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# Natural resource governance and strategic economic resources: The perspective of Indonesia Raya Incorporated

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The study aims to identify and describe the theory of economic development according to the thinking of Indonesia Raya Incorporated (IRI) in managing the interest of natural resources included in strategic economic resources. This study used a qualitative method through a grounded theory approach with constructivism and criticism as the interpretation approach. The data collected through the Focus Group Discussion (FGD) technique was processed using a componential analysis approach. The study results reveal the content of the main variables of economic development, namely the role and function of the government and state enterprises, namely State-Owned Enterprises (SOEs) and Regional-Owned Enterprises (ROEs), related to the potential of managing natural resources and other strategic economic resources which are determinants of the economic strata of population or for improving the welfare of the people. These novel findings highlights the significance of natural resource governance and strategic economy, namely the IRI's perspective on economic development. The theory and conception contribute to deepening knowledge previously proposed in IRI and Murakabi economics. So, this knowledge has implications for natural resources management practices by the government and corporate strategies within the body of SOEs and ROEs in Indonesia and the global world. This includes the possibility of strategies for national and multinational private companies whose main business positions are based on natural resources and strategic economics.

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## Introduction

Indonesia is the fourth most populous country in the world. According to the Central Statistics Agency, in 2020, there will be 270 million people. The world has generally known Indonesia as an archipelagic country that is fertile and has abundant natural resources. These population and territorial elements always attract the attention of several regional, national, and international political and economic interests. As there are unending debates about political economy, this study should be presented as enlightenment for the economic development of Indonesia amid the globalization of the world economy. This argument also explains why the international community is interested in Indonesia and vice versa.

The founding fathers realized that Indonesia was a large country and rich in natural resources. They have laid down the goals, visions, and missions for founding Indonesia to advance public welfare, educate the nation's life, promote world peace, and live prosperity for its people. This matter is constitutionally enshrined in the Preamble to the 1945 Constitution of the Republic of Indonesia (UUD 1945) and is described in each of the articles of the intended law. In the context of economic development, it is specifically stated in Article 33, namely paragraphs 2 and 3, the presence of the State to control the production branches of the strategic economic sector and the wealth of natural resources for the prosperity and welfare of the people. Paragraph 1 relates to the direction of the system or joint efforts of all elements of the nation in the economic development using the principle of kinship (Trihatmoko and Susilo, 2018a, b; Trihatmoko, 2018; Trihatmoko, 2019b; Trihatmoko, 2020b; Trihatmoko, 2022; Trihatmoko and Susilo, 2023).

However, during the growth of economic development in the natural resources sector, challenges related to justice in the people's economy persist. The journey of 75 years of Indonesian independence still bears the burden of 26.42 million people below the poverty line. This data was updated in 2020 by the Central Bureau of Statistics, Indonesia. The critical statement is illustrated in the study of Trihatmoko and Susilo (2018a), which states that in areas rich in natural resources, many people still live in poverty. The assessment of the socioeconomic figures is not reflected by the assessment of the World Bank, which categorizes Indonesia as an Upper Middle-Income Country ranging at USD 4046 - 12,535. In 2019, it was stated that Indonesia's Gross National Income (GNI) per capita rose from the previous position of USD 3840 to USD 4050. The problem of an income inequality gap exists between the marginal/poor group (with an annual income of just USD 1750) and the rich group, with an average income of hundreds of millions of rupiah and billions every year. According to the Central Bureau of Statistics data, the poverty rate increased to 9.78% in March 2020 compared to 2019. Moreover, it can be estimated that it will tend to increase due to the impact of the COVID-19 pandemic situation.

The problem of poverty in Indonesia has become one of the drivers of thought called Indonesia Raya Incorporated (IRI), namely integration between State-Owned Enterprises (SOEs) and Regional-Owned Enterprises (ROEs) to become the priority of the government in the economic development from empowering the natural resources in Indonesia (Prabantoro, 2014; Trihatmoko and Susilo, 2018a, b; Trihatmoko, 2018; Trihatmoko, 2019b; Trihatmoko, 2020b; Trihatmoko and Susilo, 2023). The study of SOEs is very interesting for researchers with their respective perspectives and focuses. SOEs play an important role in the progress of the global economy and market (Lin et al. 2020), including their use as instruments for national industrial development (Singh and Chen, 2018). However, conceptions relating state companies to natural resource-based businesses are rarely found in previous literature. This gap can be studied by previous researchers, as also stated in the research of Trihatmoko and

Susilo (2023). Furthermore, the mapping of similar literature with these contexts, for example, the study of George et al. (2015), Lukas and Basuki (2015), Sulardi (2015), Akyuwen (2017), Ferza et al. (2018), Singh and Chen (2018), Soejono and Heriyanto (2018), Khan et al. (2018), López-Quesada et al. (2018), Furqan et al. (2018), Liljeblom et al. (2020), Iskandar et al. (2020), Purnamasari and Trihatmoko (2022). The SOEs study in the position of this paper has a different focus from the previous research, and they generally study SOEs regarding corporate governance, management strategy, and company performance. Other literature studies, namely on natural resource governance and its relationship to the role of SOEs, were carried out from a different perspective with the intent of IRI and political economy in Indonesia, namely by Kumar et al. (2021), Lotfalipour et al. (2022), Lim and Morris (2022), Machmud et al. (2022), Royal et al. (2023), Aysan et al. (2023), Absori et al. (2023). Meanwhile, the current study focuses more on managing state assets, namely natural resources by state companies (SOEs and ROEs), in the context of political economy, especially the economic constitution in Indonesia.

The above literature review provides a direction for thinking and criticism to find solutions so that natural resource management can benefit the country and its people. The constitutional economic base is an important binder for the political economy of a country. In the context of Indonesia's economic constitution, several SOEs studies with an IRI perspective (Trihatmoko and Susilo, 2018a, b; Trihatmoko, 2019b; Trihatmoko and Kuncoro, 2021; Trihatmoko, 2022; Trihatmoko and Susilo, 2023) were undertaken. However, their study has not provided a specific conception of IRI's perspective on economic development. Studies related to constitutional economics have also been carried out by Akyuwen (2017), Sulardi (2015), Machmud et al. (2022), and Absori et al. (2023), although they have not touched on the context of IRI.

The government has not yet accepted the thinking about IRI in the direction of regional and national economic development. The opposite phenomenon is that the current government of 'President Joko Widodo's era' still tends to liberalize natural resource management for private and foreign corporate powers. Since the previous government, private and foreign corporations' control of natural resources has not alleviated poverty in Indonesia (Trihatmoko and Susilo, 2018a). This is different from IRI's thinking that natural resources should be managed by the State, specifically the incorporation of SOEs, ROEs, and national and multinational private companies, and involving the community. This has met severe criticism. Currently, the practice of IRI has been pioneered in the share ownership of multinational companies in the gold mining sector, namely PT Freeport Indonesia. The composition of Freeport's shares is represented by 41% by PT Mining Industry Indonesia (MIN ID) as SOEs and 10% by PT Papua Divestasi Mandiri (PDM) as ROEs for the Papua regional government, as well as 49% of shares owned by Freeport McMoRan (FCX) (Trihatmoko, 2021; Trihatmoko, 2022). This review appreciates the Indonesian government and Freeport Holding restructuring the company's share ownership. However, it is recommended to divest MIN ID and FCX shares to ROEs in areas other than the Papua region to implement the IRI concept in the future (Trihatmoko and Susilo, 2018a). Observing the latest phenomenon that the issuance of the Job Creation Law in 2020 has encouraged a massive investment climate. This implies that economic constitutionalization provides an opportunity for the liberalization of natural resource management and strategic economics (Machmud et al. 2022; Absori et al. 2023). On the other hand, the highest economic constitution in Article 33 of the 1945 Constitution (UUD 1945) is very clear on the point that

natural resources, and branches of production or strategic economics are utilized for the interests of the State and the welfare of the people (Trihatmoko and Susilo, 2018b; Machmud et al. 2022; Absori et al. 2023). When the IRI concept is implemented, it is constitutional because it is based on Article 33 (Trihatmoko and Susilo, 2018b; Trihatmoko and Kuncoro, 2021). In this backdrop, the following is the research question:

**RQ. How does IRI think of the economic development of the natural resource sector and strategic economic resources used for the welfare of the people?**

This study aims to identify and describe the theory of economic development according to the thinking of IRI in the interest of natural resource management and strategic economic resources. Discussing IRI means exploring the governance of SOEs and ROEs, and their strategic management, or in the Murakabi economic system; it is included in the Murakabi corporation concept (Trihatmoko, 2022; Trihatmoko and Susilo, 2023). Departing from SOEs management, it will stick with the central government policies before touching on its importance to ROEs management by the local governments (Trihatmoko and Susilo, 2018a). The theoretical description is sought as a finding of the current study, including its relevance to the welfare of the people.

This study, on the theme of IRI thinking with the Murakabi economic system approach, is important to carry out to become a solution to Indonesian and global economic problems, which are considered liberal and disharmonious (Trihatmoko, 2018; Trihatmoko, 2022). Indonesia's natural wealth and its downstream economy need to be reorganized according to its economic constitution. So, the conception successfully developed in this study produces specific directions to strengthen previous studies of IRI and Murakabi economics by Trihatmoko and Susilo (2018a, b), Trihatmoko (2019b), Trihatmoko (2020b), Trihatmoko and Kuncoro (2021), Trihatmoko (2022), Trihatmoko and Susilo (2023). The findings of the study are theorized and conceptualized as a discussion and expansion of knowledge of IRI related to natural resources included economics strategies governance on Indonesia's economic wealth, and the Murakabi economic system in terms of corporate strategy with the Murakabi corporation format (Prabantoro, 2014; Trihatmoko and Susilo, 2018a, b; Trihatmoko, 2018; Trihatmoko, 2019b; Trihatmoko, 2022; Trihatmoko and Kuncoro, 2021; Trihatmoko, 2022; Machmud et al. 2022; Absori et al. 2023; Trihatmoko and Susilo, 2023). The practical implications of this knowledge are of interest to the management of natural resources and corporate SOEs and ROEs in the context of regional and national economic development. They are relevant to the global economic situation (Singh and Chen, 2018). Indeed, each country's economic constitution has differences, but one another has the same essence of truth, especially for the country's economic progress and the welfare of its people.

**Literature review and theories**

The previous Indonesia Raya Incorporated (IRI) studies, specifically by Trihatmoko and Susilo (2018a, b, 2023), presented a perspective for building a new construct with four main themes as a research framework, such as natural resources and strategic economics, government policy, state companies (SOEs and ROEs), and the economic strata of the people. These four variables are abstractions from previous IRI constructs. Trihatmoko and Susilo (2018a) describe the management of state asset ownership regarding natural resources and companies within SOEs and the private sector. Trihatmoko and Susilo (2018b) present the IRI model, which connects the economic constitution with incorporating SOEs and ROEs. The economic constitution is

explored again to construct its relationship with natural resource governance and strategic economics, corporate governance (SOEs and ROEs) towards economic strata (community and national) (Trihatmoko and Susilo, 2023). Below is a theoretical and analytical review of the IRI literature and other previous studies showing the relevance between natural resources and strategic economics, government policies, state enterprises (SOEs and ROEs), and people's economic strata.

**Natural resources and economics strategies.** The Indonesian government has committed its national development strategy to the Net Zero Emission (NZE) target in 2060. From now on, empowering the green economy is included in the group or field of natural resource and economic strategies management. Trihatmoko's opinion (Trihatmoko, 2020a) encourages SOEs in the agribusiness sector to empower the green economy to increase the productivity of renewable energy, namely green fuel (liquid) and wood pellets (solid). These alternative energy resources are clean, easily accessible, economical, sustainable, and relevant to reducing the negative impacts of the current increasing climate change turmoil (Royal et al. 2023). The sustainability of the business sector pays attention to its impacts on the environment, humanity, and society, as well as social and economic matters in general (Kumar et al. 2021). Trihatmoko and Susilo (2018a) have conveyed the context of ownership of state assets, namely all-natural and strategic economic resources, including state companies, for their control and presence in all these sectors. The study's results by Liljebloom et al. (2020) reminded us of that state ownership of a company in a certain sector is seen as producing positive profitability performance. The world must also recognize the economic growth of a country over time by corporate actions in investment and industrialization of natural resources (George et al. 2015).

The presence of IRI's thinking attempts to integrate the interests of business ownership in the natural resources sector between SOEs and ROEs, including the opportunities for Village-Owned Enterprises (VOEs). An opportunity for the government is to re-examine the existence of natural resources to reform state enterprises and make them more competitive domestic corporations (Singh and Chen, 2018). However, government institutions and companies do not yet properly understand how to manage natural resources to harmoniously maintain the balance of interests of individuals and community groups (Kumar et al. 2021). Reviewing the discussion of Trihatmoko and Susilo (2018a), the paradigm of state assets, which includes an economic constitution toward nationalism of economic wealth by the government to build a harmonious economic system, can be seen. The goal to be achieved is the welfare of the people within the framework of the Unitary State of the Republic of Indonesia. Good governance of natural resources as state assets can be a blessing whenever it involves the role of effective government and political stability, accountability, and other things in good governance (Iskandar et al. 2020).

The literature review on above points is the indirect relevance to people's welfare by the role of companies in the natural resources sector, including state institutions, namely central or regional government. State companies and the government are key institutions for contextual analysis of IRI, its functions, and processes, are structured in this study (Kumar et al. 2021).

**Government.** Problems in natural resource governance are due to limitations imposed by various pragmatic business interests, making it difficult to achieve harmonization goals, including economic, macroeconomic, social, and cultural (Aysan et al. 2023). Indeed, government regulations and laws regulate it, but

they are interpreted truthfully according to interest groups in business and economics politics (Trihatmoko and Susilo, 2023). The reference to the constitutional economy emphasizes the need to control natural resources by the State through the role of SOEs, according to Article 33 Paragraph (3) of the 1945 Constitution (Trihatmoko and Susilo, 2018a, b; Trihatmoko, 2019b; Machmud et al. 2022; Trihatmoko and Susilo, 2023; Absori et al. 2023). Likewise, the State's control of strategic economic resources or sectors that control the people's interests refers to Article 33 Paragraph (2) (Akyuwen, 2017; Trihatmoko, 2018). The description of the meaning of state power is interpreted not only by the government but also by the people so that, natural resource management and strategic economic sectors in the economy must involve the people under Article 33 Paragraph (1) (Trihatmoko and Susilo, 2018a; Trihatmoko, 2019b; Machmud et al. 2022; Trihatmoko and Susilo, 2023; Absori et al. 2023).

The government's role is very significant in pursuing its political policies when natural resource management and strategic economics use the IRI approach and Murakabi economics (Trihatmoko and Susilo, 2018a, b; Trihatmoko, 2022; Trihatmoko and Susilo, 2023). Central and regional orders do not yet have the political will to synergize or incorporate natural resource sector businesses by SOEs and ROEs (Trihatmoko and Susilo, 2023), except for Freeport, which manages gold mines in Papua, mainly MIN ID, PDM, and FCX. (Trihatmoko, 2021; Trihatmoko, 2022). The government currently uses an economic monopoly approach by SOEs and the private sector towards natural resources (Trihatmoko, 2022), with the government as the majority shareholder (Machmud et al. 2022), as well as by the private sector without the involvement of SOEs or ROEs (Trihatmoko and Susilo, 2018a). The study of Machmud et al. (2022) supports the State's monopoly policy on natural resource management carried out by SOEs, arguing that SOEs are development agents for the interests of many people. Furthermore, the authority for natural resource management and strategic economics rests on the subjectivity of the current government because it is becoming more liberal from time to time (Trihatmoko and Susilo, 2018a; Trihatmoko, 2019b).

**State-owned enterprises (SOEs) and Regional state-owned enterprises (ROEs).** SOEs understanding of the economic constitution of Indonesia are based on the 1945 Constitution (UUD 1945) (Akyuwen, 2017; Machmud et al. 2022), aside from the subsequent constitutionalization, namely SOEs Law Number 19 of 2003 (UU SOEs-2003) (Trihatmoko, 2019b; Trihatmoko, 2022; Machmud et al. 2022; Trihatmoko, 2022). UU SOEs-2003 does not yet include ROEs participation, so it is criticized as an individualist and capitalistic company (Trihatmoko, 2022). The initial description of IRI is a privatization mechanism for SOEs to share ownership with local governments through ROEs (49%), and ROEs to the central government through SOEs (49%), or 51% to each government for their companies (Prabantoro, 2014). However, the mechanism for ownership of SOEs and ROEs has not yet become a standard formulation, considering that the number of local governments in Indonesia consists of 34 provinces with district-level governments, namely 416 and 98 municipal governments, or a total of 514. Trihatmoko and Susilo (2018a) discuss and recommend extending this proportion to VOEs and the public, namely the people and private companies.

The argument for ownership of SOEs and ROEs from the thinking of IRI contains a message to build a sense of unity and integrity over all the people's state property rights. However, the existence and value of this wealth differ from one region to another. The implication of this argument is the achievement of equitable development and the welfare of the people, as well as

maintaining the integrity of the Unitary State of the Republic of Indonesia (Trihatmoko and Susilo, 2018a; Trihatmoko and Susilo, 2023). The study of SOEs and ROEs figures in Indonesia is a synthesis between natural resources and strategic economics, harmonious economic sustainability, the government as a state institution as the holder of the people's mandate according to IRI thinking, and Murakabi economics. Their existence shapes and builds relations across countries and industrialization sectors (Singh and Chen, 2018).

**Economics strata.** The community's standard of living is at the economic strata. In the context of this study, it is related to the wealth of natural resources, which is their constitutional right. The facts show that Indonesia's natural resource wealth is still far from the economic constitution's wishes for the people's welfare and equitable development (Trihatmoko and Susilo, 2018a). This literature explains the presence of IRI thinking as a solution for Indonesia's future economic development. Moreover, as natural damage is also a result of economic liberalization, it is now a reminder that alternative energy management needs to be a concern for all countries (Kumar et al. 2021; Royal et al. 2023). Machmud et al. (2022) reminded us that the economic constitution related to natural resources and SOEs is very clear, namely as a state effort in economic development steps to increase the prosperous economic strata of the people.

The extant literature on the thinking of IRI aligns with the paradigm of economic Murakabism, or, in this case, it is called the Murakabi economic system. Murakabi's business resembles the practice of the Cooperative Business Unit or Union, whose membership is as a business owner. The purpose of a Murakabi corporation is the ownership of shares or in the form of securities 'company shares by employees, the community and central and local governments, customers and consumers, suppliers and cooperatives, and others' (Trihatmoko, 2018; Trihatmoko, 2022; Trihatmoko and Susilo, 2023). This shows that the integration of share ownership toward SOEs and ROEs by the central and regional governments and the public with direct interests has a constitutional basis in Indonesia. As a clarification, in its development, the Murakabi corporation concept also includes incorporation with national or multinational private companies, together with SOEs or ROEs, depending on the share ownership portion of the company.

## Research methods

The literature review and previous research above identified four themes or variables in this research, each of which indicates a relationship but has not yet been constructed. The research methodology seeks to disentangle and relate each other to the interpretative paradigm, so the description is: (1) Natural resource potential and strategic economy; (2) Roles and functions of government; (3) Roles and functions of the state enterprises; (4) Population economic strata; and (4) Economic development. This variability is explored to build a new construct as a theoretical development of IRI using qualitative methods. A similar method for exploring IRI has been successfully carried out by Trihatmoko and Susilo (2018a, b) and most recently by Trihatmoko and Susilo (2023), as well as the research instruments used are the same as the previous study. This can be seen in the research design below, which explains the methodological approach, data collection, analysis and interpretation, and data validation. In the general understanding of qualitative methods, researchers act as an important instrument because they are interpreters who listen to data to uncover the meaning behind research phenomena, including seminar forums as additional



instruments used by researchers in presenting interim research results.

**Methodological approach.** This qualitative study applied a grounded theory approach combined with an interpretive approach, namely constructivism and criticism. Various methodological directions were adopted and implemented from each other, which complement each other, such as by Fatchan (2011), Hammersly (2012), Creswell (2013), Gupta and Awasthy (2015), Taylor et al. (2015), Flick et al. (2017), Kalu and Bwalya (2017), and Trihatmoko (2019a).

The grounded theory strategy is applied to build a new theory in a new phenomenon (Trihatmoko, 2019a). In this case, the phenomenon of IRI thinking. Researchers try to collect memos or memoirs to make the process flow easy (Creswell, 2013). The theory development resulting from the grounded theory process/methodology was used to help explain the practice and provide a framework for future research (Creswell, 2013).

The researchers estimate from the memoing process that the focus is on the theme of natural resources and strategic economic resources related to the role of government and ROEs targeting the level of people’s welfare. This estimate is deepened by the methodological procedures followed to build the causality of the theories found. This study was arranged from textual descriptions to structural descriptions in the form of premises and propositions using constructivism interpretation (Creswell, 2013; Trihatmoko, 2019a).

The first interpretation with a constructivism approach is following the direction of the grounded theory strategy, namely building a new theory or construct based on the diversity of meanings of the data collected (Creswell, 2013; Trihatmoko, 2019a). However, the built construct is not limited to a narrow causality relationship but has a holistic meaning. Thus, IRI thinking continues to develop with a methodological combination of grounded theory and constructivism.

The critical theory approach is taken according to the meanings of the themes explored to provide a critique of political-economic policies. Creswell’s review (2013) states that critical theory concerns the meaning of social life, historical problems, domination, competition, etc. This view in the context of the IRI study is very appropriate since it involves the social life of the people, corporate domination, economic politics, and other aspects of state governance.

**Data collection.** IRI content requires understanding by experts in the fields of economics and management, both in the context of state government and corporate governance. Accuracy in the data collection requires the participation of these experts as research informants, using Focus Group Discussion (FGD) techniques (Trihatmoko and Susilo, 2018a, b; Trihatmoko and Susilo, 2023). The FGD forum and its infrastructure are the main research instruments, including participants, discussion space, presentation materials, cameras, videos, and media releases after the discussion.

Data were collected from two FGDs-themed IRI. The first FGD was conducted in Solo ‘Surakarta’ (December 2016), and the second FGD in Batam (January 2017), Indonesia. The FGD participants were economists selected from various universities in Indonesia, with the academic rank of Professor and Ph.D. as the key informants. Several practitioners and government personnel are the supporting informants. For example, the Governor in each of these regions or the representative, the Chancellor of a local state university, and the head of the IRI study group. The informants were deliberately selected with strict criteria or prerequisites to ensure their expertise and competence in dissecting IRI thinking. The number of FGD participants in Solo was 18 (eighteen people), and in Batam was 20 (twenty). The majority of academics and others were regional officials and practitioners. The researchers in FDG act neutrally as moderators and authors of conclusions as the data is collected.

**Data analysis and interpretation.** Interpretive data processing was done using a composite analysis approach (Trihatmoko, 2019a; Creswell, 2013; Fatchan, 2011) so that identification and description of the theme or research focus were marked with their respective codes (Table): (1) A is a discussion in Solo and B in Batam; (2) KI.1 is the first key informant, and so on; and (3) SI.1 is the first supporting informant, and so on. Some conclusion notes as part of the data validation in each discussion forum with Code A.CN and B.CN.

The informants’ codes were arranged randomly to ensure the difference in numbering between the discussions in Solo and Batam to maintain the confidentiality of the data, even though the identities of the informants were known to the public. Procedures and methodologies have been adopted to maintain the independence of the data and the credibility of this study (Creswell, 2013; Fatchan, 2011). The confirmability procedure as the data validation is implementing an open discussion for the public through the national media coverage entitled IRI.

Data analysis was conducted using a componential approach and processing through axial coding to identify the themes of the study’s findings (Trihatmoko, 2019a; Creswell, 2013; Fatchan, 2011). The textual description was carried out to identify the meaning of the data in the theme and to raise the meaning to provide criticism, both positive and negative thoughts. The next interpretation was a structural description in its importance to interpret it theoretically and build its conception, namely the construct or framework of the economic development thinking from the IRI perspective.

A component analysis determines the relationship between themes using reduction techniques and FGD data grouping to estimate the disclosure of the study’s results (Trihatmoko, 2019a). Grouping data with coding practices and axial analysis to construct and then express as data interpretation (see Table 1). FGD data is a logical and natural statement of the participants’ thoughts according to the context, so interpreters must be careful with componential analysis procedures and axial coding.

**Table 1 Identification and description of the themes of the thought phenomenon of Indonesia Raya Incorporated (IRI).**

Description of Theme	Natural resource potential and strategic economy	Roles and functions of government	Roles and functions of the state enterprises
Roles and functions of government	Sub - 4.2		Sub - 4.4
Roles and functions of the state enterprises	Sub - 4.3	Sub - 4.4	
Population economic strata	Sub - 4.1	Sub - 4.5	Sub - 4.6
Economic Development	Sub - 4.7: Interpreting data from each description of these themes is meaningful in economic development.		

The description of each thematic or the so-called variable of the study describes the consistency of the data between the first source, “FDG-Solo,” and the second, “FDG-Batam,” shown in the results of this study (Table 1). Data excerpts were presented from each informant’s opinion (KI and SI) to support the strength of the data interpretation and analysis and other discussion data notes (A.CN and B.CN). Several stages of interpretation were carried out from the first and second FGDs. Then, in 2018, field observations on SOEs in the water storage and supply sector in West Java and the cement sector in West Sumatra were strengthened. During field observations, interactive discussions were held with the board of directors and managers. The discussion is for a practical explanation of each theoretical interpretation of the research theme.

**Data validation.** The data description has been kept original. It means there is no duplication with the data used in the previous research by Trihatmoko and Susilo (2018a, b; 2023). Qualitative research allows the same data to have different meanings if the interpretation methodology differs from one method to another. Hence, a critical approach appears from the hallmark of this research methodology.

In addition, it was confirmed that the summary of this paper was presented orally by Trihatmoko (2020) at the World Summit on Management Sciences. This activity was also concerned with data validation and socialization to the world about the phenomenon of IRI thought and the Murakabi economy. This abstract of Trihatmoko’s (2020b) presentation was published in the International Journal of Tourism and Hotel Business Management, Vol. 2, No. S1 (p. 30), SciTech Central Inc. The oral exposure recordings were uploaded on YouTube: Roderikus Agus Trihatmoko | University of Surakarta | SciTech Management Sciences 2020. Before that, the researchers held a seminar on SOEs governance and energy economics at a University in Yogyakarta in 2018 (Trihatmoko and Susilo, 2023). Publication in the mass media during the FGD activities in the cities of Solo and Batam with the initials IRI is public confirmation that the essence of the discussion contains theoretical and practical truth. The development in 2023 is that a discussion forum will also be held at the implementation level regarding empowering the green economy in the Wonosari area, Yogyakarta Province, by SOEs in the electricity sector. The data obtained also serves as validation that strengthens the results of this research.

## Results

An in-depth analysis of the thinking of IRI reveals the themes that are found to be important factors in the economic development of Indonesia, namely the potential of natural resources and the strategic economy, the role and function of the government, the role and function of the state enterprises, and the economic strata of the population. The findings were identified using the axial coding technique so that the componential approach analysis of each theme was prepared as a basis for interpreting the data (Table 1). The textual description explains the operationalization/rationality of each variable finding from the interpretation of the data, according to the meaning contained by the informants’ opinions. Furthermore, the constructional interpretation is presented by describing structurally as theorizing in the form of premises (Pa-...) and propositions (P1-...) to build its conception and below are seven subheadings in sequence from Sub - 4.1 to 4.7 according to the coding tables.

**Natural resource potential and strategic economy: economic strata of the population.** The economic constitution of Indonesia’s Article 33 of the 1945 Constitution has a clear meaning: the

State earmarks the wealth of natural resources for the prosperity and welfare of the people. However, research findings criticize that regions with abundant natural resources are still pessimistic about alleviating poverty, for example, in East Kalimantan. The wealth of existing resources includes strategic economic sectors, besides oil and gas wealth, as well as coal, such as agriculture and plantations, consumer goods, electricity and telecommunications, and others. Various participants state as follows:

*“In fact, the gaps that occur are precisely in areas that have abundant natural resources, but the people do not achieve prosperity from these natural resources” (A.IS.1). “As much as possible, we manage for the prosperity and welfare of the Indonesian people at this time, and we will pass it on to the future generations” (A.IS.2). “...This is because their area of origin is not economically developed, and unfortunately the economic development tends to be controlled by only a handful of people...” (B.IS.1). “... The success of regional autonomy has not touched the lower classes, mainly people in the rural areas, ...” (A.KI.3). “The results from oil are wrapped up as if it were per capita income but in fact, it is not, ...” (A.KI.4). “... Micro groups, in this case, are clearly unable to obtain permits, ... then, regarding the welfare of the people of Kalimantan, it will be difficult to achieve” (A.KI.6). “... At the same time, the surrounding resources continue to be exploited and flow out of the community’s economic pocket” (B.KI.7). “When all-natural resources are managed properly as mandated by Article 33 of the 1945 Constitution, now the shackles of people’s poverty will be freed” (A.KI.12). “Natural resources have enormous potential to create development and prosperity for the Indonesian people” (B.KI.4). “Oil and gas are fossil-based energy sources that can increase the prosperity and welfare of the people” (B.KI.5). “The availability of energy is one of the components that determine the acceleration of the national development and the improvement of people’s welfare, ...” (B.KI.5). “... However, natural resources and other economic resources that touch the aspects of people’s livelihoods.... if there is no revitalization in it, indicates that the people do not obtain prosperity directly from their natural resources” (A.CN). “Indonesia’s current oil and gas management does not have an impact on the prosperity and welfare of the people as mandated by Article 33 of the 1945 Constitution” (B.CN).*

(Pa): States that, the thinking of IRI directs the management of natural resources and strategic economy for the welfare of the people in accordance with the mandate of the economic constitution. (Pb): If the State implements it properly and well or fairly for its people, the natural resources and strategic economics will indirectly improve the standard of living of the population in each of their areas. (Pc): On the contrary, the natural resources and strategic economy only benefit a group of entrepreneurs, and on the other hand, many people are still poor.

P1. The management of natural resource potential and the strategic economy will indirectly create the strata or standard of living of the population in the region and nationally.

## Natural resource potential and strategic economy - roles and functions of government.

IRI is expected to be a solution for natural resource management and strategic economics in national economic development, namely first the need for the role and function of the government and then the role and function of the state enterprises or ROEs. As a representative of the state leadership, the government is the holder of regulations and policy-makers, so they are authorized to regulate the management of the natural resources and the strategic economy of each region and

nationally. The crisis of the gap between the central and regional governments and the dominance of private corporations over natural resources are arguments for the importance of the role and function of ROEs with the IRI approach.

*“The source of the economy is not only oil and gas but what about the Nine Basic Material Needs: internet credit, upstream and downstream energy, including electricity...” (A.IS.1). “The focus of oil and gas governance is on the government policies, in which there are still gaps between regions and the center and operational inefficiencies. IRI should start as a new policy study by the government towards the prosperity of all the people” (B.IS.3). “... from now on, the government must dare to put a moratorium on the foreign investment where the investment is aimed at the strategic industry, the solution is that foreign parties are allowed to have a maximum share of less than 50%” (B.KI.2). “... in this case, it considering that the organizational political issues are important matter apart from the economic and welfare issues,” (B.KI.8). “Natural and community resources extend to the countryside, thus, IRI can include VOEs as well as other agricultural and rural sectors” (A.CN). “Indonesia has been judged to have failed to manage its natural resources, which tend to enjoy the results by certain ‘private and foreign’ parties, SOEs and ROEs have not fully controlled” (B.CN).*

(Pa): The role and function of the government are required with a new policy/regulation for the natural resource management and strategic economy, for the welfare of its people. (Pb): The regulation is expected to eliminate the domination of private and foreign corporations over the natural resources ‘oil and gas’ by involving the state companies ‘SOEs & ROEs’.

P2. The management of natural resource potential and strategic economy for the welfare of the people encourages the role and function of the government.

**Natural resource potential and strategic economy: roles and functions of the state enterprises.** To achieve the above objectives, the management of natural resources and strategic economics is considered not optimal by the state companies, “SOEs and ROEs,” for the welfare of the people. On the other hand, SOEs and ROEs are required to have better good corporate governance performance. Terminology SOEs and ROEs represent the state businesses that should optimally manage every potential natural resource and strategic economy.

*“Moreover, the processing of natural resources, the overall value is also dominated by the MNC” (A.IS.1). “The purpose of IRI, ... the management of natural resources and economic resources is by integrating SOEs and ROEs” (B.IS.2). “If SOEs/ROEs later become Incorporated, the Corporate Governance (CG) factor must be considered and strictly enforced, ...” (A.KI.9). “The rejection of the Energy sector Labor Union against foreign energy companies, ... would be better managed by SOEs (article 33 of the 1945 Constitution), ...” (B.KI.2). “Implementation is the central point of IRI so that it can be successful, but the obstacles are good governance SOEs/ROEs, and political issues ...” (A.CN).*

(Pa): The integration between SOEs and ROEs in managing the potential business of natural resources and strategic economic sectors in the direction of IRI’s thinking. (Pb): The role and function of the intended state company are expected to be mediators or bridges for the people’s welfare and economic wealth in their respective regions and nationally.

P3. Managing natural resource potential and strategic economy for people’s welfare encourages the role and function of state enterprises ‘SOEs & ROEs.’

**Roles and functions of government: roles and functions of the state enterprises.** The constitutionalization of natural resource governance and strategic economic sectors is very much needed to lead to the implementation of IRI. The criticism of SOEs and ROEs encourages the state governments and state-owned corporations to make a policy or regulation (constitutionalization) to manifest the government’s alignment with the state companies over private companies. This is motivated by the role and function of the state enterprises as the agents of development for the welfare of the people. Meanwhile, it will be realized through the role and function of the state government itself. However, government and state politics have been criticized for not favoring the interests of the state companies.

*“Natural resource governance reforms by SOEs and ROEs, private and foreign companies and including reviewing all regulations must be carried out” (A.IS.2). “SOEs and ROEs companies that are sick must be healed and must encourage the acceleration of inter-island trade in Indonesia” (A.IS.1). “IRI’s main challenge will lie in the implementation and role of the people’s representatives (DPR), meanwhile people’s representatives still tend to represent their parties” (A.KI.1.). “The twists and turns toward IRI, namely the question is why has it not materialized? The challenge requires conditions, such as the quality of government and the quality of SOEs and ROEs” (A.KI.1). “Eliminate ‘rent-seeking activity’ through transparent negotiations between the government and oil industry management companies” (A.KI.2). “...Shares owned by the people or individuals can quickly add up, but shares owned by SOEs and ROEs need legislative support” (A.KI.3). “Currently, the land of ‘Kalimantan’ has been used up in lots by conglomerate companies, thus the future problem will be land issues” (A.KI.6). “Like China, SOEs have become giants, because the system, politics, and leadership are strong ... because political interests often destroy them” (A.KI.7). “The problem with ROEs so far is that its management is too bureaucratic because the hierarchy is too high, making it less professional” (A.KI.10). “Opportunities IRI can do, namely streamlining and simplifying the bureaucracy, fixing laws and regulations” (B.KI.1). “... realizing IRI is the mandate of the economic constitution, but will intersect with several regional regulations “Regional Autonomy” (A.CN).*

(Pa): The potential of natural resources and other strategic economies is estimated to be able to be managed by the state companies. (Pb): The management of state enterprises on the state assets requires direct policy or regulation by the government. (Pc): Every government policy or regulation on the state companies ‘SOEs & ROEs’ in the context of optimizing the role of state companies in their function of contributing to the welfare of the people.

P4. The role and function of the government determine the role and function of the state enterprises in managing the potential of natural resources and the strategic economy for the welfare of the people.

P5. The role and function of the state enterprises encourage the role and function of the government in managing the potential of natural resources and the strategic economy for the welfare of the people.



**Roles and functions of government: economic strata of the population.** The role and function of the government in carrying out state life have been criticized for taking sides with the people. Meanwhile, the constitutional economy mandates them to prioritize the people's interests directly above all others. The idea of IRI is an opportunity for every running government to play a direct role in improving the standard of living for the population, especially in areas rich in natural resources.

*"The point of the sovereignty of the Indonesian territory is that it is spread over a geographical area, but geoeconomically between one city and another regional area, there are still gaps or discrepancies" (A.IS.1). "When we can utilize various natural resources optimally and sustainably, it will provide great benefits for the prosperity of the people" (A.IS.2). "This situational situation, in fact, is widely used as political ammunition in various interests of the democratic process and politics itself" (A.KI.1). "Although there are many concepts of ownership of oil natural resources, in many countries, the state ownership is stronger than the private ownership" (A.KI.2). "However, so far we have been extraordinary because we can be careless about Indonesia's economic potential" (A.KI.11). "The information and management of natural resources in Indonesia are still like a black box that cannot be seen by anyone" (B.KI.4). "Aceh province has received various privileges in the allocation of funds from the center to the regions, but why is the poverty rate still high in the province?" (B.KI.5). "... the submission of this IRI concept will intersect with certain political interests, meanwhile the decision to implement IRI is highly dependent on the political will" (A.CN.1).*

P(a): The role and function of the government in regulating policies and regulations on natural resource management determine the economic strata of the population along with the role and function of the state enterprises, according to IRI's thinking. (Pb): The government's alignment with the people's welfare over natural resources and the strategic economy, if it prioritizes the state enterprises, plays a more dominant role than private companies.

P6. The roles and functions of the government and the state enterprises determine the economic strata of the population in natural resource management and strategic economics.

**Roles and functions of the state enterprises: economic strata of the population.** IRI's thinking provides an opportunity to the healthy state companies 'SOEs & ROEs' since the performance of these state companies is considered not good in terms of good corporate governance, especially for ROEs. Natural resource management and strategic sectoral integration or incorporation between SOEs and ROEs affect people's welfare. This is motivated by the dominance of private companies, which have so far dominated the management of natural resources, so the government's role is to reorganize.

*"I agree with the revitalization of natural resource management and our SOEs/ROEs for the welfare of the people" (A.IS.2). "The strength of multinational corporations (MNCs) in Indonesia or abroad makes Indonesia the target market for their products" (A.IS.1). "... strong government, healthy SOEs and ROEs are needed, empowered communities, sovereign community institutions and maintained sustainability are also required" (A.KI.1). "SOEs and ROEs can synergize in the corporate energy bond participation as a form of joint ownership, ownership of all" (B.KI.1). "... The hypothesis is that good natural resource management is expected to accelerate the creation of prosperity for the people*

*of Indonesia" (B.KI.4). "...Management by ROEs requires the organization to change from a mechanistic, ... to an organic organization (cross-functional, mutual adjustment, decentralization)" (A.KI.10). "The IRI concept as a proposition is one of the solutions to provide prosperity and the welfare of the people today..." (A.CN).*

P(a): The role and function of the state companies 'SOEs & ROEs' are in running the business of the natural resource sector and the strategic economy along with the role and function of the government, according to IRI's thinking. (Pb): The integration or incorporation between SOEs and ROEs to directly benefit the people's welfare, so the government should prioritize this opportunity for the state companies rather than the private companies.

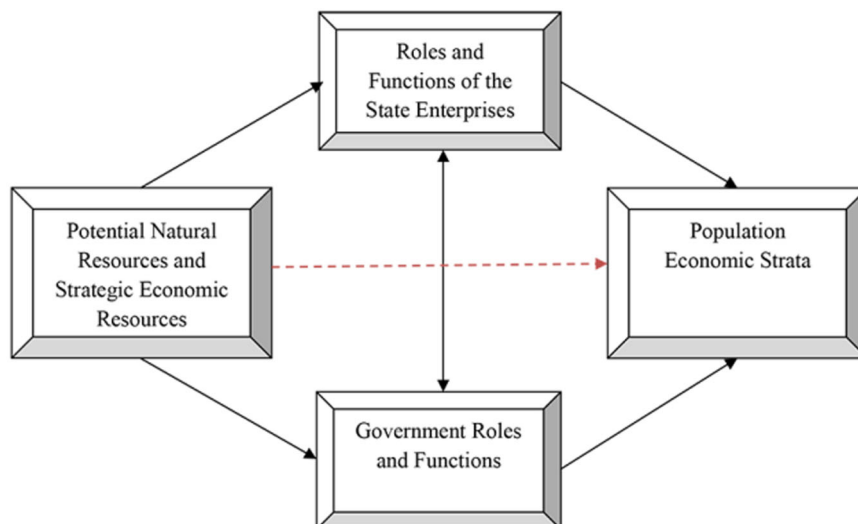
P7. The role and function of the state enterprises, together with the government, determine the economic strata of the population in natural resource management and strategic economics.

**Economic development.** The theoretical description of the results of this study (P1-P7) illustrates that the economic development approach is directed towards the welfare of the people, which follows the mandate of the economic constitution. Meanwhile, the dominance of private companies in controlling the natural resource sector business and the strategic economy is still far from being expected for the people's welfare. Likewise, in other cases, such as the constitutional Special Autonomy for each region in Indonesia, the welfare of the people in the region is not as expected. Various regions of Indonesia are rich in natural resources; thus, the distribution of results will be played by ROEs nationally. IRI intends to achieve these primary goals through the roles and functions of the government and state companies.

Nevertheless, efforts are still needed to improve GCG performance for state-owned companies. The role and function of the state companies using the IRI perspective will also build the corporation's strength to become a formidable company in the regional and global arena. Thus, the conception of the theory of economic development from the structural description of the research is put forward from the perspective of IRI (Fig. 1). The following are the informants' opinions.

*"Article 33 of the 1945 Constitution states that Indonesia is very rich in natural resources, with a very diverse potential of natural wealth, and heterogeneous mining wealth and almost all of them are in Indonesia" (B.KI.6). "... The state must have the right to own, manage, and control the natural resources and other production branches for ensuring the greatest prosperity of the people" (B.KI.3). "... It seems that special autonomy and regional autonomy have not had a significant impact on the prosperity of the people in their regions" (B.CN). "Precisely with the regional autonomy, it is expected that development will be carried out in a bottom-up manner, but the implementation will be top-down" (A.KI.3). "... special treatment and the implementation of affirmation programs for these special areas have not yet been able to increase the level of welfare expected" (B.KI.5). "... The IRI concept is very important and strategic to regulate the governance of Indonesia's oil & gas resources" (B.IS.2). "In the 21st century, Indonesia is expected to be victorious in leading the emerging market, due to its strong demographic dividend, geography, and history cycle" (A.KI.1). "Of course, the results of the study of natural resource deposits are promising, but at the same time it becomes a concern if there is no transformation of management" (A.KI.6). "IRI's ownership scheme needs to be sharpened so that it becomes more specific because irrespective of the title, SOEs reform is*





**Fig. 1** The Indonesia Raya Incorporated (IRI's) perspective for economic development.

*needed. SOEs have the potential to become Global players” (B.KI.3). “The sovereignty of the nation in the management of natural wealth is in our hands, making us the main economic power in the regional and even global regions” (A.IS.2). “...There are many experts in Indonesia, thus they can be trusted to manage the wealth of our country” (B.KI.8). “Solutions that must be done: The government must position the local government as the owner/position as well...; reviewing the contract of work, needs to be prepared from the start ...; must be done when natural resources are still abundant, consistent with applicable laws, natural resource management as a strategy for the regional empowerment” (B.KI.7).*

Notes from several other discussion forums with practitioners and observations support the conception of Fig. 1 regarding the governance of natural resources, fossil-based energy, and alternative energy. They agree that ROEs or local governments are interested in participating in shared ownership of ROEs where they operate in their area, including opportunities for community participation in VOEs or cooperative groups in owning SOEs shares.

**Discussion and implication**

The conception of economic development (Fig. 1) shows that an important point in overcoming the problems of the natural resource potential management and strategic economics is that the role and function of the government should be solved for the state enterprises “SOEs and ROEs.” They serve as representatives or mediators of the State in managing the wealth of the national economy, thereby directly determining the economic strata of the population. For example, “The people are prosperous or shackled by poverty, the area is prosperous or still lagging in its development?” (sub 4.1: A.K1.3, A.K1.4., A.K1.6). This finding serves as a criticism that the role and function of the government, which gives priority to private corporations in the management of natural resources and strategic economic resources, have been ineffective for the welfare of the people. This concept building contributes to the deepening of the previous IRI conception (Trihatmoko and Susilo, 2018a, b; 2023) that strategic natural resource and economic governance emphasizes the role and function of SOEs and ROEs. This is when the central government and central government create new policies with state regulations or laws, according to directions from George et al. (2015),

Trihatmoko and Susilo (2018a), Liljebloom et al. (2020), Isyandi and Trihatmoko (2021), Trihatmoko and Susilo (2023). These findings differ from the concept of Machmud et al. (2022), which states that the formation of holding SOEs follows the economic constitution; the centralization of holding businesses does not involve ROEs.

The implications of this IRI construct mean that the government’s role in the state administration function is needed through policies to harmonize the economic development of the natural resource sector and other strategic economic resources through their state companies. The policies of the central government, as well as local governments based on the economic constitution, promote incorporation between SOEs and ROEs so that the roles and functions of the state enterprises directly contribute to the welfare of the people (Trihatmoko and Susilo, 2018b).

In corporate management practice, it has been confirmed by Trihatmoko (2021) and Trihatmoko (2022) that the ownership of Freeport company shares by MIN ID, PDM, and FCX is a form of IRI implementation, although not completely. At least the Freeport issue is evidence of the implications of the study suggestions by Trihatmoko and Susilo (2018a). So, the political will of the government in its role at both central and regional levels as well as companies (Aysan et al. 2023; Machmud et al. 2022; Trihatmoko and Susilo, 2023; Absori et al. 2023) is the institutional determinant of IRI implementation.

The next definition contributes to the suggestion, which states that the consumption of natural resources is a community need or interest; therefore, government policies are a priority in maintaining the sustainability of the natural resource governance, which is good and on target (Singh and Chen, 2018; Royal et al. 2023; Kumar et al. 2021). The implications of sustainable natural resource management for improving the economic strata of the people in this context are the development of an energy economy based on alternative energy (Royal et al. 2023; Kumar et al. 2021), considering that fossil-based energy is increasingly depleting and the world is heading towards NEC (Trihatmoko, 2020a). The practice of green economic development in Wonosari, Yogyakarta, is an example of the implications of this study. “Planting fifty thousand trees for goat and cow fodder belonging to the local community on fifty hectares of land belonging to the King of Yogyakarta. Animal feed production greatly eases the burden on the farming community, and their livestock waste becomes organic fertilizer. Organic fertilizer empowerment is improving by adding a coal waste formula from the state electricity

subsidiary 'Energi Primer Indonesia (EPI PLN).' Tree branches produce biomass as a conversion to reduce coal emissions consumed by electricity companies. In short, the interests of the central, regional, village, and State companies lead to implementing the IRI concept or the Murakabi economic approach" (observation and FGD).

This research contributes to a broader description of the Murakabi economic system for SOEs and ROEs. Indeed, Murakabi terminology was not visible in the statements of the FGD informants because Murakabi economic thinking had not been initiated during FDG activities (Trihatmoko, 2018: p. 1–3). The state constitution provides space and flexibility for every government regime to make a policy or an economic system; in this case, it is a Murakabi or 'Murakab' economic system (Trihatmoko, 2018; Trihatmoko, 2020b; Trihatmoko, 2022; Trihatmoko and Susilo, 2023). The public is also expected to have the opportunity to own shares in the state company as an extension of rights to the state assets. If so, the Murakabi economic order makes a harmonious or non-liberalistic state economy for the Indonesian national and the international world economy (Trihatmoko, 2018; Trihatmoko, 2020b; Trihatmoko, 2022).

In the end, the discussion and implications of this research must be aimed at a prosperous economic strata of the population, meaning just social prosperity in economic life and the universe. Again, Freeport's share ownership by SOEs and ROEs and the green economy project in Wonosari are IRI pioneers and Murakabi economic practices. The discussion of the practical implications of IRI can then be looked at again. Contextual IRI can be called SOEs and ROEs in the Murakabi corporate format, which have consequences for building good corporate governance (Trihatmoko, 2022). The state company performs its function as a development agent by prioritizing good corporate governance per the provisions of the Ministry of SOEs (Purnamasari and Trihatmoko, 2022). The intended result is the economic strata of each resident to improve their welfare 'outcomes.' Thus, the research results support the practical management of the state government from agency theory. Both the government and state companies function as development agents for the state assets to fulfil contracts efficiently in the constitutional economy, namely for the welfare of the people (Akyuwen, 2017; Singh and Chen, 2018; Trihatmoko, 2018; Trihatmoko and Susilo, 2018a; Trihatmoko, 2019b; Trihatmoko, 2022; Trihatmoko and Susilo, 2023).

### Conclusion and recommendation

Natural resources include alternative energy and strategic economic resources with abundant potential in Indonesia. This study has succeeded in describing theoretically in the form of research propositions about economic development using the IRI thinking approach. Qualitative research with a combination of interpretive methodology is applied to reveal IRI's thinking in economic development in Indonesia regarding natural resource governance and strategic economics for the welfare of the people following its constitutional, economic goals.

The study results reveal the content of the main variables of economic development, namely the role and function of the government and state enterprises, namely SOEs and ROEs, related to the management of natural resources potential and other strategic economic resources which are determinants of the economic strata of population or for improving the welfare of the people.

Based on the analysis and findings, it is concluded that the management of the potential of natural resources, along with all strategic economic resources by sector, is an indirect factor for the improvement of the economic strata of the population. Therefore, the role and function of the government and state enterprises

(SOEs & ROEs) are needed, according to the IRI's point of view. The government's role in making constitutional and economic policies for state companies is related to natural resources and the strategic economy. Thus, the roles and functions of the state enterprises and the government can directly improve the welfare of the people in areas rich in natural resources and the wider community nationally. Apart from that, the implications of this IRI study conclude that the government is concerned about maintaining the natural resource ecosystem, as seen in its aim to reduce carbon emissions gradually and proactively towards the NEC in 2060. However, natural resource exploration in the mining sector also continues to increase interest in economic growth and fulfilment of global markets.

The construction of IRI thinking from the results of this research is the novelty and a new deepening of the previous IRI conception and Murakabi economics. This knowledge has implications for natural resources management practices by the government and corporate strategy within the body of SOEs and ROEs in Indonesia and the global world. This includes the possibility of strategies for national and multinational private companies whose main business positions are based on natural resources and strategic economics.

The above findings show that this study is consistent with the direction of the previous IRI conception, which is to recommend the central and local governments be proactive in empowering the natural resources 'oil and gas, minerals and coal, forests and plantations, and others.' The liberalization of state wealth management should be harmonized according to the direction of the economic constitution, namely prioritizing state enterprises over private and foreign companies. However, private and foreign companies can be integrated or incorporated with a joint venture mechanism. The development of the National Capital City in East Kalimantan also needs special and careful attention to the natural, social, cultural, and cultural ecosystems so that everything is maintained harmonically. This is also an opportunity for the Murakabi economy to be initiated there, and of course, it will involve foreign investment in the Murakabi corporation format. Alternative energy and the green economy will inevitably become the main force in the economic development design approach from now until the future. Stakeholders must be serious about this strategic matter.

The constitutionalization of government policies needs to be pursued through a compressive analysis of a study and applied research on economic development. "The main recommendation from this study is that the current central and regional governments are in power, namely the President together with the Regional Heads at the Provincial, Regency, and City levels to open dialogue and discuss with the government and legislative elites about IRI's thinking and the Murakabi economy."

The conceptual framework successfully built from this qualitative research provides an opportunity for quantitative research to find and test the deductive variables of the economic development theory. Future researchers can follow up on broader methodologies for regional or national economic development research to strengthen critical points against IRI's thinking. For instance, specific research opportunities can use the perspective of the *Murakabi* economic system, namely corporate management and governance for SOEs and ROEs, including their business operations.

### Data availability

All data are available in the manuscript.

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## Author contributions

RAT analyzed data, compiler of frameworks and theorists, and revised and confirmed the paper. YSS conceptualized the study collected data and methodology.

## Competing interests

The authors declare no competing interests.

## Ethical approval

The research was approved by the Institute for Research and Community Service (LP2M), Universitas Surakarta, and Universitas Atma Jaya Yogyakarta. This research was conducted where no human participants were involved, except only discussion participants who had followed academic rules and ethics.

## Informed consent

This article does not contain any studies with human participants performed by any of the authors.

## Additional information

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