMN, which has now reached the third stage, is directed at preparing the take-off process towards an independent, advanced, just, and prosperous Indonesian society, namely by strengthening comprehensive development in various fields by emphasizing the achievement of competitive competitiveness and an economy based on resource excellence. Quality natural and human resources, as well as scientific and technological capabilities, continue to increase.

Road infrastructure development is directed to support the development of 10 Strategic Activity Development Centers (PKSN). Road construction is also directed to support the development of underdeveloped areas by providing road infrastructure and increasing accessibility according to minimum service standards that connect underdeveloped areas with growth centers. Infrastructure development, including roads, is prioritized to accelerate development, so it is not surprising that under President Joko Widodo's leadership, he has aggressively voiced and implemented the development of toll road infrastructure, Law of the Republic of Indonesia Number 25 of 2004 concerning the National Development Planning System (SPPN) Article 4 paragraph (2) stated that the National Medium Term Development Plan (RPJMN) is an elaboration of the President's vision, mission and programs whose preparation is guided by the National Long Term Development Plan (RPJPN), which contains national development strategies, general policies, ministry/agency and cross-ministerial programs /institutional, regional and cross-regional, as well as a macroeconomic framework that includes a comprehensive picture of the economy including the direction of fiscal policy in the work plan in the form of a regulatory framework and an indicative funding framework. The Road Implementation Program Vision for the 2015 - 2019 development period is the "Realization of a reliable, integrated, and sustainable road network system throughout the national territory to support economic growth and social welfare.

METHOD

This research was conducted using a normative juridical approach, namely legal research, often called library research. This research was carried out by prioritizing research on library materials or what is called secondary data and how it is implemented in practice (Ronny Hanitijo Soemitro, 1990)

RESULT AND DISCUSSION

History records that State-Owned Enterprises (BUMN) have a significant role in national development, such as contributing dividends to the state and building the people's economy. Jokowi JK's government is committed to increasing the contribution of state companies to development, including boosting infrastructure development to support the economy.

THE development of the Indonesian economy cannot be separated from the role of BUMN. In general conception, BUMN has an essential role in national development, both in the form of dividend and tax contributions to the APBN and as agents of development, including employment.

Development of regulatory improvements to support infrastructure projects, Starting from various efforts to improve regulations carried out by the Indonesian government during 2015 to create a climate for accelerated infrastructure provision in Indonesia, the government has issued 8 economic policy packages from 9 September 2015 to 21 December 2015. These eight economic packages aim to reorganize Indonesian

regulations that hinder economic growth (deregulation), reorganize Indonesia's bureaucracy, and provide convenience initiatives to make Indonesia's investment and economic climate conducive and stronger. The following explains each Economic Policy Package and its positive impacts. What is expected is as follows:

Economic Policy Package I

Deregulation of 165 regulations, speeding up licensing bureaucracy related to land acquisition and other permits for infrastructure projects, strengthening legal certainty for land ownership, and clarifying procedures and completeness of documents required in licensing procedures.

Economic Policy Package II

Simplify services in granting investment permits in industrial areas, reducing the time required to process them tax allowance and tax holidays, and eliminating VAT levies on means of transportation.

Economic Policy Package III

Reducing fuel, gas, and introductory electricity rates for industry and simplifying land permits for investment purposes.

Economic Policy Package IV

Improving the employment and income systems, which increase yearly, and providing policies for People's Business Credit (KUR) that are broader and more affordable.

Economic Policy Package V

Providing incentives through tax relief and revaluation of corporate and BUMN assets and individuals to create a more transparent and efficient economic and investment system.

Economic Policy Package VI

Providing incentives through ease of investment in KEK areas, water resource regulations, and fast licensing processes (paperless).

Economic Policy Package VII

Providing relief to labor-intensive industries, where PPh 21 is borne by the company.

Economic Policy Package VIII

The One Map policy accelerates the development of domestic oil refineries and provides incentives for maintenance service companies. The government continues to encourage infrastructure development that can answer several problems in the country, including maintaining the momentum of sustainable economic growth. Apart from using the capacity of the State Revenue and Expenditure Budget (APBN), the government also encourages State-Owned Enterprises (BUMN) to build infrastructure.

BUMN is one way for the government to remember that the total funding needed for infrastructure development exceeds IDR 1,000 trillion. While the state budget has limited capacity and cannot be a mere instrument, several state-owned companies were appointed to accelerate infrastructure development on toll roads; infrastructure projects have always been touted as the regime's flagship program. Over the past seven years, President Jokowi claims to have succeeded in building 1,900 kilometers of toll roads in Indonesia - far more than the construction over the last 40 years, which was only 780 kilometers.

Freeway roads are also one of the selling points in each of its policy products. Massive infrastructure development that spread throughout Indonesia was initiated to ensure guaranteed availability of infrastructure so that it could be a leap for Indonesia to become

a developed country while simultaneously escaping the traps of being a country. Just develop a "middle-income trap".

Several large infrastructure projects that are being or will soon be built in Indonesia include:

1. Trans Sumatra Toll Road: this toll road will stretch from Aceh to Lampung, totaling around 2,818 km. This project aims to accelerate connectivity between the islands of Sumatra and improve transportation and trade in the region.

2. Jakarta-Bandung Fast Train Project: the fast train connecting Jakarta with Bandung has a maximum speed of 350 km/hour and a total length of around 142 km. This project is expected to improve connectivity between the two main cities in Indonesia and increase mobility and economic growth in the Jabodetabek and West Java regions. 3. The largest Solar Power Plant (PLTS) project in Indonesia in Sorong, West Papua, has a capacity of 800 megawatts. It is expected to supply electricity to West Papua and eastern Indonesia.

3. Trans Kalimantan Gas Pipeline Network Development Project: this project aims to increase access to cheaper and environmentally friendly energy in Kalimantan by connecting the gas terminal in Muara Teweh, Central Kalimantan, to cities and industries in East Kalimantan and Kalimantan North

4. Development of Patimban Port: this port will be Indonesia's most significant new port, with a total capacity of around 7 million twenty-foot equivalent units (TEU). This port is expected to reduce the density of the Tanjung Priok port in Jakarta and increase connectivity and trade in the West Java region. Apart from these large projects, the Indonesian government is also building infrastructure projects in various other sectors, such as toll roads, airports, ports, and electricity. It is hoped that adequate infrastructure development can increase Indonesia's connectivity, mobility, and economic growth. Currently, toll roads are a form of development planning by Joko Widodo's government. It must be acknowledged that Toll roads are one of the vital facilities needed to increase the industrial efficiency of an economy. When a country's economy relies on land transportation, transportation facilities in the form of roads, especially toll roads, will encourage the creation of economic efficiency in it. Just for your information, there is an area of 1.8 million km² of land area in Indonesia (Batam Chamber of Commerce in Basuki et al., 2009). In Article 43 of Law of the Republic of Indonesia (UURI) No.38 of 2004 concerning Roads, it is stated that toll roads are organized for: 1. .simplify traffic in developed areas; 2. increase the efficiency and efficiency of goods and services distribution services to support increased economic growth; 3. reduce the burden on government funds through road user participation; and 4. increasing the distribution of development results and justice

Referring to Law (UU) Number 17 of 2007 concerning the 2005-2025 National Long Term Development Plan (RPJP), there are 4 stages of implementation of the 5 year National Medium Term Development Plan (RPJMN). Each period in the RPJMN has a different theme or priority scale. For the 2020-2024 RPJMN or the 4th RPJM, the theme is "Middle - High Income Indonesia that is Prosperous, Fair and Sustainable. Government policy prioritizing infrastructure development programs is considered an effective and appropriate step to encourage increased economic activity in the real sector. With the rise of construction industry activities, infrastructure development can accelerate. The impact will be a multiplier effect, closely related to job creation and the provision of infrastructure supporting the people's economy. In connection with economic development and efficiency, toll roads, a form of road infrastructure, strongly support economic growth and industrial efficiency. Hirschman put forward an unbalanced development strategy that emphasizes the need for which projects must take priority so that optimal development can be created (Arsyad, 1999)

Several policies and strategies must refer to the mission and direction of national development policy.

- 1) The Development Agenda strengthens economic resilience for quality and equitable growth by increasing innovation and investment quality. This is the principal capital to encourage higher, sustainable, and prosperous economic growth fairly and equitably through infrastructure development from various elements of BUMN, BUMD, and the private sector in synergy.
- 2) Development Agenda 2 is Developing Regions to Reduce Gaps and Ensure Equity to increase economic growth and Fulfilling Essential services by harmonizing development plans and space utilization.
- 3) Development Agenda 3 is increasing quality and competitive human resources because humans are the principal capital for national development towards inclusive and equitable development in all regions. Improving the quality and competitiveness of human resources, namely, people who are healthy and intelligent, adaptive, innovative, skilled, and have a character that increases productivity and competitiveness.
- 4) Development Agenda 5, namely Strengthening Infrastructure to Support Economic Development and Basic Services to support economic activity and encourage equitable national development

In the Financial Note for the 2022 State Revenue and Expenditure Budget, infrastructure development is one of the seven National Priorities outlined in the 2022 Government Work Plan, namely the Fifth National Priority, "Strengthening Infrastructure to Support Economic Development and Basic Services

In the 2019-2021 period the value continues to increase significantly, until the 2022 outlook the financing decreased as seen in the graph. As for according to 2023 RAPBN Financial Note, government investment in BUMN during the 2018-2022 period has produced a number of results, namely:

- Construction of the Trans Java toll road project (Pejagan–Pemalang, Solo–Ngawi, Ngawi–Kertosono);
- Construction of the Trans Sumatra toll road (Medan–Binjai, Palembang–Indralaya, Bakauheni–Terbanggi Besar, and Terbanggi Besar–Kayu Agung toll roads);
- Capacity development of Terminal 3 Ultimate at Soekarno-Hatta International Airport;
- Construction of power plants in Musi Banyuasin, South Sumatra and Kendari, Southeast Sulawesi;
- Development of electricity infrastructure, such as 315 generating projects, 378 transmission and substation projects, as well as 39 distribution projects spread throughout Indonesia;
- Construction of the Jabodetabek Light Rail Transit (LRT) project; And
- Development of port facilities and infrastructure in the Eastern Indonesia region, including the Ports of Bitung, Kendari, Tarakan, Sorong, Merauke, Manokwari, Jayapura, Ternate and Ambon.

Most of the PMN to BUMN is directed at strengthening national connectivity in order to achieve balanced development, accelerating the provision of housing infrastructure and residential areas (drinking water and sanitation) as well as electricity infrastructure, and developing mass transportation systems within the city. Potential fiscal risks originating from the assignment of BUMN infrastructure include others: (1) projects built by BUMN are economically feasible, but commercially not fully viable; (2) fluctuations in

macroeconomic variables; (3) changes in regulations including determining rates that are not in accordance with investment return plans; (4) operational risks inherent in infrastructure project development; (5) operational risks from managing infrastructure assets which could reduce the financial performance of BUMN; and (6) lawsuits. Regarding the risk of BUMN infrastructure which has an impact on banking (risk of transmission/contagion risk of BUMN infrastructure to the financial sector), the Government routinely monitors and controls risks. Infrastructure development in 2022 is directed at continuing to support economic recovery due to the Covid-19 pandemic, meeting the availability of basic services, increasing productivity, as well as supporting the completion of priority and strategic projects, through:

1. Accelerate the completion of infrastructure projects that were delayed due to the pandemic;
2. Development priorities for strategic outputs that support economic recovery; and
3. Strengthening synchronization/integration of funding between K/L, regional government, and BUMN/BLU/private sector.

The contribution of BUMN to the National Economy is that there are 142 BUMN companies with total assets of IDR 8,092 trillion and various business fields. The total assets of this BUMN far exceed the assets of the super holding company Temasek (Singapore) which is worth IDR 1,112.59 trillion and Khazanah (Malaysia) which is IDR 463.59 trillion.

During 2019, BUMN contributed IDR 470 trillion to the APBN in the form of dividends, tax payments and other PNBP. Apart from that, BUMN also contributes to the national economy through its operational expenditure and capital expenditure. This expenditure contributes to national economic growth in terms of consumption and investment, which will increase demand and encourage national economic turnover. Infrastructure development is one of the keys to reviving sluggish economic activity due to the impact of the Covid-19 pandemic. In the short term, infrastructure development becomes a driving force for the economy from the demand side through job creation and increased consumption. In the long term, infrastructure development contributes to the supply side by increasing production capacity, improving the flow of goods and services so as to create economic efficiency. Taking into account the impact of the Covid-19 pandemic, economic recovery efforts, and various challenges still being faced in future infrastructure development, in 2022 infrastructure development policy, including:

1. Support adequate provision of basic human needs;
2. Increasing the productivity of society and the business world through increasing connectivity and mobility;
3. Providing energy and food infrastructure that is affordable, reliable and pays attention to environmental aspects;
4. Equitable distribution of ICT infrastructure and access, in order to increase human resource capacity and digital literacy.

BUMN has shown a strategic role in infrastructure development, including building toll roads, several airports/ports, railway lines/stations, implementing the 35 gigawatt program and creating fuel prices in Papua, the same as Java. This will increase the acceleration of economic growth and equality in Indonesia and open up regional access so as to facilitate the distribution of goods/services.

BUMN also has social contributions in the form of 1) providing goods and/or services to fulfill the livelihood needs of many people at relatively affordable prices, for example through Perum Bulog, PT PLN and PT Pertamina. 2) Become a pioneer in business activities that cannot be carried out by other business entities, for example PERURI, PT

Pos Indonesia, and PT Taspen; 3) Actively participate in providing guidance and assistance to the community, micro, small businesses and cooperatives, for example providing Corporate Social Responsibility (CSR), Ultra Micro credit (UMi) and assistance by PT Bahana Indonesia, PT PMN and PT Pegadaian, one example of investment BUMN in infrastructure development in a number of State-Owned Enterprises (BUMN) contributed to the new capital project.

State-owned companies have stepped in to build a number of basic infrastructure. The following is a list of investments made by state-owned companies in IKN:

1. PLN

PT PLN (Persero) is ready to supply IKN's electricity needs by building electricity infrastructure for the 150 kiloVolt (kV) High Voltage Air Line (SUTT) Kariangau - GIS 4 IKN. The project is currently entering the location determination stage and has been approved by North Penajam Paser Regent Hamdan.

2. Telkom

PT Telkom Indonesia (Persero) Tbk. or Telkom also contributed to building IKN. Telkom Group supports IKN to become a modern smart city. Support from Telkom is carried out with a focus on providing connectivity, platforms and various digital services. The development plan covers three digital business domains, namely connectivity, platform and services, which are in synergy with all subsidiaries and the government.

Development investment with foreign parties has also been carried out, one of which is President Joko Widodo (Jokowi)'s policy of welcoming investment plans for oil and gas management by Indonesian BUMN in Mozambique. Indonesia and Mozambique also agreed to strengthen investment in the electricity generation sector, as well as production and distribution of gas by Indonesian private companies. Jokowi also welcomed the formation of a bilateral investment treaty between the two countries and tasked the relevant ministers to immediately resolve it. Apart from that, State-Owned Enterprises or BUMN are seeking investment assistance of IDR 127 trillion to meet the national investment target of IDR 1,400 trillion in 2023. This assistance comes from BUMN assets in collaboration with the private sector. Investment of IDR 172 trillion is targeted by BUMN. , according to Erick, comes from outside the capital market or investment comes from private companies. Apart from that, his party will encourage the productivity of micro, small and medium enterprises (MSMEs). The investment assistance is divided into several sectors, namely energy (oil and gas) amounting to IDR 33.8 trillion; tourism and supporting sectors Rp. 21.5 trillion; logistics services Rp. 20.1 trillion; minerals and coal IDR 14.4 trillion; financial services Rp. 9 trillion; health Rp. 4 trillion, and other sectors Rp. 4.5 trillion. The investment from BUMN is focused on downstreaming raw mineral materials. Apart from that, his party also continues to encourage investment in the food security sector, one of which is to meet domestic milk needs.

Following are several government policies to equalize investment in Indonesia.

1. Approving the Omnibus Law Employment Creation Act

The government has ratified the Omnibus Law in Law (UU) no. 11 of 2020 concerning Job Creation on 5 October 2020. Not only related to employment, this regulation also aims to create a quality business and investment climate.

2. Issue an Investment Priority List (DPI)

Issued an Investment Priority List (DPI) in Presidential Decree no. 10 of 2021 is also one of the government's policies to equalize investment in Indonesia. There are three sectors included in the DPI, namely:

1.) Priority sectors

Priority sectors consist of national strategic projects, capital intensive, and oriented towards research, development and/or innovation activities, exports and using high-level technology.

If investors invest capital in priority sectors, they will receive fiscal and non-fiscal incentives. Fiscal incentives in the form of income tax reduction (tax holiday), tax deductions for taxable income (tax allowance), and exemption from import duties.

2.) Sectors intended for cooperatives and MSMEs

To create justice for all business actors, large and small, the government requires large companies to partner with MSMEs in their surroundings. In this way, company owners will get permits and incentives.

3.) Sectors with certain restrictions

Sectors with certain restrictions are certain business fields with foreign capital ownership and 100% domestic capital requirements.

3. Establish an Investment Management Institution (LPI)

The following government policy to attract investors to invest in Indonesia is establishing an Investment Management Institution (LPI) or Indonesia Investment Authority (INA).

The aim is to gain the trust of investors that Indonesia has a well-managed investment institution. It is also to improve the investment climate, restore the economy, and increase Indonesia's economic growth rate.

President Jokowi's strategic step is to make sustainable infrastructure development one of the Advanced Indonesia Vision pillars in his administration's second period. Sustainable infrastructure development is focused on ensuring connectivity with people's economic growth centers, such as agriculture, plantations, fisheries, tourism, and others. It needs to continue to be supported to accelerate the sustainability of its implementation.

This strategic step is believed to improve people's welfare because sustainable infrastructure development is vital to the economic sector. This is supported by the World Bank (1994), which states that an increase in infrastructure stock by an average of 1 percent will impact increasing income. Gross Domestic (GDP) is 1 percent. This means that the greater the infrastructure development, the greater the potential for increasing GDP.

With continued infrastructure development that focuses on efforts to connect with productive centers of the people's economy, it will be able to drive regional economic development with smooth connectivity between one region and another, and it is hoped that the distribution rate of goods will become smoother. So that the price of goods will become more competitive, affordable, and economical, increasing the competitiveness of local economic products and the growth of new business centers in various regions evenly. With the Vision of an advanced Indonesia, currently, the government needs a giant leap in designing national development strategies, primarily to ensure an acceleration in achieving a developed Indonesia with the 5th largest GDP by 2045. The acceleration of infrastructure development is not without reason; development economists Rosenstein-Rodan, for example, have long been campaigning for the importance of massive infrastructure development as a known pillar of economic development. Then, by the name of big-push theory.

Under the leadership of President Joko Widodo, the direction of national development infrastructure was more intensively focused on toll road construction. The investment made by the government was more directed towards policies on toll road construction throughout Indonesia, as proven by two state-owned companies, namely Investment Management Institution and Indonesia Investment Authority (INA), which signed two

agreements for toll road investment worth IDR 39 trillion with PTHutama Karya (Persero) and PT Waskita Toll Road. The two investments aim to build toll roads on the islands of Sumatra and Java.

Based on law no. 25 of 2004 states that the scope of development direction planning is divided into 3 processes, article 3, paragraph 3

1. long term development plans;
2. medium term development plans; And
3. annual development plan

Based on the process stages, according to the author, infrastructure development can empower the community in the short term because it requires a lot of energy to build it. In the long term, infrastructure development such as irrigation facilities, clean water channels, electricity, transportation such as roads, bridges and docks, and communications will reduce production costs. To existing industries. Thus, the output produced will have a higher bargaining value because the output price is lower. The lack of infrastructure has resulted in increasingly congested roads in the capital and other big industrial cities. The condition of transportation routes far from suitable for use results in longer travel times, indirectly increasing fuel consumption, which can ultimately burden state finances. The results of the analysis of the direction of infrastructure development involving state-owned investment in infrastructure such as toll roads, which the Joko Widodo government promoted, based on data that currently the king of the toll business is owned by State-Owned Enterprises (BUMN), namely PT Jasa Marga (Persero) Tbk. Jasa Marga still has a market share of 51% throughout Indonesia. According to the author's analysis, the development direction must be oriented towards long-term profit. The construction of toll roads, which President Jokowi's government promotes, provides opportunities from the long-term profit aspect where every road user will pay. With predetermined toll rates, state-owned investment is proven. Quoting from the official Jasa Marga website, as of April 30, 2023, the government holds 70 per cent of Jasa Marga's share ownership. Meanwhile, for the rest, 30 per cent is publicly owned. Jasa Marga is still the market leader for toll roads, operating in Indonesia for 1,260 kilometres as of Quarter I-2023. A state-owned Enterprise (BUMN) gets investment profits or return on investment on several toll roads managed by state-owned companies that have reached above 10%. Including the Trans Sumatra Toll Road (JTTS) toll road investment that takes up to 8 years to get a profit and return on capital, the toll road business owned by a state-owned company is not a stalled investment. This investment can encourage economic growth in the community. The existence of this infrastructure can absorb new workers, but the assignment to build as many toll roads as possible requires recovery time and the importance of infrastructure development. The aim is to increase the competitiveness of Indonesian products in competing with other countries. Previously, based on data, Indonesia could only build 780 kilometres of toll roads in 40 years. Starting in 2014, the government pushed to accelerate the construction of toll roads, both trans-Java and Trans-Sumatra, as well as several in Kalimantan and Sulawesi. "The area built in seven years is 1,900 kilometres. Previously, it was 780 kilometres in 40 years 780 kilometres. President Jokowi's government's view of the development speed is due to alternative financing. Previously, infrastructure development was always hampered by funding. For example, depending on the APBN or BUMN finances, but with the policy direction related to toll road development, which is being intensively carried out, the government is selling toll road sections owned by state-owned companies so that the investment made by the government through state-owned companies is very contradictory which should assess the long-term principals that In fact, the state will not benefit from selling the toll roads. The state will not feel the long-term benefits because by selling various toll road sections, of course, the long-term investment profits will not be following the direction of

development and policies following Law No. 25 of 2004, proven state-owned with a several toll roads built and managed by PT Waskita Karya Tbk will be sold by the government. The aim is to cover the debt burden on the BUMN's financial balance sheet. The Waskita Karya toll road divestment action will be carried out until 2025. Selling all the toll roads aims to cover the BUMN's debt. This is because the development of public transportation infrastructure creates a debt burden for state-owned companies (the government). So with this evidence, according to the author's analysis of infrastructure development, which emphasizes the rapid incessant construction of toll roads without being balanced with the development of other sectors, it will certainly be detrimental to the state-owned company itself, which, in turn, Finally, the investment made by state-owned companies related to infrastructure, which should be felt in the long term, turns out to be a loss which causes the investment not to run optimally. Hence, the government's choice to sell various state-owned toll roads is a step which, according to the author's analysis, is not appropriate even though there is a debt that the state-owned company must pay. State-owned companies related to development, although it must be acknowledged that the increasing number of toll road networks is certainly one of the prerequisites for accelerating economic growth. The existence of toll roads themselves has benefits, including (BPJT, 2006): 1) can create formal and informal employment opportunities on a large scale. 2) Increase the use of domestic natural resources. 3) Positioning conditions that are conducive to investing in Indonesia. 4) Increasing economic growth through increasing exports. 5) Improve the real sector by creating a greater multiplier effect for the national economy.

The following are some of the influences of government policy through state-owned investment related to toll road construction

1. Infrastructure development through the toll road industry will have an impact on economic development. The policy of infrastructure development through toll roads spurs the economy, thereby equalizing development and advancing remote areas.
2. The development of land transportation modes and the construction of freeways have become alternatives for distributing raw materials and industrial products
4. Infrastructure is also a social overhead capital or capital goods which are the basis or important means for community needs which are then indirectly useful in efforts to produce or increase production.
5. As a business entity owned by the Government, BUMN acts as an agent of value creator and agent of development. As agents of value creation, BUMN is expected to be able to contribute profits to the country. As an agent of development, BUMN is expected to contribute to national development so that by constructing toll roads by several state-owned companies, it is hoped that investment will bring benefits to the state in the long term, because according to the BUMN Karya government, if it does not issue a policy on infrastructure to build toll roads, the impact will be The public feels that transportation costs are expensive. Apart from that, there will be traffic jams and higher fuel consumption.
6. Most of the toll roads built by the government through state-owned companies come from debt, the large amount of debt for infrastructure development will have an impact on the financial health of state-owned companies and possibly cause a collapse in state finances.

The following are some of the influences of government policy through state-owned companies that sell toll roads as state-owned investment

1. PT Jasa Marga (Persero) Tbk (JSMR) was able to achieve excellent performance throughout last year. With a double digit increase in revenue, asset sales also provide additional vitamins, making the state-owned company's profits soar. Based on financial reports, a number of toll assets were sold throughout 2021. JSMR divested its share

ownership in PT Marga Lingkar Jakarta and Jasamarga Pandaan Malang. This divestment caused JSMR to lose control. However, JSMR made a profit of IDR 786.51 billion and IDR 796.79 billion respectively. In total, JSMR recorded a profit on investment disposal of IDR 1.58 trillion. Operating profit jumped 50.48% on an annual basis to IDR 6.72 trillion from the previous IDR 4.46 trillion. Of course, the increase in operating profits is also influenced by financial items other than divestment results. The increase in operating profit also contributed to net profit which shot up 222.4% to IDR 1.61 trillion from the previous IDR 501.05 billion. As a result, earnings per share increased to IDR 222.56 in 2021 compared to IDR 69.04 in 2020. Throughout 2021, the company earned total revenue of IDR 15.17 trillion, up 10.7% from IDR 13.70 trillion in 2020 of this amount, revenue from toll roads still contributed the most with IDR 10.79 trillion. Furthermore, other business income amounted to IDR 990.07 billion and construction income amounted to IDR 3.39 trillion.

2. The increase in operating profit also contributed to net profit rising 222.4% to IDR 1.61 trillion from the previous IDR 501.05 billion. As a result, earnings per share increased to IDR 222.56 in 2021 compared to IDR 69.04 in 2020. Throughout 2021, the company earned total revenue of IDR 15.17 trillion, up 10.7% from IDR 13.70 trillion in 2020. Of this amount, revenue from toll roads still contributed the most with IDR 10.79 trillion. Furthermore, other business income amounted to IDR 990.07 billion and construction income amounted to IDR 3.39 trillion. The increase in operating profit also contributed to the net profit which shot up 222.4% to IDR 1.61 trillion from the previous IDR 501.05 billion. As a result, earnings per share increased to IDR 222.56 in 2021 compared to IDR 69.04 in 2020.

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Beyond Waskita's investment value, there are also banking investment credits and other accumulated debts which will indirectly be transferred to the new owner. Apart from calculating profits, the company stated that the step of selling the toll road was that it had to be carried out like it or not. Because this is one of the restructuring efforts to improve the company's financial condition.

3. The author's actual analysis regarding toll road sales is charging infrastructure costs to the community. Even though the government claims there are profits from various toll road sales carried out by the government through its state-owned companies, The sequence of illustrations is like a scheme that starts with government policy regarding the construction of toll road infrastructure where the government orders BUMN to build toll roads, then BUMN owes the bank for capital to build toll roads, then BUMN builds toll roads and in the end, BUMN runs out of money so the government issues instructions where the government asks BUMN selling toll roads which then BUMN sells toll roads to operators (MNC for example) ->Infrastructure debt moved to the next operator The operator applies The price of new toll tickets has even increased, which is said to be quite significant for the real public to pay off debts, the BUMN targets selling share ownership in five toll road business entities (BPJT) by 2025. The company hopes that the share divestment can reduce debt by IDR 23 trillion. So this picture certainly has an impact on society, the influence of policies that were initially aimed at improving the community's economy actually seems to be eroding the community's economy, where the policy on the freeway project is one of the government's efforts to open up access to transportation and speed up the flow of goods. The hope is that the pace of the domestic

economy will continue to increase. The influence of policies carried out by the government through state-owned investment in toll road infrastructure is a policy that can give rise to a multiplier effect. Apart from opening new job opportunities and revitalizing logistics routes, the presence of toll roads has sparked various business opportunities. Call it the property business around toll road entrances and exits, the transportation business, and the tourism business.

On paper, the expressway project can significantly benefit the national economy. However, don't forget there are also adverse effects from toll road infrastructure development policies, one of which has both negative and positive impacts, where the government, as a determinant of the direction of just social policy, can, of course, assess whether the infrastructure being intensively implemented is only for the sake of attracting investors and reaping profits solely for the sake of cover the state's debt burden or become a burden to society, because According to the author's assumption, the majority of toll road construction, especially outside Java, is due to a lack of studies so that it has not been able to boost the economy of the surrounding areas because there are still few vehicles passing through. Apart from that, the financing comes from debt. On the other hand, state-owned companies continue to experience losses due to debts and maturities, leading to the policy of selling several toll road sections in Indonesia.

CONCLUSION

Invest in toll roads carried out by several state-owned companies as a form of long-term government investment for the sustainability of national infrastructure development to create social and economic equality. This not only brings many benefits from the government's intensive influence on these policies, but on the other hand, the influence of the policy to increase the development of toll road infrastructure is an effort. The government is improving the community's economy or shifting the economic burden on the community amidst the proliferation of toll roads sold by several state-owned companies. Many toll roads do not have an optimal market because they discuss infrastructure before it is built. Ideally, there should be a preliminary study so the project being built can be profitable in a certain number of years. Actually Infrastructure has a significant role in the economic system. The better the condition of the infrastructure, the better the impact on the economic situation. A devastating loss, BUMN, is a form of error in assessing the direction of infrastructure development the government carries out without looking at state-owned companies' financial capabilities. The government claims that investment profits or return on investment on several toll roads managed by state-owned companies reached more than 10 percent. This investment can encourage economic growth in the community because the existence of this infrastructure can absorb new workers. Infrastructure development policies' influence on toll road construction needs to be acknowledged. Investments made by state-owned companies to improve connectivity in Indonesia while contributing to driving economic activity in regions in Indonesia, even though toll road investments take up to 8 years to obtain profits and return on investment. Apart from that, the impact of the influence of infrastructure policies related to toll road construction is that most toll road construction in Indonesia is mainly financed by debt and state treasury. Moreover, the budget allocation for infrastructure projects continues to increase from year to year, which will worsen the state's financial health and impact policy impacts. Others that target the community, which is certainly detrimental to the community,

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