



Policies for Building the Investment Climate in Increasing Investment in Indonesia

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ABSTRACT

Investment has an important role, considering that a country needs investment, especially for developing countries. One of the investment problems in Indonesia is the issue of legal certainty. This problem arose both because of the disharmony of related legislation and the issue of synchronization. Even though the issue of legal certainty is something that is expected by every investor, this is because investment is related to the expected profit in the future. Therefore, it is necessary to have arrangements in terms of legislation, as well as services. The arrangement of services also needs to be accompanied by the arrangement of the legal system. Therefore the concept of an investment legal system must include the arrangement of investment law and related laws, such as labor law issues, licensing laws that encourage certainty and protection for the continuity of investment.

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KEYWORDS:

Investment Law Development, Increasing Investment, Legal Certainty

I. INTRODUCTION

The term investment comes from the Latin, namely *investire* (to wear) while in English it is referred to as investment. The term investment law comes from the English translation, namely investment law. In the statutory regulations, there is no legal definition of investment. To find out the meaning of this investment law, one must seek the views of experts and legal dictionaries (Abdul Manan, 2014).

What is meant by investment is placing money or funds with the hope of obtaining additional or certain benefits for the money or funds. In this definition, investment is focused on placing money or funds with the aim of obtaining the expected profit (Jonker Sihombing, 2009). In Law Number 25 of 2007 concerning Investment (UUPM) it is stated that investment is all forms of investment activities, both domestic investment and foreign investment, to do business in the territory of the Republic of Indonesia. From this understanding it can be seen that investment and investment are activities carried out by a person or legal agent, setting aside part of his income so that it can be used to carry out a business with the hope that at a certain time it will get results (Salim HS., 2017).

In order to fully understand Investment in Indonesia, first of all it is necessary to know the nature of national economic development from a legal point of view, although legal experts provide different descriptions regarding this matter, the opinion that develops basically gives the meaning of national development which means more or less same. The opinion of Darji Darmodiharjo and Shidarta who gave the notion of national development was as follows: "National development itself is essentially the development of Indonesian people as a whole and the development of Indonesian society as a whole, with Pancasila as the basis, goals and guidelines" (Johnny Ibrahim, 2006)

The conflicting philosophical and ideological views between the idealists– utopians–socialism versus the pragmatists–liberalism–capitalism in the field of economics, has become a topic of academic discussion and economic policy in various parts of the world. However, it becomes a fact that because the economic system is carried out as a result of the intended philosophical and ideological views, each sees the advantages and disadvantages in its implementation. The current Indonesian economic system, which must also start from idealism, but not ignore the reality on the ground, is a wise attitude in seeing the existing dichotomy. So that this point of view is something that combines the two existing views, but remains at the highest agreement as set forth in the 1945 Constitution of the Republic of Indonesia.

Arrangements in the provisions of Articles 33 and 34 of the 1945 Constitution, it appears that both views are

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meant to be accommodated, because they still prioritize aspects of welfare and democracy - the economy without having to encourage the growth of the market economy and individual ownership of property rights. This reality and constitutional view that streamlines the constitutionalization of state policies, controlled market economic policies and social policies needs to be synergized, in the context of mutual agreement in accordance with the constitution, to realize market economy arrangements.

Efforts to improve legal development in the investment sector are a national legal program, bearing in mind that law in the investment sector is not only the work of the government but all governments, both central and regional, have the responsibility to jointly create a good legal culture and economic culture. The investment climate not only guarantees profits for entrepreneurs and the sustainability of the country's development but more than that investment must have an impact on society both economically, socially and culturally (Suradiyanto et al, 2015).

Every economic activity needs legal support, because without adequate legal support it can create a lack of legal certainty, of course it will have an impact on the economic activity itself (Jaja Ahmad Jayus, 2015). Legal certainty can provide a sense of trust for every economic actor, because economic actors can predict the expected profit. If profits can be predicted with guaranteed legal certainty, it will be easy for business people to make investment decisions. Legal support for economic activities can be realized from the production process to the distribution process, even to providing protection for consumers.

Economic activities are carried out by economic actors, both people and companies, continuously, openly, in order to gain profit. The concept of Indonesian law in economic activity is in the context of achieving a just and prosperous society based on Pancasila, the Pancasila family economic concept, and the concept of populist economy to defend the interests of the people. So that legal arrangements in the economic field must continue to be renewed in accordance with the development of society.

Relating to the renewal of the legal system is defined as composing a law to adapt to changes in society. And this legal renewal is carried out through legal development, which includes the substance, structure, and legal culture. Legal development is placed on the basis of legal politics with clear goals and objectives.

Discussing the above, it can be drawn a common thread that legal development in the field of investment is a very complicated and complex matter, the vision of being a big nation in terms of the utilization of natural resources and human resources that is more humane and just requires absolute reconstructed law with the ideal and institutions so that it becomes a good and competitive legal system. Against the backdrop of the above, the Development of Investment

Law in Increasing Investment in Indonesia is appointed as the title of this research.

Based on the description on the background of the problems mentioned above, the legal issues raised are as follows:

1. How is the form of improvement in the development of investment law in Indonesia in accordance with the global order?
2. What are the obstacles to perfecting the development of investment law in efforts to implement a strategy to increase investment in Indonesia?

II. METHODOLOGY

This research is normative legal research, which is conducted to identify the concepts and legal principles used to regulate the economy, which are focused on becoming the basic framework in investment regulations. Apart from that, it is also used to build a legal construction as a refinement of the development of investment law in order to increase investment in Indonesia.

Analyzing a legal system is not easy, the use of legal logic in a study is something that must be done, namely directing the research focus to develop a description, criteria regarding evaluating a valid argument about the law, namely laws and regulations for the implementation of the investment system. Then deductive logic is used, this is done to draw conclusions from general things to individual cases.

III. LITERATURE REVIEW

3.1. Policy Term

The term policy is a translation of the English word "policy" which is distinguished from the words wisdom and virtue. Wisdom comes from the word "Wisdom" is an action that requires further and deeper considerations (Irfan Islamy, 1999). While policy is an action that includes the rules contained in a policy.

The phrase wisdom in the sense of wisdom or wisdom is a deep thought/consideration to become the basis (foundation) for policy formulation (M.Solly Lubis, 2007). Policy is a set of decisions taken by political actors in order to choose goals and ways to achieve goals. wisdom as a decision to allow something that is actually prohibited or vice versa, based on certain reasons, such as humanitarian considerations, emergency situations. While the policy shows the existence of a series of alternatives that are selected based on certain principles.

Conducive government policies will have a positive impact on the investment climate. Loose monetary policy which is a policy from the government will be characterized by low interest rates and high credit distribution, and conducive fiscal policies such as tax holidays. Low tax rates (business profits, import duties, value added), low energy costs (electricity and fuel), ease of licensing and bureaucracy tend to have a positive impact on investment activities.

Conversely, what happens to investment is negative if government policies are strict in both the monetary, fiscal and other sectors.

3.2. Investment Climate

The business climate is inseparable from government policies, the political situation and several other things directly or indirectly. Many experts say that improving the business climate encourages economic growth and reduces poverty. However, not all of these things are carried out properly by the parties involved. A conducive business climate is a business climate that encourages someone to invest with the lowest possible costs and risks, and generate high long-term profits. An ideal business climate condition will provide opportunities for companies from micro to multinational enterprises or private companies to develop and invest productively, create jobs and develop (Tambunan 2006).

The business climate is a set of location-specific factors that shape the opportunities and incentives for companies to invest productively, create jobs, and develop themselves. Government policies and behavior have a great influence through their impact on costs, risks and restrictions on competition (World Bank, 2005). A conducive business climate will encourage higher productivity by providing opportunities and incentives for business entities to develop, adapt and adopt better ways of carrying out investments.

3.3. Capital investment

Investment is a term that is known in daily business activities as well as in statutory language, investment can be interpreted as an activity carried out both by individuals and legal entities in an effort to increase and/or maintain the value of their capital, both in the form of money cash, equipment, immovable assets, intellectual property rights, and expertise (Ana Rokhmattusa'dyah and Suratman, 2010). The most important elements of the above understanding in investment can be concluded, namely:

- a. There is a motive to increase or at least maintain the value of its capital.
- b. That said capital does not only include things that are visible and can be touched, but also includes things that are invisible and cannot be touched. Intangibles include expertise, network knowledge, and so on which in various cooperation contracts are usually called valueable services.

Types and forms of investment can be in the form of: a. Direct investment or also known as long-term investment. b. Indirect investment (which is better known as portfolio investment which is generally a short-term investment. c. Domestic investment (PMDN). d. Foreign investment (PMA).

Direct Investment or also known as long-term investment in the context of statutory provisions in the field of investment in Indonesia, namely Law Number 25 of 2007 concerning Investment. Investment activities are always

related to the possibility of occurrence of risks that can result in a reduction or even loss of capital value, therefore investment activities need to consider certain factors.

IV. DISCUSSION

4.1 Forms of Completion of Development of Investment Law in Indonesia in Accordance with the Global Order

A more realistic point of view related to the current Indonesian economic system, which must also start from idealism, but not ignore the reality on the ground, is a wise attitude in seeing the existing dichotomy (Jimly Asshiddiqie, 2010). So that this point of view is something that combines the two existing views, but remains at the highest agreement as set forth in the Constitution.

Based on the provisions in Articles 33 and 34 of the 1945 Constitution (after amendment), it is clear that the two views are meant to be accommodated, because they still prioritize aspects of economic welfare and democracy without having to encourage the growth of the market economy and individual ownership of property rights. This reality and constitutional view which streamlines the constitutionalization of state policies, controlled market economic policies and social policies needs to be synergized, in the context of a collective agreement in accordance with the constitution, to create a constitutional market economy.

Supposedly all policies and arrangements in the economic field must be inseparable from efforts to realize social welfare in accordance with the mandate of the constitution / economic realism and constitutionalism). As is known, in the way of thinking of a liberal-capitalist economic system, the role of the government must be minimalist, and the role of the market economy becomes quite reliable, especially in order to encourage the rotation of the economic wheel, through investment (both domestic and foreign). In order to provide convenience to this market economy, the Government provides various convenience facilities to investors, through the new Investment Law.

However, this must also maintain the harmonization of the interests of the state, private sector and society through the constitution. The constitution is the basic law that covers all the systems and norms of the three domains (state, private and community). Therefore, the economic constitution is a necessity for developing policies and regulations in the field of investment law. Both people and companies, continuously, openly, in order to gain profit.

An economic constitution is a constitution that regulates economic policy choices and adheres to certain principles in the field of economic rights. Looking at the formulation of Articles 33 and Article 34 of the 1945 Constitution, coupled with decisions regarding state finances, decent work and livelihood for humanity, and human rights, the 1945 Constitution (post-amendment) is referred to as the Economic Constitution. The concept of Indonesian law in economic activity is in order to achieve a just and prosperous

society based on Pancasila, the Pancasila family economic concept, and the concept of populist economics to defend the interests of the people (Sri Rejeki Hartono, 2007). Therefore, legal arrangements in the economic field must continue to be updated in accordance with developments in society. respect human rights. These global changes, theoretically, will also lead to the birth of transaction theory (Adi Sulisty, 2008).

The direction of political transactions has been towards democracy and respect, promotion and protection of human rights. In the economic context, various theories of economic transition have also developed which can foster two contents, as follows: First, a neo-liberal view of transition as:

“a relatively unproblematic implementation of a set of policies involving economic liberalization and marketisation alongside democratization, enabling the creation of a market economy and liberal policy, relies on an under-theorised understanding of change in post-communism” (John Pickles and Adrian Smith, 1997).

Second, the various causes of the crisis, as identified by the business press in the West, point directly to the central role of the legacy of the existing institutional framework and social relations derived from State socialism towards an understanding of the various ways in which the transition played itself out. In this second context, Pickles and Smith are of the view that:

“transition is not a one-way process of change from one hegemonic system to another. Rather, a transition constitutes a complex reworking of old social relations in the light of processes distinct to one of the boldest projects in contemporary history – the attempt to construct a form of capitalism on and with the ruins of the communist system”.

In the legal context, this transitional issue, among other things, raises the terminology of transitional justice, a justice that occurs during a period of political transition, which is contextual, partial, and associated with the future (Satya Arinanto, 2006). In the Indonesian context, in terms of post-reform, demands for the fulfillment of society's sense of justice are constantly echoed. However, in reality, the measure of society's sense of justice is not clear. Therefore, the issue of legal development becomes very important in this era.

In Indonesia the concept of welfare, but in several countries, the concept of welfare state includes all processes and activities for the welfare of citizens and explains social service systems and social protection schemes for disadvantaged groups, referring to the concept of social welfare development, namely a series of planned and institutionalized activities. aimed at improving the standard and quality of human life. The concept of welfare in the context of national development can be defined as all policies

and programs carried out by the government, business world and civil society to address social problems and meet human needs by increasing the economy.

Based on the concept of a Welfare State through economic development, in order to realize and improve welfare, acceleration, improvement, and economic development must be carried out through national economic development which is in line with the State constitution which has mandated that national economic development must be based on democratic principles that are able to create the realization of Indonesia .

Economic development based on democratic principles is a manifestation of the populist economy as stipulated in Article 33 of the 1945 Constitution which is the philosophical normative foundation of the populist economic system (Dhaniswara K. Haryono, 2007). People's economy is an economic system based on people's economic power, where the people's economy itself is an economic activity or business carried out by the common people (popular) who independently manage any economic resources that can be cultivated and controlled by SMEs that intended to meet their basic needs and those of their families without sacrificing the rest of society.

Economic development is very important for increasing the level of social welfare. Therefore, in order to improve welfare, Indonesia needs sustainable income growth which basically comes from increased labor input, capital input, and increased productivity in the economy. The increasing share and expansion of the use of factors and productivity improvements occur within the company as an engine of capital accumulation. The addition of capital stock, which is none other than investment, is a very important source of income growth.

For this reason, investment must become part of the implementation of the national economy and be placed as an effort to increase national economic growth, create jobs and promote sustainable economic development, increase the capacity and capability of national technology, encourage people's economic development, and realize people's welfare in an economy. competitive.

Investment or investment is an important pillar in the economic growth of a country that wants to grow sustainably requires continuous capital. Capital is the entire supply of productive capacity that can be utilized by a country or the households within it. It can also be seen as the present value of the future income stream that will be enjoyed by the country or the households within it. The investment or investment objectives can only be achieved if the supporting factors hinder the investment climate, including through (Dhaniswara K. Haryono, 2008):

1. Improving coordination between central and regional government agencies;
2. Creation of an efficient bureaucracy with legal certainty in the investment sector;

3. Highly competitive economic costs, as well
4. A conducive business climate in the field of employment and business security.

With improvements in these various factors, it is expected that investment realization will improve significantly. Investment has an important role in boosting the economy and employment growth. Governments around the world are currently actively competing to create a better business climate to support investment activities. Whether we realize it or not, foreign and domestic investment is beneficial for economic growth. In fact, many countries have realized that there are not many benefits to be gained from differentiating foreign investment from domestic investment.

This is because both investment activities carried out by foreign parties and by domestic parties both create jobs and pay taxes. Both directly and indirectly greatly affect economic growth. On this basis, the mystical atmosphere in the formation of the Investment Law is based as far as possible on the spirit of creating a conducive investment climate, so that the Investment Law can increase its attractiveness so that Indonesia becomes an investment destination country.

Furthermore, investment facilities are provided taking into account the level of economic competitiveness and the state's financial condition and must be promotive compared to facilities provided by other countries. The importance of certainty in investment facilities requires more detailed arrangements on the form of fiscal facilities, land rights facilities, immigration and import licensing facilities. The provision of these facilities is at least an effort to encourage employment.

Thus, the Investment Law must be able to accommodate competition. There are at least three qualities that need to be created by the new legal product of the Investment Law, so that it can encourage foreign investment, namely: 1) stability; 2) predictability; 3) fairness. The objective of organizing investment can be achieved if the factors hindering the investment climate can be overcome, among others, through improving coordination between central and regional government agencies, creating an efficient bureaucracy, legal certainty in the investment sector, highly competitive economic costs and a conducive business climate in the field of employment and business security. By improving these various supporting factors, it is expected that investment realization will improve significantly (Hendrik Budi Untung, 2013).

The government's efforts to provide protection include legal certainty and infrastructure improvements as well as ease of licensing procedures, etc. Legal certainty regarding investment is regulated in Law Number 25 of 2007 concerning Investment which seeks to accommodate the times, where the previous regulation, namely Law Number 1 of 1967 jo. Law Number 11 of 1970 concerning Foreign Investment and Law Number 6 of 1968 jo. Law Number 12

of 1970 concerning Domestic Investment, it is felt that it is no longer in accordance with the times.

The issuance of Law Number 25 of 2007 concerning Investment gave birth to hope in the investment climate in Indonesia. It is called that because so far the existing investment law is considered to be no longer sufficient as a legal basis to attract investors. It is no exaggeration if various parties call the investment law quite competitive. In other words, various facilities provided to investors in order to make investments are quite attractive. This means that the Investment Law can be compared (comparable) with the investment provisions of other countries (Sentosa Sembiring, 2010).

The background to providing facilities or ease of doing business by re-effectiveness of PTSP is among others: Nawa Cita who want to make Indonesia a leading country in terms of ease of doing business; results of a survey on ease of doing business/EODB conducted by the World Bank on 189 countries on 10 indicators of ease of doing business for Small and Medium Enterprises (SMEs) in conducting business activities. Another background that makes Indonesia take the path of making it easier for investors to invest is the existence of a target as described in the Investment Policy In the 2015-2019 RPJMN, the National Investment Policy Direction is Strengthening Investment through two policy pillars, namely first is Improving the Investment Climate and Business Climate to improve business licensing process efficiency; and second is Investment Increase which is inclusive especially from domestic investors. The two pillars of this policy will be carried out in an integrated manner both at the central and regional levels.

Improving the Investment Climate and Business Climate (Policy Direction Pillar 1) : creating a more competitive business climate, both at the central and regional levels by increasing the efficiency of the licensing process, increasing the certainty of investing and doing business in Indonesia, and encouraging fairer and fairer business competition.

4.2. Obstacles to Improving the Development of Investment Law in the Efforts to Implement the Strategy to Increase Investment in Indonesia

Investment is one of the means to carry out national development in a country. In order to carry out national development in the field of economy, countries which are carrying out development usually face several problems, including a lack of capital, capabilities in terms of technology, knowledge, experience, and skills. In order to overcome economic problems in terms of capital requirements, one of the sources of financing and resources that can be utilized for national development is investment which is carried out through various forms of investment, both domestic and foreign.

Investment is an important element in economic growth. Many countries then provide ease of investment to support development. Various kinds of incentives were

offered. However, one of the main things that most attracts investment is the ease of doing business and the licensing sector which is not complicated. In Indonesia, permits are the main obstacle to investment entry. The bureaucracy that is too long, the amount of time, the costs and the many unofficial fees are added, make investors think about investing in Indonesia.

These problems create an unhealthy investment climate and continue to recur from year to year. The government is aware of this. Moreover, the government under President Joko Widodo, which focused on infrastructure, clearly needed a lot of investment into the country. repairs for the sake of improving permits were also carried out. For example, the three-hour licensing service that was carried out by the Investment Coordinating Board (BKPM) several years ago.

Another effort made by the government is to issue a series of economic policy packages aimed at attracting investment and facilitating licensing in Indonesia. Until 2018, the government has issued 16 policy packages. Accompanied by the deregulation of regulations that are considered to be the "source of the problem" the complexity of obtaining permits.

At the beginning of 2018, BKPM noted that there were five investor complaints about investment barriers. Husen Maulana, Director of Regional Promotion Facilities at the Investment Coordinating Board (BKPM), once said that the first two issues investors complained about were inconsistencies in regulations and taxes. Meanwhile, the other three issues are the quality of the workforce, the availability of land and barriers to construction permits, as well as the quality of infrastructure. The high corporate income tax is an obstacle to Indonesia's day power. He asked the government to reduce income tax, the tax rate imposed on companies is 25 percent.

Apart from these problems, the government actually issued a regulation to facilitate investment into Indonesia, namely Presidential Regulation Number 91 of 2017 concerning the Acceleration of Doing Business. The rules of the game in this Perpres are aimed at facilitating licensing for entrepreneurs, including for Micro, Small and Medium Enterprises (MSMEs) after obtaining investment approval, as well as accelerating the processing of permits in the regions. For example, for new business registration, the registration process in Jakarta now only takes 22 days compared to 181 days in 2004.

This Presidential Decree was issued in order to improve the Ease of Doing Business (EoDB) ranking in Indonesia. The target is for Indonesia to enter the top 40 ranking. Especially in 2018, Indonesia's EoDB ranking is at 72nd, up 19 points from EoDB's ranking in 2017 which was at position 91. Unfortunately, Indonesia's EoDB ranking dropped one rank in 2019 to become 73rd.

But these regulations are not in such a way as to improve the investment climate in Indonesia. Even though

this has been socialized to the regions in the hope of facilitating licensing, in reality these regulations are not enough to attract incoming investment. Until finally the government issued several related regulations to make the licensing process easier.

At least, there are three recent policies that have been and will be issued by the government and will be in the spotlight in 2018 regarding investment, namely:

1. Government Regulation No. 24 of 2018 concerning Electronically Integrated Business Licensing Services. PP No 24/2018 regulates Online Single Submission (OSS).
2. Regulation of the Head of BKPM No 6 of 2018 concerning Guidelines and Procedures for Licensing and Investment Facilities. And third is the revision of the Negative Investment List.

OSS can be called a platform for managing licensing in Indonesia. On one platform, entrepreneurs can process various permits (according to PP 24/2018) without having to go to government offices. The purpose of the birth of OSS is to integrate permits in the regions and at the center to be simpler and faster. As stated by the Executive Director of the Monitoring Committee for the Implementation of Regional Autonomy (KPPOD), who said that basically the spirit of the birth of OSS was to facilitate permits in Indonesia, although on the one hand he admitted that he objected to the withdrawal of regional authority to issue permits regulated in the Autonomy Law. Area. However, the note is the implementation of OSS in the regions.

Basically, OSS has good intentions, even though there are objections to the withdrawal of regional authority by the center, but that's okay. Now, how is it implemented in the regions, this should be a concern. Because many local governments do not understand. The local government's understanding of the implementation of OSS is considered to be an important point. If this is ignored, then he will be penalized if the OSS implementation will run smoothly. In this case, he continued, the government's role in terms of socialization must continue to be activated. However, KPPOD's most important records regarding investment and licensing are regulatory inconsistencies and extortion. These two things are the homework for the government to complete in 2019.

Regulatory inconsistencies regarding the obligation to make a Certificate of Business Domicile (SKDU) in the licensing process. It may seem trivial, but SKDU is the basic document in obtaining permits. Robert questioned the legal basis for the obligation to administer SKDUs, and believed that SKDUs should be abolished because they risk causing illegal levies at the kelurahan level. "The management of SKDU is mandatory, sometimes this matter must be considered even though it seems trivial. However, the obligation to manage this SKDU has no legal basis. It should just be abolished because it has the potential to be extorted.

The Ombudsman of the Republic of Indonesia has suggested that the government remove the business domicile certificate as a prerequisite for obtaining permits, that his party has completed a study on the business domicile certificate after receiving many reports from the public regarding the costs of making SKDUs that are not uniform and have no clear designation. So far, according to him, the management of business domicile certificates (SKDU) does not have a legal basis, either in the form of mayor or regent regulations. This is because the charge for processing this letter is not included in the tariffs for retribution or state revenue recognized by the Ministry of Finance, so that local governments are reluctant to draw up a legal umbrella.

Because they do not have a legal basis, the fees for obtaining an SKDU vary from one region to another, ranging from IDR 500,000 to IDR 1 million. According to him, this is what opens up opportunities for the practice of extortion. Extortion is a "plague" of all problems in Indonesia, including investment and licensing. Unfortunately, of the many regulations related to investment and ease of licensing issued by the government, there is no regulation that can guarantee that the licensing process is free from extortion. If this is not resolved, ease of investment and licensing will not go well.

The One Stop Integrated Service (PTSP) is then regulated in Presidential Regulation No. 27 of 2009 concerning One Stop Services in the Field of Investment. 6 PTSP National Policy gives authority to the Central Government to coordinate investment policies between government agencies, between agencies. Actually the laws and regulations issued by the Government recently are to give enthusiasm or encouragement to investors to invest their capital. However, can the existing laws and regulations, which are numerous in number, encourage investment or actually hinder investment? Government intervention in investment is the existence of licensing instruments, almost all sectoral ministries have the authority to issue permits, both technical and business permits.

V. CONCLUSION

1. There should be consistency regarding the concept of investment in Law no. 25 of 2007 concerning Investment. investment activities in this Law apply to investment in all sectors within the territory of the Republic of Indonesia, while in the elucidation of Article 2 it states that what is meant by investment in all sectors within the territory of the Republic of Indonesia is direct investment and does not include indirect investment or portfolio.
2. The government should need to adjust (harmonize and synchronize) laws and regulations related to licensing in certain sectors, including the forestry sector, the land sector, the agricultural sector, the maritime sector with Law no. 23 of 2014 concerning Regional Government. With regard to provisions in laws and

regulations related to licensing mechanisms in encouraging ease of investment in Indonesia.

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