

THE IMPACT OF PRIVATIZATIONS TO THE PUBLIC SECTOR COMPANIES PERFORMANCE



PENELITIAN

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Abstract

Privatizations has been practiced by Indonesian government to effort improvement on public sector companies performance and efficiency. This research is applied on 5 public sector companies included in the privatizations first programmed, i.e. PT. Timah Tbk., PT. TELKOM Tbk., PT. Semen Gresik Tbk., PT. INDOSAT Tbk., and PT. Aneka Tambang Tbk., with observation windows between 1992 until 1999. There were 17 financial ratios used to represent solvability, liquidity, rentability, and z score. Objectives of this research is to evaluate the companies financial performance after privatizations relative than before. Output are tested by Wilcoxon Signed Rank Test. Research outcomes indicated that there were no significant different, though the companies performance after privatizations tend to make its liquidity fell on high. This evident hypothetically caused by the limitation windows, so that the benefit of privatizations have not appeared in such a real condition.

Introduction

Research outcomes from Machfoedz (1999) stated that financial performance in the efficiency, productivity, and profitability forms of public sector companies in Indonesia have lower level among ASEAN countries.

The Indonesian government assign to fix public sector companies (BUMN) that took subsidies, but had some continued loss. This loss caused by miss management, and dual functional loading, except caused by the long term economic crisis. BUMN are agent of development that become profit center of APBN, since the 1997 budget year.

Privatizations programmed is a transfer of share holders of companies to the private investors. Privatizations measured the importance in the global business competition (Nankari, 1990). Privatizations defined as transfer of effective control from company to manage and owned by private constituency. The popular definition of privatization in