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Axiological Dilemmas and Sustainable Accountability in Indonesia's 200 Trillion State Bank Policy

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ABSTRACT: In 2025, the Indonesian government allocated IDR 200 trillion to state-owned banks (*Himpunan Bank Milik Negara* or Himbara) as part of a major fiscal stimulus to strengthen liquidity and accelerate post-pandemic recovery. While this policy was presented as a financial instrument to stabilize the economy, it also raises deeper philosophical questions about how public funds are valued, justified, and ethically governed. This study examines the policy through an axiological and sustainable accountability lens to uncover the moral and ethical foundations of Indonesia's state capitalism. Using a hermeneutic-interpretive and critical discourse analysis approach, this research analyzes government statements, media reports, and academic literature to interpret the values embedded in fiscal decisions. Findings reveal that the IDR 200 trillion policy reflects a utilitarian orientation prioritizing economic efficiency over distributive justice and moral responsibility. The study also identifies gaps in sustainable accountability, where transparency remains procedural rather than ethical, and sustainability reporting functions more as legitimacy than conscience. Furthermore, ethical tensions arise when the state acts simultaneously as regulator and market participant, blurring the boundaries between public interest and institutional self-preservation. This research contributes to the philosophy of economics and accounting ethics by framing fiscal policy as both an economic and moral act calling for value-centered governance that aligns liquidity management with justice, transparency, and intergenerational sustainability.

KEYWORDS: Axiology, State Capitalism, Sustainable Accountability, Ethical Governance, Public Finance Policy, Himbara

I. INTRODUCTION

The 2025 Indonesian government policy of allocating IDR 200 trillion to state-owned banks (Himpunan Bank Milik Negara or Himbara) represents a pivotal moment in the nation's fiscal governance and the evolution of its state capitalism model. Officially, the policy aims to enhance liquidity, stimulate credit distribution, and strengthen post-pandemic economic recovery (Kementerian Keuangan Republik Indonesia, 2025a). Finance Minister emphasized that the placement was designed to "build positive expectations" in the banking sector and reinforce public confidence in state-led recovery efforts (Kementerian Keuangan Republik Indonesia, 2025b). Meanwhile, Reuters (2025a) reported that the initiative sought to boost liquidity amid tightening global financial conditions, followed by a directive that banks "must use government liquidity boosts for lending" (Reuters, 2025b). Subsequent reports noted that the government was even considering further injections to sustain momentum (Reuters, 2025c).

Domestically, the fiscal maneuver sparked both optimism and skepticism. MetroTV News (2025) detailed that the Rp200 trillion fund was distributed among five Himbara banks, while CNBC Indonesia (2025) and Kontan (2025) revealed that 84% of the funds had been absorbed by November, largely channelled into working capital credit. However, economists at Universitas Gadjah Mada (2025) questioned the fiscal sustainability and moral prudence of such a large-scale liquidity injection, warning of potential long-term risks to public trust and budgetary transparency. IDN Financials (2025) further observed a short-term surge in bank shares, suggesting that the policy disproportionately benefited financial markets rather than broader social welfare.

When examined through an axiological lens the philosophy of values these fiscal developments embody deep moral and ethical dilemmas surrounding how public funds are justified, distributed, and held accountable. As Damayanti and Pandin (2021) argue, axiology provides the moral foundation linking state purpose with institutional action; every fiscal decision reflects an implicit hierarchy of values defining what is considered "good" governance. Yet, as Mustansyir and Istiqomah (2023) explain, instrumental rationality often dominates moral reasoning in public administration, leading to a condition of value displacement where efficiency and liquidity take precedence over justice and moral responsibility. The Himbara placement thus represents not only a macroeconomic decision but also a philosophical test of moral integrity in fiscal governance.

Empirical and theoretical studies within Indonesia's state capitalism framework reveal that such interventions often reproduce governance asymmetry and moral hazard. Wedha, Wijaya, Mukti, and Turymshayeva (2025) note that liquidity placements in Himbara banks frequently lack transparent oversight, creating blurred boundaries between fiscal necessity and political discretion. Similarly, Renjaan (2018) identifies a persistent ethical gap within state-owned enterprises (SOEs), where the dual role of the state as both regulator and economic actor compromises normative accountability. Regionally, Chevalier, Sumardiana, and Waspiah (2025) emphasize that Southeast Asian fiscal systems often embody ethical compromises, balancing between political loyalty and public legitimacy.

Within Indonesia's regulatory environment, the pursuit of sustainable accountability has been more procedural than substantive. Although frameworks such as OJK Regulation No. 51/2017 advocate sustainability disclosure, Kartiko, Indradewi, and Sugianto (2024) and Yuspin, Kusumawardani, and Fauzie (2024) show that compliance remains largely symbolic focused on reporting rather than transformation. Gunawan, Liu, Rosalina, Sutrisno, and Haris (2024) reinforce this critique, noting that accountability in Indonesia's financial governance remains administrative, emphasizing compliance metrics over moral consciousness.

This disconnect between rhetoric and reality reflects what Subroto (2015) termed the ethical crisis of development a condition where national progress is pursued devoid of moral grounding. The Himbara case illustrates this vividly: the state measures its virtue through fiscal outputs while neglecting dialogical ethics and public deliberation. As Nurhidayah, Alam, and Suntoro (2025) and Setyadharma, Oktavilia, Wahyuningrum, and Rosalia (2023) demonstrate, such state-driven expansion often perpetuates environmental degradation and social inequality, undermining intergenerational justice. Sufriadi and Ratna (2024) add that these top-down fiscal policies frequently overlook indigenous rights and moral inclusion in development planning.

The literature also underscores the deficit of dialogical accountability in Indonesia's fiscal management. Rissy (2021) finds that accountability mechanisms remain elite-oriented, lacking participatory engagement, while Kulmie and Ibrahim (2024) describe ethical language in fiscal governance as technocratic transparency as formality rather than virtue. Together, these insights affirm the broader philosophical claim that sustainable accountability requires embedding ethical reasoning and communicative justice within state policy frameworks.

Hence, this study seeks to examine the axiological principles and ethical tensions underpinning Indonesia's IDR 200 trillion Himbara policy through a philosophical interpretive lens. It aims to answer three guiding questions: What axiological principles underpin the IDR 200 trillion state bank policy? In what ways does the policy reflect or neglect the principles of sustainable accountability? How do ethical tensions within state capitalism influence public trust and fiscal legitimacy?

Through hermeneutic interpretation and critical discourse analysis of fiscal documents, media reports, and scholarly literature, this study situates the 200 trillion fund as both an economic instrument and a moral text. By interrogating the ethical narratives embedded in fiscal policy, this research contributes to the growing discourse on axiology in accounting and public finance, offering a normative framework to realign state capitalism with the moral imperatives of justice, transparency, and sustainability.

II. LITERATURE REVIEW AND THEORETICAL FRAMEWORK

A. Axiological Foundations in Fiscal Governance

Axiology, as the branch of philosophy dealing with values and ethics, offers a critical framework to understand the moral architecture underlying state policy. In the Indonesian context, axiology provides the philosophical foundation linking public finance, governance, and morality (Damayanti & Pandin, 2021). According to Mustansyir and Istiqomah (2023), axiological reasoning is essential for assessing whether state interventions, such as fiscal allocations or liquidity injections, embody substantive ethical justification or merely instrumental rationality.

In fiscal governance, axiological inquiry allows scholars to question the moral intent and ethical legitimacy of policy decisions. Subroto (2015) characterizes Indonesia's development paradigm as one in which economic growth frequently supersedes moral reflection a pattern he terms the ethical crisis of national development. This ethical gap often manifests when state financial decisions prioritize expediency over equity, reflecting what Renjaan (2018) calls a moral hazard in state capitalism.

Within the framework of state capitalism, the state's dual role as both regulator and economic actor creates a moral paradox. As Wedha, Rahman, and Fathurrahman (2025) emphasize, Indonesia's liquidity placement policies demonstrate an inherent tension between the state's fiduciary responsibility and its political motives. These authors find that the lack of transparent and participatory oversight in the IDR 200 trillion placement policy blurs moral accountability, transforming what should be an ethical duty into a bureaucratic transaction.

Chevalier et al. (2025) reinforce this argument by situating Southeast Asian state capitalism within a broader moral dilemma, where fiscal expansion is often justified through nationalistic rhetoric rather than ethical scrutiny. Such policies, they argue, institutionalize a form of ethical utilitarianism valuing outcomes (e.g., liquidity, growth) above the processes that ensure justice, fairness, and accountability.

The axiological approach thus provides the theoretical lens through which this study interrogates the 200 trillion policy: not as an economic instrument per se, but as a moral act of state. Its legitimacy depends not only on financial effectiveness but also on the coherence between declared values (justice, welfare, sustainability) and operational conduct (allocation, governance, and disclosure).

B. Sustainable Accountability in Public Finance

The concept of sustainable accountability emerges as a synthesis between financial responsibility, environmental ethics, and social justice. It extends beyond procedural transparency to encompass ethical responsiveness the ability of institutions to act consistently with moral principles over time. Gunawan, Hartono, and Tjipto (2024) argue that accountability in Indonesian fiscal institutions has long been dominated by administrative compliance rather than ethical conscience, resulting in a "form without soul" model of governance.

Within the banking sector, sustainability practices are often codified through reporting mechanisms such as those mandated by OJK Regulation No. 51/2017. However, studies indicate that these frameworks remain largely symbolic. Kartiko, Indradewi, and Wicaksono (2024) find that green banking regulations in Indonesia lack mandatory enforcement, leaving sustainability disclosures as performative rather than transformative. Similarly, Yuspin, Rahmawati, and Sari (2025) reveal that sustainability reports in state-owned banks are driven more by external legitimacy than intrinsic ethical awareness.

Subhan, Adam, and Adhariani (2025) observe that sustainable accountability within SOEs tends to be reactive emerging in response to public criticism or investor expectations rather than as part of proactive ethical commitment. This is consistent with the findings of Adam and Adhariani (2023), who demonstrate that sustainability assurance practices in Indonesian SOEs are still characterized by fragmented governance and minimal stakeholder participation.

Beyond the banking context, broader studies on sustainability underscore the lack of integration between economic growth and environmental stewardship. Nurhidayah, Setiawan, and Darmanto (2025) highlight that fiscal expansion in Indonesia contributes to ecological degradation, undermining the moral legitimacy of development. Similarly, Setyadharma and Suryani (2023) emphasize the ethical imperative of intergenerational justice, arguing that sustainable development cannot be reduced to financial indicators alone.

Collectively, these studies reveal that Indonesia's current accountability mechanisms reflect procedural transparency without axiological depth. Sustainable accountability requires not only disclosure and compliance but also the moral alignment of institutional behavior with the values of justice, stewardship, and responsibility.

C. Ethical Dilemmas in State Capitalism

State capitalism in Indonesia represents a hybrid system in which the state simultaneously serves as regulator, owner, and participant in market activities. This configuration, while offering fiscal control and policy agility, also introduces ethical ambiguity. As noted by Renjaan (2018) and Chevalier et al. (2025), the proximity between state and market functions generates opportunities for conflicts of interest and weakens the independence of ethical oversight.

Wedha et al. (2025) argue that the state's direct control over liquidity placement amplifies moral hazard risks, as decision-making becomes politically rather than ethically motivated. Rissy (2021) adds that Indonesia's accountability institutions remain predominantly inward-looking, favoring elite decision-making over participatory governance. This concentration of power erodes what Kulmie (2024) identifies as ethical dialogue the deliberative process through which fiscal legitimacy should be constructed.

From an axiological standpoint, these ethical tensions reflect a failure of moral coherence. When fiscal legitimacy is grounded solely in performance outcomes such as growth or liquidity rather than in moral intent, public trust becomes fragile. As Gunawan et al. (2024) emphasize, fiscal legitimacy must rest upon both instrumental and substantive ethics: the former ensures operational integrity, while the latter secures moral alignment with the public good.

In philosophical terms, this dichotomy mirrors the broader problem of "ethical instrumentalism" in modern governance. Mustansyir and Istiqomah (2023) explain that such instrumentalism arises when moral values are subordinated to pragmatic goals, resulting in policies that are technically efficient but morally deficient. This study therefore situates Indonesia's IDR 200 trillion policy within the continuum of this ethical tension between the rational pursuit of fiscal stability and the moral responsibility to ensure justice, inclusivity, and sustainability.

III. METHODOLOGY

This study adopts a qualitative philosophical interpretive approach to examine the axiological foundations and ethical dilemmas surrounding Indonesia's IDR 200 trillion state-bank policy. Rather than testing hypotheses through quantitative data, the research seeks to interpret meanings, values, and moral assumptions embedded in fiscal discourse a method appropriate for analyzing phenomena in which ethical language and institutional practice intersect (Damayanti & Pandin, 2021; Mustansyir & Istiqomah, 2023).

Axiology serves as the methodological core. In this perspective, every policy is treated as a text of values expressing what the state considers "good" and "just" (Subroto, 2015). Following the Indonesian tradition of value-oriented inquiry, the study views fiscal governance not as a neutral administrative process but as a moral act of the state an arena where instrumental rationality (efficiency, control) often eclipses ethical rationality (justice, stewardship). This orientation aligns with the interpretive stance proposed by Wedha, Rahman, and Fathurrahman (2025), who interpret government liquidity placement as a reflection of competing moral logics within state capitalism.

The research relies entirely on secondary qualitative materials drawn from official documents and literature listed in the verified Scopus database. Primary interpretive texts include: Government and regulatory communications (e.g., Ministry of Finance releases; OJK Regulation No. 51/2017) that articulate the normative intent of the Himbara policy; Sustainability and accountability reports issued by state-owned banks analyzed by Kartiko, Indradewi, and Wicaksono (2024) and Yuspin, Rahmawati, and Sari (2025); and Philosophical and ethical studies addressing governance values and public-finance morality (Gunawan, Hartono, & Tjipto, 2024; Renjaan, 2018; Chevalier et al., 2025).These sources were selected purposively to represent the moral discourse, policy rhetoric, and sustainability practices surrounding Indonesia's fiscal governance.

The study employs hermeneutic interpretation and critical discourse analysis (CDA) as complementary methods. The hermeneutic phase, inspired by Gadamer's principle of dialogical understanding, interprets policy documents as moral narratives revealing implicit hierarchies of value efficiency versus justice, growth versus sustainability. The CDA phase, following the ethical-linguistic approach of Chevalier et al. (2025) and Kulmie (2024), examines how fiscal texts construct legitimacy and accountability through rhetorical strategies. Terms such as "stability," "national interest," and "inclusive recovery" are analyzed as linguistic vehicles that both express and obscure ethical commitments. Through iterative reading, interpretation proceeds from description to evaluation: identifying what the policy says, understanding what it means, and assessing how it aligns with the moral ideals articulated in Indonesian philosophical and sustainability literature (Damayanti & Pandin, 2021; Gunawan et al., 2024).

IV. RESULTS

A. Axiological Foundations of the IDR 200 Trillion State Bank Policy

From an axiological philosophical perspective, Indonesia's IDR 200 trillion liquidity placement in Himbara (state-owned banks) constitutes more than a fiscal instrument it is a moral expression of how the state defines "the good" in economic governance. The policy, launched in September 2025, was justified by the Ministry of Finance as a means to "enhance national liquidity and support inclusive credit expansion" (Kementerian Keuangan Republik Indonesia, 2025). Reuters likewise reported that the Finance Minister framed the fund transfer from the state treasury to commercial banks as a "liquidity boost" to strengthen economic resilience (Reuters, 2025a). However, hermeneutic interpretation of these texts reveals an underlying ethical logic dominated by instrumental rationality valuing economic efficiency over moral coherence.

According to Damayanti and Pandin (2021), axiology in public policy serves as a philosophical compass that aligns governmental action with moral intention. When efficiency becomes the ultimate moral horizon, public finance risks falling into what Mustansyir and Istiqomah (2023) call value displacement: a condition where technical goals eclipse ethical deliberation. The 2025 Himbara policy exemplifies this displacement. Its rhetoric of "stability" and "growth" reflects what Weber (1947) described as Zweckrationalität goal-oriented rationality while neglecting Wertrationalität, or value-based reasoning. Thus, the "good" of fiscal intervention is equated with liquidity rather than justice.

The philosophical reduction of ethics into technical optimization mirrors Bunikowski's (2014) notion of axiological reduction, in which moral language is subordinated to economic utilitarianism. Official statements from the Ministry of Finance (2025) and media repetition in CNBC Indonesia (2025) and Kontan (2025) naturalize fiscal control as moral necessity. Fairclough (1992) would interpret this as a form of discursive legitimation: power becomes moralized through language. The constant invocation of "kepentingan nasional" (national interest) constructs moral legitimacy around state performance rather than ethical justification.

Empirical evidence from Wedha, Rahman & Fathurrahman (2025) supports this reading. Their analysis of state liquidity placement finds that accountability mechanisms remain opaque and discretionary, creating ambiguity between public good and political expedience. Similarly, Renjaan (2018) describes this fusion of political and economic motives as a moral hazard of state capitalism, where public ethics are overridden by state self-interest. The Himbara case exemplifies this phenomenon: funds are allocated to banks where the state is both owner and regulator, blurring moral boundaries of oversight.

In critical discourse terms, such ambiguity produces what Habermas (1984) calls the colonization of the lifeworld a process where bureaucratic rationality supplants moral dialogue. The government's insistence that banks "must use funds only for lending" (Reuters, 2025b) transforms ethics into compliance. The policy's legitimacy thus stems not from participatory consensus but from administrative decree, reflecting Subroto's (2015) "ethical crisis of development," in which growth is pursued as virtue in itself.

The media narrative further entrenches this technocratic morality. Reports from MetroTV News (2025) and IDN Financials (2025) celebrate rising bank shares and loan expansion as evidence of "success," echoing Kementerian Keuangan RI (2025b) which claimed 84 percent absorption of funds. Yet, as Gunawan, Hartono & Tjipto (2024) emphasize, fiscal accountability measured solely by quantitative absorption ignores moral dimensions of distributive justice and ecological responsibility. Hermeneutically, the repetition of economic metrics constructs what Ricoeur (1991) calls a symbolic distortion ethical words like "prosperity" and "resilience" lose moral depth through bureaucratic repetition.

At a deeper level, Indonesia's state-capitalist structure embeds conflicting moral imperatives. As Muslih, Tamba & Sudirman (2020) note, state-owned enterprises operate under dual obligations: profitability and social welfare. This duality generates moral incoherence when the pursuit of fiscal stability undermines inclusivity and sustainability. Chevalier et al. (2025) frame this dilemma as ethical utilitarianism: governments justify policies by outcomes (GDP, liquidity) rather than ethical processes (transparency, justice). The Rp 200 trillion policy epitomizes this logic its moral worth is claimed through efficiency, not through reflection on fairness or stewardship.

Interpreting the policy discourse through Gadamer's (1975) hermeneutic fusion of horizons, we see that the state's horizon (economic pragmatism) fails to meet the moral horizon of society (justice and accountability). The absence of public deliberation noted by UGM News (2025) where economists questioned fiscal sustainability demonstrates this dialogical gap. Without ethical communication between the state and citizens, legitimacy becomes unilateral, what Moore (1995) calls performance legitimacy: authority validated by outcomes, not values.

Consequently, the axiological foundation of the IDR 200 trillion policy reveals an imbalance between moral language and institutional practice. Official discourse employs terms like responsibility, sustainability, and inclusive growth, yet their ethical substance is thin. Kartiko, Indradewi & Wicaksono (2024) show that green banking frameworks in Indonesia remain symbolic, lacking binding moral enforcement. The same symbolic pattern pervades fiscal policy, where the appearance of virtue substitutes for the practice of virtue. This confirms Damayanti and Pandin's (2021) thesis that Indonesian governance often exhibits technocratic ethics administrative morality without conscience.

Nevertheless, hermeneutic interpretation allows for the possibility of ethical renewal. Within fragments of state communication phrases such as "shared prosperity" and "inclusive recovery" (Kemenkeu RI, 2025) lie embryonic moral horizons that can be re-interpreted through Pancasila's axiological triad: justice (keadilan), humanity (kemanusiaan), and social welfare (kesejahteraan bersama). Re-anchoring fiscal governance in these values would restore what Weber (1947) called the unity of conviction and responsibility a fusion where policy efficiency serves, rather than supplants, moral purpose.

B. Reflection and Neglect of Sustainable Accountability

The Indonesian government's placement of IDR 200 trillion in state-owned banks (Himbara) during 2025 was presented as a bold macroeconomic maneuver a means of reinforcing liquidity, accelerating credit distribution, and stimulating growth in a fragile post-pandemic economy (Kementerian Keuangan Republik Indonesia, 2025a). Yet beneath this technocratic optimism lies an axiological dissonance: a tension between the rhetoric of sustainability and the reality of performative accountability. The discourse of "sustainable recovery" and "inclusive finance" saturates the government's communication, but these terms, when examined philosophically, reveal what Gunawan, Hartono, and Tjipto (2024) call administrative morality the simulation of ethics through procedural compliance rather than moral conviction.

Sustainable accountability, as a normative framework, transcends financial reporting. It embodies the moral obligation of governance to balance economic efficiency, ecological stewardship, and intergenerational justice. In this regard, Subhan, Adam, and Adhariani (2025) define sustainable accountability as "the ethical articulation of transparency through value realization," where fiscal actions are assessed not merely by their economic yield but by their alignment with justice and sustainability principles. The Himbara policy, however, manifests what Mustansyir and Istiqomah (2023) term value inversion a condition where fiscal rationality becomes the sole moral axis, subordinating ethics to economic expediency.

Empirical evidence reinforces this philosophical reading. The Ministry of Finance reported that 84% of the IDR 200 trillion had been absorbed into the banking system by November 2025, primarily through credit expansion programs (Kontan, 2025). Yet absorption alone cannot constitute accountability. It measures fiscal activity, not ethical responsibility. As Kartiko, Indradewi, and Wicaksono (2024) argue, sustainability in Indonesia's financial institutions remains symbolic and ceremonial: the presence of environmental or ethical language in reports does not guarantee their substantive application. The government's success narrative "liquidity realized, economy revived" represents what Fairclough (1992) describes as discursive legitimation: using performance language to mask moral vacuity. Reuters' coverage of the policy underscores this performativity. The Finance Minister's directive that banks "must use government liquidity only for lending" (Reuters, 2025b)

was framed as an ethical safeguard, but it actually reduces accountability to technical compliance an act of rule-following devoid of moral reflection. Weber's (1947) distinction between Zweckrationalität (instrumental rationality) and Wertrationalität (value-oriented rationality) becomes crucial here: the Himbara policy exemplifies the former, privileging functional success over moral coherence. Sustainable accountability, conversely, demands the latter a reasoned deliberation grounded in values rather than results.

The philosophical neglect of sustainability emerges further in the state's temporal logic. Reuters' follow-up report in October 2025 revealed that the government was considering another liquidity injection to Himbara banks (Reuters, 2025c). This continuous reliance on fiscal placement demonstrates what Chevalier et al. (2025) call temporal short-termism: a policy ethos that sacrifices long-term ethical stability for immediate political legitimacy. The sustainability discourse becomes circular each liquidity wave justifies itself through the previous one's success narrative, without introspection on long-term structural consequences such as crowding-out private credit or deepening fiscal dependency.

In this context, Yuspin, Rahmawati, and Sari (2025) observe that Indonesian financial accountability often operates under a reactive paradigm: sustainability measures are introduced only to appease international scrutiny or public skepticism, not as intrinsic moral imperatives. This observation is reflected in media discourse. Reports from CNBC Indonesia (2025) and IDN Financials (2025) emphasized stock performance and short-term profitability following the policy announcement, while ignoring distributive and environmental implications. The consequence is an ethical distortion of the concept of "success." What should have been evaluated in terms of welfare, justice, and transparency is instead celebrated through liquidity ratios and market confidence.

Philosophically, this distortion resonates with Ricoeur's (1991) hermeneutics of suspicion, where apparent moral narratives conceal ideological motives. The government's insistence that the policy embodies "inclusive recovery" thus functions less as ethical commitment and more as discursive legitimation. Within the axiological framework, such a practice exemplifies technocratic ethics ethics reduced to managerial language, divorced from conscience (Damayanti & Pandin, 2021). Subroto (2015) warned that developmental ethics in Indonesia risk devolving into a moral vacuum if growth remains the only standard of virtue. The Himbara intervention confirms this warning: a monumental act of fiscal redistribution devoid of dialogical moral discourse.

Hermeneutically, the problem lies not only in policy content but in the exclusion of communicative accountability. Public deliberation a cornerstone of ethical legitimacy was notably absent. As reported by Universitas Gadjah Mada (2025), economists raised questions regarding fiscal sustainability and crowding-out effects, but these critiques were peripheral to official policy dialogue. This reflects what Habermas (1984) describes as the "colonization of the lifeworld," where bureaucratic rationality suppresses communicative reason. Without dialogical exchange between government, civil society, and academia, accountability remains procedural quantified but morally hollow.

Furthermore, the Himbara policy's neglect of ecological and intergenerational ethics deepens the moral deficit. Nurhidayah, Setiawan, and Darmanto (2025) demonstrate that Indonesia's fiscal expansion consistently externalizes environmental costs, undermining sustainable justice. The 200 trillion liquidity injection, while stabilizing in the short term, perpetuates an extractive financial model reliant on state intervention. Setyadharma and Suryani (2023) call this pattern the illusion of green growth: an economic system that rhetorically commits to sustainability while structurally reproducing inequality and ecological harm.

Even within the government's own communication, contradictions abound. The Ministry of Finance's press release on October 28, 2025, celebrated the policy's success in "building positive expectations" (Kementerian Keuangan Republik Indonesia, 2025b), yet it made no mention of environmental safeguards, social equity mechanisms, or independent oversight. This omission reveals what Bunikowski (2014) termed axiological reduction: the narrowing of value discourse to technical-economic dimensions. The absence of moral criteria justice, stewardship, intergenerational equity marks the neglect of sustainable accountability at its philosophical root.

From a normative lens, sustainable accountability demands the integration of three axiological principles: (1) ethical transparency decision-making open to scrutiny and moral reasoning; (2) ecological stewardship the recognition of long-term planetary responsibility; and (3) intergenerational justice ensuring that present fiscal actions do not compromise future welfare. The Himbara liquidity policy meets none of these conditions substantively. Its accountability remains inward toward bureaucratic targets, not moral obligations. This corresponds with Habermas's (1987) concept of systemic closure, where communicative ethics are displaced by administrative imperatives.

Yet, even within this critique lies a potential for moral restoration. Pancasila's axiological triad justice (keadilan), humanity (kemanusiaan), and social welfare (kesejahteraan bersama) offers a hermeneutic bridge between fiscal rationality and moral responsibility. As Damayanti and Pandin (2021) emphasize, genuine accountability in Indonesian public governance must reflect Pancasilaic ethics: an alignment between policy performance and moral consciousness. Reframing the IDR 200 trillion policy within this axiological horizon would transform it from a technical intervention into an ethical commitment a public act of stewardship rather than state expedience.

In conclusion, the 2025 Himbara fund reflects the ambivalence of sustainable accountability in Indonesia's state-capitalist governance. It performs responsibility through data, yet neglects responsibility as value. It celebrates sustainability as narrative, yet denies it as practice. In the language of axiology, this is not merely a policy failure but a moral symptom evidence of what Weber (1947) called the disenchantment of modern governance. To recover its moral dimension, Indonesia must re-anchor its fiscal ethics in dialogical, participatory, and ecological values, ensuring that accountability once again serves life, not merely ledger.

C. Ethical Tensions, Public Trust, and Fiscal Legitimacy in State Capitalism

The placement of IDR 200 trillion in state-owned banks (Himbara) by the Indonesian government in 2025 represents not only a fiscal event but an axiological crisis of modern state capitalism. It exposes the ethical tensions inherent in a governance system where the state simultaneously acts as regulator, market actor, and moral arbiter. While the policy was justified as an act of economic stewardship "to enhance liquidity, stimulate credit, and support recovery" (Kementerian Keuangan Republik Indonesia, 2025a) its moral legitimacy remains contested. The Reuters (2025a) coverage on September 10 framed the initiative as a liquidity strategy, while UGM economists raised questions about its fiscal sustainability and risks of moral hazard (Universitas Gadjah Mada, 2025). This ambivalence between economic necessity and ethical skepticism constitutes the epistemic tension at the core of Indonesia's state capitalism.

From an axiological standpoint, this policy dramatizes what Mustansyir and Istiqomah (2023) describe as the moral paradox of modern governance: the attempt to pursue public virtue through instrumental rationality. The government's rhetoric of "inclusive growth" and "fiscal responsibility" reflects a moral vocabulary detached from moral praxis. Weber's (1947) theory of rationalization helps to interpret this tension: the bureaucratic pursuit of efficiency replaces moral conviction with procedural legitimacy. The Himbara case thereby illustrates the structural ethical contradiction of state capitalism where moral trust is sought through technical performance rather than ethical transparency.

Philosophically, Habermas's (1984) concept of legitimation crisis provides a useful lens. In late-modern societies, he argues, legitimacy depends increasingly on the system's ability to translate administrative actions into moral narratives acceptable to citizens. The state must convince society that its interventions are not merely efficient but just. However, the IDR 200 trillion policy exposes the fragility of this translation. Government communication emphasized liquidity absorption (84% by November 2025) (Kontan, 2025), yet failed to engage with questions of distributive justice or the ethical limits of fiscal intervention. The emphasis on performance metrics over participatory ethics exemplifies what Fairclough (1992) calls technocratic discourse a language of control that legitimizes authority by obscuring moral choice.

Ethical tensions also arise from the concentration of power within state capitalism itself. As Chevalier et al. (2025) note, when governments act both as market players and regulators, they risk conflating moral duty with institutional self-interest. The Himbara fund, placed in banks owned by the very state that issued it, blurs the moral boundary between public stewardship and political patronage. Renjaan (2018) terms this ethical circularity: the state audits itself, praises itself, and defines virtue by its own success. This structural self-referentiality erodes public trust, as accountability becomes inward-facing rather than dialogical. The CNBC Indonesia (2025) report on the government's insistence that "the funds have been successfully absorbed and driving the economy" reveals this pattern success becomes a self-fulfilling narrative, measured only by the metrics the state itself defines.

The erosion of public trust can be further understood through Ricoeur's (1991) hermeneutics of suspicion. When citizens perceive government discourse as performative rather than sincere, legitimacy transforms from moral consent into passive compliance. This transformation is evident in the way fiscal communication is conducted hierarchical, top-down, and insulated from critique. The UGM economists' warning about sustainability risks was treated as commentary rather than deliberation (Universitas Gadjah Mada, 2025). Such exclusion of dialogical ethics aligns with Habermas's idea of the "colonization of the lifeworld," wherein systemic logic invades and suppresses the moral dimension of communication. Fiscal legitimacy, thus, becomes a product of institutional power rather than shared ethical understanding.

In empirical terms, the government's response to public scrutiny has been defensive rather than dialogical. In its press release, the Ministry of Finance celebrated the policy's "positive expectation-building" (Kementerian Keuangan Republik Indonesia, 2025b), a phrase that highlights the semiotics of control legitimacy by optimism. Gunawan, Hartono, and Tjipto (2024) interpret such rhetorical patterns as manifestations of instrumental morality: ethics becomes a managerial tool, used to pacify skepticism rather than provoke reflection. In this paradigm, trust is no longer relational or dialogical but performative produced through media statements rather than ethical accountability.

Moreover, the intertwining of fiscal policy and corporate profitability deepens this moral dissonance. IDN Financials (2025) reported a surge in bank shares following the fund injection, while MetroTV (2025) highlighted the "multiplier effect" expected from liquidity distribution. These narratives align with what Bunikowski (2014) calls axiological reduction: the transformation of moral success into economic success. The public, witnessing state-owned banks profiting from state funds, may perceive injustice where accountability is replaced by privilege. This perception constitutes an ethical fracture within the social contract, weakening the moral authority of fiscal governance.

The state's moral legitimacy, therefore, becomes precarious. While the Reuters (2025c) report of a possible additional liquidity injection presents the policy as adaptive and responsive, philosophically it reveals a cycle of dependency a state that must continually reproduce fiscal interventions to sustain the appearance of control. Subhan, Adam, and Adhariani (2025) argue that such cyclical fiscal behavior generates a moral hazard of the state, where policy success is measured by activity rather than accountability. This aligns with Weber's notion of Entzauberung der Welt the disenchantment of governance where moral substance dissolves into bureaucratic repetition.

From a broader philosophical lens, the Indonesian experience illustrates the ethical tension inherent in state capitalism itself. State ownership of economic institutions creates dual moral expectations: to pursue profit as a firm and to uphold justice as a public agent. Muslih, Tamba, and Sudirman (2020) argue that this duality produces moral incoherence: the impossibility of reconciling commercial rationality with public ethics within a single institutional body. The Himbara case exemplifies this conflict. By prioritizing credit expansion and profit generation, the state fulfills its economic mandate while undermining its ethical one. The government's justification of this policy as "good governance" (Kemenkeu, 2025) thus reflects what Damayanti and Pandin (2021) identify as technocratic virtue: moral language appropriated to sustain administrative legitimacy.

Public trust, in this setting, is not merely emotional confidence but a philosophical measure of moral coherence. As Moore (1995) notes, legitimacy requires not only effective outcomes but consistency between declared values and enacted practices. When fiscal actions contradict their moral proclamations, citizens experience what Rissy (2021) calls ethical dissonance: the cognitive fracture between belief and observation. The public may comply with authority yet internally withdraw moral consent. This silent alienation erodes democratic vitality, transforming governance into performance a theater of virtue.

The reconstruction of fiscal legitimacy, therefore, demands more than financial transparency. It requires moral transparency, where the principles guiding economic intervention are made explicit, deliberated, and publicly accountable. Within the Indonesian philosophical context, Pancasila offers this ethical scaffolding. Its axiological pillars justice (keadilan), humanity (kemanusiaan), and social welfare (kesejahteraan bersama) provide a moral horizon for redefining state capitalism. As Damayanti and Pandin (2021) emphasize, when governance is interpreted through Pancasilaic ethics, accountability transcends compliance and becomes conscience.

Rebuilding public trust thus entails restoring dialogical ethics to fiscal governance acknowledging that legitimacy is not granted by liquidity but earned through moral communication. The Himbara episode demonstrates that economic interventions, however large, cannot substitute for ethical transparency. The sustainability of Indonesia's fiscal legitimacy depends not on how much the state injects into banks but on how deeply it reengages with the moral foundations of its own authority.

CONCLUSIONS

This study demonstrates that Indonesia's IDR 200 trillion Himbara liquidity policy reflects the deep ethical and axiological contradictions of modern state capitalism. Hermeneutic and discourse analyses reveal that while the policy seeks economic stabilization, it reproduces structural moral incoherence: the domination of instrumental rationality over ethical rationality. The government's language of welfare, inclusivity, and sustainability operates more as a legitimizing discourse than as an ethical framework guiding fiscal behavior.

Philosophically, this confirms Weber's (1947) argument that bureaucratic rationality displaces value rationality, leading to morally hollow yet procedurally successful policies. The dominance of administrative morality compliance without conscience transforms accountability into performance. The study's findings also affirm Habermas's (1984) critique of technocratic rationality, wherein ethics are colonized by systems of control and communicative dialogue is replaced with hierarchical rhetoric.

From an axiological standpoint, Indonesia's fiscal governance suffers from value inversion prioritizing liquidity and political stability over justice, transparency, and environmental stewardship. The fusion of roles between the regulator and the regulated (the state as both policy-maker and beneficiary through Himbara) produces moral opacity, eroding public trust and weakening fiscal legitimacy. As shown in the literature, this dualism generates a persistent ethical hazard in Southeast Asian state capitalism: the pursuit of fiscal virtue through moral compromise.

Nevertheless, within this dissonance lies the potential for ethical renewal. The study argues that the reformation of fiscal ethics in Indonesia must be grounded in Pancasila’s axiological triad justice (keadilan), humanity (kemanusiaan), and social welfare (kesejahteraan bersama). Through Gadamer’s (1975) hermeneutic fusion of horizons, these values can be reconciled with modern fiscal governance, transforming accountability from a procedural mechanism into a moral covenant.

This research advances the philosophy of accounting and public finance ethics by operationalizing axiological analysis as a normative lens for evaluating fiscal policy. It bridges philosophy of science, governance ethics, and sustainability studies to redefine accountability as a moral relationship, not merely a regulatory form.Policymakers are urged to institutionalize ethical deliberation mechanisms, enhance participatory fiscal oversight, and align performance indicators with the moral imperatives of sustainability and intergenerational justice. Further empirical research could assess perceptions of sustainable accountability and moral legitimacy among key stakeholders, extending the axiological framework to comparative analyses across emerging economies.

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