



# The impact geopolitical risk to firm value with political stability as moderation variable : evidence from ASEAN

Widyatama Joseph<sup>1</sup>, Sung Suk Kim<sup>2</sup>

<sup>1,2</sup>Master of Management Study Programme, Universitas Pelita Harapan, Jakarta, Indonesia

## ARTICLE INFO

### Article history:

Received Jul 03, 2024

Revised Jul 19, 2024

Accepted Aug 06, 2024

### Keywords:

Firm Value;  
Geopolitical risk;  
Political Stability;  
Macroeconomic;

## ABSTRACT

International tensions are a concern for investors and companies because they can affect the results of investments made. This study examines the effect of geopolitical risk on firm value and political stability as a moderation in public companies in Indonesia, Malaysia, the Philippines, Vietnam, Thailand and Singapore. This study was conducted quantitatively on 3,477 companies from the period 2015-2022, unbalanced data with a total data sample of 22,572. The results of this study indicate that GPR is unable to significantly affect company value even though it has a negative coefficient. In addition political stability is also unable to moderate the effect of GPR on firm value.

*This is an open access article under the [CC BY-NC](https://creativecommons.org/licenses/by-nc/4.0/) license.*



### Corresponding Author:

Joseph Widyatama,  
Master of Management Study Programme,  
Universitas Pelita Harapan,  
Jalan M.H. Thamrin Boulevard No.1100, Klp. Dua, Kec. Klp. Dua, Kabupaten Tangerang, Banten, Jakarta,  
15811, Indonesia,  
Email: 01619220063@student.uph.edu

## INTRODUCTION

The presence of investors in a company is important for the growth of every company, because investors are able to stimulate the company's development with capital injections which of course will really help the company develop. The development of companies, in turn, substantially contributes to a nation's economic growth. However, investors will make investments if they have carried out certain analyzes and considerations (Wirianto & Salim, 2019), One thing that investors consider is looking at the value of the company (Titerlie et al., 2022).

Firm value is an indicator of a company's performance based on its past operations and future potential (Isnurhadi et al., 2018). It is crucial for company owners as a high firm value leads to increased shareholder wealth. The value of a company reflects its success in previous operations and future prospects (Susetyo & Werdaningtyas, 2019). This value is significant and serves as a primary objective for company owners, as a high firm value correlates with high shareholder wealth. Firm value can be seen as investors' perception of the success of corporate governance, particularly regarding profitability levels and stock prices (Hardiyansah & Agustini, 2021). Investors are inclined to assign high value to companies that demonstrate strong profitability, as

this indicates the company's ability to generate profits, aligning with investors' goals (Zhu et al., 2019). Moreover, the value of a company can be influenced by global geopolitical stability.

The value of a company in a country can be influenced by various factors such as the instability of a country's economy (Tiep Le & Nguyen, 2022). Where external factors such as crises can cause economic instability. An economic crisis is a series of failures in market functions due to the relative excess of social activities in production activities under the capitalist system (Xian, 2023). In the early stages of capitalism, economic crises were more manifested in a series of operational failures in the production, distribution and circulation of commodities due to their relative production processes (Fitrah et al., 2022). In periods of highly developed credit systems and excessive virtual capital expansion, economic crises first occurred in the financial sector and eventually emerged as economic depressions with relative excess production. When a crisis occurs, society experiences a sharp increase in unemployment, soaring prices, declining purchasing power and the collapse of the credit system during the crisis (Jebran & Chen, 2021). At the same time, society produces a widening gap between the rich and the poor and increasing class conflict, which leads to the emergence of a large relative surplus population (Xian, 2023).

Geopolitical risk, which encompasses threats related to war, terrorism, and international tensions, is a significant factor contributing to economic crises (Le & Tran, 2021). Such risks generate uncertainty and instability, leading companies to defer their future plans and scale down current production in anticipation of decreased consumption. This uncertainty, alongside economic instability and policy fluctuations, significantly impacts economic outcomes. Key economic players—including bankers, stock market traders, and industrialists—perceive geopolitical risk as a factor that alters capital market dynamics and hampers investor decision-making (Utami et al., 2019). Moreover, geopolitical risk poses a dual threat to the economy by both delaying consumer spending and causing companies to hold back on investments to maintain protective savings. Consequently, geopolitical risk serves as a primary indicator of economic and business fluctuations (Fossung et al., 2021).

When geopolitical events arise, companies often mitigate internal risk by increasing cash reserves, reducing debt, and postponing investments during periods of high external uncertainty, actions that can decrease company value (Maneenop et al., 2023). Additionally, intensified geopolitical events may prompt investors to alter their investment portfolios, such as by reallocating funds from stocks to gold, which is generally perceived as a safe asset during global uncertainties like war (Baur & Smales, 2018). This shift in investment can lead to lower stock prices and, consequently, a reduction in company value due to decreased demand. During geopolitical events, companies often mitigate internal risks by increasing cash reserves, reducing debt, and postponing investments amid high external uncertainty. These measures can decrease the company's value (Maneenop et al., 2023). Additionally, intense geopolitical events can prompt investors to adjust their portfolios, such as moving their investment funds from stocks to gold, as gold is typically viewed as a safe asset during global uncertainties like wars (Baur & Smales, 2018). This shift in investment funds can lower stock prices, consequently reducing company value due to decreased demand. Research conducted by Maneenop et al. (2023) shows that geopolitical risk that occurs is proven to be able to significantly reduce the value of the company. Similar research conducted by Tan et al. (2022) shows that when a geopolitical event occurs, it can reduce the amount of investment from investors which can then directly reduce the value of the company due to the decline in the company's stock price

To be able to mitigate the impact of geopolitical risk on company value, it is necessary to pay attention to domestic political stability. A good domestic political system can guarantee the welfare of citizens in terms of economic performance, such as socio-economic conditions can be fundamental to a country's performance both at the macro and micro levels (Pringpong et al., 2023). Stability is very important, especially for developing countries. Especially for countries like ours; where industrialization, political stability and economic development of the country are not

yet fully completed; this is very important (Acar, 2019). The Political Stability Index is an index that measures a country's stability, standards of good governance, record of constitutional order, respect for Human Rights (HAM), and overall strength of democracy (Basit & Haryono, 2021). This index is published by the World Bank where according to the World Bank, 'Political stability' and 'Absence of Violence/Terrorism' measure public perception of the possibility of political instability and/or politically motivated violence including terrorism in a country (World Bank, 2024). This Political Stability Index is calculated based on the record of power transitions in a country, the government's ability to implement its policies. When the political order is stable, the public may tend to support the policies proposed by the government (Martin et al., 2022). Conversely, when the political order is unstable, individuals may distrust the government or doubt the government's competence and credibility as a source of policy. Domestic political stability is also known to be able to maintain the performance of companies in that country (Abdullah et al., 2022), so that economic activity can be predicted with more certainty. Therefore, even though there is global political tension, when domestic politics is quite stable, economic conditions are also predicted to remain stable and can also develop (Sari & Satrianto, 2021).

Political instability within a country can lead foreign investors to withdraw their funds from existing investments (Tjandrasa, 2021), as such instability increases the risk of new regulations that could be detrimental to these investors. Conversely, stable domestic politics can mitigate the impact of geopolitical risk on company value. Research by Maneenop et al. (2023) demonstrates that political stability can diminish the negative effect of geopolitical risk on company value. A good domestic political system can guarantee the welfare of citizens in terms of economic performance such as socio-economic conditions can be fundamental to a country's performance at both the macro and micro levels (Pringpong et al., 2023). Domestic political stability is also known to be able to maintain the performance of companies in that country (Abdullah et al., 2022), so that economic activities can be predicted more certainly. Therefore, even though there is political tension globally, when domestic politics are quite stable, economic conditions are also predicted to remain stable and can also develop. Domestic political instability can lead foreign investors to withdraw their investments (Tjandrasa, 2021), due to the risk of new regulations that may negatively impact them. Thus, stable domestic politics can help mitigate the adverse effects of geopolitical risk on company value. Research by Maneenop et al. (2023) demonstrates that political stability can lessen the negative impact of geopolitical risk on firm value. Research conducted by Maneenop et al. (2023) measured geopolitical risk developed by Caldara & Iacoviello (2022), while political stability was measured using the International Country Risk Guide (ICRG), while company value was measured using Tobins'Q.

## RESEARCH METHOD

This research analyzes the factors that influence company value (Tobins Q) which is measured by adding equity market value and debt divided by total assets, namely geopolitical ratio with political stability as a moderating variable for all companies in several countries in ASEAN such as Indonesia, Malaysia, the Philippines, Vietnam, Thailand and Singapore. In this study, geopolitical risk is measured using the geopolitical risk index developed by Caldara & Iacoviello (2022) and the data is obtained from the website <https://www.matteoiacoviello.com/>. Caldara and Iacoviello's GPR index reflects the results of an automated text search of the electronic archives of 10 newspapers: Chicago Tribune, Daily Telegraph, Financial Times, The Globe and Mail, The Guardian, Los Angeles Times, The New York Times, USA Today, The Wall Street Journal, and The Washington Post. Caldara and Iacoviello calculate the index by counting the number of articles related to adverse geopolitical events in each newspaper for each month (as a share of the total number of news articles). The search is organized into eight categories: Threat of War (Category 1), Threat of Peace (Category 2), Increase of Military Power (Category 3), Nuclear Threat (Category 4),

Terror Threat (Category 5), Start of War (Category 6), Escalation of War (Category 7), Act of Terror (Category 8). This research uses 2 types of control variables, namely control variables related to company conditions such as company size (total assets), cash (cash and equivalent), leverage (debt to asset ratio), sales growth, PPE and capital expenditure. Control variables in this study pertain to the macroeconomic conditions of each country, including GDP, inflation, real interest rates, exchange rates against the USD, and market returns for each country. The following outlines the operationalization of measurements in this research:

**Table 1.** Measurement Variable

| Variable                                 | Definition   | Measurement   |
|--|--|---|
| Firm's Value Measure                     |  |   |
| Tobins'Q ratio                           | Company value is a measure of the success of company management in past operations and future prospects. Company value will be measured using the Tobins'Q ratio | Equity market value +<br>Liability<br>$Tobins'Q = \frac{\text{Total book value of assets}}$ |
| Geopolitical Risk and Policial Stability |  |   |
| Geopolitical risk                        | Geopolitical risk index according to Caldara & Iacoviell (2022)  | Geopolitical Index Index (GPR Index)  |
| Political stability                      | Political stability index from World Bank (2024)   | • Political stability Index   |
| Firm's specific controls variables       |  |   |
| Firm Size                                | Company size   | Size = Log (Total Asset)  |
| Cash                                     | Cash and marketable financial assets   | Cash = cash + marketable securities   |
| Leverage                                 | Debt to Asset Ratio of each company  | $Debt\ to\ asset\ ratio = \frac{Total\ hutang}{Total\ aset}$                                |
| Sales Growth                             | Company sales growth   | $Growth = \frac{Sales_{t-1} - Sales_t}{Sales_t}$  |
| PPE                                      | Capital intensity ratio  | $PPE = \frac{Total\ average\ assets}{Revenue}$  |
| Capex                                    | Capital expenditure  | Capex = Ending PP&E - Beginning PP&E + Depreciation   |
| Macroeconomic control variables          |  |   |
| GDP                                      | Annual variation in the real value of all goods and services produced within a country during a specific year.   | GDP every country   |
| Inflation                                | Annual variation in the Consumer Price Index (CPI) for each country during a specific year.  | Inflation   |
| Interest                                 | Interest rate each country   | Interest Rate   |
| Exchange                                 | Annual variation in each country's currency exchange rate against the USD during a specific year   | Exchange rate against USD   |
| Market returns                           | The total annual returns from each country's market index or MSCI country index for a specific year  | Market returns every country  |

The empirical model in this study is as follows :

$$Tobins'Q = \beta_0 + \beta_1GPR + \beta_2PolS + \beta_3GPRxPolS + \beta_4Size + \beta_5Cash + \beta_6Lev + \beta_7Gr + \beta_8PPE + \beta_9Capex + \beta_{10}GDP + \beta_{11}Inf + \beta_{12}Int + \beta_{13}Exc + \beta_{14}MR + \varepsilon$$

The sample in this study is companies that have conducted IPOs in several countries in ASEAN such as Indonesia, Malaysia, the Philippines, Vietnam, Thailand and Singapore where all financial data were obtained from CapitalIQ which only provides data on these six countries. This study involved 3,477 companies with a total sample size of 22,572 observations, characterized by unbalanced data. The geopolitical index measurement utilized metrics introduced by Caldara & Iacoviell (2022), while the political stability index was derived from data provided by the World Bank.

## RESULTS AND DISCUSSION

### Descriptive Data

The data collected in this study is the entire data on 3,477 companies from six countries, namely Indonesia, Malaysia, Philippines, Vietnam, Thailand and Singapore. Where Singapore is a developed country and Indonesia has just been categorized as a developed country by the World Trade Organization (WTO), while the other four countries are developing countries. This country category certainly has differences in global trade such as import subsidies and others which of course can also affect the value of companies in each country. Tabel 2 shows the results of descriptive statistical analysis. The average value of the dependent variable, namely the company value proxied by TobinsQ, is 1.218 with a standard deviation of 1,420 and a median of 0,818. The 25th percentile value of this variable is 0,560 with the 75th percentile being 1,312.

**Table 2.** Descriptive Data

| Variable            | Obs   | Mean    | Std. dev. | P25    | Median | P75     |
|---------------------|-------|---------|-----------|--------|--------|---------|
| TobinsQ             | 22572 | 1.218   | 1.420     | 0.560  | 0.818  | 1.312   |
| GPR                 | 22572 | 101.304 | 23.135    | 80.097 | 97.143 | 107.152 |
| Political Stability | 22572 | -0.496  | 0.066     | -0.530 | -0.500 | -0.440  |
| FirmSize            | 22572 | 12.032  | 1.847     | 10.735 | 11.813 | 13.066  |
| Cash                | 22572 | 9.225   | 2.112     | 7.787  | 9.121  | 10.516  |
| DAR                 | 22572 | 0.224   | 0.228     | 0.044  | 0.185  | 0.352   |
| Growth              | 22572 | -0.009  | 0.591     | -0.123 | 0.029  | 0.160   |
| PPE                 | 22572 | 10.182  | 2.250     | 8.821  | 10.170 | 11.594  |
| Capex               | 22572 | 15.074  | 5.097     | 11.855 | 15.232 | 18.459  |
| GDP                 | 22572 | 0.036   | 0.044     | 0.026  | 0.044  | 0.058   |
| Inflation           | 22572 | 0.021   | 0.019     | 0.007  | 0.021  | 0.034   |
| RealInterest        | 22572 | 0.031   | 0.027     | 0.020  | 0.036  | 0.048   |
| Exchange            | 22572 | -0.003  | 0.062     | -0.040 | -0.001 | 0.022   |
| Market return       | 22572 | 0.019   | 0.129     | -0.060 | -0.010 | 0.118   |

The average TobinsQ value of more than 1 indicates that the market values the company's assets fairly. However, the 25th percentile of less than 1 indicates that 25% of companies have asset values that are considered unfair by the market.

### Empirical Findings

The panel data analysis results indicate that both the Chow test and the Hausman test identify the fixed effects model as the preferred model. The test results show that there are heteroscedasticity and autocorrelation problems in this study. Therefore, an estimation is carried out using the robust standar errors Driscoll-Kraay model with the xtsc command so that the final test results are as follows:

**Table 3.** Result: Geopolitical Effects on the Performance

| Variable     | Coefficient | t       | P>t   |
|--------------|-------------|---------|-------|
| _cons        | 6.616       | 3.620   | 0.008 |
| GPR          | -0.018      | -1.140  | 0.293 |
| PS           | 3.486       | 0.970   | 0.362 |
| FirmSize     | -0.325      | -11.640 | 0.000 |
| Cash         | 0.064       | 6.570   | 0.000 |
| DAR          | 0.239       | 3.280   | 0.013 |
| Growth       | 0.039       | 3.130   | 0.017 |
| PPE          | -0.066      | -5.940  | 0.001 |
| Capex        | 0.022       | 9.130   | 0.000 |
| GDP          | -0.712      | -4.300  | 0.004 |
| Inflation    | -1.710      | -3.690  | 0.008 |
| RealInterest | -2.415      | -2.780  | 0.027 |
| Exchange     | 0.138       | 0.540   | 0.605 |

|                |        |        |       |
|----------------|--------|--------|-------|
| Marketreturns  | 0.464  | 4.480  | 0.003 |
| GPRXPol        | -0.038 | -1.100 | 0.307 |
| R <sup>2</sup> |        | 0.0304 |       |
| F-Stat         |        | 0.0000 |       |
| Obs            |        | 22.572 |       |

Table 3 indicates that GPR does not significantly impact firm value, as evidenced by the probability value of 0.293, which exceeds the alpha threshold of 0.05. This suggests that heightened geopolitical tensions do not influence the value of companies in developing nations such as Indonesia, Malaysia, the Philippines, Vietnam, Thailand, and Singapore. Consequently, Hypothesis 1 of this study is rejected. These findings contradict those of Maneenop et al. (2023), which demonstrated that geopolitical risk significantly reduces firm value. This discrepancy could be due to differences in research subjects; the current study focuses on firms in developing countries, whereas Maneenop et al. (2023) included companies from developed nations as well.

The adverse impact of GPR on firm value, indicated by Tobin's Q, supports the hypothesis that elevated GPR within a nation can detrimentally affect firm value. This observation is in line with Hypothesis 1, which suggests a negative correlation between GPR and firm value. This detrimental effect is further supported by Salisu et al. (2022), who claim that geopolitical risk negatively influences a range of economic and financial indicators, such as the stock market, oil market, and overall economic performance. A downturn in economic indicators can diminish consumer purchasing power, leading to reduced investment activity and a consequent decline in firm value due to decreased investment demand.

Hypothesis 2 in this study examines whether political stability can moderate the impact of geopolitics on company value. The findings indicate that domestic political stability in developing countries does not significantly strengthen or weaken the effect of geopolitical risk on company value, as evidenced by a p-value of 0.307, which is above the 0.05 alpha threshold. These results contrast with the research by Maneenop et al. (2023), which found that political stability can mitigate the negative impact of geopolitical risk on company value. Several factors might explain the differences in these findings. Economic instability triggered by geopolitical risk can lead to a decline in economic activity and pose a threat to the sustainability of companies. During such times, investors are likely to prioritize the company's ability to navigate the uncertainty by focusing on its internal business performance.

## CONCLUSION

The results of the study show that geopolitical risk is unable to affect the value of companies in all companies in several ASEAN countries such as Indonesia, Malaysia, the Philippines, Vietnam, Thailand and Singapore. This shows that when international tensions occur, foreign investors can focus on stocks in developing countries such as ASEAN because the impact is not significant even when political stability is not good. This can happen because the majority of companies in developing countries such as Indonesia, for example, are still dominated by local investors who tend to invest based on internal company considerations and not from international macro conditions. However, investors are advised to remain careful in investing in the stock markets of developing countries because even though the stock markets in ASEAN countries continue to increase, in the short term there tends to be a decline in value.

The results of the study show that political stability is unable to mediate the effect of GPR on company value. This shows that the index that measures a country's stability, good governance standards, constitutional order records, respect for Human Rights, and overall democratic strength is unable to mitigate the effect of GPR on company value. In times of geopolitical risk, investors typically concentrate on a company's capacity to endure the uncertainties, such as by assessing the

company's internal business performance. Consequently, political stability is not a significant factor for investors in ASEAN countries.

This study has several limitations, where even though it has analyzed all companies in six ASEAN countries, the results of this study can only be generalized to the six countries and cannot be generalized to all countries in ASEAN. Further research should be able to analyze all countries in ASEAN so that the results of the study can be generalized more widely.

## References

- Abdullah, M., Chowdhury, M. A. F., Karmaker, U., Fuszder, M. H. R., & Shahriar, M. A. (2022). Role of the dynamics of political stability in firm performance: Evidence from Bangladesh. *Quantitative Finance and Economics*, 6(4), 518–536. <https://doi.org/10.3934/qfe.2022022>
- Acar, A. (2019). The Effects of Political Stability on Economic Growth of The Presidential Government System. *International Journal of Economics and Political Science Academic Research*, 3(9), 18–31.
- Basit, A., & Haryono, S. (2021). Analisis Pengaruh Stabilitas Politik Dan Faktor Ekonomi Terhadap Indeks Harga Saham Gabungan. *Jurnal Aplikasi Akuntansi*, 5(2), 220–237. <https://doi.org/10.29303/jaa.v5i2.96>
- Baur, D. G., & Smales, L. A. (2018). Gold and Geopolitical Risk. *SSRN Electronic Journal*, January 2018. <https://doi.org/10.2139/ssrn.3109136>
- Caldara, D., & Iacoviell, M. (2022). Measuring Geopolitical Risk. In *American Economic Review* (Vol. 112, Issue 4). <https://doi.org/10.1257/aer.20191823>
- Fitrah, R., Alhamdi, R., Abd. Majid, M. S., Marliyah, M., & Handayani, R. (2022). The Typology of The Global Financial Crisis and the Solution in Islamic Economic Perspective. *Al-Kharaj : Jurnal Ekonomi, Keuangan & Bisnis Syariah*, 4(5), 1267–1282. <https://doi.org/10.47467/alkharaj.v4i5.921>
- Fossung, G. A., Vovas, V. C., & Quoreshi, A. M. M. S. (2021). Impact of Geopolitical Risk on the Information Technology, Communication Services and Consumer Staples Sectors of the S&P 500 Index. *Journal of Risk and Financial Management*, 14(11). <https://doi.org/10.3390/jrfm14110552>
- Hardiyansah, M., & Agustini, A. T. (2021). Carbon Emissions Disclosure and Firm Value: Does Environmental Performance Moderate This Relationship? *Jurnal Ekonomi Dan Bisnis Islam (Journal of Islamic Economics and Business)*, 7(1), 51. <https://doi.org/10.20473/jebis.v7i1.24463>
- Isnurhadi, H., Taufik, H., & Herwanto, D. (2018). The Effect of Macroeconomic Fundamental Factors On Corporate Value Through Financial Performance As Intervening Variables In Manufacturing Companies In Indonesia Stock Exchange. *Jurnal Manajemen*, 6(2), 1–26.
- Jebran, K., & Chen, S. (2021). Can we learn lessons from the past? COVID-19 crisis and corporate governance responses. *International Journal of Finance and Economics*, September 2020, 1–9. <https://doi.org/10.1002/ijfe.2428>
- Le, A. T., & Tran, T. P. (2021). Does geopolitical risk matter for corporate investment? Evidence from emerging countries in Asia. *Journal of Multinational Financial Management*, 62(xxxx), 100703. <https://doi.org/10.1016/j.mulfin.2021.100703>
- Maneenop, S., Pringpong, S., & Jaroenjitrkam, A. (2023). Geopolitical risk and firm value: Evidence from emerging markets. *North American Journal of Economics and Finance*, 68. <https://doi.org/10.1016/j.najef.2023.101951>
- Martin, A., Mikołajczak, G., Baekkeskov, E., & Hartley, K. (2022). Political stability, trust and support for public policies: a survey experiment examining source effects for COVID-19 interventions in Australia and Hong Kong. *International Journal of Public Opinion Research*, 34(3), 1–10. <https://doi.org/10.1093/ijpor/edac024>
- Pringpong, S., Maneenop, S., & Jaroenjitrkam, A. (2023). Geopolitical risk and firm value: Evidence from emerging markets. *North American Journal of Economics and Finance*, 68(March), 101951. <https://doi.org/10.1016/j.najef.2023.101951>
- Salisu, A. A., Lasisi, L., & Tchankam, J. P. (2022). Historical geopolitical risk and the behaviour of stock returns in advanced economies. *European Journal of Finance*, 28(9), 889–906. <https://doi.org/10.1080/1351847X.2021.1968467>
- Sari, W. N., & Satrianto, A. (2021). Pengaruh Stabilitas Politik, Kriminalitas dan Daya Saing Global Terhadap Investasi Asing Langsung di 6 Negara Asean. *Jurnal Kajian Ekonomi Dan Pembangunan*, 3(3), 65. <https://doi.org/10.24036/jkep.v3i3.12370>
- Susetyo, A., & Werdaningtyas, C. (2019). Pengaruh Good Corporate Governance (GCG), Kebijakan Dividen,

- Dan Struktur Modal Terhadap Nilai Perusahaan. *Jurnal Ekonomi Dan Teknik Informatika*, 7(1), 22–36.
- Tan, O. F., Cavlak, H., Cebeci, Y., & Günes, N. (2022). The Impact of Geopolitical Risk on Corporate Investment: Evidence from Turkish Firms. *The Indonesian Capital Market Review*, 14(1), 16–32. <https://doi.org/10.21002/icmr.v14i1.1138>
- Tiep Le, T., & Nguyen, V. K. (2022). The impact of corporate governance on firms' value in an emerging country: The mediating role of corporate social responsibility and organisational identification. *Cogent Business and Management*, 9(1). <https://doi.org/10.1080/23311975.2021.2018907>
- Titerlie, I., Nugroho, P. A., & Pratiwi, M. W. (2022). Pengaruh Mekanisme Corporate Governance Dan Kinerja Lingkungan Terhadap Nilai Perusahaan. *Media Riset Akuntansi*, 8, 2088–2106. [https://journal.bakrie.ac.id/index.php/journal\\_MRA/article/view/2360%0Ahttps://journal.bakrie.ac.id/index.php/journal\\_MRA/article/download/2360/1781](https://journal.bakrie.ac.id/index.php/journal_MRA/article/view/2360%0Ahttps://journal.bakrie.ac.id/index.php/journal_MRA/article/download/2360/1781)
- Tjandrasa, B. B. (2021). Determinants of Political Stability to Support Foreign Investment in Indonesia. *Petra International Journal of Business Studies*, 4(2), 97–108. <https://doi.org/10.9744/ijbs.4.2.97-108>
- Utami, C. W., Susanto, H., Septina, F., Sumaji, Y. M. P., & Pratama, I. (2019). Effect of supply chain management practices on financial and economic sustainable performance of Indonesian SMEs. *International Journal of Supply Chain Management*, 8(5), 523–535.
- Wirianto, P., & Salim, S. (2019). Faktor-Faktor yang Mempengaruhi Keputusan Investasi pada Perusahaan Infrastruktur, Utilitas Dan Transportasi. *Jurnal Multiparadigma Akuntansi*, 8(3), 580–588.
- World Bank. (2024). *Glossary | DataBank*. Worldbank.Org. <https://databank.worldbank.org/metadataglossary/worldwide-governance-indicators/series/PV.EST>
- Xian, Z. (2023). Analysis of the Formation and Revelation of International Financial Crisis Based on the Theory of Economic Crisis. *Frontiers in Business, Economics and Management*, 10(1), 84–88. <https://doi.org/10.54097/fbem.v10i1.10175>
- Zhu, Z., Bai, Z., Vieito, J. P., Wong, W., Zhu, Z., Bai, Z., Paulo Vieito, J., & Wong, W.-K. (2019). The impact of the global... The impact of the global financial crisis on the efficiency and performance of Latin American stock markets\* 1 El impacto de la crisis financiera en la eficiencia y desempeño de mercados latinoamericanos de acciones. *Estudios de Economía*, 46, 5–30.