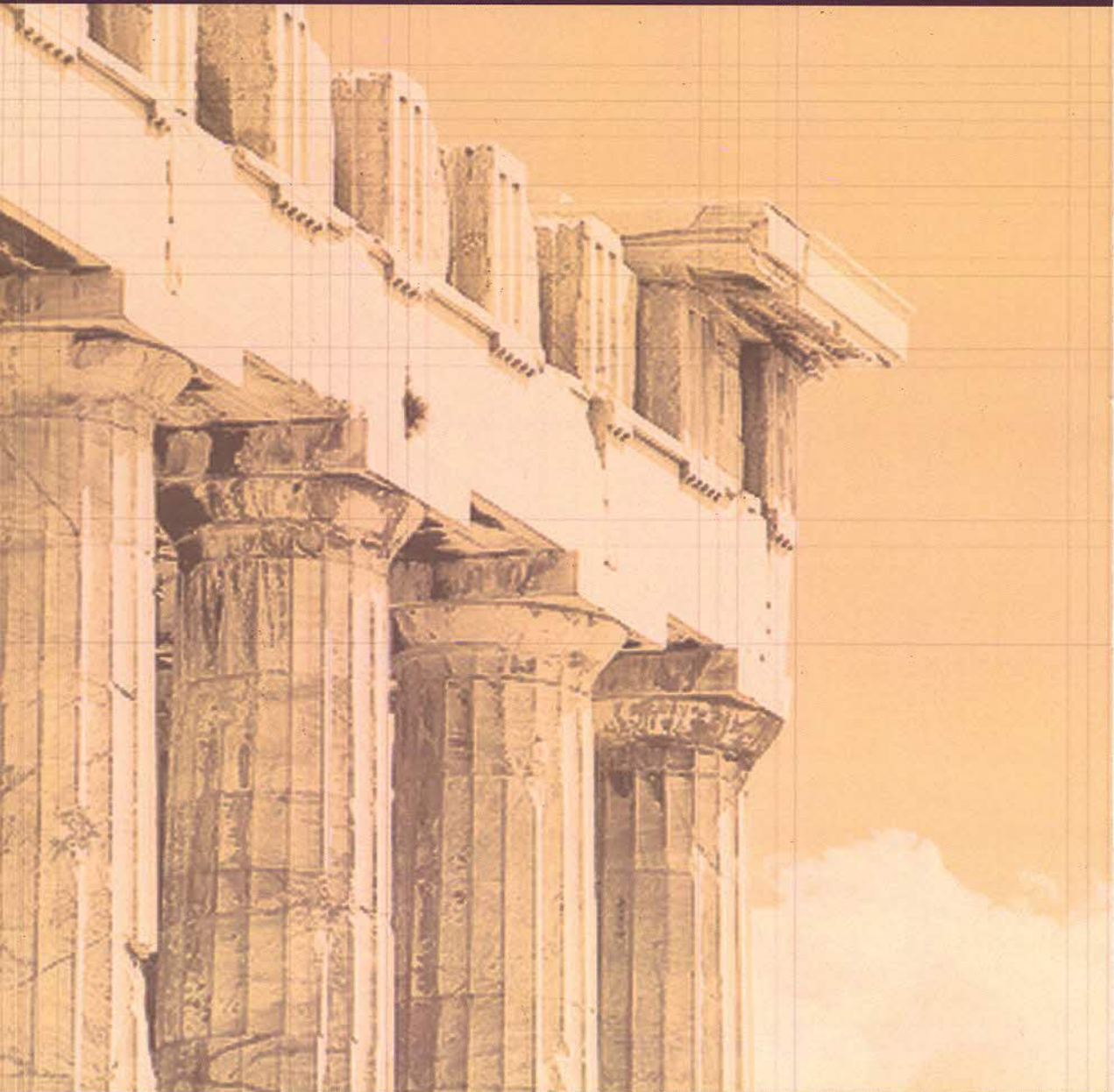


Law, Governance and World Order



SYLVIA KIERKEGAARD (ed.)

Table of Contents

Tying and Bundling: Applying EU Competition Rules for Best Practices	122
<i>Aleksander Maziarz</i>	
Court of Auditors, an Italian Perspective: Performance Auditing to improve efficiency in the Public Administration	134
<i>Alessia Vacca</i>	
Combating Corruption in Public Procurement	144
<i>Stephen de la Harpe</i>	
A Helping Hand: The Influence of the 1997 OECD Convention in the Italian fight against Corruption	156
<i>Donato Gualtieri</i>	
The Evolution of the Indonesian Ombudsman System	173
<i>Susi Dwi Harijanti</i>	
✓ Liberalisation of Foreign Investment Law in Indonesia	188
<i>Anan Chandrawulan</i>	
The Corporate Governance Perils of Zimbabwe's Indigenisation Economic Empowerment Act 17 of 2007	201
<i>Aubrey Sibanda</i>	

Criminal Law

An End to Impunity: The International Criminal Court (ICC)'s Indictment of African Dictators and Leaders	212
<i>Boitumelo Mmusinyane and Advocate Steven Serumaga-Zake</i>	
The Demise of the Procedure of Arrest Tamquam Suspectus De Fuga and Jurisdictional Arrest in South Africa : Victory for Defendants, and a Lacuna for Plaintiffs	222
<i>Omphemetse S Sibanda</i>	

Environmental Law

Problems and Challenges in the EU Sustainable Consumption and Production Action Plan	236
<i>Joanna Kielin - Maziarz</i>	

co-operative' methods adopted by the Ombudsman.⁷⁶ In this regard, the Ombudsman relies on conciliation and persuasion, which are developed through good communication, in an effort to achieve friendly solutions and settlements.⁷⁷

5. Conclusion

The enactment of Law No. 37 of 2008 concerning Ombudsman of Republic of Indonesia (Law on ORI) marks the emerging development of the Indonesian Ombudsman system. The new Law was adopted in a context of increasing public demand for better public service and political concerns in regard to existing independent state institutions.

Although the system have evolved, however, the task developing Indonesia's Ombudsman system as part of overall attempts to improve good governance and public service remains a 'work in progress'. The Ombudsman has only now been given a clear legal basis, and there is still a long way to go before it can be said to be operating effectively. Today, the most important challenge for the development of the Ombudsman system in Indonesia to ensure it delivers real benefits to the people will be the consistent and effective implementation of the increasing number of laws and regulations relevant to it, including by the institutions that support the Ombudsman system, such as the *DPR*, President and his administration.

⁷⁶ Gregory, R and Giddings, P. (2000) 'The Ombudsman Institutions: Growth and Development' in Gregory, R and Giddings, P (eds), *Righting Wrongs: The Ombudsman in Six Continents*, Amsterdam, IOS Press, 16.

⁷⁷ *Ibid.*

Liberalisation of Foreign Investment Law in Indonesia

Anan Chandrawulan

Faculty of Law, Universitas Padjadjaran
Bandung, Indonesia
ananchandrawulan@yahoo.com

Abstract. The liberalization of economy is the existing phenomenon affecting developed and developing countries. They have, to a greater extent, affected the international trade regulation and foreign investment. As a sovereign state, with its own economic system based on Article 33 of the 1945 Constitution and Pancasila, Indonesia must have to adopt itself to the era of globalization and liberalization in such a way that it may be able to partake in the global economy through the international trade and foreign investment. The research seeks to demonstrate, firstly, the globalization and liberalization of economy have increased the economic dependence through international trade and direct foreign investment. In addition, the economic liberalization embodied in the WTO has substantial impact upon the investment regulation in Indonesia. The research also demonstrated that the economic globalization and liberalization are actually against the principle of economic democracy as contained in the 1945 Constitution of the Republic of Indonesia.

1. Introduction

Capital investment is a major sector for countries in the world to drive the economy. Foreign investment can play a role in economic development, increase production, provide employment opportunities, and cultivate economic potential sources in the country. Foreign investment is also expected to play a role in improving the standard of living and economic development in general. Foreign investment is also seen as a very lucrative field for the host country (host state), because the presence of foreign investment will help to ensure and divert domestic capital available to be used for public purposes.¹

Foreign investment in developing countries is principally concerned with three main economic, political and legal. Three factors have a major influence on the inflow of foreign capital into the country. In the practice of foreign investment into a country with economic calculations alone can sometimes be easy to do, but the political and legal aspects actually plays an important role in the effective operation of foreign capital. This is because the efforts of developing countries is to attract foreign capital into the country and to make the foreign investment a part of the State's economic development plan.² Foreign investment has developed rapidly in developing States in the late 20th century than the development of international trade. The contribution of foreign direct investment to economic growth is clear because it provides countries with the necessary finance to build infrastructure and grow industries that employ workers and pay taxes. It

¹ M. Sornarajah, *The International Law on Foreign Investment*, Cambridge: Cambridge U.P. 1994 p 5.

² Sumantoro, *Bunga Rampai Permasalahan Penanaman Modal dan Pasar Modal ("Some problems in the Investment and Capital Market Problems)*, Binacipta, Bandung, 1984, p. 29.