



Sustainable Business Development Indonesia
Investment guide book
research report Investment Strategy Indonesia 2023/2024



SBDI CENTER

Sustainable Business Development
and
Innovation Center



SUSTAINABLE DEVELOPMENT GOALS



Introduction

Allow us to introduce the SBDI Center Foundation- Sustainable Business Development and Innovation Center, Foundation. The SBDI center is an location were educate sustainable development, product development is practiced, to create start-ups.

The SBDI foundation, is created for the contribution of a sustainable impact, economic grow and welfare, globalization, with the vision and mission of the 10 principles and the 17 sustainable development goals of the United Nations Global compact. The application and the development of the. SBDI foundation is an innovative center in the field of sustainability, business and innovation, which can create a huge positive economic impact.

With its unique vision, SBDI foundation provides students, start-ups and organizations support and visible improvement to their sustainable and innovative actions. The SBDI foundation is based on the values of self-determination, empowerment and sustainability. Its vision is to help the world wide community to build their livelihoods through technology, innovation and culturally diverse enterprises.

Our practical education program will support there participants with needs towards their success full start-ups.

Education programs

- ◆ Practical Sustainable reaches and development
- ◆ Practical Prototyping
- ◆ Sustainable Business Plan Development
- ◆ Practical Fundraise campaign
- ◆ Practical crowdfunding campaign
- ◆ Sustainable development goals

SBDI center foundation is an proud and active member of the United Nations Global Compact.

<https://unglobalcompact.org/what-is-gc/participants/143281-SBDI-Foundation>

SBDI Center Foundation is ready to sign an MOU, to support you with your sustainable actions. SBDI center foundation Indonesia, under the leadership of: Jeroen Rijnenberg is ready willing and able, to support you with all our experience and technology's to guaranty the best results.

With Sustainable Regards,
SBDI CENTER FOUDATION
CEO Founder Jeroen Rijnenberg



Statement CEO Founder SBDI Center Foundation: Jeroen Rijnenberg

Our world was created on the basis of unequal opportunity.

The knowledge transferred is consciously hindered in order to maintain power.

The world is built on oppression and fear, financial exploitation leads to modern slavery. The poorest countries are the richest countries, in human capital and natural resources. Through corporate business colonization, divide and conquer strategy, the current powers succeed in exploiting these countries, resulting in wars, fear hunger and dead.

Its time to stop this exploitation, and share the knowledge and knowhow with the entire world.

Create opportunities for all the people and leaf no on behind.

Develop equal opportunities by sharing technology, knowledge, experience and know-how. For this reason SBDI Center Foundation is established.

The vision of the SBDI Center Foundation is, to become the largest technological NGO knowledge center in the world. Where creative young people can develop into successful entrepreneurs, in order to guarantee equal opportunities.

Due to our Practical Sustainable Education Programs we support Jong entrepreneurs to become start-ups with maximal success raid.

Sustainable, start-up focus

- ◆ Off-grid energy systems
- ◆ Infinity mobility
- ◆ Organic agriculture
- ◆ Agriculture product development
- ◆ Eco-tourism
- ◆ Waste management (recycle product development)

Investment strategy, start-up focus

- ◆ Fundraising program
- ◆ Crowdfunding program
- ◆ International investment program

Sustainable business plan development start-up focus

- ◆ Development of sustainable business plans

What we offer SBDI Center Foundation

- ◆ Design and development education program
- ◆ Sustainable Business development education programs
- ◆ SBDI Center Foundation Sustainable business strategy plan
- ◆ Intellectual property's
- ◆ United Nations Global Compact Network
- ◆ Technology
- ◆ Knowledge transfer
- ◆ International Student exchange program, faculty exchange program.
- ◆ Product development exchange Indonesia

Sustainable product development

- ◆ Practical education, Off-grid energy systems
- ◆ Practical education, Infinity mobility
- ◆ Practical education, Organic agriculture
- ◆ Practical education, agriculture product development
- ◆ Practical education, Eco-tourism
- ◆ Practical education, waste management (recycle product development)

Investment strategy program

- ◆ Practical education, Fundraising program
- ◆ Practical education, Crowdfunding program
- ◆ Practical education, International investment program

Sustainable business plan development

- ◆ Development of sustainable business plans
- ◆ International partnerships
- ◆ Join Venture development



SBDI CENTER

Sustainable Business Development
and
Innovation Center

United Nations
Global Compact

20
years

Uniting business for a better world

#UnitingBusiness



**This research report is developed to create an better understanding of Indonesia.
With this report we like to Uniting Business for a better world, based on Unity in Diversity.**

JOINT COLLABORATION OF THE LOCAL GOVERNMENT (REGENCY, CITY, AND PROVINCE) FOR THE SUCCESSFUL DEVELOPMENT IN EAST JAVA OF INDONESIA

Abstract

This study aims to analyze and describe the Joint collaboration between Local Government (Regency, City, and Province) in the context of regional development in East Java Indonesia, and evaluate the extent to which the effectiveness of this collaboration is compared to the goals and objectives that have been set. This study uses a combination of descriptive analysis methods with a qualitative approach and evaluation methods with a formal evaluation approach. The results of the study show that the Regional Development of East Java Province is basically to improve people's welfare based on social justice and is carried out sustainably. Development in an integrated and sustainable manner is oriented toward improving people's welfare. But until now, disparity and poverty are still problems in regional development. Sustainable inclusive infrastructure and economy are a priority for local government policies to reduce regional and socio-economic disparities by increasing inter-regional connectivity.

Keywords: Development, Cooperation, Collaboration, Local Government, Regional Autonomy.

INTRODUCTION

Regional autonomy in Law Number 22 of 1999 has provided an opportunity for Regional Governments to provide alternative innovative solutions in dealing with the challenges they face. Regional autonomy is the authority of a region to regulate and manage the government and the interests of its people independently according to regulations and in its way without violating existing central laws and regulations.

In law Number 32 of 2004 article 1 paragraph 5, the meaning of regional autonomy is the rights, powers, and obligations of an autonomous region to regulate and manage government affairs and the interests of the local community under statutory regulations. Following the explanation of Law No. 32 of 2004, the granting of district and city regional autonomy authority is based on decentralization in the form of broad, real, and responsible autonomy, namely: (a) Broad Autonomy Authority is the discretion of the region to organize governance covering all areas of government except the field of foreign policy, defense, and security, justice, monetary and fiscal religion as well as authorities in other fields are stipulated by statutory regulations. Besides that, the freedom of autonomy also includes complete and unanimous authority in the implementation starting from planning, implementing, supervising, controlling, and evaluation. (b) Real Autonomy is the discretion of the regions to carry out government authority in certain fields that exist and is needed and that grow, live and develop in the region. (c) Responsible Autonomy is in the form of realizing accountability as a consequence of granting rights and authorities to the regions in achieving the goal of granting autonomy in the form of improving and improving the welfare of society, developing democratic life, justice, and equity as well as maintaining healthy relations between the center and

the regions and between regions to maintain the integrity of the Unitary State of the Republic of Indonesia.

Each region has its potential and limitations. Local government limitations in carrying out development and public services that reach the entire community have the potential to cause inequality in the distribution of development results and public services. It is not uncommon for people to be closer and have easier access to other areas than their capital city, so their basic needs are often met from neighboring areas. Community demands for public services and development are constantly increasing in line with developments in science and technology. Janet V. Denhardt and Robert B. Denhardt

The provincial government in inter-regional cooperation has an important role, this is reinforced by the issuance of PP no. 19 of 2010 concerning Procedures for the Implementation of Duties and Authorities and the Financial Position of the Governor as Representative of the Government in the Province, as amended by PP No. 23 of 2011 concerning Amendments to Government Regulation Number 19 of 2010 concerning Procedures for the Implementation of Duties and Authorities as well as the Financial Position of the Governor as Representative of the Government in the Provincial Area. Concerning the implementation of inter-regional cooperation, the governor plays an important role in coordinating cooperation between districts/cities in his province in the context of synchronizing development in the regions. These various regulations can serve as guidelines for regions in carrying out inter-regional cooperation to meet the needs of regional development and better public services.

The conceptual problem of regional development has been answered through a collaborative governance approach involving the participation of stakeholders, which was recently developed by experts belonging to the new paradigm of public governance (Osborne, 2010). Likewise, various research topics that use a collaborative perspective vary widely, including small industry topics (Dewi, 2012), community-based (Zaenuri et al., 2021), networking (Haryono, 2012), and planning (Sopari et al., 2014; Sulistiyani et al., 2017). Collaborative governance is a governance process that involves all stakeholders with different characteristics in a working relationship to achieve common goals.

Then (Ansell & Gash, 2008), define the collaborative governance as “a governance arrangement in which one or more public institutions directly engage non-state stakeholders in a collective decision-making process that is formal, consensus-oriented and deliberative and aimed at making or implementing public policy or managing public assets”. From these two definitions, it can be seen that Collaborative Governance involves various kinds of stakeholders who have common interests. Still, their characteristics are different, so there needs to be a transformation process (M.Zaenuri, 2008), to create conditions where cooperation runs synergistically and harmoniously.

In line with the enactment of Law no. 23 of 2014 concerning "Regional Autonomy" has given authority to administer regional government that is broader, real, and accountable. The balance of tasks, functions, and roles between the central government and regional governments means that each region must have sufficient income, and the regions must have adequate sources of financing to assume responsibility for administering regional government. It is hoped that each region will be more advanced, independent, prosperous, and competitive in the administration and development of their respective regions. Yuliati (2001), states that one of the main characteristics of a region capable of implementing regional autonomy lies in the financial capacity of the region to finance the

administration of its regional government by reducing the level of dependence on the central government. According to Suparmoko, (2022), interpreting regional autonomy is the authority of an autonomous region to regulate and manage the interests of the local community according to its initiative based on the aspirations of the community.

The fact shows that after regional autonomy it has been perceived and responded to in various ways by several local governments in Indonesia. For example, they perceive autonomy as a momentum to fulfill the desires of their region without regard to the wider context, namely the interests of the state as a whole and the interests of other adjacent regions. As a result, some troubling negative symptoms emerged, including the development of primordial sentiments, conflicts between regions, developments in the KKN process, conflicts between residents, excessive exploitation of natural resources, and the emergence of an excessive attitude of "regional ego". Regencies or cities tend to strictly protect their full potential for their interests and isolate themselves from other districts or cities. Negative impacts of economic activity in one region on other regions, such as externalities, are also ignored. Regional sentiments even began to emerge with the general trend of appointing "sons of the region" to become regional civil servants.

To optimize regional potential, cooperation between districts/cities can be an alternative innovation or concept based on considerations of efficiency and effectiveness, synergy, and mutual benefit, especially in areas involving cross-regional interests. Policies on decentralization and regional autonomy, through various regulatory umbrellas (government regulations), encourage cooperation between districts/cities. Cooperation is expected to be a bridge that can turn potential conflicts of interest between regions into a mutually beneficial development potential.

Cooperation between districts/cities can only be formed and run if it is based on the awareness that these regions need each other to achieve one goal. Therefore, the initiation of inter-regional cooperation can only run effectively when common issues, common needs, or common problems have been found. This similarity is used as the basis for bringing together regions that will be partners. This will be more effective if the two regional heads realize that potential conflicts will be used as a strategy to build good cooperation. Therefore the local government must be able to improve people's education in conflict areas so that a sense of brotherhood is fostered sincerely based on Pancasila to become a shared role model (Simanjuntak et al., 2011:220).

Other mandatory affairs mandated by laws and regulations include the affairs of the choice of the provincial government. Optional provincial government affairs include government affairs that exist and have the potential to improve people's welfare under the conditions, uniqueness and superior potential of the region concerned. Based on the authority of the Province to establish cooperation in carrying out its regional affairs, this study aims to identify the role of cooperation institutions in contributing to regional development in East Java. Therefore the problem that will be studied is how the collaboration of local governments in the success of regional development (collaboration studies of provincial and city-district governments in East Java).

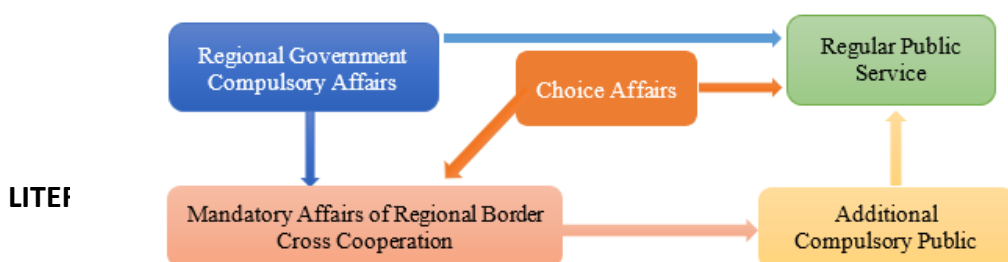


Figure 1. Regional Government Affairs

Regional development

Development is defined as an effort or a series of planned growth and change efforts carried out consciously by a nation, state, and government, towards modernity in the context of nation building (Siagian, 2005). Furthermore, it is said that development is "an effort for growth and change that is consciously planned and carried out by a nation, state, and government towards modernity in the framework of nation-building". Basically in developing countries that take off from a low-level state to a high level, namely modernization, where the variables in development can experience changes for the better. Therefore, it is necessary to take initiative and be active and critical for every citizen to be able to act in the right direction and to be able to become a source of decision-making by the government in development.

Development according to Riant Nugroho Wrihatnolo,(2013) is simply defined as a measurable and natural change in the level of welfare. Changes in welfare levels are determined by the dimensions of economic, social, political, or legal definitions. Measurable change is defined by the dimensions of that change in economic, social, political, or legal definitions. Natural change is determined by who plays a role in the change. Natural change is an institutionalized change in the social structure of a group of people. Only natural change can guarantee constant measurable change. The development emphasizes natural change to distinguish it from unnatural changes brought about by forces outside the community of a group of people. If the forces from the outside community play a role in the function of change, then it can be said that development does not take place naturally, in other words, human groups within the community depend on the forces from the outside community. Changes that occur are not due to the running of internal functions, but because of encouragement from external functions. The encouragement of an external function that is too large in a certain size can create a dependency.

The meaning of self-development according to Fitriandari & Winata, (2021) is an effort made at this time within the framework of improving current and past conditions which are still not by the ideals of human life. The building process is carried out in the context of improvement so that this development can be enjoyed by the next generation in the context of a bright future. Meanwhile, according to Efendi (2002), development is "an effort to increase the killing of resources that is carried out in a planned and sustainable manner with the principle of equal and fair use". In this case, it can be said that development is oriented towards community development, where education occupies a primary position to open people's insight and awareness of better directions and ideals.

According to Kato et al., (2021), development is a widely participatory process of social change in a society that is intended for social and material progress (including increasing the amount of justice, freedom, and other qualities that are valued) for the majority of the people through greater control than they get from their environment. The physical development facilities are defined as tools or facilities that can be directly benefited by the community as referred to in the form of transportation infrastructure namely: roads, bridges, and others, marketing infrastructure namely: buildings, and markets, social infrastructure namely: school buildings, houses worship, and health centers, infrastructure for the production of waterways.

Based on this, it is clear that development is a process of change in a better direction that is only realized by involving, and moving the people in planning, implementing, utilizing, and evaluating the results. In addition, development is a process, which means that every development effort requires continuity of implementation, in the sense that it knows no final limit even though the planning can be arranged based on the principle of priority scale and a certain stage. Along with developments regarding the concept and implementation of development in various countries, Indonesia has also experienced a change in the development paradigm, both from the economic strategy, and the people-centered strategy, to the community empowerment strategy which is said to be an alternative to the community development model. This is following the strategy in regional development contained in Law No. 32 of 2004 concerning

Local government.

The direction and policy of regional development are to spur development equity and its results in the context of increasing people's welfare, promoting community initiatives and active participation, and increasing the optimal and integrated utilization of regional potentials in fulfilling real, dynamic, harmonious, and responsible regional autonomy. , and strengthen the unity and unity of the nation. Because of that, it is crucial to realize the achievement of harmony, harmony, and balance between external progress and inner satisfaction so that there is justice and even distribution of development results throughout the country. Based on Law no. 22 of 1999 which was later replaced by Law no. 32 of 2004 concerning Regional Government, regional governments have broader authority to regulate and manage various government administration affairs for the interests and welfare of the local people concerned. Meanwhile, in terms of financing and regional finance, it is regulated in Law Number 25 of 1999 which was later replaced by Law No. 33 of 2004 concerning Financial Balance between the Center and the Regions, not only the readiness of government officials, but also the community to support the implementation of Regional Autonomy by optimally utilizing resources. Regional development must be under the conditions, potential, and aspirations of the growing and developing community. If the implementation of regional development priorities is not by the potential possessed by each region, then the utilization of existing resources will be less than optimal. This situation can result in a slow process of economic growth in the area concerned (Juhanis, 2012).

Regional economic development is a process in which local governments and communities manage existing resources and form a pattern of the partnership between local governments and the private sector to create new jobs and stimulate the development of economic activities in the region (Arsyad, 2010). In general, the goals of economic development are as follows: first, to develop employment opportunities for the current population. Second, achieving an increase in the regional economy. Third, develop a diverse economic base and employment opportunities. In the implementation of regional economic development, it is necessary to have a good and directed regional economic development strategy to achieve the desired goals and objectives. Success in economic growth itself is closely related to economic development strategies. Regional development strategies can be grouped into four groups (Arsyad, 2010) : (a) Physical or Locality Development Strategies are carried out with programs to improve the physical conditions or locality of the area for the benefit of industrial and trade development. The aim is to create a regional or city identity, improve the charm base or quality of life of the community and improve the regional business world.

(b) Business World Development Strategy, business world development is an important component in planning for regional economic development due to the attractiveness, creation, or power of a healthy regional economy. (c) HR Development Strategy. Human resources are the most important aspect of the process of economic development. (d) Community Economic Development Strategy, this community development activity is an activity aimed at developing a community group in an area known as community empowerment activities. The purpose of this activity is to create social benefits. For example, through the creation of labor-intensive projects to meet the necessities of life or gain profits from their business.

Regional Cooperation

Historically, intergovernmental cooperation mechanisms have been an important issue starting from a very limited field, mutual aid cooperation agreements helping to deal with other disaster crises. Forms and methods of cooperation between Provincial Governments are: 1. Intergovernmental service contracts, cooperation is carried out if a region pays another region to carry out certain types of services such as prisons, garbage disposal, animals or livestock, and tax assessment. 2. Joint service agreement, cooperation is usually carried out to carry out the functions of planning, budgeting, and providing certain services to the local communities involved, for example in managing regional libraries, communication between police and firefighters, fires, and garbage disposal. 3. Intergovernmental service transfer of this cooperation is a permanent transfer of responsibility from one area to another such as the field of public works, infrastructure, and facilities, health and welfare, governance, and finance.

Meanwhile, intergovernmental cooperation arrangements consist of several forms (Rosen, 1993: 2018-222), namely: (a) Consortia, cooperative arrangements in sharing resources, because they are more expensive if borne individually. (b) Joint Purchasing is a cooperative arrangement in purchasing goods to reduce costs because the scale of purchases is larger. (c) Equipment Sharing, cooperative arrangements in sharing expensive equipment, or those that are not used every day. (d) Cooperative Construction, is cooperative arrangements in constructing buildings, such as recreation centers, library buildings, theater halls, and so on. (e) Joint Services, are cooperative arrangements in providing public services, such as a one-roof service center that is jointly owned, where each party sends its apparatus to work in the service center. (f) Contract Services: namely cooperation arrangements in which one party contracts with another party to provide certain services, such as drinking water services, waste disposal, and so on. This type of arrangement is easier to make and terminate or transfer to another party. (g) Other arrangements: other cooperative arrangements can be made as long as they can reduce costs, for example creating an education and training center, warehousing facilities, and so on.

In collaboration, there are three main elements, namely the existence of two or more parties that build cooperation, the interaction between the parties involved in cooperation, and common goals. These three elements must exist in a collaboration. The existence of two or more parties describes a set of interests that influence each other so that there is interaction to realize a common goal. Interactions that do not aim to meet shared needs are not the hallmark of collaboration. Thus the interaction of several parties carried out must allow for the creation of a balance, meaning that interactions that only benefit one party are not included in the criteria of cooperation. Cooperation

places the interacting parties in a balanced, harmonious, and harmonious position because the interaction aims to fulfill common interests without anyone being harmed (Pamudji, 1985).

Inter-governmental coordination related to inter-regional cooperation, starting from the central level, provincial governments, and district/city governments, which so far has been seen as weak, is a challenge for all parties. Intensive coordination efforts to equalize perceptions and synchronize programs and activities are necessary.

The category of Inter-Regional Cooperation based on Law no. 23/2014, article 363 paragraph (1); article 364 paragraph (1), article 365 namely: 1). Cooperation with other regions are categorized into mandatory cooperation and voluntary cooperation; 2). Compulsory cooperation is a cooperation between regions that have borders for; 3). implementation of government affairs that have cross-regional externalities; 4). more efficient provision of public services if managed together; 5). and Voluntary cooperation is carried out by regions that have borders or are not bordered. for the implementation of government affairs which are the authority of the region but are seen as more effective and efficient if carried out in cooperation.

Compulsory Cooperation under Law no. 23/2014, article 364, paragraph (1): Compulsory cooperation is a cooperation between regions that have borders for implementation; a). government affairs: which have cross-regional externalities; b). and more efficient provision of public services when managed together.

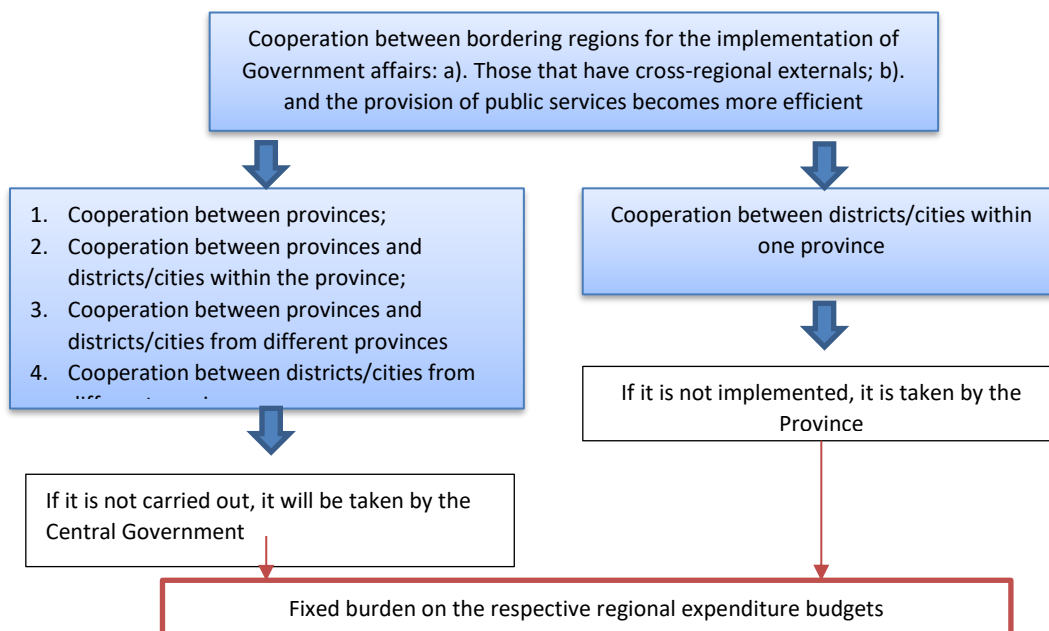


Figure 2. Flowchart of Compulsory Cooperation Law No. 23/2014, article 36

Collaboration

The concept of defined collaboration is also used to describe a cooperative relationship carried out by certain parties. Many definitions have been put forward from different perspectives but based on the same principles, namely togetherness, cooperation, sharing of duties, equality, and responsibility. However, collaboration is difficult to define to describe what is the essence of this activity. Collaboration between local government agencies is often only a formal medium, not because of the desire to take the maximum benefit from the collaboration that is built.

Collaboration between local government agencies is often formed only because of pressure from a policy that is usually drawn up by a central agency or a higher level. Collaboration is often complicated by unscrupulous heads of government agencies, designers, or proponents of these policies. Collaboration is an action taken by the conflicting parties to produce actions that satisfy all parties as individual actions. Collaboration is essentially a collaboration between organizations to achieve common goals that are impossible or difficult to achieve if done individually or independently. In this context, there are two important things; first, every organization is initially autonomous (independent); second, because of the need to achieve each other's goals, but focused on the same goal or object, the organization cooperates with other organizations.

Collaboration is a collective process of forming a group based on mutually beneficial relationships (mutualism) and the common goals of organizations or individuals who have autonomous characteristics. To find out the position of collaboration in the context of public administration is done by examining the concept from various scientific perspectives. Collaboration is a relationship between organizations (sociology), relations between governments (public administration), strategic alliances, and multi-organizational networks. They interact with each other through negotiations both formal and informal in a mutually agreed upon rule and mutual trust. Even though the results or goals of a collaboration process may be personal, they still have other results or benefits that are a group in nature.

Collaboration means autonomous parties interact through negotiation either formally or informally. Together they develop the structure and rules for managing the relationship between them. They plan actions or decisions to address the issues that bring them together. The mechanism is an interaction involving the sharing of mutually beneficial norms and benefits. The definition above is a definition of collaboration developed by Thomson from Wood and Gray (1991).

Phillips et al. (2000), suggest defining collaboration broadly to capture a variety of activities and relationships. Following Bardach (1998), which is based on Braun et al. (1996), collaboration is defined as any joint activity, with two or more organizations, intended to create public value by working together rather than separately. This interactive process involves autonomous groups of rational actors who use shared rules, norms, or organizational structures to act or make collective decisions (Wood & Gray, 1991). This definition is sufficiently inclusive to cover a wide range of network relationships between NGOs and the government. It also provides an important characteristic that distinguishes collaboration from other forms of inter-organizational activity relying on markets or hierarchical control mechanisms (Lawrence et al., 2002; McGowan & Powell, 1990). Instead, politics, bargaining, negotiation, and compromise become important to control mechanisms because organizations remain relatively autonomous and must be persuaded to cooperate because they cannot be forced to do so Phillips et al. (2000). Thus, exchange mechanisms

tend to be social; depending on communication, relationships (personal and organizational), shared interests, and reputation; and guided less by formal authority structures ((McGowan & Powell, 1990).

RESEARCH METHODS

This type of research is descriptive research with a qualitative approach. This approach was chosen to present data in a systematic, factual, and accurate manner regarding the facts in the field. The qualitative approach itself emphasizes the human element as a research instrument. By emphasizing the human element as a research instrument, it will make it easier to adapt research to the realities that occur in the field. Sugiyono in Pasolong (2020) says that qualitative methods are research methods used to examine natural object conditions, as opposed to experiments, where researchers are key instruments, data collection techniques are carried out in triangulation (combined), data analysis is inductive and the results of qualitative research emphasize meaning rather than generalization. The research location taken was in East Java Province and the research site was the Office of the Regional Planning and Development Agency in East Java Province.

The type of data used in this study is qualitative. According to Lofland and Lofland (Moleong, 2008:157) the main data sources in qualitative research are words and actions, the rest are additional data such as documents and others. The data collection technique that the researcher will use is (1) Interview. The researcher conducts interviews with informants based on the interview guidelines that have been prepared previously. Asking questions to informants was carried out openly and flexibly by the developments that occurred during the interview process to absorb information about the perceptions, patterns, and opinions of the informants. (2) Documentation Study, Researchers collect the data needed in this study by collecting and studying documents related to this research such as books, journals, newspapers, etc.

Data analysis is a process where the data is simplified into a form that is easier to read and interpret (Singarimbun & Effendi, 1989). Milles et al. (1992), suggest that activities in qualitative data analysis are carried out interactively and take place continuously until complete.

RESULTS AND DISCUSSION

Inter-regional cooperation is *Governing by Network* that examines more inter-governmental relations which are considered later to be able to go deeper in solving problems between regions and to be able to meet needs locally and by the level of ability of each region. Intergovernmental cooperation is also needed in an increase in inter-regional services, especially in services that involve adjacent regions. The first cooperation forged is interregional or intergovernmental. This is intended between regions to coordinate with each other and know each other's needs and problems in their respective regions so that other regions that are in cooperation can be assisted. A stronger provincial role and function are needed in creating networking and driving inter-regional cooperation.

The phenomenon of cooperation between regions and even between regions between countries indicates that there has been a change in the traditional bureaucratic paradigm which emphasizes control pyramids and maximization of work specialization towards post-bureaucracy which

encourages the formation of new transaction models based on market needs and replaces external supervision (Agranoff & McGuire, 2003).

It is in the implementation of regional development-especially cooperation between adjacent regions that various conditions, both practical and theoretical, occur. In the practical domain, the strengthening of decentralization policies was noted, while in the theoretical domain, there was a paradigm shift in governance. In the literature on inter-regional cooperation (intergovernmental management), there has also been a shift in the spirit from mere cooperation to a spirit of collaboration.

In general, these shifts occurred from a centralized to a decentralized approach. Several sequences of studies discussing the process of regionalization and inter-regional cooperation were recorded, among others, Goggin, Weichert. Meanwhile, several public management study experts recently provided studies that strengthen intergovernmental management concepts. Goggin et al., (1992) explains in The Communications Model of Intergovernmental Policy Implementation, some factors support (inducement factors) and hinder (constraint factors) in regional cooperation at various levels of government, while Weichhart (2002), is more assertive in suggesting several factors that play a role in the process of regionalization and inter-regional cooperation between others: global pressure, limited ability, and potential and local ego.

The concept of defined collaboration is also used to describe a cooperative relationship carried out by certain parties. Many definitions have been put forward from different perspectives but based on the same principles, namely togetherness, cooperation, sharing of duties, equality, and responsibility. However, collaboration is difficult to define to describe what is the essence of this activity. Collaboration

Table 1. Fields of Inter-Regional Cooperation between Regencies, Cities, and Provinces

No	Field of Cooperation	Purpose / Inter-Regional Cooperation
1	Maritime and fisheries	Increasing competitiveness related to problems in the field of maritime affairs and fisheries through a blue economy with strong capital for the development of the marine-fisheries sector that is adaptive to global conditions
2	Mineral Resource Energy	Improving the quality of Mineral Resources with domestic partners to conduct research and development
3	Tourist	Development and preservation of the Gunung Sewu geopark, the Paracimantoro Wonogiri Karst Museum, the Paracimantoro Karst Museum Wonogiri, Wonogiri to Pacitan, involving 3 Provinces
4	Forestry	forest management capacity building, restoration and rehabilitation, carbon inventory in mangroves, research in the forestry sector, forest fire control, and formulation of the One Map Policy.

6	Animal Husbandry and Health	Livestock management, product development, infrastructure, animal health, and veterinary public health processing and marketing of livestock products
7	Handling of victims of violence against women and children and the crime of trafficking in persons	The handling of Victims of Violence Against Women and Children as well as the Crime of Trafficking in Persons across Kalimantan is to facilitate cross-border services and protection.
8	Transportation	Inter-regional transportation sector cooperation projects in land, sea, and air transportation as well as the application of e-log books for bus drivers.
9	Education	increasing human resources from educators, Curriculum formation
10	Implementation of Peace, Public Order, and Enforcement of Regional Regulations	Fostering and improving the economy as well as integrating it to achieve an economy of productive scale for the greatest possible prosperity of the people. Implementation of Public Order and Public Peace and Public Protection. This collaboration was carried out between the Provincial Government of East Java and the Regency and City Regional Governments; Gresik, Pasuruan, Tuban, Sampang
11	Puskesmas (community health center)	carried out in collaboration with the District Government of Bangkalan, Banyuwangi, Blitar, Bojonegoro, Bondowoso, Gresik, Jember, Jombang, Lamongan, Lumajang, Madiun, Magetan, Malang, Mojokerto, Ngawi, Pacitan, Pamekasan, Pasuruan, Ponorogo, Probolinggo, Sampang, Sidoarjo, Situbondo, Sumenep, Trenggalek, Tuban, Tulungagung, City of Kediri, City of Madiun, City of Mojokerto, and the City of Probolinggo. This program aims to increase access to and quality of health services and increase the ability to live a clean and healthy life.
12	Implementation of Public Peace and Order	Collaboration with the Civil Service Police Unit of Prov. East Java with the Civil Service Police Unit in Bojonegoro Regency, Kediri City, and Malang City. The aim of this program is for Satpol PP to play an optimal role in realizing an orderly/obedient society towards its regional regulations

Source: Regional Government of East Java Province

Inter-regional cooperation carried out by the Regional Government of East Java Province and Regency and City Regional Governments as mentioned in Table 1 above is part of the realization of cooperation between Regional Governments and is a collective action *that* occurs in a unique process. The uniqueness of this inter-regional cooperation can be seen from, among other things, the pattern of relationships that are established based on horizontal relations, not hierarchical ones. The consequences of this relationship pattern will have implications for approaches that should be understood by the actors involved. Misunderstanding and applying the conventional organizational model has fatal consequences for the management of inter-regional cooperation, namely the trap of bureaucratism in inter-regional cooperation. The conventional approach views organizations with a Weberian bureaucratic approach (*intra-organization*), while inter-regional cooperation with *inter-governmental networking* is more appropriate to approach the concept of *inter-organization*.

The topic of *Intergovernmental Management* surfaced in the literature and writings of public management experts starting in the mid-20th century (McGuire, 2006). In particular, there are 2 theoretical phenomena, namely first, the importance of shifting the approach to inter-regional cooperation organizations from intra-organizational concepts to inter-organizational ones. Second, the approach to inter-regional cooperation is due to the structure of the relationship which is a "horizontal relationship" from being voluntary towards a spirit of collaboration that has more strength in collective action. Studies on regionalization and inter-regional cooperation, especially cooperation between adjacent regions in Indonesia, have not received much attention, so it is hoped that this study will fill in the gaps in Management and Intergovernmental studies in Indonesia.

A general basis for the formation of a regional government in a country with a large area is due to the impossibility of efficient and effective government management if it is only carried out from the center. This reason later became the basis for consideration for forming a regional government with a decentralization policy. The development of the organizational shape of the local government can be observed through the maps of its affairs. In addition, the form of organization can also be influenced by developments in the demands and needs of the community for services provided by the local government. These matters directly or indirectly have an impact on the diversity of regional apparatus organizations, the number of regional work units and work units under them as well as the nomenclature developed. The existence of regional government institutions today is none other than to be able to support the implementation of regional autonomy to the fullest.

Decentralization in administering government is not administrative decentralization *a sich*, but also decentralization in the economic, social, and cultural fields. Therefore, by granting autonomy to the regions, the orientation is not only organizational or administrative to government institutions in the regions, but also to society and the business world. This was also stated by Mohammad Hatta that autonomy does not only mean implementing democracy but also encourages the development of own initiatives, which means self-making decisions and self-implementation of the interests of the local community (general public and the business world).

The realization of harmony and harmony between government activities in the regions, especially in the implementation of regional autonomy affairs with the needs of the community and the business world, is the foundation for governance and development that is oriented towards improving people's welfare. By granting autonomy to the regions, it is hoped that services will be realized more quickly, and decision-making for each policy in the regions will be carried out more quickly. In addition, regional autonomy will encourage the emergence of initiatives and active participation of the community and the business world in administering government and implementing development.

CONCLUSION

The realization of harmony and harmony between government activities in the regions, especially in the implementation of regional autonomy affairs, with the needs of the community and the business world is the foundation for governance and development that is oriented towards improving people's welfare. By granting autonomy to the regions, it is hoped that services will be realized more quickly, and decision-making for each policy in the regions will be carried out more quickly. In addition, regional autonomy will encourage the emergence of initiatives and active participation of the community and the business world in administering government and implementing development.

Inter-regional cooperation is a joint action (collective action) that occurs in a unique process and is an interesting Joined-up in Governing by Network to study. The uniqueness of this inter-regional cooperation can be seen from, among other things, the pattern of relationships that are established based on horizontal relations, not hierarchical ones. The consequences of this relationship pattern will have implications for approaches that should be understood by the actors involved. Misunderstanding and applying the conventional organizational model has fatal consequences for the management of inter-regional cooperation, namely the trap of bureaucratism in inter-regional cooperation.

The findings show that the cooperation model between District/City Regional Governments, in East Java Province, offers bright prospects. The change in the paradigm of state administration from traditional bureaucracy to post-bureaucracy has had an impact on patterns of cooperation that are increasingly broad and involve external actors. However, there is still a need for consistency and firm policy support starting from the national, and provincial to the regional cooperation implementation level, with a firm scenario.

The model of cooperation between District/City Regional Governments, in East Java Province, has demonstrated the principle of broad regional autonomy in its implementation accompanied by the principle of real and responsible autonomy. The principle of real autonomy is the principle that implies that handling government affairs is carried out based on duties, authorities, and obligations that already exist and have the potential to grow, live and develop by the potential and uniqueness of the region. Meanwhile, the principle of responsible autonomy implies that its implementation must be truly in line with the purpose and intent of granting autonomy, namely to empower the region including improving people's welfare.

One of the important things in the implementation of regional autonomy in the cooperation model between Regency/City Regional Governments, East Java Province is that its implementation must be optimized and can guarantee harmonious relations between regions and be able to build inter-regional cooperation to improve shared welfare. Theoretically and practically, a well-managed collaboration will produce beneficial results for the parties involved.

This fact can be said to be reasonable considering that cooperation between regional governments has not been able to run optimally. Faozan (2007), identified several administrative factors causing the suboptimal cooperation between local governments, namely: 1). Collaboration between local government agencies is often only a formality medium, not because of the desire to get the maximum benefit from the collaboration that is built; 2). Collaboration between local government agencies is often formed only because of pressure from a policy that is usually prepared by a central agency or

a higher level, whose validity and reliability are generally questionable; 3). Collaboration is often complicated by unscrupulous heads of government agencies designing or proposing these policies as land for an added salary.

RECOMMENDATION

As it is known that the arrangement of regional government institutions must be guided by several parameters, one of which is the parameter of authority. The use of authority parameters means that the formation of local government institutions must be under the authority they have based on laws and regulations. Referring to Law no. 32 of 2004 Article 195 and Article 196, it is very clear that the establishment of an "Inter-Regional Cooperation Agency" has very strong legal basis provisions. Even though there is no Government Regulation on Procedures for the implementation of the provisions for the formation of an "Inter-Regional Cooperation Agency" yet, the Regional Government needs to take creative and innovative initiatives.

The terms cooperation and collaboration are still used interchangeably, and there has been no attempt to show the difference and depth of meaning of the terms. In general, the term cooperation is better known than collaboration, and there is no deeper understanding of what paradigm should be adhered to. Cooperation between local governments (intergovernmental cooperation), is defined as "an arrangement between two or more governments for accomplishing common goals, providing a service, or solving a mutual problem". This definition implies that there is a common interest that encourages two or more local governments to provide joint services or solve problems together. Or in other words, these arrangements are joint arrangements, which of course have different characteristics compared to self-regulation (internal regions).

Her understanding of collaboration can be traced from Thomson & Perry (2006), in her writing entitled "Collaboration Processes: Inside the Black Box". It was explained that there is a concept that is similar to cooperation but has a deeper meaning, namely collaboration. Cooperation, coordination, and collaboration differ in terms of depth of interaction, integration, commitment, and complexity. A collaboration that combines 2 characteristics, namely mutual giving or exchanging resources and mutual benefit will lead to a collaborative process.

The collaboration explores the differences between them constructively. They look for possible solutions and implement them together. Collaboration means autonomous parties interact through negotiations both formally and informally. Together they develop the structure and rules for managing the relationship between them. They plan actions or decisions to address the issues that bring them together.

4 (four) forms of networking from Robert Agranoff can be chosen when two or more districts/cities will collaborate. The four forms of networking are (a) information networks: several regions can create a forum but only function as an exchange of policies, programs, technology, and solutions to common problems. (b) developmental networks: regencies/cities have stronger links because apart from exchanging information it is also accompanied by education and services which can directly increase the information capacity of the regions in overcoming problems in their respective regions. (c) outreach networks: districts/cities that are members of the networking develop programs and strategies for each region that are adopted and implemented by other regions (usually through the

facilitation of partner organizations), and (d) action networks: regions that are members collectively jointly formulate a joint action program, carried out jointly or by implementing cooperation institutions.

In addition to the 4 (four) forms of networking that can be chosen by regions that initiate inter-regional cooperation in general, adjacent regions may also consider 2 (two) more serious institutional forms of cooperation (taken from practical experience in several countries), namely: intergovernmental relations (IGR) or intergovernmental management (IGM) coupled with the development of a spirit of collaboration.

LIMITATIONS OF RESEARCH AND FURTHER STUDY

The design, methodology, and research approach inclusively have limitations in exploring collaborative cooperation models between local governments in the successful development of district and city local governments in East Java province, as well as evaluating the extent to which the effectiveness of this collaboration is compared to the goals and targets that have been set. Further research is needed to constructively determine the model of cooperation between Regional Governments so that it can inform the development of an inquiry into a cooperation system between Regional Governments that is more reflective of dynamic and competitive development demands.

ACKNOWLEDGMENT

We express our deepest gratitude to “Prof. Dr. Ir. Nuhfil Hanani AR., MS. as Rector and Drs. Andy Fefta Wijaya, MDA., Ph.D.” as the Dean of Administrative Sciences at Brawijaya University, PT Elite Investment Indonesia, Andrianto Wibowo SBDI Center Foundation, especially who has shared his pearls of wisdom with us during this research. This research did not receive a specific grant from any funding agency in the public, commercial, or not-for-profit sectors.

THE AUTHOR'S CONTRIBUTION

Author 1: Conceptualization, Methodology, Validation, Writing-Reviewing, and Editing;

Author 2: Formal Analysis, Investigation, Data Curation, Sourcing, and Software.

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Indonesian Foreign Investment Policy in the Perspective of Regional Government Autonomy Based On The Law No. 23/2014

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Abstract

Foreign investment is one source of funds to finance national development. Many factors are considered by foreign investors before investing in Indonesia. One of them is the factor of legal protection provided by the state to foreign investors. From this brief description, problems arise, including regarding the form of legal protection provided and the implications of the protection provided. This study aims to identify and analyze the legal protection against foreign investment in Indonesian national law and its implications. The research method used in this research is normative legal research or library research. Normative legal research examines laws that are conceptualized as norms or rules that apply. Based on the results of the research, it is known that the regional government's autonomy policy has provided great opportunities for foreign investment in Indonesia, especially at the regional level, legal protection against foreign investment in Indonesian national law is regulated in the Investment Law. This law has provided adequate protection for foreign investors against various risks including non-commercial risks in foreign investment in Indonesia. Providing the widest possible opportunity for foreign investors to invest their capital in Indonesia has encouraged many foreign investors to invest in Indonesia.

Keywords: *Decentralization of Local Government, Regional Autonomy, Foreign investment.*

1. INTRODUCTION

The soul of the constitution of the 1945 Constitution of the Republic of Indonesia, in particular Article 18, to regional governments (Pemda) is given the authority to regulate and manage their household according to the principle of autonomy and co-administration. Various laws and regulations governing regional governments through the principles of decentralization, deconcentration, and co-administration can be used as indicators of the size of regional authority in regulating and managing their household affairs.

Government authority is the main basis of both every legal action and action from every level of government, with the existence of a legal basis of authority, every legal action and action carried out by every level of government can be categorized as legal action and legal action and if there is no basis of authority, then every legal action and action carried out by every level of government can be categorized as action and deed that is against the law and can also be said to be a violation of the general principles of good governance. In general, government authority can be obtained through attribution, delegation, and mandates as well as co-administration.

Law Number 23 of 2014 concerning Regional Government was formed to increase the effectiveness and efficiency of government as well as an extension of the provisions of the Constitution which divide government affairs into state institutions and place regional affairs within their respective autonomy. Based on article 9 of the Regional Government Act, classification of government affairs is divided into 3 (three) categories; namely, absolute government affairs, concurrent government affairs, and general government affairs. In general, absolute government affairs are affairs that fully become the authority of the center, concurrent government affairs are handed over to the regions as the basis for implementing regional autonomy, while general government affairs are under the authority of the President as head of government (UU 23/2014). Article 1 point 6 that regional autonomy is the rights, authorities, and obligations of an autonomous region to regulate and manage its government affairs and the interests of the local community within the system of the Unitary State of the Republic of Indonesia.

The development of investment in the regions is very important considering that with regional autonomy, local governments are given the authority to manage their area. This authority certainly needs to be balanced with government policies that support the development of investment in the regions to provide legal certainty to domestic and foreign investors. Recognizing the importance of foreign investment, the Indonesian government continues to strive to create a conducive investment climate to attract potential investors to attract foreign investment to Indonesia. Various strategies to invite foreign investors have been carried out so that foreign investors are interested in investing and feel comfortable investing in Indonesia.

2. LITERATURE REVIEW

2.1. Foreign investment

Investment activity is an activity to enter capital or investment to carry out a business activity. This investment activity is carried out by foreign investors, both those whose capital is wholly owned by foreigners and those whose capital is a joint venture between foreign parties and domestic parties. Foreign investment through joint ventures is foreign capital that cooperates with domestic investors, provided that foreign parties control a maximum of 95% of capital, while domestic investors own a minimum of 5% of capital. The entry of foreign capital into the Indonesian economy is a demand for both Indonesia's economic and political conditions. The alternative to raising funds for Indonesia's economic development through direct capital investment is very good compared to withdrawing other international funds such as loans from abroad.

In Article 1 Number 8 of the Investment Law, the definition of foreign capital is also formulated, namely: "Foreign capital is capital owned by foreign countries, individual foreign citizens, foreign business entities, foreign legal entities, and/or Indonesian legal entities that are partially or wholly capital owned by foreign parties. Based on this understanding, it is known that foreign capital owners can consist of several parties, namely: 1. Foreign countries; 2. Individual foreign citizens; 3. Foreign business entity; 4. Foreign legal entity; and 5. Indonesian legal entities whose capital is partly or wholly owned by foreign parties.

In addition to the above understanding, provides a definition of foreign investment as a transfer of tangible or intangible assets from one country to another for use in the country to generate wealth under the total or partial control of the owner of the assets. This definition means that foreign

investment is a transfer of capital, whether real or not, from one country to another, to be used in that country to generate profits under the supervision of capital owners, either in whole or in part.

2.2. Law No. 23 of 2014, regarding Regional Government and Regional Autonomy

The official rationale behind the switch to district and city-level autonomy is to bring government closer to the people. The new authority granted to local governments under the regional autonomy law meant that the central government was unable to retain too much power and control over decision-making and can overrule decisions made at the local level if they are not following the development of the unitary state and the goals of Pancasila.

Antlöv (1999) , argues that to reduce the potential for transitional problems in the realization of Regional Autonomy, a strong central government role is needed in the process of implementing new laws. This is because funds must be transferred to the regional level in a transparent and accountable manner, and primarily managed by adequately trained officials. Without proper oversight, there is a risk that local autocrats may take over, thereby increasing the potential for corruption, collusion, and nepotism (KKN: corruption, collusion, and nepotism), the same problems that played a key role in Suharto's downfall.

Regional Autonomy is the right, authority, and obligation of the region to regulate and manage its household. This right is obtained through the transfer of government affairs from the central government to regional governments on the conditions and capabilities of the regions concerned. Regional autonomy as a manifestation of the adherence to the principle of decentralization is expected to be able to provide the best service to the community. Because the authority received by the Regions through Regional Autonomy will give "freedom" to the Regions. In terms of carrying out various actions that are expected to be following the conditions and aspirations of the people in the region. This assumption is caused because logically the Regional Government is closer to the community, so it will know better what is the demand and desires of the community.

This shows that the basic meaning of autonomy is the existence of authority for the Regional Government to determine its policies aimed at the implementation of the wheels of regional government following the aspirations of its people. Pratikno (1991) , states that these powers refer to the authority of regional decision-makers in determining the type and level of services provided to the community, and how these services are provided and financed.

The authority given is real, broad, and responsible to provide an opportunity for the regions to be able to regulate and implement their regional authority based on their initiative by the interests, conditions, and potential of the people in each region. It is hoped that the existence of Regional Autonomy will strengthen the community to increase democratic capacity or in other words that the Law on Regional Government has a democratic vision.

The success of implementing Regional Autonomy will be determined by many things. Riswandha Imawan⁴ stated that the success of implementing Regional Autonomy is determined by: 1. The lower degree of dependence of the regional government on the central government, not only in planning but also in providing funds. Because a development plan will only be effective if it is made and carried out by the regional government itself. 2. The ability of regions to increase their economic growth (growth from inside) and external factors that directly affect the growth rate of

regional development (growth from outside). The change in development orientation from the top down to the bottom up implies that the goal of development is to spur growth from within (growth from inside). Thus, the government is more flexible to plan and determine priorities to be implemented.

Implementation of Decentralization as mandated in Law Number 32 of 2004 implies the division of government affairs between the central government and regional governments. Local governments generally consider that the current Regional Autonomy policy through Law no. 32 of 2004 is very good, especially for regions to develop their regional potential. This is due to: First, politically the policy will provide flexibility to the Regional Governments to be able to regulate and manage their government affairs based on the principle of autonomy and co-administration by regional conditions and needs. Second, economically the Regional Government will benefit because it has greater authority to manage and utilize the potential natural resources found in its territory.

Thus, the district regional government has very broad authority in managing its area, in this case carrying out the dynamics of its government and utilizing various resources in its territory.

The emphasis on the implementation of the Regional Autonomy policy which is in the regency and city areas then creates the notion that the Regional Government has the authority to take various steps by the objective conditions of the region and is also adapted to the demands of the dynamics of the regional community in the context of implementing the Regional Autonomy policy. Based on this, the Regional Government then elaborated on the implementation of Law no. 32 of 2004 concerning Regional Autonomy into various Regional Regulations (PERDA), regional head regulations, and other regional regulations. Thus, the position of the Regional Government becomes very important because it is the central point of the entire process of implementing various policies implemented in their region. This condition can certainly explain how the attitude of the Regional Government has turned into the center of all policy implementation and not only as the executor of what has been regulated by the Central Government, as in the previous era.

The spirit of democracy reflected in Law no. 32 of 2004 namely in articles 200 to 216, with the return of village status to indigenous peoples, it is no longer regulated in uniformization, so village communities as indigenous peoples have the right to develop themselves, solve their problems which are not impossible to differ from one village to another, between one region and another.

In Law no. 32 of 2004, what is meant by a village or what is called by another name is a legal community unit that has the authority to regulate and manage the interests of the local community, based on local origins and customs that are recognized in the Government System of the Unitary State of the Republic of Indonesia and are located in the regency area. With provisions like this, villages formed in districts have very broad autonomy, to regulate and manage the interests of the community. The independence of the village government can be seen from the election of the village head, who is directly elected by residents without the involvement of outsiders in determining aspects such as determining candidates and so on. The results of the election were then determined by the Village Consultative Body and will be ratified by the Regent.

In addition, the presence of the Village Consultative Body which functions as the legislative body in the Village has also shown that the Village community has an autonomous democratic institution as a representation of the wishes of the entire Village community, meaning that all results from this Institution are a reflection of the wishes of the Village community. The presence of this institution

also shows that there is a scheme for dividing the Village Government into Legislative Institutions, namely the BPD, and the Executive, namely the Village Head. So the position of Village Government will tend to be balanced and there is a Check and Balance mechanism in its implementation.

2.3. Legal Protection for Foreign Investment

The purpose of law formation can be formulated from various points of view. Related to this, Notohamidjojo (1970) , argued that in essence, the purpose of the law is to protect human rights and obligations in society and protect social institutions in society (in a broad sense, which includes social institutions in the political, social, economic, and culture) based on justice to achieve balance and peace and general welfare (*bonum commune*).⁴ From this view, it appears that the purpose of the law is essential to protect rights and obligations. Protection of rights and obligations also applies to every business transaction, including foreign investment.

In international business, to analyze the phenomenon of economic transactions between countries, one of them uses an approach that is oriented toward the principle of justice. This approach is heavily influenced by justice theorists, such as Rawls et al., (2009) . The concept of justice itself refers to a system of social order that can be used to determine the rights and obligations of the parties involved in social relations. The principle of justice highly upholds individual integrity. In the context of political economy, justice theory attempts to measure market mechanisms based on the principles of a balance between rights and obligations as well as respect for individual integrity. Furthermore, order and regularity are manifested in human behavior in life with each other. Therefore, some rules are needed to regulate human behavior whose compliance is not based on the free will of every human being. The rules for such behavior are called laws, the implementation of which must be enforceable by public authorities.

Thus, it can be concluded that one of the objectives of law is to regulate human behavior in social relations, if necessary by coercion so that order and regularity are realized (Winata, 2018) . Another purpose of the law is to create certainty. Legal certainty is one of the essential principles of a rule of law. Budiono Kusumohamidjojo stated that legal certainty is almost an absolute requirement for a modern and democratic legal state. Legal certainty is consistency in administering law (Kristian, 2020) . Inconsistent implementation of the law will not make people want to rely on the law as a set of rules that regulate common life. Consistency in administering the law is needed as a reference for everyday human behavior in dealing with other humans.

Developments in the investment climate in Indonesia have not shown significant improvement or development, although basically, Indonesia has great potential to carry out investment activities. This is related to the problems that are still often faced by foreign investors in realizing their investment in Indonesia, including a. Infrastructure that is still inadequate and evenly distributed throughout Indonesia; b. Issues related to employment; c. Problems related to regulation; d. Problems related to the bureaucracy; e. Problems related to the quality of human resources; f. The problem of dispute resolution mechanisms that are less credible; g. There are regional regulations, ministerial decrees, or laws that also distort investment activities; h. The problem of uncertainty investing; i. The problem of legal certainty.

Many factors affect the interest of foreign investors to invest their capital in a country. One of the pull factors in recipient countries is related to the policy of providing incentives in the field of taxation, the availability of adequate infrastructure, and the availability of a skilled and disciplined workforce. In addition to these factors, the main factor that is taken into consideration by investors before investing is the factor of legal certainty which of course is related to political stability and security in the recipient country of capital. The attractiveness of foreign investors to invest in Indonesia will depend heavily on the legal system that is implemented. The legal system must be able to create certainty, justice, and efficiency (Rumengan, 2021) .

The government and/or regional government must guarantee business certainty and security for investment implementation. To guarantee certainty and security, it is necessary to regulate the authorities of the government, provinces, and districts/municipalities in implementing investment. This legal certainty includes provisions of laws and regulations which in many cases are unclear and even contradictory and also regarding the implementation of court decisions. These difficulties can be said to be the difficulties faced by developing countries that invite foreign investment to help their economic growth.

The factor of legal certainty is closely related to the issue of guarantees provided by the government of the recipient country of capital to foreign investors so that these investors do not feel hesitate to invest their capital. In this regard, one form of the Indonesian Government's commitment to providing guarantees and protection to foreign investors is to issue Law Number 25 of 2007 concerning Investment.

In this law, there are several provisions related to the protection of foreign investors, including provisions regarding the provision of equal treatment to all investors (Article 6), provisions regarding nationalization and compensation (Article 7), and provisions regarding the transfer of assets and transfers and repatriation in foreign currency (Article 8 and Article 9). Discussed the implementation of several provisions of the Investment Law related to the protection of foreign investors for the (possible) risks faced by foreign investors, especially non-commercial risks. Article 4 Paragraph (2) Letter an of the Investment Law states that in establishing the basic investment policy, the government gives equal treatment to domestic investors and foreign investors. Furthermore, in letter b it is said that the government guarantees legal certainty, business certainty, and business security for investors from the process of obtaining permits until the end of investment activities.

Regarding equal treatment for all investors, Article 6 of the Investment Law states, the government provides equal treatment to all investors from any country who carry out investment activities in Indonesia by statutory provisions. This same treatment does not apply to investors from a country that obtains special rights based on an agreement with Indonesia. The privileges referred to, among others, are privileges related to customs unions, free trade areas, common markets, monetary unions, similar institutions, and agreements between the Government of Indonesia and foreign governments that are bilateral, regional, or multilateral related to special privileges. in the implementation of the investment. Article 6 UUPM is a realization of the principle of equal treatment and does not differentiate between countries of origin as referred to in Article 3 Paragraph (1) letter (d) UUPM. The regulation is appropriate considering that so far there has been an assumption circulating in society that there are significant differences in treatment for fellow

investors both between domestic investors and foreign investors, especially with the treatment for foreign investors in the form of a tax holiday and leniency and tax breaks given in connection with foreign investment.

What is regulated in Article 6 paragraph 2 of the Investment Law is related to the existence of some bilateral international agreements between the Government of Indonesia and Foreign Governments in the form of an Investment Guarantee Agreement (IGA) relating to the foreign investment made by the state and/or citizens based on the Investment Law who has special rights. Furthermore, regarding nationalization and compensation (Article 7 of the Investment Law). It is said that the government will not take action to nationalize or take over investors' ownership rights, except by law. If the government takes nationalization or takes over ownership rights, the government will provide compensation, the amount of which is determined based on market prices. If the two parties do not reach an agreement regarding compensation or damages, then the settlement is carried out through arbitration.

If the provisions regarding nationalization and compensation are considered, especially the sentence "will not carry out nationalization or expropriation", it can be seen that basically, Indonesia has reduced one of its rights as a sovereign country which is recognized by international law. History records that Indonesia once carried out nationalization actions as a stance taken by the government to improve cooperation with other countries in the world and improve the chaotic economic situation. Because nationalization is an act that is legally recognized by international law, it is not a mistake if a country takes an act of nationalization with the condition that it must comply with applicable legal provisions, meaning that it must comply with applicable laws. Nationalization must be carried out on a strong basis, in the sense that it is not merely a wish of the government, but must be based on strong reasons and by the terms agreed upon in the investment contract.

In addition, nationalization actions carried out by one country must be by the method recognized by international law, among other things, nationalization actions can only be carried out by sovereign countries and not carried out in a discriminatory manner against only foreigners or foreigners from certain countries. The regulation on the issue of nationalization in the Investment Law is intended more as proof of the goodwill of the Indonesian Government to cooperate with other countries in the world. With the existence of provisions regarding nationalization, the Government of Indonesia has voluntarily reduced its right to nationalize foreign companies, namely by tightening the conditions for carrying out nationalization which has been considered the right of every sovereign country under international law. In addition, leave the determination of the amount, type, and method of payment of compensation to the decisions reached in negotiations between the Government of Indonesia and foreign investors. If an agreement is not reached, it can be resolved through an arbitration forum.

Regarding the conditions for nationalization, besides having to be based on law there is also an obligation to provide compensation, the amount of which is determined based on market prices, namely prices determined according to the method used internationally by an independent appraiser appointed by the parties. If there is no agreement between the government and investors regarding the amount of compensation, then the settlement will be carried out through arbitration. This shows the government's responsibility if forced to take nationalization measures. Regarding non-commercial risks, the Investment Law also regulates the transfer of assets and transfer and

repatriation rights in foreign currency (Article 8 and Article 9). Investors can transfer their assets to the desired party by the provisions of laws and regulations. Investors can also make transfers and repatriations in foreign currency. The transfer in question is the transfer of profits in the original currency/currency from the capital based on the exchange rate to the country of origin, while repatriation is the return of rights owned by investors from the country where they were once domiciled to the country of origin of their citizenship.

Transfer and repatriation rights include capital, profits, bank interest, dividends, other income, and so on. Apart from statutory provisions, protection for foreign investment is provided in multilateral agreements. One of them is the international agreement on guarantees in investment (MIGA Convention) (Alirahman & Kelana, 2022) . Even though there has been protection in the Investment Law and bilateral agreements regarding the protection of investment, foreign investors independently try to avoid losses that may arise as a result of political risks or non-commercial risks, among others by guaranteeing their investment to MIGA. MIGA provides guarantees against what are called non-commercial risks, such as risks of monetary transfers, acts of nationalization, breach of contract, and risks related to war or disturbance of security.

3. RESEARCH METHODS

The research method used in this study is normative legal research or library research (Benuf & Azhar, 2020) . Normative legal research examines laws that are conceptualized as norms or rules that apply (Nurbaiti et al., 2023) . Following the problems studied, this research is normative legal research. To seek and find answers to the problems in this research, a statutory approach is used related to Regional Government, Regional Autonomy, and foreign investment in Indonesia. The data used to examine the problems under study include; Law No. 13 of 2014 concerning Regional Government, and Law No. 25 of 2007 concerning Investment and primary legal materials in the form of scientific works and research results of legal experts, especially those related to foreign investment. Data was collected by means of literature study, then analyzed using qualitative normative methods.

4. RESEARCH RESULTS AND DISCUSSION

4.1. Government Policy To Attract Foreign Capital In Investing In The Regions

Indonesia is still considered one of the countries that have not fully supported the presence of foreign investment. On the one hand, Indonesia urgently needs the presence of foreign investors to bring capital into the country, both in the form of direct investment and portfolio investment. On the other hand, many investment constraints have not been addressed comprehensively, particularly in terms of legal certainty. One of the things that can be done is to protect foreign investors, both based on the provisions of national law and international law. Indonesia's participation in the MIGA Convention will more or less encourage an increase in foreign investment in Indonesia. In the current situation, the role of foreign investors is very helpful. When domestic exports experience sluggishness, the government can rely on foreign investors as one of the country's foreign exchange suppliers. In addition, foreign investors can assist in terms of providing funds to finance various economic development projects and industrial sector development.

Several alternatives that can be taken to restrain or attract foreign investors to continue investing in Indonesia are the protection provided by the government to foreign investors, both through national laws and regulations and through international legal instruments.

The commitment of the Government of Indonesia to implement provisions regarding the protection of foreign investment, both those stipulated in the Investment Law and those based on bilateral agreements and the MIGA Convention, has provided a very significant contribution or benefit to foreign investment activities in Indonesia. According to the research results of Rizky et al., (2016) , partial domestic investment has a positive and significant effect on the economic growth of provinces in Indonesia in 2010-2013. This means that if the value of foreign investment increases, economic growth will also increase because it has a positive influence. 1 The value of the domestic investment in 33 provinces in Indonesia has a positive and significant influence on economic growth in Indonesia because it is driven by several things, namely: the first is the investment climate in Indonesia, infrastructure in Indonesia, abundant natural resources, and the presence of a domestic market. In other words, the existence of legal protection for foreign investors can increase Indonesia's economic growth.

The guarantee of protection for foreign investors against non-commercial risks in planting activities is expected to be one of the factors in creating a conducive investment climate. In turn, this will encourage increased foreign investment activity in Indonesia. Guaranteed protection for investors is one of the supporting factors for increasing foreign investment activities in Indonesia in the long term, especially in the free trade era which is characterized by increasingly competitive competition.

Entering the era of world free trade under the WTO, with guaranteed protection for investors against non-commercial risks, it is hoped that it will encourage trade activities and increased trade will encourage further investment. The Indonesian government can take advantage of the advantages possessed by foreign investment companies, especially those in the form of multinational companies. This can be done by providing opportunities for foreign investment companies to export their products abroad because trade between multinational companies has become the main factor driving world exports and imports.

In addition to increasing the competitiveness of Indonesian products in international markets, the international production and distribution system in foreign investment companies, in general, will also support the domestic market to have access to world flows of goods and services (a market with special access). Foreign investment companies can also open markets for local companies with the status of small and medium enterprises if the local companies have access to foreign investment companies. If local companies have access to international markets, then the companies concerned will be able to face competitors in international markets.

In turn, it can increase the competitiveness of Indonesian products in the international market. The impact of a large number of foreign investments on imports is not that big. This shows that in the long term, foreign investment only makes a small contribution to Indonesia's import performance, meaning that in the long term, the value of foreign investment entering Indonesia does not significantly affect the value of Indonesia's imports. This indicates that Indonesia's import

performance tends to be influenced by other factors such as economic growth, international economic conditions, exchange rates, and others. In addition, because basically, imports of capital goods are durable goods, the increase in imports caused by the influx of foreign investment will only have an effect on the initial periods but in the long run, the effect will be smaller. Investment activities carried out by foreign investors not only bring benefits to increasing the volume of international trade in Indonesia as a recipient country of capital, but also bring benefits to trading activities in the investor's home country. In this case, with the existence of foreign investment activities, various technological products that exist in the investor's home country can be sold in Indonesia as a recipient country of capital. Technology develops through foreign investment as a channel for international technology transfer. By encouraging foreign investment, developing countries depend not only on efficient imports of foreign technology but also on creating technological spillovers for local firms.

4.2. Implementation of Foreign Investment Policy in Regional Autonomy Perspective

Through Law Number 23 of 2014 concerning Regional Government, several governmental affairs in the natural resource sector, which were originally the authority of the district/city government were "withdrawn" and "transferred" to become the authority of the provincial and central governments. This transfer is intended so that the administration of government affairs in the said sector is much cleaner, more accountable, more effective and efficient, and able to provide guarantees for efforts to preserve environmental functions and sustainably use natural resources.

The Indonesian government continues to strive to foster a conducive investment climate to attract potential investors to attract foreign investment to Indonesia. Various strategies to invite foreign investors have been carried out so that foreign investors are interested in investing and feel comfortable investing in Indonesia. The presence of foreign investment, especially direct investment or Foreign Direct Investment in a country is beneficial for that country, especially in terms of development and economic growth, there is no need to question it anymore. The presence of FDI provides many positive things to the economy of the host country (Ain, 2021) . The rights, powers, and obligations given to the regions to regulate and manage their households are an effort to increase the role of local governments in developing their regional potential by managing sources of regional income efficiently and effectively, especially regional own-source revenue.

Several local governments have taken several steps to attract foreign investment. This is seen as a positive phenomenon to increase regional investment. Some of the initiatives undertaken are reforming the investment service bureaucracy, investment potential information systems, and physical infrastructure provinces. *First*, investment service reform. Regional autonomy and decentralization implemented since January 2001 have given a bigger role to districts and cities which also means that regions must serve their constituents including investors. One of the popular policies at the provincial level is licensing. *Second*, the investment potential information system. Many local governments have used methods and strategies to attract PMDN and FDI. These strategies include product exhibitions and investment potential, promotions via the internet, websites that contain various kinds of information regarding investment potential, and service procedures for investors. *Third*, improvement and provision of physical infrastructure. The

availability of supporting infrastructure is felt to be very important for business activities. Infrastructure is the main basis for marketing the region (Polii et al., 2021) .

In-laws or various ministerial regulations as well as in various investment contracts, we can find various regulations that specifically regulate the development of local communities. As stated in Article 15 letter b and Article 17 of Law no. 25 of 2007 concerning Investment. Article 15 letter b Law No. 25 of 2007 concerning Investment regulates the obligations of investors, namely carrying out social responsibility. Corporate social responsibility is the responsibility attached to every investment company to continue to create relationships that are harmonious, balanced, and in accordance with the environment, values, norms, and culture of the local community. Investments invested by investors have a very important role for local communities because these investments have an impact on the lives of local people. Community development programs that must be carried out include a. Human Resources; b. Health; c. Economic growth; d. Regional development; and e. Partnership.

The spirit of decentralization and regional autonomy requires regional governments to intelligently encourage regional development and increase regional income by exploring the regional potential and attracting investment. The existence of an investment policy, allows local governments to develop planning frameworks and action plans directed at encouraging investment, especially private investment, both domestic and foreign. It is fully realized that amid declining confidence in the business world towards the investment climate in Indonesia, only sound investment policies and strategies can stimulate investor interest.

Currently, every local government throughout Indonesia is required to have; Principles and Objectives of Local Government in Investment; 2. Vision and Mission of Regional Government Investment; 3. The direction of Regional Government Investment Policy; 3. Investment Climate Improvement; 4. Encouraging the Spread of Investment; 5. Focusing on the Development of Food, Infrastructure, Energy, and Tourism; 6. Green Investment; 7. Empowerment of SMEs (Small Medium Enterprise) and Cooperatives; 8. Provision of Facilities, Conveniences, and/or Investment Incentives; and 9. Investment Promotion and Cooperation. Provincial and Regency/City Regional Investment Institutions in Investment Development must show governance that is collaborative, easy and fast, transparent, and responsible (Aryadi, 2018) . Investment development in the regions is very important considering that with regional autonomy, regional governments are given the authority to manage their regions. This authority certainly needs to be balanced with government policies that support the development of investment in the regions to provide legal certainty to investors.

5. CONCLUSION

The Indonesian government continues to strive to foster a conducive investment climate to attract potential investors to attract foreign investment to Indonesia. Various strategies to invite foreign investors have been carried out so that foreign investors are interested in investing and feel comfortable investing in Indonesia.

The presence of foreign investment, especially direct investment or Foreign Direct Investment in a country is beneficial for that country, especially in terms of development and economic growth, there is no need to question it anymore. The presence of FDI provides many positive things to the economy of the host country.

The spirit of decentralization and regional autonomy requires regional governments to intelligently encourage regional development and increase regional income by exploring the regional potential and attracting investment. The existence of an investment policy, it allows local governments to develop planning frameworks and action plans directed at encouraging investment, especially private investment, both domestic and foreign. It is fully realized that amidst the decline in the business world's confidence in the investment climate in Indonesia, only sound investment policies and strategies can stimulate investor interest.

Legal protection for foreign investment in Indonesian national law is regulated in Law Number 25 of 2007 concerning Investment. This law has provided adequate protection for foreign investors against various risks including non-commercial risks in foreign investment in Indonesia. This can be seen in several provisions of the law, including through the regulation of foreign investor rights related to several matters (Article 6 to Article 9), namely the guarantee of equal treatment for all investors as well as guarantees for nationalization and expropriation actions. other. In addition, guarantees for transferring assets as well as transfers and repatriations in foreign currency for capital, profits, and several other matters. As for protection in international law, namely protection for non-commercial risks guaranteed by MIGA.

The implications of legal protection for foreign investors for foreign investment activities in Indonesia, among others, can provide a very significant contribution or benefit for increasing foreign investment activities. The guarantee of protection for foreign investors against non-commercial risks in planting activities is expected to be one of the factors in creating a conducive investment climate. In turn, this will encourage increased foreign investment activity in Indonesia. Guaranteed protection for investors is one of the factors supporting the increase in foreign investment activities in Indonesia in the long term, especially in the era of free trade which is marked by increasingly competitive competition and the country's economic growth.

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G O T O N G R O Y O N G (MUTUAL COOPERATION)

“HOW GREAT GOTONG ROYONG COUNTRY”

(Indonesia in Soekarno's Eyes)

ABSTRACT

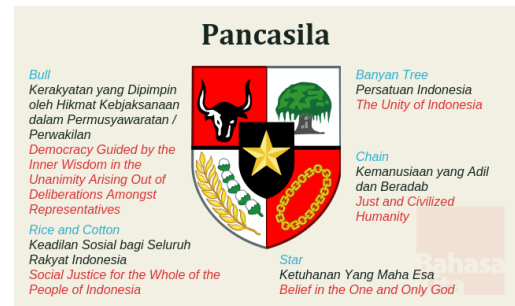
“Philosophical analysis shows that gotong royong is a philosophy of life that has long roots in Indonesian culture, and was later proposed to be the basis of the state. In the past, the Indonesian people did not think about a systematic philosophy for living together, but the philosophical values that developed a long time ago were then systematized by Soekarno, and then he summarized them as cooperation. Soekarno said that the principle of this country is cooperation. Gotong royong philosophically describes the people and nation of Indonesia. Gotong royong presupposes recognition of the other (humans and God), togetherness, cooperation for justice, and deliberation. Gotong-royong is a symbol of the uniqueness of Indonesian society which promotes togetherness. Diversity is recognized and unity as a nation is upheld in the realm of togetherness. The ideas of togetherness, nationality, justice, and prosperity are the people's ideals and the goals of this country. Gotong royong is a dynamic principle, even more, dynamic than kinship. Gotong royong describes a joint effort and mutual assistance for the common good. Pancasila, imbued with the spirit of gotong royong, melts all social differences.

Soekarno once proposed Pancasila.

He summarized Pancasila in: " cooperation!" The basic feeling of the Indonesian State is the spirit of gotong royong. Soekarno designed a mutual cooperation state ideology for the Indonesian nation. The various problems above will be examined within the framework of a gotong royong state according to Soekarno, so the problems will dive into: first, what exactly was the idea of "gotong royong" promoted by Soekarno (to the extent that the notion of "gotong royong" was used as the essence of Pancasila. On May 17, 1956. Bung Karno had the honor of delivering a speech before the United States Congress. In that speech he staunchly attacked colonialism: “ The struggle and sacrifice that we have made for the liberation of our people from the shackles of colonialism, has been going on from generation to generation for centuries. However, the struggle is still not over. How can this struggle be said to be over if millions of people in Asia and Africa are still under colonial domination, still unable to enjoy independence?” Page 2 of 2 Pancasila was offered by Soekarno as philosophical foundation (foundation, philosophy, or soul) of independent Indonesia.

Willingness and desire for independence, according to Soekarno, must precede the debate about the basis of the state. Why? Because why talk about the basis of the state if there is no independence? From this one can understand the logic of Soekarno's thinking, which first inflamed the spirit for independence. The spirit of gotong royong and the spirit of kinship are potential values that exist on Indonesian soil. The spirit of mutual cooperation exists because it is driven by the vocation and nature of Indonesian people.

After all, they are clothed in the same historical experience.



Gotong royong is a balance between the needs/interests of individuals concerning the needs of society that occur reciprocally. Why is that? Because human life (especially Indonesian people) experiences its fullness in relation with its people. This is reflected admirably through the deliberation mechanism to reach a consensus in overcoming every problem so that there are no conflicts between individuals. Soekarno, by saying that the principle of this country is mutual cooperation, wanted to say that there should be no more class, personal, group, and group claims of any kind that want to fight for their interests over common interests. That is there should be no majority and minority claims! There should be no claims of natives or crossbreed! There should be no more claims of the rich on the poor! Why? Because if there are these claims, why is Indonesia independent? Aren't all these new forms of domination and colonialism? More than that, saying gotong royong is the basic principle of the Indonesian state. Mutual cooperation is not a lack of courage, lack of confidence, or independence. Gotong royong does not always mean that the people from the same village connect when they are hit by a disaster.

Gotong royong means shoulder to shoulder and hand in hand. This is an "awareness" that all countries are the sons and daughters of the motherland, and have the same rights and obligations, although the implementation and the translation in daily life may be different. Gotong royong is a dynamic principle, even more, dynamic than kinship. Gotong royong describes a joint effort and mutual assistance for the common good. Furthermore, Soekarno expressly wanted to carry the dimension of cooperation from all his subordinates regardless of party, class, and religion. This mutual cooperation does not side with anyone, especially the majority. The spirit of gotong royong and the spirit of kinship are potential values that exist in Indonesian soil.

The spirit of gotong royong is because it is driven by a vocation and human nature because of the same historical vocation. Gotong royong is a balance between individual needs/interests concerning the interests of society that occur reciprocally. Why is that? Because human life (especially in Indonesia) experiences its fullness concerning its people. This is reflected admirably through the deliberation mechanism to reach a consensus in overcoming every problem so that there are no conflicts between individuals. Gotong royong philosophically describes the people and nation of Indonesia. Gotong royong presupposes recognition of the other (humans and God), togetherness, cooperation for justice, and deliberation.

Gotong-royong is a symbol of the uniqueness of Indonesian society which promotes togetherness. Diversity is recognized and unity as a nation is upheld in the realm of togetherness. The ideas of togetherness, nationality, justice, and prosperity are the people's ideals and the goals of this country.

Pancasila, imbued with the spirit of gotong royong, melts all social differences. This is where the superiority of Pancasila is the ideal foundation for the life of the nation and state, even in society. Philosophical analysis shows that gotong royong is a philosophy of life that has long roots in Indonesian culture, and was later proposed to be the basis of the state. In the past, the Indonesian people did not think about a systematic philosophy for living together, but the philosophical values that developed long ago were systematized by Soekarno, and then he summarized them as mutual cooperation. The meaning of gotong royong echoed by Soekarno was consistent with his speech on February 21, 1957, when he formed the Gotong-Royong Cabinet, underlining how proud Soekarno

was of these Indonesian values, in which the spirit of the Indonesian nation was reflected: "...What concerns the Cabinet, Brothers, and Sisters, is that a Gotong Royong Cabinet should be held. And I deliberately use the words Gotong royong, because these words gotong royong are native Indonesian words that describe the pure Indonesian soul. The cabinet which includes all the parties or factions in the parliament..." (Soekarno: 1957:435) This is in line with the symbolic analysis of Soekarno's speech on June 1, 1945, which said that gotong royong is a symbol of unity in equality without discrimination.

Gotong royong is the soul of the Indonesian nation. A nation has certain values as its characteristics. Gotong-royong historically is an indigenous Indonesian culture that has been practiced by the nation's ancestors from the kingdom era, colonialism, the struggle for independence, and the early days of independence. This culture is proven to make a major contribution to the realization of shared ideals. The value of gotong royong is reflected in the nation's philosophy, namely Pancasila. The divine values embodied in the spirit are embodied in the mindset, attitude, and behavior of community members by respecting human values, behaving fairly, prioritizing common interests rather than just interests, prioritizing personal or group interests, and developing a culture of unity. The hallmark of the Indonesian people is their mutual cooperation. Soekarno said that Indonesia was a mutual cooperation country. Gotong-royong was thus interpreted as a very high value by the founding fathers of this country so it is also called a summary of Pancasila itself.

Gotong royong is also interpreted as a means to unite various kinds of differences. Like Soekarno, he highly upheld the value of gotong royong and the attitude of mutual cooperation. Gotong royong is an expression that states helping each other and has become a habit in the life of Indonesian society. Gotong royong states that what is understood as solidarity and unity is raised and developed into the way of life of the Indonesian nation. Pancasila is the crystallization of the soul and spirit of mutual cooperation in building solidarity and unity for the realization of Indonesia's glory.

Indonesia, according to Soekarno, was founded not only for the Javanese or for certain people. Soekarno wanted to introduce the understanding that Indonesia was founded to guarantee the interests of all Indonesian citizens when he said that the State of Indonesia was a mutual cooperation country. Soekarno said that the principle of gotong royong was unique to Indonesia. Soekarno was thus consistent with the description at the beginning of his speech which said that the basis of this country must come from the deepest soul of the Indonesian people and not belong to other nations: "Gotong royong is a dynamic understanding, more dynamic than kinship, brothers, and sisters! Kinship is a static understanding, but gotong royong describes one effort, one charity, and one job, which the honorable member Soekardjo called: one "karyo", one "gawe" (Java Language). Let's finish this karyo, gawe, charity work, together! Gotong royong is toil together, sweat together, struggle to help and help together, all charity for the benefit of all, all sweat for everyone's happiness, hoops egret line for the common good! That's mutual cooperation! (State Secretariat of the Republic of Indonesia, 1995: 82)" Soekarno realized that the principle of gotong royong was derived from Javanese understanding, where all work together to complete "gawe" and "karyo" together. Soekarno quoted Soekardjo's words to explain the meaning of gotong royong.

Who is Soekarno? Raden Soekardjo Wirjopranoto is the head of the Asia Raya newspaper and a member of the Customary and State Administration Committee. Soekardjo became one of the participants in this session and was an expert in the editorial field, so it was only fitting that Soekarno quoted his words. The definition of gotong royong put forward by Soekardjo is also in Javanese terminology; namely "karyo" and "gawe." Soekarno at this point wanted to convince the participants of the session of his determination to explore the basis of the state from Indonesia's soil. Gotong royong is typical of Indonesia. at this point, he argued that Soekarno wanted the nation's founding fathers to be bound by a common understanding that the Indonesian state was derived from Indonesia's unique principles and was founded in the interests of all citizens so that all were responsible for the survival of the nation. Soekardjo by saying that "gotong royong is a form that fits the original eastern soul." Soekardjo caught Soekarno's point in saying that the state that Soekarno wanted to initiate was a mutual cooperation state that was unique to Indonesia.

Soekarno did not want Indonesia to import and be oriented toward Western individualism and liberalism. Soekarno also believed that the notion of gotong royong was a way to break the deadlock or a middle ground between the notions of individualism and liberalism during the second session, namely when discussing the Constitution. "Therefore, if we want to base our country on the notion of kinship, the understanding of mutual assistance, the understanding of mutual cooperation and social justice, get rid of every thought, every notion of individualism and liberalism from it (the State Secretariat of the Republic Indonesia, 1995: 259-260). Soekarno was good at composing language, making metaphors, presenting analogies, and expressing various symbols in his speeches. Sukarno outlined the precepts in Pancasila by using symbolism. Soekarno highlighted the symbolism of Sriwijaya and Majapahit when outlining the first basis, namely nationality: "We have only experienced national state twice, namely during the Sriwijaya and Majapahit eras. The Nationale staat is only Indonesia as a whole, which was established during the Sriwijaya and Majapahit eras and which now we must also establish together (State Secretariat of the Republic of Indonesia, 1995:74-75)." The symbolism of Sriwijaya and Majapahit is the symbolism of Indonesia's integrity. Indonesia is not only Java, Sumatra, Borneo, Islam, Christianity, Jakarta, and so on. All of that is Indonesia. Majapahit and Sriwijaya are symbols of Indonesian nationality which Soekarno made one of the principles of the state foundation.

The entire Indonesian nation was once united in the era of these two kingdoms. Indonesia's independence is thus not only based on territorial unity but unity that transcends ethnicity, culture, and place. Driyarkara said that gotong royong is also the way of life (Weltanschauung) of the Indonesian people: "The whole speech (the birth of Pancasila) was an excavation to find and establish the principles of our country. Pancasila was appointed as the basis. As a basis, it means that Pancasila formulates the roots of human life. Therefore, if it is said that gotong royong is a feeling of Pancasila, then it also means that gotong royong is the basis, in the form of something basic" (Driyarkara 2006:655) Gotong royong can be interpreted as working together, helping each other, and hand in hand to achieve the desired results.

Gotong royong originates from the understanding of "karyo" and "gawe" together which are very unique to Indonesia. Gotong royong includes cooperation, deliberation for consensus, and mutual respect. The gotong royong state is thus a country founded on the spirit of cooperation and mutual assistance that is unique to Indonesia. Gotong royong for Soekarno became the essence and

summary of Pancasila itself. Soekarno believed that gotong royong was the soul of the Indonesian nation. This is in line with what he conveyed before the BPUPKI Session that the principles of the Indonesian nation must come from the soul of the Indonesian nation itself. Soekarno's concept of gotong royong which was systematized on 1 June 1945 found its realization at the political level when he formed a cabinet. Soekarno expressed this when forming the Mutual Cooperation Cabinet: "(Cabinet) This is the embodiment of Indonesian mutual cooperation, the embodiment of the Indonesian soul... I said earlier let's not discriminate anymore, don't ask again whether you are Masyumi, are you PKI, are you PNI, are you NU, are you Protestant, are you Catholic. Not! All parties in parliament, let us give them the right to participate in the cabinet." (Soekarno: 1957:435) Soekarno even believed that it was this spirit of gotong royong that enabled all parties to work together, especially in government. The dichotomy between the ruling and opposition parties can only be eliminated within the framework of this mutual cooperation spirit. The speech showed Soekarno's consistency in viewing mutual cooperation as a principle. Ekasila (gotong royong) is also a basic principle of being a state. The principle of gotong royong then requires a way for its practical implementation.

Soekarno proposed deliberation as the implementation of the principle of gotong royong: "The meeting was held in a family atmosphere. The deliberations proceeded in an atmosphere of mutual cooperation. And the opposition that we defined in those eleven years will vanish." (Soekarno: 1957:436) Differences of opinion in the state government are things that must be managed in the spirit of mutual cooperation. Deliberation is the right place to realize this spirit. Soekarno on August 17, 1965 (speech commemorating Indonesia's Independence Day) radically even said that this spirit of gotong royong which contains togetherness, cooperation, and unity must be fought for in earnest: "To the entire people, I call on all efforts to strengthen national unity. Exterminate any principals that reject cooperation and unity, just because of matters of principle, ideology, religion, and so on. Last March the MPRS decided to ban anti-nationalist propaganda, anti-religious propaganda, and anti-Communism propaganda. This decision is very good and proves that the highest legislative body in our country knows its responsibilities. Bear in mind this MPRS decision and carry it out with the greatest tolerance." (Soekarno, 1965:4). Soekarno gave place to the mechanism of living together and mutual respect to realize this national unity.

Soekarno on August 17, 1952, firmly believed that the noble value of gotong royong was not something that was above the sky and floating in the air: "Are his aspirations too grandiose? The goal is too dreamy? Ah, is it true that our ideals are too grandiose? The Unitary Republic which was strong and inside and covered the entire Dutch East Indies was too grandiose? Social life, family life, prosperous and just life, life without poverty and insecurities, remember, Indonesia used to be a warehouse of mutual cooperation and was once called "gemah ripah loh jinawi" (Java Language), is that too fanciful? I don't think so, and some other nations also have that dream." (Soekarno, 1952:9) Gotong royong objectively originates from Indonesian soil, has been practiced for centuries, and requires a struggle to preserve it. Soekarno believed that the hope for the glory of the nation could be achieved by returning to the spirit of mutual cooperation: "Only if we return to that kind of spirit... we can move swiftly on the big difference between hope and reality. Let us be a nation that is full of dynamics, a nation that is "hiyeg rumagang ing gawe" (Java Language), a nation that does not envy each other. Be the people of Indonesia, prosperous people, because they understand and act that prosperity only manifests itself if it is called by its nickname: work."

(Soekarno, 1952:11) Soekarno wanted to say that Indonesia was founded to guarantee the interests of all Indonesian citizens, regardless of their religion, class, ethnicity, and economic situation. realizing the general welfare (*Bonum commune*) typical of Indonesia which is characterized by a spirit of mutual cooperation, fighting for oneness in Indonesia's diversity, rejecting the spirit of elitism, realizing a multicultural Indonesia, and fighting for Indonesia for all. The Indonesian nation has been experiencing a multi-dimensional crisis for years. From day to day, the situation continues to lead to apprehensive conditions. The economic crisis that was intensifying was also accompanied by a crisis in the life of the nation and state. Here and there various upheavals threaten our common life. Certain regions have begun rolling out plans to secede from the Unitary State of the Republic of Indonesia. All of this certainly has a big enough impact on survival together. Things are becoming more and more uncertain because the climate of living together is starting to tear apart.

All Indonesian people are also faced with a political situation that is getting worse day by day. The behavior of political actors continues to adorn various communication media. The current DPR is very different from the DPR during the previous government. They are increasingly daring to take a stand against the government. Parties are also increasingly active in carrying out various political maneuvers. But strangely all of this did not bring the Indonesian people to a better situation. Instead, what happened was mutual accusations, mutual blasphemy, trips over each other, and so on. The question that then bothered all citizens of the nation was, "What happened to political life in Indonesia? It was originally hoped that this crisis that was escalating would become a good momentum for all citizens of the nation to look back at the existing system of living together, including political life. Therefore, the determination to carry out reforms in all fields began to be rolled out. But what happened? The number of poor people is getting crazier, officials are still acting arbitrarily, the DPR/MPR is also felt to be getting less aspirational, political parties are increasingly oriented towards fulfilling their group's ambitions, laws are increasingly being violated, and politics is being conducted without ethics. The mentality of sycophant, instigator, vigilante, and sadist is so attached to all components of this nation. The situation above is certainly a concern for every citizen who cares about the fate of his nation. Various efforts have been taken, especially by the government currently in power, but the expected improvements have not yet come immediately. The common people seem to feel hopeless to see the political conflicts that are constantly happening. They were disappointed to see the behavior of the power holders. They are disappointed because politics is no longer to their interests. This is one form of grief and anxiety that is being experienced by the nation today.

The suffering that is currently happening is the collective suffering of the nation, so those who are responsible for fixing it are at all levels of Indonesian society as well. When compared with what Soekarno put forward, what Aristotle wrote above has some similarities. In line with Aristotle, the state that Soekarno wanted to initiate was the highest embodiment of human life to achieve the common good. For Soekarno, this common good contained the spirit of mutual cooperation. Mutual cooperation is at the same time the foundation and the means to achieve the common good. Or in a more direct way it can be said, mutual cooperation is the peak of the *bonum commune* promoted by Soekarno. Of course good for all, and not for certain groups. The *bonum commune* is mandatory and must be attempted by anyone. By anyone referring to its scope. Within the scope of the family, the joint welfare of all family members is the responsibility of all family members. Within the scope of the RT, all RT citizens are obliged to seek common interests led by

the RT. In a broader scope, for example, the state, general welfare is also a goal that must be achieved by all citizens of the nation. In particular, the task of realizing the bonum commune is assigned and carried out by the state or government in power. They are the ones who get the mandate, but people's participation is still needed. It appears that the state is completely directed towards the bonum commune. The achievement of this bonum commune was carried out through various development programs. Commune means anyone, regardless of age, degree, class, rank, wealth, religion, ethnicity, culture, etc. So it is a big mistake to pay attention to the country's development in favor of certain groups and certain parties. State leaders (whether they are presidents or kings) no longer belong to a particular party, family, religion, or class. Especially if that happens in a democratic country whose leader is elected by the people. The task of the state then is to seek a bonum commune for all the people. Justice is violated if the bonum commune is not sought. So a president is unfair if he enriches the rich and ignores the welfare of the poor. The mayor violated the commune's bonum if funds that should have been used to repair roads in the public interest were corrupted for the sake of the bonum itself. Violation of this principle is essentially theft.

At first glance, it seems that this principle is uniquely Western. But the principle of bonum commune finds its equivalent with the principles of gotong royong and harmony in the Javanese ethics cited by Sukarno. Just as Aristotelian politics respects individual rights, so does the principle of gotong royong, although in a slightly different way. The difference between the two lies in the keen awareness of human rights in the traditional sense of Javanese Ethics. This is where the mutual cooperation system by prioritizing deliberation/consensus becomes a deadlock breaker. Prioritizing general welfare and mutual cooperation can be achieved through the dialectics of deliberation and consensus. It is this awareness that currently needs to be developed in initiating the political life of Indonesia today. The achievement of political goals by prioritizing violence and deception is thus no longer appropriate to be put forward in the current era of Indonesian democracy. All state efforts must therefore always promote common welfare rather than personal/group welfare, and this is done by upholding the values of harmony through mutual cooperation. It is truly a reference to rational Western philosophy, as well as a uniquely Indonesian foothold. Gotong royong is a form of togetherness in society, while togetherness is one of the essences of humanity. Aristotle's view, which is often used as a reference, that humans are zoon political or social beings, clearly cannot be denied.

The ontological foundation is clear, human beings have the same thing. Without similarities, humans cannot live together and cannot communicate. This similarity is essential, not just a common place of residence. It is true that humans also have dissimilarities because each human being is unique. This view underlies the liberal view of human beings who are autonomous, free, and rational. It is also true that humans have value in themselves. However, excessive emphasis can take its toll, especially on those who are weak physically, psychologically, and financially. Therefore, a balance between the two is really necessary. Mutual cooperation that is "healthy" and based on a spirit of solidarity, mutual trust, and respect, can be realized. Gotong royong based on the principles of solidarity and mutual trust will be healthy if it is placed within the wider framework of public civility. This public civility occurs when there is a balanced relationship between the three social "axis", namely public bodies (state), business entities (markets), and citizens. Gotong royong

needs to be put forward as an element of public civility to achieve the typical Indonesian *bonum commune*.

Based on ethnological research, it is known that there are around six hundred ethnic groups living and inhabiting the territory of Indonesia. Indonesia's strategic location has also made many religions and beliefs enter centuries ago. This is a great potential that must be cultivated and a necessity that cannot be rejected by all Indonesian citizens. Around the world, identity politics that reinforces differences in collective identity based on ethnicity, language, and religion is experiencing a tidal wave. In Indonesia itself, the shift from an authoritarian regime towards democracy brings good news in terms of restoring freedom of expression and assembly, but it also contains a potential threat from the strengthening of fundamentalism in various aspects, for example religious, ethnic, and racial fundamentalism (even with expressions of violence that accompany it). The spirit of unity that has been fostered today is facing a crisis and has surfaced in symptoms of provincialism, sectarianism, and primordialism. At the age of more than 77 years, the Indonesian nation should have been able to organize itself towards a better civilization and progress, however, what is happening day by day is the emergence of "gotong royong crises" here and there. Various separatist and fundamentalist movements in various lines and regions have increasingly revealed this mutual cooperation crisis. It turns out that the crisis described above is often approached from the perspective of the majority-minority. Why is the majority-minority paradigm always used, as if the majority may impose their will on the minority? In Soekarno's eyes, isn't this country the fruit of the mutual cooperation of all those in it regardless of religion? Sukarno summarized Pancasila in one word: "mutual cooperation." Soekarno designed a mutual cooperation state ideology for the Indonesian nation. That is, this country is "all for all" and "one for all"! There should be no longer any desire to impose certain views, even under lofty pretexts and for whatever reason, in building this independent Indonesian state.

During his speech, Soekarno quoted Ernest Renan. According to Renan, a nation is as follows: "A nation is a soul, a spiritual principle. Two things, which in truth are but one, constitute this soul or spiritual principle. One lies in the past, and one in the present. One is the possession in common of a rich legacy of memories; the other is present-day consent, the desire to live together, and the will to perpetuate the value of the heritage that one has received in an undivided form. Man, gentlemen, does not improvise. The nation, like the individual, is the culmination of a long past of endeavors, sacrifice, and devotion. Of all cults, that of the ancestors is the most legitimate, for the ancestors have made us what we are. A heroic past, great men, glory (by which I understand genuine glory), this is the social capital upon which one bases a national idea. To have common glory in the past and to have a common will in the present; to have performed great deeds together, and to wish to perform still more are the essential conditions for being a people. One loves in proportion to the sacrifices to which one has consented, and in proportion to the ills that one has suffered. One loves the house that one has built and that one has handed down. The Spartan song-" We are what you were; we will be what you are" is, in its simplicity, the abridged hymn of every party" It appears that Soekarno agreed with Renan who said that a nation is a soul which consists of two things, namely: previously its people lived through the same history, and now they must have the will to unite. It is this desire to unite that must be raised. Soekarno believed that unity was important. That is why he chose *Bhinneka Tunggal Ika* (Unity in Diversity) as the motto of the Indonesian people.

This vision shows that Soekarno accepted differences, be it ethnicity, religion, race, or even thought. But behind the differences, he saw the importance of unity. Even though they are different, the Indonesian nation is still one! History records that the perspective of oneness in Indonesia's distinctive diversity was distorted during the New Order era. Indonesian society which is "Unity in Diversity" is often seen as mere functionalism. Space for elaborating parts as beauty is not given enough space. The centralism of the New Order style kills the beauty of each of these very diverse parts. The slogan "Unity in Diversity" is used by certain groups (who have interests) to perpetuate their interests, so that freedom is completely suppressed. Exploring these "hidden interests" is important so that it becomes clear what is being carried behind all the policies that are being rolled out. Philosophically, Sukarno believed that Ika's is a bond of brotherhood that binds humanity to live in harmony, peace, and prosperity. According to Bung Karno, the ideal of cooperation is a program that must be strived for its implementation. Without fighting for Pancasila, it will not become a reality. This struggle is necessary because exploiters and oppressors will sabotage it (exactly what happened during the New Order era). This is under the speech on the birth of Pancasila which was uttered by Bung Karno on June 1, 1945: "If the Indonesian people want Pancasila to become a reality, don't forget the conditions for implementing it, namely struggle, struggle, one more struggle" The diversity that belongs to the Indonesian people is a necessity, and all of them have the same duty to fight for it so that this nation does not get worse in all fields. Apart from colonialism and imperialism, Soekarno was also very much against elitism.

Elitism encourages people and groups of people to feel they have a higher socio-political status than the general public. Soekarno believed that this elitism was dangerous because it could be practiced by native people against their people. If left unchecked, this attitude will not only divide but also make it possible for the continuation of the colonial and imperial systems which we are willing to fight together. More than that, elitist attitudes can become an obstacle to Indonesia's democratization aspirations and the spirit of mutual cooperation in the future. One of Soekarno's efforts in the following period to erode this elitist spirit was to roll out the ideology of marhaenism (Soekarno for the Farmer mindset symbol: Farmer who has land, Machine, and Tolls for Plantation). In this understanding, Soekarno gave priority to the common people in the process of struggling for and filling independence. Sukarno felt compelled to give greater attention to the poor in Indonesia. The machine, like the proletariat in Marxism, is expected to be the main component in the revolution against colonialism and to create a more just social order. Soekarno dreamed of realizing "Indonesia for all," so that all citizens must feel like Indonesians and build same Indonesia. In the BPUPKI Session on June 1, 1945, this was very visible: "Brothers who are called nationals here, as well as brothers who are called Muslims, have all agreed that this is not our goal. We want to establish an 'all for all state. Not for one person, not for one group, neither the nobility nor for the rich, but all for all." The ideas of togetherness, nationality, justice, and prosperity are the people's ideals and the goals of this country. Within Pancasila, which is imbued with the spirit of gotong royong, all social differences are melted down. Herein lies the advantage of Pancasila as the ideal basis for the life of the nation and state, even in society. But some people, whether from the communist side or the religious side, today are dissatisfied and are trying to replace him.

Throughout Indonesia's history, many businesses were based on ideological dissatisfaction and wanted to advance their group above the interests of the nation and state. The basis for Soekarno-style democracy is "all for all." Democracy like this implies the principle of deliberation rather than a majority vote. For Sukarno, the majority of votes would give birth to arbitrariness and oppression of minorities. Soekarno no longer agreed to the use of minority-majority terminology in building Indonesia's democratic system. Why? Because the terminology was born from liberal culture. More than that, actually one vote, even from a minority group, has the same meaning for the life of the nation. The gotong royong system known to the people of Indonesia does not leave minorities behind, on the contrary, it embraces all into an atmosphere of togetherness. According to Soekarno, two things cannot be separated, namely nationalism and internationalism (humanity). That's gotong royong. Why is that? Because there is nationalism that grows out of the principles of humanity. Such nationalism is chauvinistic nationalism that occurs in Germany which believes that "Deutschland über Alles".

Indonesian nationalism must grow on kinship that can unite various tribes, religions, and cultures, even through national borders. The concept of gotong royong is not only used in daily life by the Indonesian people but also very effectively used by members of the international community (for example in helping victims of the earthquake and tsunami disaster in Nanggroe Aceh Darussalam). Pancasila, according to Soekarno, was taken based on the nation's culture "hereditary," and "as the feelings of the people that have been hidden secretly in the hearts of the people." Mpu Prapanca in his Negara Kertagama has brought up the term Pancasila. Then Mpu Tantular in his Sutasoma brought up the term Bhinneka Tunggal Ika." It appears that Pancasila is the personal image of the people from the past. Concerning the struggles of religions, Pancasila has the core spirit of "gotong royong," not Islam, not Christianity, not Hinduism, and not Buddhism. The common thread that is very visible from some of the themes above is that the spirit of gotong royong (which is believed to have taken root in society and was later discovered by Soekarno as an expression of Pancasila) is currently facing challenges in national life. The trend that spreads is precisely the depletion of the spirit of mutual cooperation here and there. The impression emerging today is: the adage of gotong royong was raised by speeches, when in fact the terminus of gotong royong in Soekarno's speech arose from the reality of Indonesian society which Soekarno had contemplated for a long time. Therefore, this nation is in a big and long project to bring back the reality of mutual cooperation in the life of the nation. Exploring some of the themes above is one of the efforts for that. In extorting Pancasila into Ekasila, Soekarno was promoting nationalism. Indonesia, for Soekarno, was founded for all. The idea of nationality here is not merely an ideological principle, but rather a shared appreciation of togetherness. Nationality, according to Ernest Renan, as quoted by Soekarno, is a soul which consists of two things, namely: first, the people used to have the same history, and second, now they must have the will to unite.

All people in the archipelago have experienced the same history since the days of Sriwijaya and Majapahit, and have even suffered together in the darkness of the colonial period. It is this same experience that forms the will to unite. Nationality is thus not just an equation of blood and place of residence. Far beyond that, nationality is a matter of how each of its citizens is bound by the same feelings and will to progress in diversity. This kind of nationality was not Hitler's typical chauvinism. National unity for all is the principle put forward. Thus, the task of the state is to manage it, because the state exists for the welfare of its citizens. The state does not exist for the

sake of power. Soekarno even further pointed out that the state must be managed in a spirit of mutual cooperation. In Hatta's language, this kind of state is called a governing state. A sovereign state (to say as opposed to a governing state) is a state governed in a Machiavellian spirit in which a ruler is required to maintain his power in various ways. Instead, the governing state puts forward the notion that the holder of power is the administrator, manager, bearer, or in the language of the 1945 Constitution it is called the mandate (the bearer of the mandate). The ruler is thus responsible to the people for the mandate he carries through elections. The people are thus not the object of the state, but the subject! Because of its philosophical content and logical elements, it is appropriate, at least according to the author, that Sukarno's speech be aligned with Plato's Rhetoric or Socrates' Apology. This parallel can be seen when Plato, Socrates, and Soekarno both started exploring their political philosophy by reviewing and questioning their nature. In other words, when Soekarno talked about the nature of Indonesian people and the Indonesian state he was the same as the two philosophers above (and even the same as other political philosophers) talking about essence. Wasn't Socrates doing the same thing when asking using the word "what" when asking for an understanding of something? Departing from nature is the same as starting something from its essence. And Soekarno found that the essence of the Indonesian people was in their mutual cooperation.

The content of Indonesian human nature which is full of cooperation makes Soekarno's speech have a philosophical value and at the same time it is interesting to listen to. This is Sukarno's intelligence. In addition to having a symbolic meaning, the gotong royong promoted by Soekarno means prioritizing togetherness and the spirit of kinship among the diversity of ethnicities, religions, races, cultures, beliefs, beliefs, and classes. Gotong royong contains the spirit of cooperation and hand in hand to create a better Indonesia for all citizens. It is unique to Indonesia and does not belong to other nations. Soekarno's idealization of a gotong royong state is similar to Plato's ideal state. Sukarno filled the ideal society that lived safely, side by side with each other, prosperous and happy with the embodiment of the spirit of gotong royong. However, the typical Platonic practical consequence of idealizing a class-based, meritocratic society is not in line with Sukarno's gotong royong ideology, which rejects the spirit of elitism and inequality. The Platonic state structure is derived from human "nature", and according to Soekarno the nature of the Indonesian state originates from the nature of Indonesian society which lives in a spirit of mutual cooperation. Justice (an ideal state) can be created if the Indonesian people live and foster this spirit of mutual cooperation. So, the ideal state according to Soekarno is a mutual cooperation state. The realization of Soekarno's mutual cooperation state is precisely similar to the creation of the bonum commune initiated by Aristotle.

The Aristotelian understanding which considers that humans by nature live together with others (zoon politikon) is very similar to Soekarno's idea which found that Indonesian people have lived in cooperation with one another since ancient times in togetherness and harmony. It is from here that all citizens must realize the general welfare. Indonesian human zoon politikon is living in this mutual cooperation. Soekarno explained Aristotelian eudaimonia (happiness) as communal happiness, where all Indonesian citizens can live side by side peacefully and have same Indonesia, because Indonesia was founded for all. Soekarno's explanation (supported by Supomo, Hatta, and Yamin) regarding the mutual cooperation state is based on the "nature" of Indonesian people/society who always live in an atmosphere of kinship and mutual cooperation. This kind of explanation is also

used by several philosophers in explaining what a state is. Plato, for example, identified state structures with human structures. It is from human nature that an explanation of the nature of the state is derived. Which part of man is the origin of everything according to Plato? Of course the soul. According to Plato, the composition of a country can be derived from three parts of the human soul, namely the rational part (the thinking part), the spirited - part (spirit), and the appetitive part. Thus with a country. In a country, according to Plato, there is a part that governs (identical to the rational part), there are soldiers who maintain the security of the country (identical to the spirited part), and there are producers who maintain the continuity of the country's economy (identical with the appetitive-part). Humans will appear intact when these three parts of the soul work together in harmony. The same is true for countries.

A country will be strong if the three parts can carry out their duties properly and in harmony. What about Sukarno? The "natural" of the mutual cooperation state is also based on the "nature of the Indonesian people" which always prioritizes the spirit of mutual cooperation. A strong state (or justice in Plato's concept) will thus be created if all Indonesian citizens live this spirit of gotong royong and apply it, especially in building an independent Indonesian state. From the description above it appears that the natural-conventional issue of the formation of a state was also Soekarno's main concern when he put forward Pancasila. This kind of scheme and way of thinking is a philosophical exploration like that of the classical philosophers (Socrates, Aristotle, Plato, etc.). Even though he was in a very long period, Soekarno still felt the need to put forward valid and universal reasons for the establishment of the Indonesian state. The idea of the basis of the Indonesian state must at least have a validity that can be accounted for. If the explanations of the classical philosophers touch on human nature in general, Soekarno's explanation directly touches on the human nature of Indonesia which always prioritizes mutual cooperation. In response to this, it must be rolled out that in fact, Pancasila (and "gotong royong" as its feeling) is final. Indonesia's general welfare can only be realized if all citizens put forward a spirit of mutual cooperation.

Aristotle said that humans are political beings who tend within themselves to live with other people. Humans thus, according to Aristotle, cannot achieve perfection alone. He must establish unity with others. At first, this union existed between men and women, then it developed into the family, and finally the polis. The purpose of the policy is thus to pursue mutual perfection. In line with Aristotle, the state that Soekarno wanted to initiate was the highest embodiment of human life to achieve the common good. For Soekarno, this common good contained the spirit of mutual cooperation. Mutual cooperation is at the same time the foundation and the means to achieve the common good. Or in a more direct way it can be said, mutual cooperation is the peak of the bonum commune promoted by Soekarno. Fighting for unity in Indonesia's diversity is urgent today. On the one hand, the Indonesian nation is indeed very diverse, but on the other hand, the spirit of oneness (in Soekarno's language it is called "nationality" when citing Ernest Renan) must be fought for together. This can only be fought for if the spirit of mutual cooperation is put forward. Nationality is thus not just an equation of blood and place of residence. Far beyond that, nationality is a matter of how each of its citizens is bound by the same feelings and will to progress in diversity.

SBDI Final statement

Indonesia offers a huge potential due to the strategic geographic position, huge amount of human capital, climate and the varieties of natural resources.

To understand the culture, the political structure and the full potential opportunity's SBDI Center foundation created this research book as tool for investments, partnerships, Join Ventures and Startups acceleration. Only with the knowledge of, political structures, and cultural values your are able to create sustainable business based on mutual benefits, in Unity in Diversity.

We like to thank all partners and SBDI Center Foundation participants, for there knowledge and support.

SBDI Center Foundation, partners and participants, will like to thank all readers of this research report for taking the time and effort to investigate in the potential of Indonesia.

We hope that this research report, is able to give you the information you needed with you future business in Indonesia.



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