

Dr. Charles Himawan

**THE
FOREIGN
INVESTMENT
PROCESS
IN
INDONESIA**

THE FOREIGN INVESTMENT PROCESS IN INDONESIA

THE ROLE OF LAW IN THE ECONOMIC
DEVELOPMENT OF A THIRD WORLD COUNTRY

By

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First printing 1980

Setting : Repro Jaya, Jakarta

Printed by : Toppan Printing Co. (S) Pte. Ltd.

The Foreign Investment Process in Indonesia

In memory of my father

*"I have been given authority over you
but I am not the best of you.
If I do well, help me,
and if I do ill, then put me right.*

*True criticism is considered a loyalty
and false applause is treachery."*

*Khalifah Abu Bakr**

* As quoted by Nafisa, *Law and Social Change in Muslim Countries: The Concept of Islamic Law Held by the Hanbali School and the Saudi Arabia Legal System*, (S.J.D. Thesis, Harvard Law School, unpublished, December 1975), pp. 45-46.

PREFACE

This book has developed out of a doctoral thesis prepared for the Harvard Law School. It is a first attempt to bring out in the forefront the role of law in the economic development of Indonesia. As a first attempt, the work is certainly not without oversights and deficiencies. There are in fact many people who have been directly or indirectly involved in the preparation of this book, but the oversights and deficiencies are solely my responsibility. It would indeed be impossible to acknowledge individually all those people involved. However, without the encouragement and guidance of three Harvard Law School faculty members, Prof. Jerome A. Cohen, Prof. Henry H. Steiner, and Asst. Dean David N. Smith, this book would never have come into existence.

The excellent assistance rendered by the staff of Harvard University Library was, without a doubt, crucial in the completion of this book. To all these people, I will always remain grateful. But my deepest gratitude goes to my wife, Ing, who tirelessly typed and retyped my manuscripts and read and reread the printer's galleys. I would also like to thank my son, Jeff, and my daughter, Joice, for their understanding in spending many nights and weekends without their father at their side. Lastly, I wish to express my appreciation to the publisher, Gunung Agung(S) Pte. Ltd., Singapore, which "ignores" commercial principles in publishing this book.

Ch. H.

Jakarta, July 1980.

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Part I

THE BASE

