Tobin's Q is a useful model in making investment decisions. Tobin's Q summarizes the information that will become relevant to the company's investment decisions (Juniarti, 2009).

Information asymmetry is a condition that shows several investors have information while others do not (Jogiyanto 2010). Information asymmetry occurs because managers are more in control of information and data compared to other parties (owners or shareholders) because the managers manage the company and make a decision.

4 RESEARCH METHODOLOGY

Tobin's value was used to describe a condition of investment opportunities issued by companies. The investment dependent variable is the company's investment expenditure in a year.

$$\text{Inv}i;t = \beta_0 + \beta_1 \text{TQ}i;t{-}1 + \beta_2 \text{TQ}i;t{-}1 \times \text{Indicator}i;t{-}1 + \beta_3 \text{Indicator}i;t{-}1 + \beta_4 \text{CFO}i;t{-}1 + \beta_5 \text{Lev}i;t{-}1 + \beta_6 \text{SEO}i;t{-}1 + \beta_7 \text{Size}i;t{-}1 + \beta_8 \text{Listage}i;t{-}1 + \text{Firm fixed effects} + \_i;t;$$

Details:

- TQ is an investment opportunity.
- CFO is the company's net operating cash flow.
- Lev is leverage.
- SEO is additional shares offered by companies listed on the capital market.
- Size is the natural logarithm of total assets.
- List age is a list of registered ages.

5 DISCUSSION AND IMPLICATION

Research conducted by Chen et al. (2011) found that government intervention in China jeopardizes investment efficiency. This study also showed that political connections significantly reduce the efficiency of investment in SOEs. However, Chen cannot find evidence of political connections in non-SOEs that can replace the efficiency of investment.

In Indonesia, SOEs are vulnerable to the government's intervention. The appointment of the board of directors and commissioners by the government causes SOEs to become dependent. The phenomenon of directors and commissioners reshuffle often occurs, for instance, a reshuffle of BNI's board of commissioners several years ago, which appointed Pataniari Siahaan, a cadre of the Indonesian Democratic Party-Struggle (PDI-P). SOEs in Indonesia have not completely managed independently. It is because numerous politicians still occupy strategic positions in these companies.

In Indonesia, political connections are not only found in SOEs but also in non-SOEs. Previous research found that politically connected companies invest less efficiently than those without connections. Researchers believe that the previous finding applies to Indonesian SOEs only. The reason is that as quoted from the website of Pelita (www.pelita.or.id), nearly 22 percent of listed companies (Tbk) in Indonesia have political channels. Political connections are also significant for non- SOEs companies in Indonesia. In running their businesses, political connections are seen as a profitable special relationship. With a political connection, a company can access banking facilities easily. Political connections to SOEs are generally detrimental to SOEs because these connections lead to investment inefficiency, both underinvestment, and overinvestment. However, unlike non-SOEs, political connections can, in fact, be profitable to increase profits and company values. One of the benefits of political connections for companies is easy to access to the central government (Kim & Zhang, 2015).

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