

Danantara from a Malay-Islamic Eco-Theological Perspective A *Maqāṣid al-Sharī'ah* Framework for Cultural Resilience in the Multipolar Era

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Abstract: The emergence of a multipolar world order, characterized by geopolitical fragmentation, ecological crises, and increasing competition over strategic resources, has created new challenges for Muslim societies in sustaining development and preserving civilizational resilience. In this context, sovereign wealth funds (SWFs) have evolved into strategic instruments that serve not only as mechanisms for managing state assets but also as tools for strengthening economic sovereignty and long-term national resilience. However, conventional SWF governance models generally emphasize profit maximization and economic efficiency, often overlooking ethical, ecological, and civilizational dimensions. This study aims to develop a *maqāṣid al-sharī'ah*-based sovereign wealth governance framework grounded in Malay-Islamic eco-theology as an alternative approach to enhancing cultural resilience in the multipolar era. The research employs a qualitative methodology through library research, conceptual analysis, and a case study of Danantara as Indonesia's sovereign wealth fund. The proposed theoretical framework integrates the principles of *tawhīd* (divine unity), *khalīfah* (stewardship), *amānah* (trusteeship), *mīzān* (ecological balance), and *maqāṣid al-sharī'ah* into the governance of state investment. The findings suggest that sovereign wealth funds can function not merely as instruments of wealth accumulation but also as mechanisms for sustainable resource management, intergenerational justice, social welfare enhancement, and the preservation of civilizational continuity. The proposed model consists of four interrelated dimensions: economic sustainability, ecological responsibility, social justice, and cultural resilience. Furthermore, strategic investments in renewable energy, food security, green infrastructure, and socially responsible industries are identified as practical manifestations of Malay-Islamic eco-theological values within contemporary economic governance. The novelty of this study lies in the development of the Malay-Islamic Eco-Theological Sovereign Wealth Governance Framework, which integrates *maqāṣid al-sharī'ah*, ESG principles, and state investment strategies into a comprehensive model for strengthening national resilience amid global uncertainty. This study contributes to the advancement of Islamic economics, sustainability governance, and eco-theological scholarship by demonstrating that sovereign wealth fund governance can serve as an instrument for safeguarding both material prosperity and civilizational sustainability in the multipolar era.

Keywords: Malay-Islamic Eco-Theology; Sovereign Wealth Fund; *Maqāṣid al-Sharī'ah*; Cultural Resilience; Multipolar Era; Danantara; Sustainable Governance..

Introduction

The emergence of sovereign wealth funds (SWFs) has become one of the defining features of the contemporary global political economy. Initially established as state-owned investment vehicles designed to stabilize fiscal revenues and preserve national wealth, sovereign wealth funds have gradually evolved into strategic institutions that shape industrial policy, technological development, geopolitical influence, and long-term national competitiveness. Unlike conventional public investment mechanisms, sovereign wealth funds operate by integrating commercial investment principles with broader national development objectives, enabling governments to transform public assets into sustainable economic capital capable of supporting future generations.

The strategic role of sovereign wealth funds has become increasingly significant in the context of the multipolar international order. Intensifying geopolitical competition, supply-chain fragmentation, energy transition, technological rivalry, and financial uncertainty have encouraged many countries to strengthen sovereign investment institutions as instruments of national resilience. Leading sovereign wealth funds such as Norway Government Pension Fund Global, Temasek Holdings of Singapore, Mubadala Investment Company of the United Arab Emirates, and Khazanah Nasional Berhad of Malaysia demonstrate that sovereign wealth governance is no longer evaluated solely by financial performance. Increasingly, governance quality is assessed through long-term sustainability, institutional accountability, environmental responsibility, social legitimacy, and the ability to create strategic national value.

Indonesia has recently entered this global landscape through the establishment of Danantara as a new sovereign wealth institution expected to optimize the management of strategic state assets while accelerating sustainable economic transformation. Beyond functioning as an investment vehicle, Danantara is envisioned as a national development instrument capable of strengthening industrial competitiveness, supporting downstream industries, increasing investment productivity, and enhancing Indonesia's position within the changing global economic architecture. Consequently, the governance of Danantara requires not only financial efficiency but also

a normative foundation capable of balancing economic objectives with broader social, environmental, and cultural responsibilities.

Conventional studies on sovereign wealth funds predominantly approach governance from the perspectives of corporate governance, public finance, investment management, institutional economics, and environmental, social, and governance (ESG) frameworks. These perspectives have significantly contributed to improving transparency, accountability, and investment performance. Nevertheless, most governance models remain heavily oriented toward economic rationality and institutional efficiency. Ethical, civilizational, and cultural dimensions often receive relatively limited attention despite their growing importance in ensuring long-term institutional legitimacy, particularly within countries characterized by strong religious traditions and diverse cultural identities.

Within the Indonesian context, this limitation becomes increasingly important because national economic governance has historically been inseparable from ethical values embedded in society. Indonesia is not merely a developing economy but also a multicultural nation whose constitutional philosophy emphasizes social justice, collective welfare, environmental stewardship, and intergenerational responsibility. Consequently, evaluating sovereign wealth governance solely through financial indicators risks overlooking broader dimensions of sustainable national development that include cultural continuity, ecological balance, and social cohesion.

Islamic economic thought offers an alternative normative foundation capable of complementing contemporary governance approaches. Among the most comprehensive conceptual frameworks is *Maqāṣid al-Sharī'ah*, which emphasizes the realization of *maṣlaḥah* (public welfare) through the protection and development of religion, life, intellect, lineage, wealth, and, in contemporary scholarship, environmental sustainability. Rather than functioning merely as a legal doctrine, *Maqāṣid* provides an ethical architecture for designing public institutions that pursue prosperity while maintaining justice, accountability, sustainability, and social balance. This framework has increasingly been adopted in discussions concerning Islamic finance, sustainable development, public administration, and environmental governance.

Parallel to this development, eco-theological discourse has expanded considerably during the last decade. Eco-theology reinterprets humanity's relationship with nature by emphasizing moral responsibility toward ecological preservation rather than unlimited resource exploitation. Within the Malay-Islamic intellectual tradition, humans are understood as *khalīfah* entrusted with maintaining harmony between society, nature, and divine values. This worldview integrates environmental ethics, communal responsibility, and cultural identity into a holistic conception of development that differs substantially from purely market-oriented economic paradigms.

Despite the growing literature on sovereign wealth funds, Islamic governance, and sustainable finance, very limited attention has been devoted to integrating sovereign wealth governance with Malay-Islamic eco-theology and *Maqāṣid al-Sharī'ah*. Existing studies generally examine sovereign wealth funds through legal, financial, institutional, or ESG perspectives, while Islamic studies tend to focus on zakat, waqf, Islamic banking, or halal industries. Consequently, the intersection between sovereign investment governance, ecological ethics, Malay civilization, and *Maqāṣid*-based public policy remains largely underexplored. This theoretical separation creates an important research gap, particularly for countries such as Indonesia where state institutions operate within rich religious and cultural traditions.

This study therefore proposes a conceptual framework that positions Danantara within the perspective of Malay-Islamic eco-theology by employing *Maqāṣid al-Sharī'ah* as the primary analytical foundation. Rather than evaluating Danantara solely through financial performance or institutional governance indicators, this research argues that sovereign wealth governance should also incorporate ecological stewardship, cultural resilience, ethical investment, and intergenerational justice as integral dimensions of national development.

Accordingly, this study seeks to develop a *Maqāṣid*-based governance framework capable of strengthening Danantara's contribution to sustainable national development in the multipolar era. The proposed framework is expected to enrich contemporary discussions on sovereign wealth governance by integrating Islamic ethical principles, environmental responsibility, and Malay-Islamic civilizational values into a comprehensive governance model that extends beyond conventional financial and institutional perspectives.

Method

This study employs a qualitative research design grounded in an interpretive paradigm that seeks to understand sovereign wealth governance through normative and civilizational perspectives rather than purely financial performance indicators. Within this framework, Danantara is conceptualized not merely as a state investment institution but as a strategic governance instrument whose legitimacy depends upon the integration of economic objectives, ethical responsibility, ecological sustainability, and cultural resilience.

The research adopts a conceptual and library-based approach by critically examining academic literature on sovereign wealth funds, *Maqāṣid al-Sharī'ah*, eco-theology, Islamic political economy, ESG governance, sustainable finance, and Malay-Islamic civilization. Primary sources consist of Indonesian regulations concerning Danantara, official government policy documents, institutional reports, and internationally recognized governance

frameworks related to sovereign wealth funds. Secondary sources include peer-reviewed journal articles, scholarly books, policy reports, and international publications discussing sustainable investment, Islamic governance, environmental ethics, and sovereign wealth management.

Data were analyzed using qualitative content analysis combined with an interpretive approach. The analytical process involved three stages. First, relevant concepts concerning sovereign wealth governance and *Maqāṣid al-Sharī'ah* were systematically identified through thematic classification. Second, these concepts were interpreted within the broader framework of Malay-Islamic eco-theology to explore their ethical and cultural implications for public investment governance. Third, the findings were synthesized into a conceptual governance framework capable of explaining how Danantara may contribute simultaneously to economic development, ecological sustainability, and cultural resilience within Indonesia's evolving multipolar environment. Rather than testing statistical relationships, this research aims to develop a theoretical framework that enriches contemporary discussions on sovereign wealth governance by integrating Islamic ethical values, environmental stewardship, and long-term public welfare into an integrated model of sustainable national investment governance).

Results and Discussion

1. Danantara as Indonesia's Strategic Sovereign Wealth Institution

The establishment of Danantara represents a significant milestone in Indonesia's public investment governance. Unlike conventional state-owned enterprises that primarily pursue commercial objectives, Danantara is designed as a sovereign investment institution responsible for managing strategic national assets to generate sustainable long-term value. Its creation reflects Indonesia's ambition to strengthen economic resilience, accelerate industrial transformation, and improve national competitiveness amid an increasingly uncertain global economic environment. Consequently, Danantara should not merely be understood as an investment fund but as a strategic institution that integrates public finance, industrial policy, and national development within a single governance framework.

The global expansion of sovereign wealth funds demonstrates that successful national investment institutions are no longer evaluated solely by financial returns. Leading sovereign wealth funds increasingly emphasize institutional governance, sustainability, innovation, and strategic national interests. Norway's Government Pension Fund Global prioritizes intergenerational equity and ethical investment, Temasek integrates commercial discipline with national competitiveness, Khazanah Nasional supports industrial transformation, while Mubadala promotes economic diversification through strategic investments. These experiences indicate that sovereign wealth governance has evolved from financial asset management toward comprehensive national value creation.

Indonesia enters this landscape with distinctive characteristics. As the world's largest archipelagic nation and the country with the largest Muslim population, Indonesia possesses abundant natural resources, demographic advantages, and rich cultural diversity. These characteristics require governance principles that extend beyond conventional investment management. Public investment must simultaneously preserve ecological sustainability, strengthen cultural identity, improve social welfare, and ensure equitable development across generations. Therefore, Danantara's institutional success cannot be measured exclusively through portfolio performance or investment returns but must also reflect its contribution to national resilience and sustainable development.

The emergence of a multipolar world further reinforces this necessity. Intensifying geopolitical competition, supply-chain restructuring, climate transition, technological disruption, and energy security have transformed sovereign wealth funds into strategic instruments of national policy. Countries increasingly deploy sovereign investment institutions to secure critical industries, develop green infrastructure, strengthen food security, and enhance technological sovereignty. Within this context, Danantara possesses the potential to become Indonesia's strategic investment platform capable of balancing economic growth with broader national interests.

However, this opportunity simultaneously creates governance challenges. Large-scale public investment inevitably raises concerns regarding transparency, accountability, political intervention, environmental sustainability, and equitable wealth distribution. Existing governance frameworks primarily emphasize financial performance, fiduciary responsibility, and ESG compliance. Although these principles remain essential, they are insufficient to explain the broader ethical responsibilities expected from a sovereign institution operating within Indonesia's socio-cultural context. Consequently, a more comprehensive governance paradigm becomes necessary.

2. Reinterpreting Sovereign Wealth Governance through *Maqāṣid al-Sharī'ah*

Most contemporary governance models evaluate sovereign wealth funds through financial efficiency, portfolio diversification, risk management, and ESG indicators. While these approaches contribute significantly to institutional accountability, they remain predominantly managerial in orientation. They rarely address broader ethical questions concerning the ultimate purpose of public wealth, the moral obligations of state investment, or the intergenerational responsibilities attached to strategic national assets.

Maqāṣid al-Sharī'ah offers a broader normative perspective by positioning public wealth as a trust (*amanah*) rather than merely an economic resource. Within this framework, investment decisions are expected to maximize *maṣlaḥah* (public benefit) while minimizing *mafsadah* (public harm). Economic efficiency therefore becomes one component of a wider ethical objective that includes justice, sustainability, human dignity, and social welfare.

The classical dimension of *ḥifẓ al-māl* (protection of wealth) provides an appropriate starting point for sovereign wealth governance. Public assets must be managed prudently, transparently, and productively to ensure sustainable economic value for present and future generations. Nevertheless, contemporary Maqāṣid scholarship argues that wealth protection cannot be interpreted narrowly as financial accumulation. Instead, wealth should function as an instrument for realizing broader societal welfare.

This broader interpretation connects directly with other Maqāṣid dimensions. *Ḥifẓ al-naḥs* requires investment policies that improve public health, food security, employment, and human well-being. *Ḥifẓ al-'aql* emphasizes investments supporting education, technological innovation, research, and digital transformation. *Ḥifẓ al-nasl* encourages long-term intergenerational equity by ensuring that today's economic development does not compromise future generations' opportunities. Contemporary Islamic scholars further extend Maqāṣid toward *ḥifẓ al-bi'ah*, recognizing environmental preservation as an indispensable component of sustainable development.

Viewed from this perspective, Danantara should not pursue investment opportunities solely because they maximize financial returns. Investment decisions should simultaneously consider environmental consequences, social justice, technological advancement, institutional integrity, and long-term national resilience. Such an approach transforms sovereign wealth governance from financial optimization into ethical public stewardship.

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4. Malay-Islamic Eco-Theology as the Ethical Foundation of Danantara

Malay-Islamic civilization has historically understood economic activity as inseparable from moral responsibility toward society and nature. This worldview is rooted in the Qur'anic concept of humanity as *khalīfah*, entrusted with maintaining harmony among God, human beings, and the natural environment. Economic development, therefore, carries ethical obligations that extend beyond commercial profitability.

Eco-theology reinforces this understanding by emphasizing that environmental degradation reflects not only ecological failure but also moral imbalance. Excessive exploitation of natural resources contradicts the Qur'anic principles of *mīzān* (balance), *islāḥ* (restoration), and *amānah* (trust). Responsible investment consequently requires institutional arrangements capable of balancing economic growth with ecological preservation.

Within Malay-Islamic traditions, cultural resilience emerges through the continuous interaction of religious ethics, communal solidarity, and environmental stewardship. Local wisdom concerning forests, rivers, marine resources, and customary institutions demonstrates that sustainable prosperity has historically depended on maintaining equilibrium between human activities and ecological systems. These values provide an indigenous

ethical foundation for contemporary sovereign wealth governance.

Applying eco-theological principles to Danantara expands the meaning of sustainable investment. Financial returns remain important, but investment evaluation should also consider ecological regeneration, cultural preservation, community participation, and intergenerational justice. Such an approach positions Danantara not merely as an investment institution, but as a civilizational institution responsible for safeguarding Indonesia's environmental and cultural heritage while strengthening long-term economic competitiveness.

5. An Integrated Governance Framework for Danantara

Building on the preceding discussion, this study proposes an integrated governance framework that combines conventional sovereign wealth fund governance, environmental, social, and governance (ESG) principles, *Maqāṣid al-Sharī'ah*, and Malay-Islamic eco-theology.

Unlike conventional governance models that primarily emphasize profitability and investment risk, the proposed framework introduces additional ethical and ecological screening mechanisms prior to investment approval. Financial feasibility remains the initial requirement to ensure commercial viability and fiscal responsibility. Investments should subsequently undergo ESG assessment to evaluate environmental, social, and governance risks. These evaluations should then be complemented by a *Maqāṣid al-Sharī'ah* assessment addressing public welfare, distributive justice, knowledge development, social inclusion, and intergenerational equity. Finally, ecological assessment should examine biodiversity conservation, climate resilience, natural-resource sustainability, and long-term environmental integrity.

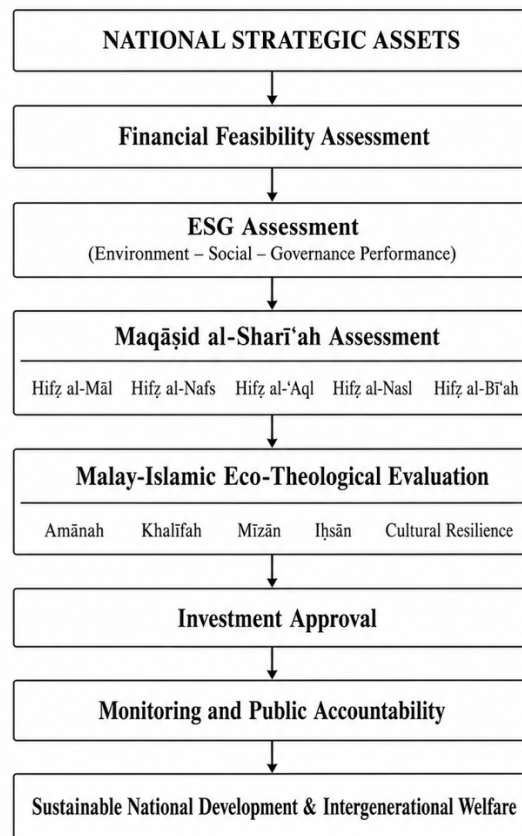
Only investments that satisfy these interconnected dimensions should proceed to implementation. Continuous monitoring, transparent public reporting, and independent institutional oversight should form integral components of the investment lifecycle to ensure accountability. Through this framework, Danantara is reconceptualized as a governance institution that simultaneously pursues financial sustainability, ethical legitimacy, ecological responsibility, and cultural resilience. Sovereign wealth governance thus becomes an integrated system of public value creation rather than merely a mechanism for investment management.

Table 1. Comparative Governance Paradigms of Sovereign Wealth Funds

Dimension	Conventional SWF	ESG Framework	<i>Maqāṣid al-Sharī'ah</i>	Proposed Danantara Framework
Primary Objective	Financial returns	Sustainable investment	Public welfare (<i>maṣlahah</i>)	Sustainable national prosperity
Governance Orientation	Corporate governance	Responsible investment	Ethical governance	Integrated ethical governance
Main Performance Indicator	Return on investment and portfolio growth	ESG performance	Achievement of <i>Maqāṣid</i>	Financial, ecological, and cultural resilience
Accountability	Government and investors	Stakeholders	God, society, and future generations	Government, society, the environment, and future generations
Environmental Perspective	Risk management	Sustainability	Stewardship (<i>khalīfah</i>)	Ecological civilization
Social Perspective	Economic contribution	Social inclusion	Justice (‘ <i>adl</i>)	Inclusive national development
Cultural Perspective	Rarely considered	Limited consideration	Islamic civilization	Malay-Islamic cultural resilience
Time Orientation	Medium to long term	Long term	Intergenerational	Intergenerational and civilizational

Table 1 demonstrates that the proposed governance model extends beyond both conventional sovereign wealth fund governance and ESG-based investment approaches. Whereas conventional frameworks primarily emphasize financial performance and institutional accountability, the proposed Danantara framework incorporates *Maqāṣid al-Sharī'ah* and Malay-Islamic eco-theology as complementary normative foundations. Consequently, investment governance is evaluated not only in terms of profitability, but also according to ecological sustainability, ethical legitimacy, cultural resilience, social inclusion, and intergenerational justice.

Figure 1. Integrated Governance Framework of Danantara



6. The Integrated Governance Framework

The framework proposed in this study positions Danantara as an integrated public investment institution operating at the intersection of financial governance, sustainability, Islamic ethics, and Malay-Islamic civilization. Unlike conventional sovereign wealth governance, which primarily evaluates investment performance through financial indicators, the proposed framework introduces a sequential decision-making process beginning with financial feasibility assessment, followed by ESG evaluation, *Maqāsid al-Sharī'ah* assessment, and Malay-Islamic eco-theological evaluation before investment approval is granted.

The *Maqāsid al-Sharī'ah* assessment ensures that investment decisions contribute to public welfare, social justice, knowledge development, environmental sustainability, and intergenerational equity. Malay-Islamic eco-theology subsequently strengthens this evaluation by emphasizing humanity's ethical responsibility as *khalīfah*, entrusted with preserving ecological balance and cultural continuity. Financial profitability therefore remains a necessary consideration, but it is no longer treated as the sole criterion for investment approval.

The integration of these governance dimensions creates a multidimensional decision-making framework capable of balancing economic competitiveness with ethical legitimacy, ecological responsibility, and social resilience. This model positions Danantara not merely as a sovereign investment institution, but as a civilizational investment institution responsible for generating sustainable prosperity while safeguarding Indonesia's ecological integrity, cultural diversity, and long-term national resilience.

a) Proposed Integrated Governance Flow

Strategic National Assets → Financial Feasibility Assessment → ESG Assessment → Maqāsid al-Sharī'ah Assessment → Malay-Islamic Eco-Theological Assessment → Investment Approval → Monitoring and Evaluation → Public Accountability → Sustainable National Welfare

b) Policy Implications for Indonesia in the Multipolar Era

The proposed governance framework has several strategic implications for Indonesia. First, Danantara

should prioritize investments that strengthen long-term national competitiveness, particularly in downstream industrialization, renewable energy, digital infrastructure, food security, water security, and strategic manufacturing. Such sectors are important not only for generating financial returns but also for enhancing Indonesia's economic resilience and strategic autonomy in an increasingly multipolar global economy.

Second, environmental sustainability should be embedded directly into investment decision-making rather than treated as a supplementary corporate responsibility initiative. Green investment should therefore become a structural principle of governance, supported by clear environmental standards, climate-risk assessment, and long-term ecological considerations. This orientation would align Indonesia's development ambitions with global climate commitments while protecting strategic ecological assets and reducing the environmental costs of economic expansion.

Third, Danantara should strengthen investments that preserve Indonesia's cultural diversity and enhance the resilience of local communities. Infrastructure and industrial development should not undermine indigenous knowledge systems, customary institutions, or local ecological practices. Instead, investment strategies should incorporate community participation, social inclusion, cultural preservation, and locally grounded forms of environmental stewardship as integral components of sustainable development.

Finally, integrating *Maqāṣid al-Sharī'ah* and Malay-Islamic eco-theology provides Indonesia with a distinctive normative framework for sovereign wealth governance. Rather than merely replicating international investment models, Danantara can develop an approach rooted in ethical governance, ecological stewardship, cultural resilience, and intergenerational justice. Such a framework redefines sovereign wealth not simply as financial capital, but as a strategic instrument for generating sustainable prosperity and strengthening Indonesia's long-term civilizational resilience in the emerging multipolar world.

7. Operationalizing the Danantara Governance Framework

Governance Stage	Key Assessment	Expected Output
Financial Screening	Profitability & Risk	Financial sustainability
ESG Screening	Environmental & Social Risk	Sustainable investment
Maqāṣid Screening	Public welfare	Social justice
Eco-Theological Screening	Ecology & Culture	Cultural resilience
Investment Decision	Integrated evaluation	Ethical investment
Monitoring	KPI & Public reporting	Accountability
Long-term Evaluation	National development impact	Intergenerational welfare

Although the proposed framework establishes a comprehensive conceptual foundation for sovereign wealth governance, its practical relevance depends on how these normative principles are translated into operational investment procedures. Contemporary sovereign wealth institutions generally rely on financial due diligence, investment risk assessment, and ESG evaluation as the primary decision-making mechanisms. While these procedures remain indispensable, they are insufficient for ensuring that strategic public investments consistently generate long-term societal value within Indonesia's unique socio-cultural context.

Accordingly, this study proposes a multi-layered governance process that integrates financial, environmental, ethical, and civilizational considerations throughout the investment cycle. Rather than functioning as independent assessments, each governance stage complements the others to produce a holistic evaluation of investment feasibility. Financial analysis determines commercial viability; ESG assessment evaluates sustainability risks; Maqāṣid assessment measures public welfare and distributive justice; while eco-theological assessment examines ecological integrity and cultural resilience. The integration of these four dimensions allows investment decisions to balance profitability with broader national development objectives.

Furthermore, governance implementation should not conclude at the investment approval stage. Continuous monitoring, periodic impact evaluation, and transparent public reporting are necessary to ensure that approved investments consistently contribute to sustainable development. This lifecycle approach transforms Danantara from a conventional investment manager into a learning institution capable of continuously improving governance quality through evidence-based evaluation and adaptive policy refinement.

Consequently, operationalizing the proposed governance framework requires institutional collaboration involving government agencies, financial experts, environmental specialists, Islamic scholars, and representatives of local communities. Such collaborative governance strengthens public legitimacy while ensuring that investment decisions reflect both professional expertise and broader societal aspirations.

Table 2. Operational Framework for Danantara Governance

Governance Stage	Main Assessment	Key Indicator	Expected Outcome
Strategic Asset Identification	National Priority	Economic importance	Strategic investment portfolio
Financial Feasibility	Profitability & Risk	ROI, NPV, Risk Exposure	Financial sustainability
ESG Assessment	Environmental, Social, Governance	ESG Score	Responsible investment
Maqāṣid Assessment	Public welfare	Protection of wealth, life, intellect, future generations, environment	Social justice
Eco-Theological Assessment	Ecological and cultural integrity	Ecological resilience & cultural preservation	Sustainable civilization
Investment Approval	Integrated evaluation	Composite Governance Index	Ethical investment decision
Monitoring	Performance evaluation	Financial & non-financial KPIs	Accountability
Public Reporting	Transparency	Sustainability Report	Public trust
Long-term Evaluation	National impact	SDGs, Maqāṣid Index, Ecological Index	Intergenerational prosperity

8. Cutting Through Normativity: Toward a Measurable Operationalization of Danantara

The success of Danantara as Indonesia's Superholding and Sovereign Wealth Fund (SWF) hinges not on grand discourse, but on precision in execution on the ground. To transform the 9 strategic pillars—which remain largely regulatory and normative—into real, actionable work guides, it is necessary to detail operational actionable steps, execution instruments, and concrete, measurable outputs at every stage.

Tabel 3. Operationalization Table of Danantara's 9 Strategic Steps

No.	Strategic Step (Normative)	Operational Form & Concrete Actions	Concrete Output / Target
1	Governance & Institutional Structuring	• Issuance of specific derivative Government Regulations (<i>Peraturan Pemerintah/PP</i>) and/or Presidential Regulations (<i>Peraturan Presiden/Perpres</i>) governing Danantara. • Formation of the Board of Directors and Board of Trustees through independent, world-class fit-and-proper tests. • Clear separation between regulatory functions, particularly those of the Ministry of SOEs and Ministry of Finance, and Danantara's operational functions.	Organizational structure, Governance Standard Operating Procedures (SOPs), and Board Charter.
2	SOE Asset Consolidation & Audit	• Comprehensive financial and legal due diligence conducted by an independent auditor consortium, including internationally recognized audit firms. • Classification of assets into three segments: <i>Core High-Yield</i>, <i>Turnaround/Distressed</i>, and <i>Public Service Obligation (PSO)</i>. • Implementation of in-kind share transfer (<i>inbreng</i>) mechanisms and transfer of management rights without disrupting public-service delivery.	Asset Registry Map, baseline consolidated valuation, and deed of management-rights transfer.
3	Business Model Design & Investment Portfolio	• Establishment of a Strategic Asset Allocation (SAA), for example: 60% infrastructure and green energy, 30% manufacturing and digital sectors, and 10% liquid reserves. • Formulation of an Investment Mandate and risk-tolerance limits through a formal Risk Appetite Statement.	—

4	Funding Schemes & Capital Mobilization	• Establishment of Co-Investment Vehicle and/or Special Purpose Vehicle (SPV) structures for foreign investors. • Issuance of thematic bonds, including Green Bonds and Sustainability Bonds, and preparation of equity-injection schemes. • Bilateral negotiation of capital commitments with global sovereign wealth funds such as GIC, ADIA, and PIF.	Operational SPV and issuance of the first co-investment term sheet.
5	Risk Management & Compliance	• Implementation of the Three Lines of Defense model covering operational management, risk management, and internal audit. • Integration of the Santiago Principles across the investment decision-making chain. • Development of a real-time Risk Dashboard connected to each portfolio company or subsidiary.	Integrated Risk Dashboard and Key Risk Indicators (KRI) Matrix.
6	Digitalization & IT System Infrastructure	• Implementation of a centralized Enterprise Resource Planning (ERP) platform and Asset Management System. • API-driven integration of financial data from SOEs managed under Danantara. • Adoption of advanced cybersecurity systems based on Zero Trust Architecture to protect transaction and portfolio data.	—
7	Talent Recruitment & HR Management	• Merit-based professional recruitment through national and global executive-search firms, insulated from political intervention. • Implementation of market-based, performance-linked remuneration through Short-Term and Long-Term Incentive schemes. • Knowledge-transfer programs, including secondment arrangements with global sovereign wealth fund partners.	Key management and human-resources structure, supported by a portfolio-based KPI scheme.
8	Transparency & Public Accountability	• Regular audited financial reporting on a quarterly and annual basis in accordance with applicable international financial-reporting standards. • Establishment of an independent, third-party Whistleblowing System (WBS). • Structured implementation of public town halls and compliance audits involving relevant oversight institutions, including BPK and KPK.	Open Financial Report/Public Annual Report and an active Whistleblowing System.
9	ESG Integration & Economic Impact Partnerships	• Mandatory ESG scoring as an investment-gate requirement for every project. • Establishment of Local Content Requirement (<i>Tingkat Komponen Dalam Negeri/TKDN</i>) targets and engagement with local MSMEs and domestic supply-chain ecosystems. • Measurement of macroeconomic impacts, including multiplier effects on GDP, employment, and domestic value creation.	—

Note. The table operationalizes Danantara's nine strategic governance steps by translating normative priorities into institutional actions and measurable outputs. Items marked with "—" indicate that a specific concrete output or target was not provided in the source material.

9. Strengthening Danantara through Multi-Dimensional Governance

The operational framework proposed above demonstrates that sovereign wealth governance should evolve beyond traditional investment management toward multidimensional public value creation. Financial performance remains an essential requirement because long-term institutional sustainability depends upon prudent capital allocation and effective risk management. Nevertheless, public investment institutions possess broader responsibilities than private investment funds because they manage assets owned collectively by society.

Integrating ESG principles with Maqāṣid al-Sharī'ah expands governance beyond environmental compliance and stakeholder management by incorporating ethical accountability rooted in Islamic public welfare. This perspective ensures that investment decisions simultaneously promote economic productivity, social justice, environmental stewardship, and human development. In addition, Malay-Islamic eco-theology introduces cultural resilience as an essential governance dimension, recognizing that sustainable development must preserve local

identity and ecological harmony rather than pursuing unlimited economic expansion.

The interaction among these governance dimensions creates institutional resilience capable of responding to the uncertainties of the multipolar era. Rather than focusing exclusively on maximizing financial returns, Danantara can function as a strategic platform supporting industrial transformation, renewable energy development, technological innovation, food security, biodiversity conservation, and cultural preservation. Consequently, sovereign wealth governance becomes an instrument for strengthening Indonesia's long-term national competitiveness while maintaining ethical legitimacy and public trust.

10. Theoretical Contributions

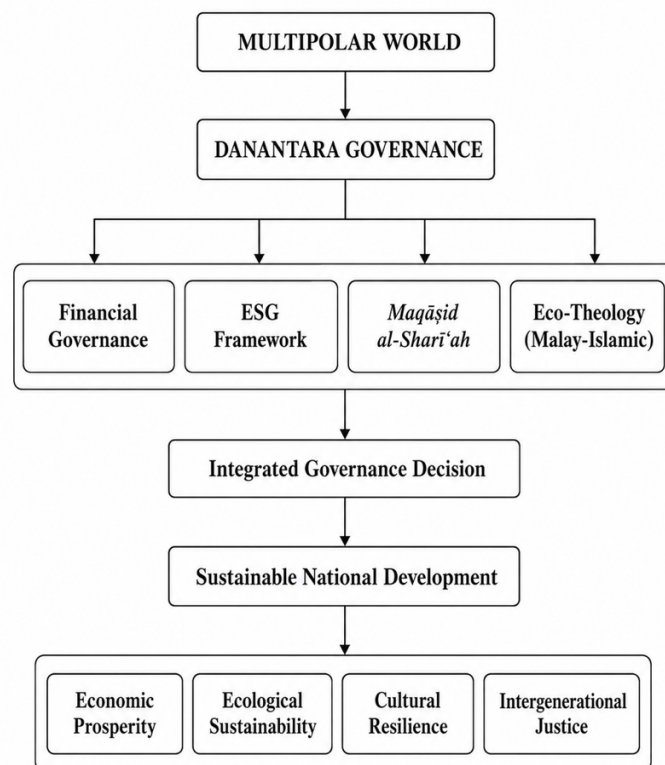
This study contributes to the growing literature on sovereign wealth governance in three important ways.

First, it extends conventional sovereign wealth governance beyond corporate governance and ESG frameworks by incorporating *Maqāṣid al-Sharī'ah* as an ethical foundation for public investment decision-making. This integration broadens the understanding of investment success from financial performance toward comprehensive public welfare.

Second, the study introduces Malay-Islamic eco-theology into sovereign wealth governance literature. Existing studies generally discuss eco-theology within environmental ethics or religious studies, whereas this research demonstrates its relevance for strategic public investment governance. This interdisciplinary integration provides a novel conceptual perspective linking environmental stewardship, cultural resilience, and state investment policy.

Third, the proposed Integrated Danantara Governance Framework offers a multidimensional governance model combining financial feasibility, ESG principles, *Maqāṣid al-Sharī'ah*, and eco-theological values into a unified decision-making architecture. This framework provides an alternative governance paradigm that may be adapted by sovereign wealth institutions operating within culturally and religiously diverse societies.

Figure 2. Proposed Integrated Danantara Governance Model



11. Comparative Analysis with Global Sovereign Wealth Fund Governance

The Integrated Danantara Governance Framework proposed in this study differs fundamentally from prevailing sovereign wealth governance models implemented across major sovereign wealth institutions. While internationally recognized sovereign wealth funds such as Norway Government Pension Fund Global, Singapore's Temasek Holdings, Malaysia's Khazanah Nasional, and Abu Dhabi's Mubadala have successfully incorporated

principles of transparency, accountability, and sustainable investment, their governance architectures remain predominantly grounded in modern corporate governance and ESG-oriented investment management. Ethical considerations are generally embedded through institutional governance mechanisms rather than through explicit civilizational or religious value systems.

The Norwegian Government Pension Fund Global, for example, has become internationally recognized for integrating ethical investment guidelines into portfolio management through comprehensive exclusion criteria and responsible investment policies. Nevertheless, its ethical framework primarily reflects universal sustainability principles rather than a comprehensive philosophical framework integrating spirituality, environmental stewardship, and cultural continuity. Similarly, Temasek Holdings emphasizes commercial discipline and national competitiveness while maintaining strong governance standards that support Singapore's long-term economic strategy. Khazanah Nasional contributes significantly to Malaysia's industrial transformation through strategic investment and institutional development, whereas Mubadala prioritizes economic diversification and technological innovation as instruments of national competitiveness.

These institutions demonstrate that contemporary sovereign wealth governance increasingly extends beyond financial performance. However, none explicitly integrates Islamic ethical philosophy, eco-theological values, and indigenous civilizational perspectives into a unified governance architecture. Consequently, the Danantara framework proposed in this study contributes an alternative governance paradigm that complements existing international practices by embedding Maqāsid al-Sharī'ah and Malay-Islamic eco-theology within sovereign investment decision-making. Rather than replacing internationally accepted governance principles, this model enriches them by incorporating ethical accountability, ecological stewardship, and cultural resilience as inseparable components of sustainable national investment.

This comparative perspective indicates that Indonesia possesses an opportunity to develop a distinctive governance identity. Instead of replicating governance structures developed within different historical and socio-cultural contexts, Danantara can establish an indigenous governance model reflecting Indonesia's constitutional values, Islamic ethical traditions, and Malay civilizational heritage. Such differentiation may strengthen institutional legitimacy while simultaneously contributing a new perspective to the global literature on sovereign wealth governance.

12. Practical Implications for National Investment Policy

The findings of this study suggest that future sovereign wealth governance should adopt a multidimensional investment evaluation process capable of integrating financial performance with broader national development objectives. Public investment institutions increasingly face expectations not only to generate economic returns but also to address environmental sustainability, social inclusion, technological transformation, and cultural preservation. Consequently, governance mechanisms require more comprehensive evaluation instruments than conventional financial analysis alone.

For Indonesia, the proposed framework implies that investment selection should begin with strategic national priorities rather than short-term financial opportunities. Sectors such as renewable energy, food security, water resource management, downstream mineral industries, digital infrastructure, halal industrial ecosystems, and strategic manufacturing should receive priority because they contribute simultaneously to economic resilience and long-term national competitiveness.

The framework also recommends institutionalizing Maqāsid assessment alongside ESG evaluation within investment approval procedures. While ESG identifies environmental, social, and governance risks, Maqāsid assessment evaluates broader public welfare implications, distributive justice, intergenerational equity, and ethical responsibility. Combining these approaches enables investment decisions to balance commercial feasibility with national development objectives more effectively.

Furthermore, eco-theological assessment introduces ecological integrity and cultural resilience as measurable governance considerations. Large-scale infrastructure projects, industrial development, and natural resource investments should therefore be evaluated not only according to environmental regulations but also according to their long-term impacts on biodiversity, local communities, indigenous knowledge systems, and cultural continuity. Such an approach aligns national investment governance with sustainable civilization rather than short-term economic expansion.

Finally, institutional transparency should evolve beyond conventional financial reporting toward integrated sustainability reporting that communicates financial performance together with ecological outcomes, social benefits, and Maqāsid achievement indicators. This broader accountability framework may strengthen public confidence while enhancing Indonesia's international credibility in sustainable investment governance.

13. Future Research Agenda

Although this study develops a comprehensive conceptual framework for Danantara governance, several important issues remain open for future investigation. First, empirical research is required to examine the practical

applicability of the proposed governance framework once Danantara becomes fully operational. Case studies evaluating actual investment decisions would

provide valuable evidence regarding the effectiveness of integrating financial, ESG, Maqāṣid, and eco-theological assessments within institutional governance.

Second, future studies may develop quantitative indicators capable of measuring Maqāṣid achievement and eco-theological performance within sovereign wealth governance. The absence of standardized measurement instruments currently represents one of the principal limitations in translating normative concepts into operational governance practice. Developing composite governance indices would therefore strengthen policy implementation and facilitate comparative evaluation across sovereign wealth institutions.

Third, comparative international research involving sovereign wealth funds from Muslim-majority countries may further validate the applicability of the proposed governance model. Comparative analyses involving institutions such as Khazanah Nasional, Qatar Investment Authority, Public Investment Fund of Saudi Arabia, and Indonesia's Danantara would enrich theoretical understanding concerning the relationship between Islamic ethical principles and strategic public investment governance.

Finally, interdisciplinary collaboration between economists, public policy scholars, Islamic legal scholars, environmental scientists, governance specialists, and cultural researchers is necessary for refining this integrated governance model. Such collaboration would support the development of a practical governance architecture capable of addressing the increasingly complex economic, environmental, and geopolitical challenges characterizing the multipolar era.

14. Key Contributions of This Study

Contribution	Description
Theoretical Contribution	Introduces the Integrated Danantara Governance Framework by combining sovereign wealth governance, ESG, Maqāṣid al-Sharī'ah, and Malay-Islamic eco-theology.
Conceptual Contribution	Expands sovereign wealth governance from financial performance toward ethical, ecological, cultural, and intergenerational dimensions.
Methodological Contribution	Demonstrates the application of qualitative conceptual analysis for constructing a multidimensional governance framework.
Policy Contribution	Provides practical guidance for integrating financial feasibility, ESG assessment, Maqāṣid evaluation, and eco-theological principles into national investment governance.
Civilizational Contribution	Positions Danantara as a sovereign wealth institution that not only creates economic value but also strengthens ecological sustainability, cultural resilience, and public welfare within Indonesia's multipolar development strategy.

Conclusion

This study develops an integrated governance framework for Danantara by combining sovereign wealth fund governance, Environmental, Social, and Governance (ESG) principles, *Maqāṣid al-Sharī'ah*, and Malay-Islamic eco-theology into a unified conceptual model. The findings demonstrate that sovereign wealth governance should no longer be evaluated solely through financial performance and institutional efficiency but should also incorporate ethical accountability,

ecological sustainability, cultural resilience, and intergenerational justice as essential dimensions of national investment governance. Within this perspective, Danantara is positioned not merely as a state-owned investment institution but as a strategic governance instrument capable of supporting Indonesia's long-term development while preserving public welfare and national identity.

The proposed framework extends contemporary sovereign wealth governance literature by introducing *Maqāṣid al-Sharī'ah* as a normative foundation that complements conventional governance mechanisms and ESG standards. Financial feasibility, environmental responsibility, social inclusion, ecological stewardship, and cultural sustainability are integrated into a multidimensional decision-making process that reflects Indonesia's socio-cultural characteristics. Furthermore, the incorporation of Malay-Islamic eco-theology contributes a civilizational perspective that redefines public investment as an ethical responsibility rooted in the principles of *amanah*, *khalīfah*, *mīzān*, and *maṣlahah*. This integration offers an alternative governance paradigm capable of balancing economic competitiveness with ecological preservation and cultural continuity.

From a policy perspective, the framework provides practical guidance for strengthening Danantara's governance architecture through the institutionalization of financial feasibility analysis, ESG assessment, Maqāṣid evaluation, ecological assessment, and transparent public accountability throughout the investment lifecycle. Such an integrated approach is expected to improve investment quality, reinforce institutional legitimacy, and enhance Indonesia's capacity to address the challenges of the emerging multipolar world while advancing sustainable national development.

This study is not without limitations. As a conceptual and qualitative investigation, the proposed framework has not yet been empirically validated through actual investment practices or institutional performance assessments. Consequently, future research should develop measurable governance indicators capable of operationalizing Maqāṣid and eco-theological principles within sovereign wealth institutions. Comparative studies involving other sovereign wealth funds, such as Khazanah Nasional, Temasek Holdings, the Government Pension Fund Global of Norway, and sovereign investment institutions in Muslim-majority countries, would further enrich theoretical development and evaluate the practical applicability of the proposed framework across different governance contexts.

Ultimately, this study argues that the future success of Danantara should be measured not only by the value of assets under management or investment returns but also by its capacity to generate sustainable prosperity, strengthen ecological integrity, preserve cultural resilience, and secure intergenerational welfare. Through the integration of sovereign wealth governance, Islamic ethical principles, and Malay-Islamic eco-theology, Danantara has the potential to become not only Indonesia's sovereign wealth institution but also a distinctive model of ethical and sustainable public investment governance for the Global South.

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