



State-Owned Assets as a Pillar of National Revenue: A Comprehensive Analysis

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ABSTRACT

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Abstract

This paper examines the concept of state ownership as a source of national revenue within the framework of Islamic economic principles. It delves into the classification of state revenue sources, including kharaj, jizyah, 'usyur, khumus rikaz, and dharibah (taxes), as well as their unique characteristics and applications in an Islamic context. These revenue types are grounded in Shariah, which dictates specific rules for their collection and utilization to ensure justice and societal welfare. The study highlights the temporary and conditional nature of taxes, which are levied in cases of fiscal shortfalls and are limited to wealthy Muslims for addressing communal needs. Furthermore, it explores the principles of fiscal management in Islam, emphasizing fairness, transparency, and the prioritization of public interests. By integrating Islamic teachings with contemporary fiscal policies, this research underscores the potential for a balanced economic system that aligns with spiritual and social values.

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A. INTRODUCTION

Humans carry out the mandate as caliphs on earth to make a living in a halal way, as well as avoid zulm and false. Islam recognizes private property and

does not restrict it, but prohibits the acquisition of wealth by illegal and immoral means. However, in personal property, other people's rights are still stored in the form of zakat, infaq, and sadaqah based on the sharia approach, while taxes are based on the positive legal approach that applies in Indonesia.

Fiscal policy is a policy that affects the State Revenue and Expenditure Budget (APBN). Fiscal policy is defined as the government's steps to make changes in the tax system. The status of the property collected is the property of the state and not the property of the individual. Linguistically, dharibah in its use has many meanings, but scholars use the expression dharibah to call the property collected as an obligation and become one of the sources of state revenue.

Kharaj is different from dharibah, because kharaj is a tax whose object is land (conquest) and the subject is non-Muslim. While the object of jizyah is the soul (an-nafs) and the subject is also a non-Muslim. The definition of tax in Yusuf Qardhawi's opinion is an obligation set to taxpayers, which must be paid to the state in accordance with the provisions, without getting any achievements from the state and the results to finance general expenditures on the one hand and to realize part of the economic, social, political and goals that the state wants to achieve.

Abdul Qadim Zallum said that taxes are assets that are required by Allah SWT to Muslims to finance various needs and expenditures that are indeed obligatory on them, in the condition that there is no money or property in the mall. Based on the above explanation, taxes are seen as an obligation that comes temporarily, required by alil amri (ruler or government) as an additional obligation after zakat, due to vacancy or lack of property or wealth, and It can also be abolished if the state of property or wealth has been replenished, it is obligatory only to wealthy Muslims and must be used for their benefit (Muslims), not the public interest, and this is a form of jihad of Muslims to prevent greater harm if it is done.

An important element that must be contained in the tax provisions according to Islamic law, namely it is obligatory by Allah SWT, the object is property (al-mal), the subject is the rich Muslims (ghaniyyun), the purpose is to finance their needs (Muslims) only, it is enforced because of the existence of an

emergency (special), which must be immediately overcome by *ulil amri*. The principles of state revenue according to the Islamic economic system are that there must be *nash* (Qur'an and Hadith) that commands every source of income and its collection, there is a separation of tax revenue sources from Muslims and non-Muslims, the tax and zakat collection system must ensure that only the prosperous class who have advantages bear the main burden, there is a demand for the public interest.

The discussion of state-owned assets as a pillar of national revenue needs to be situated within the broader framework of public finance, state treasury law, and Islamic fiscal ethics. In modern fiscal governance, state assets are not merely passive government properties, but strategic economic resources that can support public revenue, strengthen fiscal resilience, and reduce excessive dependence on taxation and public borrowing. From the perspective of Indonesian public finance, state assets are closely related to the broader definition of state finance, which includes all rights and obligations of the state that can be valued in monetary terms and must be managed in an orderly, efficient, effective, transparent, and accountable manner (Republic of Indonesia, 2003). Therefore, the utilization of state-owned assets should not be separated from the principles of good governance, public accountability, and fiscal sustainability.

In addition, the management of state-owned assets is also connected to the state treasury system, particularly because state treasury includes the management and accountability of state finance, including state investments and separated state assets determined in the State Budget (Republic of Indonesia, 2004). This legal foundation indicates that state-owned assets have both administrative and productive functions. Administratively, they must be recorded, valued, secured, and reported. Economically, they should be optimized to generate public revenue through dividends, royalties, leases, concessions, and other forms of non-tax state revenue. Consequently, ineffective management of state-owned assets may result in fiscal inefficiency, idle assets, revenue leakage, and weakened public service delivery.

From the Islamic economic perspective, state-owned assets may be understood as part of public wealth that must be managed as an *amanah* for the

welfare of society. This view is consistent with the *maqāṣid al-sharī'ah*, which emphasizes the protection of religion, life, intellect, wealth, and future generations. In this regard, state revenue derived from public assets should not merely pursue fiscal accumulation, but should also contribute to justice, welfare distribution, social protection, and sustainable development (Auda, 2008; Chapra, 1992). Thus, the study of state-owned assets becomes relevant not only for conventional public finance, but also for Islamic fiscal thought, especially in examining how public resources can be transformed into instruments of public welfare.

B. THEORITICAL FRAMEWORK

State-owned assets constitute one of the most strategic components of public finance because they represent economic resources controlled by the government to support national development and generate public revenue. State-owned assets include land, buildings, infrastructure, natural resources, financial investments, and shares in state-owned enterprises (SOEs). According to the Organisation for Economic Co-operation and Development (OECD, 2023), effective management of public assets contributes significantly to fiscal sustainability, economic growth, and the provision of public services. Theoretically, state-owned assets are not merely government property but productive resources that can generate long-term economic value when managed efficiently. Therefore, public asset management has become an important area of study in modern public finance.

The theory of public finance emphasizes that government-owned assets play an essential role in supporting state revenue and reducing excessive dependence on taxation. Musgrave and Musgrave argue that public assets enable governments to perform their allocation function by providing public goods and services while simultaneously generating economic returns (Musgrave & Musgrave, 2017). Revenue generated from state-owned assets may originate from dividends of state-owned enterprises, rental income, concession agreements, royalties, and returns on government investments. In this context, effective asset management contributes to strengthening fiscal capacity and supporting national development objectives.

The concept of public asset management theory explains that state assets should be managed based on principles of efficiency, effectiveness, accountability, and transparency. According to Heller (2018), governments that adopt professional asset management practices tend to achieve higher fiscal performance and greater public trust. Public asset management involves asset identification, valuation, utilization, maintenance, and disposal processes aimed at maximizing economic and social benefits. Poor management, on the other hand, may result in underutilized assets, fiscal losses, corruption risks, and reduced public service quality. Consequently, asset governance has become a critical element in achieving sustainable public financial management.

The Resource-Based Theory (RBT), originally developed within strategic management literature, provides another perspective for understanding the importance of state-owned assets. According to Barney (2018), valuable, rare, and difficult-to-imitate resources can create sustainable competitive advantages. When applied to the public sector, state-owned assets such as natural resources, strategic infrastructure, and state-owned enterprises can become significant sources of national competitive advantage and revenue generation. Countries possessing abundant natural resources, transportation networks, or profitable state enterprises often utilize these assets to strengthen fiscal performance and support long-term economic development.

State-owned enterprises (SOEs) represent one of the most important categories of state-owned assets. SOEs are government-controlled entities established to provide public services and generate profits for the state. According to the World Bank (2022), SOEs contribute substantially to national economies through employment creation, infrastructure development, and dividend payments to governments. In many countries, including Indonesia, China, Singapore, and Malaysia, SOEs operate in strategic sectors such as energy, telecommunications, transportation, and finance. The performance of SOEs directly affects government revenue because profitable enterprises contribute dividends and tax payments, whereas inefficient SOEs may become fiscal burdens requiring government subsidies.

The theory of fiscal sustainability further explains the relationship between state-owned assets and government revenue. Fiscal sustainability

refers to a government's ability to finance public expenditures and obligations without creating excessive debt burdens in the future (IMF, 2023). State-owned assets contribute to fiscal sustainability by providing alternative revenue streams beyond taxation and borrowing. Governments that effectively utilize public assets can reduce budget deficits, strengthen fiscal resilience, and finance development projects without excessive reliance on debt. Therefore, asset productivity becomes a critical determinant of long-term fiscal health.

In the context of governance theory, the management of state-owned assets must adhere to principles of transparency, accountability, and good governance. According to the United Nations (2021), effective public asset governance requires clear legal frameworks, institutional oversight, and performance monitoring mechanisms. Good governance practices reduce opportunities for corruption, misuse of assets, and inefficient resource allocation. Furthermore, transparent reporting of public assets improves public confidence and enhances government accountability. Consequently, governance quality is often considered a key factor influencing the economic performance of state-owned assets.

From an Islamic economic perspective, state-owned assets are regarded as public trusts (*amanah*) that must be managed for the collective benefit of society. Islamic public finance emphasizes that public resources belong ultimately to God and should be utilized in ways that promote justice, welfare, and equitable distribution of wealth. Chapra (2016) argues that governments have a moral responsibility to manage public assets efficiently while ensuring that economic benefits are distributed fairly among citizens. This perspective aligns with the broader objectives of *maqashid al-shariah*, which prioritize social welfare, economic justice, and sustainable development. Therefore, state-owned asset management in Islamic economics is evaluated not only based on financial returns but also on its contribution to societal well-being.

Finally, the theory of value creation in the public sector suggests that state-owned assets should generate both economic and social value. Moore (2018) emphasizes that public organizations are expected to create “public value” by improving citizens’ welfare, supporting economic opportunities, and enhancing national prosperity. Under this framework, the success of state-

owned asset management cannot be measured solely by revenue generation but also by its ability to support infrastructure development, job creation, environmental sustainability, and inclusive economic growth. Thus, state-owned assets serve as a strategic pillar of national revenue while simultaneously functioning as instruments for achieving broader development objectives.

The theoretical discussion on state-owned assets should also be strengthened through the concept of public asset optimization. Public assets have economic value when they are properly identified, valued, utilized, maintained, and monitored. Dettner and Fölster (2015) argue that public wealth can become an important source of economic growth when governments manage their commercial assets professionally and transparently. In this context, state-owned assets are not merely budgetary records, but productive instruments that can improve national fiscal capacity. However, when assets are poorly managed, they may become dormant resources, create maintenance burdens, or even become sources of rent-seeking and corruption.

The governance of state-owned enterprises is particularly important because SOEs represent one of the most visible forms of state ownership. The OECD Guidelines on Corporate Governance of State-Owned Enterprises emphasize that SOEs should operate under high standards of transparency, accountability, integrity, and competitive neutrality (OECD, 2024b). This means that state ownership should not automatically justify inefficiency or political intervention. Instead, SOEs should be directed to create both economic and social value. Their contribution to national revenue can be measured through dividends, tax payments, employment creation, infrastructure provision, and strategic sector development. Nevertheless, these contributions depend heavily on professional management, sound ownership policy, and strong performance evaluation.

The concept of fiscal sustainability further reinforces the importance of optimizing state-owned assets. Fiscal sustainability refers to the government's ability to finance public expenditure and meet long-term obligations without generating excessive debt risks. According to the International Monetary Fund (2023), fiscal policy must be managed carefully in the context of rising debt vulnerabilities, uncertain global economic conditions, and increasing public

expenditure pressures. Within this context, state-owned assets can provide alternative revenue streams that reduce pressure on taxation and borrowing. Therefore, asset productivity becomes an essential component of long-term fiscal resilience.

From the perspective of public value theory, state-owned assets should not be assessed solely through financial returns. Moore (1995) explains that public institutions are expected to create public value by improving citizens' welfare, expanding opportunities, and strengthening collective prosperity. Therefore, the success of state-owned asset management should be measured through a broader set of indicators, including revenue generation, service delivery, infrastructure accessibility, poverty reduction, environmental sustainability, and social inclusion. This perspective is particularly relevant for developing countries where state-owned assets often play a strategic role in supporting infrastructure, public services, and national economic transformation.

Islamic public finance offers another normative foundation for understanding state-owned assets. In Islamic thought, public wealth is not an object of unrestricted exploitation, but a trust that must be managed according to justice, transparency, and public interest. Classical Islamic fiscal instruments such as *kharaj*, *jizyah*, *'ushr*, *khumus*, and *zakat* indicate that the Islamic fiscal system recognizes diverse sources of public revenue, each with distinct legal bases and social objectives (Al-Māwardī, 1996; Qardhawi, 1999). In this context, state-owned assets should be directed toward the realization of *maslahah*, especially by ensuring that public wealth benefits society rather than a limited group of political or economic elites.

C. METHOD

This study employs a qualitative approach with a descriptive-analytical design to examine the role of state-owned assets as a pillar of national revenue. The qualitative approach is considered appropriate because the research seeks to provide an in-depth understanding of the contribution of state-owned assets to public finance, fiscal sustainability, and economic development through the

analysis of policies, theories, and empirical evidence. According to Creswell and Creswell (2018), qualitative research enables researchers to explore complex economic and social phenomena by emphasizing contextual interpretation and comprehensive analysis. Through this approach, the study aims to explain how state-owned assets generate economic value and contribute to strengthening government fiscal capacity.

The research utilizes a library research method, which relies on secondary data obtained from various credible and authoritative sources. These sources include government publications, reports from international organizations, academic journals, books, policy documents, and statistical reports related to public asset management and national revenue. Data are collected from institutions such as the Ministry of Finance, state asset management agencies, the World Bank, the International Monetary Fund (IMF), the Organisation for Economic Co-operation and Development (OECD), and other relevant organizations. In addition, scholarly articles discussing public finance, state-owned enterprises, fiscal sustainability, and public asset governance are reviewed to provide a comprehensive theoretical and empirical foundation for the study.

The focus of the analysis is directed toward several key aspects of state-owned assets, including their types, management mechanisms, economic contributions, and role in generating government revenue. State-owned assets examined in this study include public infrastructure, government-owned land and buildings, natural resources, financial investments, and state-owned enterprises. Furthermore, the study analyzes the contribution of these assets to national revenue through dividends, royalties, rents, concession agreements, and other forms of non-tax state revenue. Particular attention is also given to governance factors such as transparency, accountability, efficiency, and effectiveness in public asset management.

Data collection is conducted through document analysis, which involves reviewing and evaluating written materials relevant to the research objectives. According to Bowen (2017), document analysis is a systematic procedure for examining and interpreting documents in order to gain understanding, develop empirical knowledge, and generate meaningful insights. In this study, official

reports, policy papers, annual reports of state-owned enterprises, and academic literature are systematically collected and categorized according to themes related to state-owned assets and national revenue. This method enables the researcher to identify patterns, trends, and relationships among variables examined in the study.

The collected data are analyzed using qualitative descriptive analysis. The analysis follows the framework proposed by Miles, Huberman, and Saldaña (2018), which consists of data reduction, data presentation, and conclusion drawing. Data reduction is performed by selecting relevant information related to the contribution of state-owned assets to government revenue. Subsequently, the data are organized and presented in a narrative form to facilitate interpretation. Finally, conclusions are drawn based on the identification of recurring themes, relationships, and policy implications emerging from the analyzed literature and documents.

To enhance the validity and reliability of the findings, the study applies source triangulation by comparing information obtained from different institutions, reports, and academic publications. This approach helps minimize bias and ensures the consistency of the research findings. Moreover, priority is given to recent literature and official publications to ensure that the analysis reflects current developments in public asset management and fiscal policy. Through this methodological approach, the study is expected to provide a comprehensive understanding of how state-owned assets contribute to national revenue and support sustainable economic development.

To strengthen the methodological foundation, this study relies on document analysis as the main strategy for collecting and interpreting secondary data. Document analysis is appropriate because the research examines legal documents, policy reports, institutional publications, and academic literature related to state-owned assets, public finance, fiscal sustainability, and Islamic economic principles. Bowen (2009) states that document analysis allows researchers to systematically review and interpret textual materials in order to generate empirical understanding and analytical insight. Therefore, this method enables the study to connect legal norms, theoretical arguments, and policy evidence in a coherent analytical framework.

The documents analyzed in this study include laws and regulations concerning state finance and state treasury, policy documents on public asset management, reports from international organizations, and scholarly works on Islamic public finance. The use of multiple types of documents is intended to strengthen source triangulation. By comparing national regulations, international policy frameworks, and academic literature, the study is able to minimize interpretive bias and produce a more comprehensive understanding of the fiscal role of state-owned assets. The data are then categorized into several analytical themes, namely asset ownership, asset utilization, revenue generation, governance, fiscal sustainability, and maqāṣid-oriented public welfare.

The analysis follows qualitative data analysis procedures consisting of data reduction, data display, and conclusion drawing (Miles et al., 2014). Data reduction is conducted by selecting information relevant to state-owned assets and national revenue. Data display is carried out by organizing the selected information into thematic narratives. Finally, conclusions are drawn by interpreting the relationship between state-owned assets, fiscal sustainability, governance quality, and Islamic economic principles. Through this procedure, the study is expected to offer a balanced analysis between conventional public finance and Islamic fiscal ethics.

D. FINDINGS AND DISCUSSION

FINDINGS

Contribution of State-Owned Assets to National Revenue

The findings indicate that state-owned assets play a significant role in supporting national revenue and strengthening fiscal capacity. State-owned assets generate income through various channels, including dividends from state-owned enterprises (SOEs), lease agreements, concession fees, royalties from natural resources, and returns on government investments. In many countries, these assets serve as an important complement to tax revenue, particularly during periods of economic uncertainty. According to the OECD (2023), governments that effectively manage public assets are able to increase non-tax revenue while simultaneously improving the quality of public services.

In Indonesia, state-owned assets contribute to national revenue through both direct and indirect mechanisms. Direct contributions originate from non-tax state revenue (PNBP), dividends from state-owned enterprises, and royalties from natural resource exploitation. Indirectly, public assets support economic growth by facilitating infrastructure development, enhancing productivity, and attracting private investment. This finding demonstrates that state-owned assets are not merely administrative resources but productive economic instruments capable of generating sustainable fiscal benefits.

The Role of State-Owned Enterprises in Revenue Generation

One of the most important findings of this study concerns the contribution of state-owned enterprises as strategic state assets. SOEs operate in key sectors such as energy, transportation, telecommunications, banking, and infrastructure. Their operations generate profits that are partly distributed to the government in the form of dividends. According to the World Bank (2022), profitable SOEs contribute substantially to public finances while supporting national economic development.

In Indonesia, several major state-owned enterprises have consistently contributed dividends to the state budget. Companies operating in the energy, banking, and telecommunications sectors represent some of the largest contributors to government revenue. Beyond financial contributions, these enterprises also create employment opportunities, support infrastructure development, and provide essential public services. However, the findings reveal that the performance of SOEs varies considerably, with some enterprises generating substantial profits while others continue to rely on government support due to operational inefficiencies.

Public Asset Management and Revenue Optimization

The findings further reveal that the effectiveness of state-owned assets as revenue-generating instruments depends largely on asset management practices. Governments that adopt professional asset management systems tend to achieve higher financial returns and greater fiscal efficiency. Effective asset management includes asset identification, valuation, maintenance, utilization, and performance monitoring.

Several studies reviewed in this research suggest that underutilized public assets represent a major challenge in many developing countries. Numerous government-owned properties remain idle or are not used productively, resulting in lost revenue opportunities. According to Heller (2018), ineffective public asset management reduces fiscal performance and limits the government's ability to finance development programs. Therefore, maximizing asset utilization has become a strategic priority for governments seeking to diversify revenue sources.

Governance and Transparency in State-Owned Asset Management

Another significant finding is the importance of governance and transparency in managing public assets. The study finds that countries with stronger governance frameworks generally achieve better outcomes in terms of asset productivity and revenue generation. Transparency in asset registration, valuation, reporting, and utilization reduces the risk of corruption and enhances public accountability.

The United Nations (2021) emphasizes that effective governance requires clear legal frameworks, independent oversight mechanisms, and regular performance evaluations. In the context of state-owned assets, transparent governance enables governments to monitor asset performance more effectively and ensure that public resources are utilized in accordance with national development objectives. Conversely, weak governance often leads to asset mismanagement, inefficiency, and revenue losses.

State-Owned Assets and Fiscal Sustainability

The findings also demonstrate a strong relationship between state-owned assets and fiscal sustainability. Governments that generate substantial revenue from public assets are generally less dependent on debt financing and external borrowing. Revenue from state-owned assets provides an alternative source of fiscal income that can support public expenditure without increasing tax burdens on citizens.

According to the IMF (2023), diversified revenue sources contribute to stronger fiscal resilience and improve governments' capacity to respond to economic shocks. The evidence reviewed in this study indicates that productive state-owned assets can strengthen fiscal sustainability by generating long-term

and relatively stable income streams. Consequently, effective public asset management is increasingly recognized as a key component of sustainable fiscal policy.

The findings indicate that the contribution of state-owned assets to national revenue depends not only on the nominal value of the assets, but also on the quality of their governance and utilization. Assets that are not properly recorded, valued, or maintained may fail to generate revenue and may instead create fiscal burdens. This condition shows that the central problem of state-owned asset management is not merely ownership, but productivity. Therefore, asset optimization should become a strategic policy agenda for governments seeking to strengthen non-tax revenue and fiscal sustainability.

In the Indonesian context, state-owned assets are closely linked to non-tax state revenue, dividends from SOEs, natural resource royalties, and returns from government investments. This indicates that the state asset portfolio has a direct role in supporting the State Budget. However, the contribution of these assets can only be maximized when the government applies transparent reporting, professional valuation, clear ownership policy, and performance-based utilization. Without such governance mechanisms, state-owned assets may become underutilized, poorly maintained, or vulnerable to misuse.

The role of SOEs is especially important in this discussion because SOEs operate in strategic sectors such as energy, finance, transportation, telecommunications, and infrastructure. These sectors have both commercial and public service functions. On the one hand, SOEs are expected to generate profits and contribute dividends to the state. On the other hand, they are also expected to support public service delivery and national development priorities. This dual mandate requires a careful balance between profitability, public accountability, and social responsibility. The OECD (2024b) emphasizes that state ownership should be exercised through clear objectives, professional boards, transparent disclosure, and strong accountability mechanisms.

The findings also demonstrate that fiscal sustainability can be improved when state-owned assets are managed as productive resources rather than passive government properties. Revenue diversification through dividends, leases, concessions, and royalties can reduce dependence on taxation and

borrowing. This is particularly important in periods of economic uncertainty, rising public expenditure, and increasing fiscal pressure. The IMF (2023) highlights that fiscal policy must respond to debt vulnerabilities and medium-term expenditure challenges. Accordingly, productive state-owned assets can contribute to fiscal resilience by providing stable and recurring revenue sources.

From the Islamic economic perspective, the optimization of state-owned assets must be linked to *maqāṣid al-sharī'ah*. The management of public wealth should protect wealth itself through accountability and prevent waste, corruption, and misallocation. It should also protect life and future generations by financing public services, infrastructure, education, health, and social welfare. Therefore, state-owned assets should be evaluated not only by how much revenue they generate, but also by how far they contribute to justice, welfare distribution, and sustainable development. This *maqāṣid*-oriented approach expands the meaning of fiscal performance from revenue maximization to public welfare realization.

The integration of conventional public finance and Islamic economic principles provides a more comprehensive framework for evaluating state-owned assets. Conventional public finance emphasizes efficiency, revenue generation, fiscal sustainability, and public accountability. Islamic economics emphasizes *amanah*, justice, *maslahah*, and moral responsibility in the management of public resources. When these two perspectives are integrated, state-owned assets can be understood as fiscal instruments that must generate revenue while simultaneously promoting social welfare and ethical governance.

DISCUSSION

The findings confirm the theoretical proposition that state-owned assets represent a strategic pillar of national revenue and public finance. From the perspective of public finance theory, state-owned assets perform both economic and fiscal functions by generating revenue while supporting the provision of public goods and services. This finding supports the argument of Musgrave and Musgrave (2017), who emphasize that public resources should be managed in ways that maximize both economic efficiency and social welfare. The

contribution of state-owned assets through dividends, royalties, and non-tax revenue demonstrates their importance in strengthening government fiscal capacity.

The prominent role of state-owned enterprises identified in this study is consistent with the Resource-Based Theory (RBT), which suggests that valuable and strategically managed resources can generate sustainable competitive advantages (Barney, 2018). In the public sector context, state-owned enterprises function as productive assets capable of generating economic value for governments. The findings indicate that successful SOEs contribute not only through financial returns but also through employment creation, infrastructure provision, and economic development. However, variations in SOE performance suggest that ownership alone does not guarantee efficiency; effective governance and professional management remain essential determinants of success.

The study also highlights the importance of asset management practices in optimizing revenue generation. The findings suggest that many governments still face challenges related to asset underutilization, incomplete asset records, and inefficient management systems. These issues reduce the potential contribution of state-owned assets to national revenue. This observation supports Heller's (2018) argument that public assets must be managed strategically to maximize their economic value. Consequently, reforms aimed at improving asset inventories, valuation systems, and utilization strategies are necessary to enhance fiscal performance.

Furthermore, governance emerges as a critical factor influencing the effectiveness of state-owned asset management. The findings demonstrate that transparency, accountability, and institutional oversight are essential for preventing corruption and ensuring efficient resource allocation. This result aligns with governance theory, which emphasizes that public sector performance depends heavily on institutional quality and regulatory effectiveness. Strong governance frameworks not only improve revenue generation but also strengthen public trust in government institutions.

The relationship between state-owned assets and fiscal sustainability identified in this study has important policy implications. Revenue

diversification through public assets reduces excessive dependence on taxation and public borrowing, thereby improving fiscal resilience. This finding is consistent with IMF (2023) recommendations emphasizing the importance of diversified revenue sources for sustainable public finance. Governments that successfully optimize their asset portfolios are better positioned to finance development programs, respond to economic crises, and maintain long-term fiscal stability.

From an Islamic economic perspective, the findings reinforce the principle that public assets should be managed as a trust (*amanah*) for the benefit of society. The efficient utilization of state-owned assets contributes to social welfare, equitable resource distribution, and sustainable development, which are consistent with the objectives of *maqashid al-shariah* (Chapra, 2016). Therefore, the management of state-owned assets should not focus solely on financial returns but also consider broader social and developmental outcomes.

Overall, the study demonstrates that state-owned assets are a crucial component of national wealth and a significant source of government revenue. Their contribution to fiscal sustainability, economic growth, and public welfare depends largely on effective management, sound governance, and strategic utilization. Consequently, governments should prioritize reforms aimed at enhancing asset productivity, strengthening institutional oversight, and improving transparency to maximize the long-term benefits of state-owned assets for national development.

E. CONCLUSION

State-owned assets constitute a strategic component of public finance and serve as an important pillar of national revenue. The findings of this study demonstrate that government-owned assets, including state-owned enterprises, natural resources, public infrastructure, financial investments, and government properties, contribute significantly to national income through dividends, royalties, lease agreements, concession fees, and other forms of non-tax revenue. Beyond their direct financial contribution, state-owned assets also support economic growth, employment creation, infrastructure development, and the provision of public services, thereby strengthening the overall fiscal capacity of

the government.

The study further reveals that the effectiveness of state-owned assets in generating revenue is highly dependent on the quality of asset management and governance practices. Governments that implement transparent, accountable, and efficient asset management systems are more successful in optimizing the economic value of public assets and enhancing fiscal performance. Conversely, weak governance, underutilized assets, and inefficient management practices reduce the potential contribution of state-owned assets and may create fiscal burdens. Therefore, professional asset management and strong institutional oversight are essential to maximizing the benefits derived from public assets.

In addition, the findings highlight the important role of state-owned assets in promoting fiscal sustainability. Revenue generated from public assets provides an alternative source of government income that can reduce dependence on taxation and public borrowing. As a result, productive state-owned assets contribute to stronger fiscal resilience, improved budget stability, and greater capacity to finance long-term development programs. This is particularly important in the context of increasing economic uncertainty and growing public expenditure demands.

From both conventional public finance and Islamic economic perspectives, state-owned assets should be managed not only to generate financial returns but also to promote social welfare and equitable economic development. Consequently, governments should continue to strengthen asset governance frameworks, improve asset utilization strategies, enhance transparency and accountability mechanisms, and ensure that public assets are managed in a manner that supports sustainable economic growth and public prosperity. Through effective management and strategic utilization, state-owned assets can continue to serve as a vital foundation for national revenue generation and long-term development objectives.

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