
Triple Bottom Line (TBL) vs *Greedy-Nomics*: The Influence of Institutional, Stakeholder, and Cultural Theories on TBL Adoption: Impact on the Performance of Indonesian SOEs and Danantara

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Article

Triple Bottom Line (TBL) vs *Greedy-Nomics*: The Influence of Institutional, Stakeholder, and Cultural Theories on TBL Adoption: Impact on the Performance of Indonesian SOEs and Danantara

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Abstract

This research aims to analyze the implementation of the Triple Bottom Line (TBL) framework as a strategy to mitigate extractive economic practices, or “Greedy-nomics.” The primary focus of this study is to explore how institutional theory, stakeholder theory, and Indonesian cultural values—specifically the philosophy of Memayu Hayuning Bawana—influence the adoption of TBL within Indonesian State-Owned Enterprises (SOEs) and the newly established sovereign wealth fund, Danantara. Utilizing a qualitative method through secondary data analysis and theoretical synthesis, this study examines how regulative, normative, and cultural pressures reinforce organizational commitment to the pillars of Profit, People, and Planet. The findings indicate that the integration of TBL into the business models of SOEs and Danantara is not merely a matter of regulatory compliance but a strategic necessity that correlates positively with long-term financial performance and public legitimacy. Empirical evidence through “Green Downstreaming” projects and disaster recovery efforts demonstrates that the acquisition of natural and social capital serves as the foundational pillar for national economic sustainability. This research concludes that a prudent business model, aligned with indigenous wisdom, serves as an effective antithesis to the phenomenon characterized by Indonesian President Prabowo Subianto as ‘Greedy-nomics’ at the 2026 World Economic Forum in Davos.

Keywords: triple bottom line; Greedy-Nomics; SOEs; ESG; Danantara; institutional theory; stakeholder theory; Memayu Hayuning Bawana

Introduction

“Greed is good.” This iconic line from the film *Wall Street* (1987), delivered by the character Gordon Gekko, epitomizes a philosophy that once dominated the corporate world (Fry & Slocum, 2008). Within this paradigm, unrestrained greed was viewed as an economic necessity. Approximately 39 years after the ‘Greed is Good’ adage was popularized, Indonesian President Prabowo Subianto criticized the practice of greed in business before world leaders and corporate executives at the World Economic Forum in Davos 2026. President Prabowo asserted that current global trends have shifted toward ‘Greedy-nomics.’ This statement aligns with the reality that numerous large-scale global business organizations continue to engage in extractive economic practices while exploiting natural resources.

Consequently, many large-scale organizations, particularly in extractive industries, prioritized the exploitation of natural resources to maximize shareholder returns. However, such exploitation exerts a direct and profound impact not only on financial performance (Profit) but also on ecological integrity (Planet) and social welfare (People). According to *The Carbon Major Reports*, since 1988, the environmental damage caused by 3,000 major corporations is valued at approximately USD 3 trillion.

President Prabowo's assertion regarding 'Greedy-nomics' is empirically reflected in the real world through the emergence of various corporate scandals. A prominent example is the "Dieselgate" scandal involving Volkswagen (Jong, 2022). In 2015, the German automotive giant was found to have installed illegal "defeat devices" in millions of vehicles to manipulate emission test results. The exposure of this fraud caused significant organizational instability, resulting in billions of dollars in fines and severe reputational damage.

The potential for financial crises resulting from an organization's failure to balance economic objectives with social and environmental responsibilities was identified by Elkington (1994). Since the early 1990s, Elkington has advocated for the Triple Bottom Line (TBL) framework. This concept posits that corporations should not exist solely for profit-seeking; rather, they must simultaneously enhance the quality of human life (People) and preserve the environment (Planet). These three pillars—Profit, People, and Planet—are fundamentally interconnected.

Elkington's (1994) framework has served as a catalyst for extensive research regarding the nexus between economic, social, and environmental performance. Central to these analyses is the premise that external factors (society and nature) are inextricably linked to a firm's internal economic performance and its ability to achieve sustainable competitive advantage (Nica, Chirita, & Georgescu, 2025; Das, Bora, & Das, 2025; Bellandi, 2023; Sandberg et al., 2023; Arora dan Sharma, 2022; Viranda et al, 2020; Merli dan Preziosi, 2018).

Hitt, Ireland, and Hoskisson (2017) emphasize that physical sustainability is a critical segment of the external environment that organizations must navigate. This segment encompasses energy consumption, renewable energy integration, the mitigation of negative externalities, access to clean water, the production of eco-friendly goods, and organizational responses to natural disasters.

Failure to adhere to physical sustainability standards poses a direct threat to a firm's internal financial performance. Consequently, the impacts an organization has on people and the environment reverberate back to its bottom line. In Indonesia, the TBL concept has become a benchmark for large corporations, primarily due to Article 74 of Law No. 40 of 2007, which mandates Corporate Social and Environmental Responsibility (CSER). This coercive regulatory framework compels organizations in Indonesia to adopt TBL-based operations. State-Owned Enterprises (SOEs/BUMN) are subject to even more stringent regulations, such as the Indonesian Minister of SOEs Regulation No. 1/MBU/03/2023, which aligns SOE performance with the Sustainable Development Goals (SDGs).

The social and environmental targets of SOEs in Indonesia are now integrated into their core business strategies. With the establishment of *Danantara* as the holding operator of Indonesia SOE's and also as the sovereign wealth fund, the commitment to TBL has been elevated into a central business model. Besides *Danantara*, Indonesia government also transform ministry of SOEs to be regulatory body of state owned company which now named as BP BUMN. *Danantara* itself inaugurated on February 24, 2025. *Danantara* envisions itself as a world-class organization and an enabler of Indonesia's economic transformation. This vision, initiated by President Prabowo, mandates that the core values and operations of SOEs remain tethered to TBL commitments, as TBL has become a global parameter for measuring corporate value.

On a national level, BP BUMN and *Danantara* serves as an instrument of the state to implement the constitutional mandate of Article 33, Paragraph 3 of the 1945 Constitution: "The earth, water, and natural resources contained therein are controlled by the state and used for the greatest prosperity of the people." This principle is a cornerstone of President Prabowo's economic mission, reinforcing the obligation to ensure that natural resource management leads to public prosperity. Only through ecological preservation can the people prosper; conversely, environmental degradation leads to social suffering.

The Indonesian government, under President Prabowo, has reaffirmed that economic development must harmonize with social and environmental responsibility. This commitment is evidenced by strict enforcement against companies violating environmental regulations, particularly in the timber, palm oil, and tin industries. Firms adhering to the "greed is good" adage have faced

severe sanctions, including fines up to IDR 4 trillion and imprisonment for offenders in the tin sector. Furthermore, the President's consistent stance is reflected in the mobilization of SOEs and *Danantara* for disaster recovery efforts in Sumatra in late 2025. This aligns with the argument by Hitt, Ireland, and Hoskisson (2017) that responsive action during natural disasters is a key element of organizational sustainability.

In the context of the Sumatra floods, BP BUMN, *Danantara* and various Indonesia SOEs acted as the vanguard for relocation and reconstruction. Beyond physical restoration, they have accelerated the implementation of a "Green Economy." A concrete example is *Danantara's* investment in large-scale waste-to-energy industries. This initiative addresses the waste management issues that contribute to flooding while simultaneously creating value-added, eco-friendly energy. This "Green Downstreaming" (*hilirisasi hijau*) represents Indonesia's commitment to the TBL framework—achieving financial profit without sacrificing the planet or the people.

This research analyzes how the TBL concept has evolved into a major business model rooted in Indonesian cultural values. It examines the implementation of TBL within SOEs and *Danantara* through the lenses of social science and strategic management. This study aims to demonstrate that the value system upheld by BP BUMN and *Danantara*—which balances profit with the interests of people and the planet—is effective in sustaining both short-term and long-term performance. Ultimately, this research seeks to dismantle the "greed is good" adage, asserting that "Only in a good planet, good business happens."

Research Methods and Questions

This research employs a qualitative method. Weng (2024) explains that qualitative methods can be utilized to examine social phenomena in greater depth than quantitative figures can provide. Qualitative research is also used to explain causal relationships (Maxwell, 2021). The data for this study were obtained via secondary sources, including media reports and official statements from State-Owned Enterprises (SOEs) and *Danantara*. These data were then synthesized using institutional theory, stakeholder theory, and cultural perspectives to uncover the application of the Triple Bottom Line (TBL) within SOEs and *Danantara*. This research addresses the following research questions: 1. How do institutional and stakeholder theories, along with cultural factors, influence the implementation of TBL in SOEs and *Danantara*? 2. How does the implementation of the environmental and social pillars positively impact the economic pillar?"

Literature Review

A. Triple Bottom Line (TBL)

In contemporary business norms, Triple Bottom Line (TBL) has become an inevitable necessity. Nohria and Khurana (2010) argue that corporate business sustainability is determined not only by financial performance but also by how the company provides benefits to its surrounding environment. Gupta, Dangayach, and Singh (2016) assess that sustainability is represented by the three elements of the triple bottom line: economic, social, and environmental. In simpler terms, sustainability is achieved when the pursuit of profit to meet current needs is conducted with regard for long-term social and environmental requirements (Gupta, Dangayach, & Singh, 2016). Therefore, the economic, social, and environmental dimensions are paramount. These three dimensions are interconnected across both present and future interests. A firm's current economic performance serves as the foundation for all organizational activities, including Corporate Social Responsibility (CSR) initiatives aimed at enhancing social and environmental quality. Conversely, improvements in social and environmental quality offer prospects for future generations, ensuring that environmental resources remain viable. These future generations will be the future of the company, acting as both subjects (operators) and objects (markets) of the business organization. Consequently, future economic performance will have prospects rooted in a sustainable society and environment.

From a strategic perspective, TBL is of critical importance. To achieve a sustainable competitive advantage, companies must align themselves with their external environment (Gupta, Dangayach, & Singh, 2016; Hitt, Ireland, & Hoskisson, 2017). Institutionalizing the three dimensions of TBL through organizational work processes serves as a primary solution. In this model, organizational goals are no longer measured solely by financial performance but also by social and environmental outcomes (Epstein, Buhovac, & Yuthas, 2014). Institutionalizing economic, social, and environmental targets can be implemented through organizational structure and operations. Essentially, the structure must be capable of designing formal systems that effectively control or measure reporting, transparency, and responsibility regarding the impacts of business activities.

B. Stakeholder Theory to TBL

The Triple Bottom Line (TBL) framework serves as a strategic mechanism for corporations to achieve long-term sustainability (Nogueira, Gomes & Lopes, 2024; Alhadi, 2015; Goh et al., 2020). Empirical evidence from Nogueira, Gomes, and Lopes (2024), involving 70,000 Portuguese firms, demonstrates that TBL performance correlates positively with financial outcomes. By prioritizing a balance between business objectives and socio-environmental responsibilities, organizations can secure a sustainable competitive advantage and a strategic position within society (Ferro et al., 2019; Carter & Easton, 2011; Lu et al., 2022). Freeman (1984) further posits that robust relationships between a firm and its stakeholders yield positive impacts on financial performance. This serves as the foundation of Stakeholder Theory, which asserts that corporate success is measured by the ability to create balanced value for all stakeholders. This perspective is reinforced by Nohria and Khurana (2010), who state that business sustainability is derived not only from internal financial gains but also from the benefits provided to the surrounding environment.

C. Institutional Theory to TBL

The obligation of State-Owned Enterprises (SOEs) in Indonesia to implement Triple Bottom Line (TBL) principles reflects the tenets of institutional theory (Scott, 2008). Institutional theory explains how organizations are shaped by their social environment, culture, and the prevailing regulations surrounding them. There are three primary institutional pillars that serve as the main drivers for companies to gain legitimacy from their environment: the regulative, normative, and cultural-cognitive pillars (Scott, 2008).

The **regulative pillar** consists of formal rules and regulations that compel organizational compliance. The **normative pillar** encompasses the norms, values, and standards of propriety that guide an organization's activities. Meanwhile, the **cultural-cognitive pillar** refers to the shared conceptions and cultural frameworks that constitute daily social reality. These three institutional pillars directly bind every Indonesian SOE to implement TBL. From a regulatory, normative, and cultural standpoint, Indonesian society demands that business activities look beyond mere profit-seeking to consider environmental and social impacts. This is especially true given the Indonesian culture that views nature as an inseparable part of human existence. For instance, the Javanese philosophy of "*Memayu Hayuning Bawana*" emphasizes that the management of life must respect the harmony between environmental and human interests (Winarno & Sawarjuwono, 2021; Anggraini, 2005; Rahayu & Santoso, 2019). Grounded in these three pillars, TBL has become a regulative, normative, and cultural imperative in Indonesia that directly binds corporations, particularly SOEs.

D. Indonesia Culture to TBL

However, according to Epstein, Buhovac, and Yuthas (2014), the institutionalization of TBL often creates paradoxical situations. Formal systems that are not supported by informal systems tend to prioritize economic interests over social and environmental ones. Conversely, when supported by informal systems—such as values and culture—a balance between economic, social, and environmental dimensions can be achieved harmoniously. Drawing from the findings of Epstein,

Buhovac, and Yuthas (2014), Indonesian SOEs serve as a concrete example of how formal and informal systems can effectively support financial, social, and environmental targets. Informally, the implementation of TBL in SOEs is supported by the indigenous Indonesian cultural concept of “*Memayu Hayuning Bawana*,” which reinforces that the management of life must honor the balance between nature and human interests (Winarno & Sawarjuwono, 2021; Anggraini, 2005; Rahayu & Santoso, 2019). *Memayu Hayuning Bawana* is a well-known concept from the Islamic Mataram Dynasty era. It seeks to provide a spiritual bond between humans, the environment, and nature. This concept adopts the Islamic principles of *hablum minannas* (human-to-human relationships) and *hablum minal alam* (human-to-nature relationships) (Habillah, 2025). Consequently, when the actions of individuals or organizations in Indonesia deviate from the principles of *memayu hayuning bawana*, their legitimacy diminishes. For instance, personal scandals involving political leaders or organizations will affect the reputation of those involved. Similarly, in cases of environmental destruction, the parties or organizations implicated will face high public pressure, as seen in the mining cases in Raja Ampat or the Tanjung Benoa reclamation in Bali, which was canceled due to massive public outcry.”

E. Environmental, Social, and Governance (ESG) Parameters

While the Triple Bottom Line (TBL) serves as a broad qualitative framework, the early 2000s saw various institutions introduce Environmental, Social, and Governance (ESG) parameters as a quantitative extension of TBL. These parameters allow sustainability efforts to be measured and disclosed within corporate accounting reports.

The principles of Environmental, Social, and Governance (ESG) were extensively promoted by the United Nations in 2006. During this period, the UN encouraged economic actors to adopt the concept of responsible investment (Chen & Song, 2023), emphasizing that environmental, social, and corporate governance factors are essential pillars of business operations. Since then, ESG principles have been widely integrated as key elements in assessing broader corporate performance (Martha & Khomsiyah, 2023).

The use of ESG metrics to evaluate the implementation of TBL has become a global standard practice (Chen & Song, 2023; Shakil, 2021; Gao et al., 2023). Robust ESG performance directly impacts corporate sustainability and bolsters investor confidence, thereby ensuring long-term viability (Popov & Makeeva, 2022; Alsayegh et al., 2020).

Since 2021, several major global stock exchanges have implemented the Sustainable Stock Exchanges Initiative (SSEi). Exchanges participating in the SSEi mandate that listed companies disclose their ESG performance reports. Consequently, ESG has become a critical factor influencing stock price volatility in international markets. Currently, nearly all major global corporations, including State-Owned Enterprises (SOEs), incorporate ESG parameters into their performance reports. Evidence suggests that the ESG performance of SOEs correlates directly with their overall corporate performance.

F. The Influence of Planet and People on Profit

While a vast body of literature suggests that the Triple Bottom Line (TBL) framework necessitates a synergistic balance between economic, environmental, and social pillars, empirical evidence remains deeply polarized, with several studies yielding contradictory findings. Hamada et al. (2025), in their study of four major corporations in Indonesia, revealed that the implementation of the Triple Bottom Line (TBL) often treats the “Planet” and “People” elements as mere formalities. Their findings suggest that the parameters and metrics for environmental and social performance disclosed in sustainability accounting remain ambiguous. Conversely, a profit-oriented trajectory is more discernible, as these corporations prioritize clear and detailed financial recording within their sustainability performance reports.

This is consistent with Sridhar (2012), who argued that the adoption of environmental and social pillars within the TBL framework is frequently superficial, intended solely to satisfy stakeholder

demands. Furthermore, Hoe et al. (2013) demonstrated that firms often integrate social and community responsibilities into their risk management strategies to mitigate potential legal penalties, political pressure, or social backlash that could jeopardize corporate reputation. There are also indications that environmental and social compliance is utilized strategically to secure tax incentives.

However, a contrasting perspective presented by Giuliani and Nieri (2020), Alhaddi (2015), Farooq et al. (2020), and Slacik & Greiling (2020) posits that the “Planet” and “People” dimensions are pillars directly correlated with profitability. Giuliani and Nieri (2020) even prioritize environmental and social aspects over financial gain. They argue that the environment provides “natural capital,” while social elements yield “social capital.” Robust natural and social capital serve as the foundational pillars essential for generating sustainable financial returns.

Tesla, a global leader in the automotive industry, serves as a primary example of how natural and social capital can generate significant financial profit. From its inception, Tesla’s business model—centered on electric vehicle (EV) innovation—addressed environmental degradation caused by fossil fuel-dependent transportation. Moreover, technological innovations prioritizing driver safety have resulted in lower accident rates, thereby enhancing the “social capital” recorded by the firm. Aljourishi (2024) identified Tesla as a benchmark for corporate social responsibility. It is this commitment to social and environmental pillars that has propelled Tesla to the third-highest-ranking automotive company in the 2025 Fortune 500 list, despite being only 22 years old. Through a TBL-oriented business model, Tesla has successfully disrupted a global market dominated for over a century by incumbents such as Ford (est. 1903) and General Motors (est. 1908).

Finally, research by Honggui, Zhongwei, and Guoxin (2016) involving 300 Chinese firms supports the thesis that positive stakeholder legitimacy is positively correlated with financial performance. In this context, corporate reputation—often garnered through robust social responsibility initiatives—acts as a catalyst for superior financial outcomes.

Discussion

The environment and its stakeholders constitute pivotal elements that grant a corporation legitimacy, thereby fostering a competitive advantage over its rivals. Given the substantial scale of State-Owned Enterprises (SOEs) in Indonesia, the stakeholder landscape is exceptionally broad. As of 2024, Indonesia manages 65 parent SOEs, which further encompass a vast network of subsidiaries and sub-subsidiaries totaling approximately 1,046 entities. Since 2025, these state-owned assets have been governed by two primary institutions: Danantara, serving as the operational holding entity and the investment manager for SOE profits as sovereign wealth fund directed toward new business ventures; and BP BUMN, acting as the regulator and the government’s representative for Class A shares, responsible for determining strategic policies. In accordance with Law Number 16 of 2025, the stakeholders of Indonesian SOEs comprise the following:

Table 1. SOE Stakeholder Mapping.

Stakeholder	Role
Internal Stakeholder	
Indonesia Government and BP BUMN	Owner/Shareholders/ Regulatory
Danantara	Operating/Holding of the Company/Sovereign Wealth Fund
Indonesia Audit Board (BPK) and Indonesia Legislative (DPR)	Auditor and Supervisor

External Stakeholder	
Masyarakat	Beneficiaries
Investor/Creditors	Partners

These internal and external stakeholders are the primary subjects of the SOEs’ TBL implementation. Vis-à-vis the government, SOEs are legally mandated to manage natural resources for the maximum prosperity of the people. This management is further constrained by social and environmental obligations, ensuring that resource extraction is accompanied by preservation efforts. While Article 2, Paragraph 1a of Law No. 16 of 2025 explicitly tasks SOEs with generating profit, Article 3h, Point 8 of the same law establishes strategic guidelines regarding People and Planet through Social and Environmental Responsibility programs. Furthermore, Point 9 mandates that SOEs adhere to Environmental, Social, and Governance (ESG) principles.

The efficacy of this stakeholder-oriented approach is evident in the performance reports of Indonesian SOEs from 2020–2024. During this period, SOEs made significant strides in adopting renewable energy. The utilization of green energy increased from 13% in 2020 to 18% in 2024. This shift toward “planet-friendly” business practices contributed to a consistent rise in net profits (SOE Performance Report, 2025).

Table 2. SOE Sustainability and Financial Performance (2020–2024).

	2020	2021	2022	2023	2024
The Use of New and Renewable Energy	13%	14,7%	15,7%	16,8%	18%
Implementation of Social & Environmental Responsibility based on Creating Shared Value	-	-	-	70,73%	96%
Nett Profit SOE’s in Indonesia	Rp 178 T	Rp 199 T	Rp 222 T	Rp 248	Rp 235 T

*Note: T = trillion.

Entering 2026, President Prabowo Subianto has further solidified the role of SOEs in balancing the three pillars of TBL. At the launch of **Danantara** in February 2025, the President emphasized that SOEs must be managed for the “utmost prosperity of the people.” The vision of Danantara — derived from the Sanskrit *Daya Anagata Nusantara*, meaning “The Power for the Future of the Nusantara (Indonesia)” — is fundamentally rooted in long-term sustainability and ecosystem preservation (Setneg, 2025). Complementing Danantara, the **BUMN Regulatory Agency (BP BUMN)** serves as the catalyst for TBL-oriented governance. Head of BP BUMN, Dony Oskaria, clarified that profit-seeking must coexist with social and environmental accountability (Detik.com, 2025). This was demonstrated during the 2025 Sumatra floods, where SOEs spearheaded relocation and reconstruction efforts. Furthermore, BP BUMN introduced a stringent “zero-felling” policy for SOEs in the plantation and forestry sectors, marking a concrete commitment to the TBL concept.

While Stakeholder Theory explains the “who,” **Institutional Theory** explains the “why.” Organizations seek legitimacy within their environment to survive and maintain competitive advantage (Scott, 2008). In Indonesia, TBL implementation is driven not only by binding regulations (the regulative pillar) but also by a culture that views human-nature harmony as sacred. The Javanese philosophy of *Memayu Hayuning Bawana* acts as a critical informal institutional pillar. As noted by

Epstein, Buhovac, and Yuthas (2014), formal TBL systems often fail if not supported by informal values. In Indonesia, this cultural wisdom ensures that the “People” and “Planet” pillars are not merely peripheral but are integrated into the organizational DNA.

Currently, Danantara is transforming TBL into a large-scale business model through “Green Downstreaming” projects. Starting in February 2026, SOE dividends—totaling approximately IDR 90 trillion—will be reinvested into six major waste-to-energy (WtE) projects. CEO of Danantara, Rosan P. Roeslani, stated that these investments are designed to ensure long-term sustainability while providing tangible benefits to society (Katadata, 2026). The groundbreaking for these WtE projects in Q2-2026 symbolizes a shift where waste management is transformed into a value-added economic asset.

Danantara’s strategic initiative to transform waste management into renewable energy serves as empirical evidence that this Indonesian state-owned operational holding company is following the trajectory of global firms that utilize “Planet” and “People” as foundational pillars to drive profitability. This approach mirrors the success of Tesla and other innovative enterprises that have achieved rapid growth by anchoring their Triple Bottom Line (TBL) framework upon environmental and social obligations to achieve superior financial performance. Such a strategy aligns with the research of Giuliani and Nieri (2020), which posits that an environmental responsibility perspective provides “natural capital,” while social elements yield “social capital.” Robust natural and social capital serve as the fundamental pillars necessary for the formation of financial gain.

Consequently, through the green energy downstreaming (hilirisasi) initiated by the Indonesian government via the state-owned holding entity, Danantara, this industry is expected to cultivate both natural and social capital as drivers of significant financial returns. By implementing energy downstreaming through waste processing, Danantara—as a nascent entity—possesses the potential to secure institutional legitimacy from a society that has long perceived waste as a critical issue. Danantara transforms the waste problem into a large-scale solution that fulfills the public demand for eco-friendly energy. In doing so, Danantara is positioned to gain societal legitimacy, a factor that is positively correlated with enhanced financial performance (Ferro et al., 2019; Carter & Easton, 2011; Lu, Rodenburg, Foti, & Pegoraro, 2022; Honggui, Zhongwei, & Guoxin, 2016; Freeman, 1984).

In conclusion, as a nation with the world’s fourth-largest population and significant tropical and marine biodiversity, Indonesia has positioned its SOEs as a global model for sustainable business. Through BP BUMN and Danantara, Indonesia demonstrates that business need not be driven by greed. Instead, a “wise business” model—balancing Profit, People, and Planet—is the only viable path to prosperity for current and future generations. As the adage goes, “*doing well by doing good.*”

An adage that aligns with the speech delivered by the President of Indonesia, Prabowo Subianto, during World Economic Forum in Davos, January 2026 (World Economic Forum, 2026):

“Last February, we established our sovereign wealth fund, Danantara Indonesia. The name Danantara signifies the energy required to propel Indonesia’s future.

Danantara was founded to finance and co-finance the industries of tomorrow. We are resolute in our commitment to significantly industrialize our nation. However, the industries of the future must be managed with excellence and prudence. This is why we have institutionalized Danantara with robust oversight and rigorous institutional accountability.

This reflects our current governance framework in Indonesia—from our social programs to our efforts in optimizing natural resource utilization.

We must not degrade our environment; rather, we must coexist with nature. We are committed to preserving and being part of a hopeful future—a hope grounded in credibility, sound public policy execution, and a track record of sustainable growth characterized by equity.”

Conclusions

The findings of this study demonstrate that the implementation of the Triple Bottom Line (TBL) and ESG matrix within Indonesian SOEs is far more than a mere formality or a response to coercive institutional pressure exerted through legislation. Instead, the adoption of TBL by Indonesian SOEs and Danantara, as the national SOE holding company, represents a deep-seated cultural institutional factor (Scott, 2008; Hatch 2013).. This alignment is rooted in indigenous Indonesian philosophy, specifically the *Memayu Hayuning Bawana* doctrine, which advocates for a sacred balance between nature and humanity (Winarno & Sawarjuwono, 2021; Anggraini, 2005; Rahayu & Santoso, 2019). By integrating TBL, Indonesian SOEs and Danantara have effectively fortified their relationships with both internal and external stakeholders. This strategic alignment serves as a foundational strength for the SOE holding entity, Danantara, despite it being established for less than a year.

Beyond institutional and stakeholder factors, the application of TBL within SOEs and Danantara is a strategic necessity aligned with the organizations' vision and mission. As a newly formed holding entity, Danantara is explicitly tasked with a sustainability-driven mandate. Both Danantara, as the operational holding operator, and BP BUMN, as the regulator, have moved beyond short-term profit-seeking (myopia). Their long-term vision necessitates the synchronized execution of the TBL pillars—environmental, social, and economic—to ensure organizational longevity (Nogueira, Gomes & Lopes, 2024; Alhadi, 2015; Goh, Chong, Jack, & Faris, 2020).

In practice, Danantara, which manages and reinvests the dividends of all Indonesian SOEs, has prioritized an investment portfolio oriented toward social and environmental capital rather than short-term speculative gains. Within its first year of operation, the organization demonstrated a concrete commitment to the social and environmental pillars. This was empirically evidenced when Danantara and BP BUMN spearheaded the reconstruction and environmental restoration of Sumatra following the catastrophic floods in late 2025. Furthermore, Danantara's inaugural "Green Downstreaming" project—which reinvests SOE profits into large-scale waste-to-energy initiatives—serves as a primary example of this commitment.

These two empirical cases illustrate a deliberate strategy by Indonesian SOEs and Danantara to target natural capital that can be leveraged for long-term empowerment. Socially, this approach has allowed Danantara to accumulate significant social capital from both domestic and international stakeholders. Ultimately, the synergy between natural and social capital provides a sustainable business foundation, enabling Danantara to fulfill its namesake: *Daya Anagata Nusantara*—the energy and power for Indonesia's future.

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