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Internal Legal Protection Provided for Investors Participating in Capital Investment from Political Risks

Fitria Dewi Navisa[1] Suhariningsih[2] Bambang Winarno[3] Siti Hamidah[3]
1.Doctoral Student at Faculty of Law Universitas Brawijaya
2.Professor at Faculty of Law Universitas Brawijaya
3.Associate Professor at Faculty of Law Universitas Brawijaya

Abstract
Capital investment is defined as direct investment not portfolio investment, where in the latter the capital investor only owns some stock invested in a company but is not directly involved or has no direct authorities in the management of the company. Capital investment is aimed to build the economy in Indonesia as intended in the 1945 Constitution of the Republic of Indonesia. It is obvious that investment is inextricable from risk, in which higher risk means higher potential profit. This law applies in developing economic markets including those in Indonesia. Any risk transfer taking place involves obligations given to the party that performs the transfer under a particular agreement. The agreement under which transferring or sharing risk is performed is commonly known as insurance agreement. It is, then, essential that internal protection be provided for capital investors. Some theories aimed to help find the solutions to the research problems involve particular legal theories on which the analysis of this research was based: theories of legal protection, legal certainty, investment, and insurance. The methods used in the research were categorised as normative juridical, supported by statute, conceptual, case, and comparative approaches. The analysis of this research is descriptive-based, in which observed phenomena are presented in relation to the aspects observed to profoundly discover the existing conditions. All investors always expect to live a more prosperous life in the future from what they have invested. When the money invested is not circulated without any further financial management, expenses made will just burn the money without a trace along with its value. People seek way to make the money to remain valuable by investing it. From investment, they expect for incremental figures to their invested money. Internal legal protection is provided for the agreement made by investors.
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1. Introduction

Investment plays an essential role in establishing economic growth of a state. In terms of income earned by society, investment is expected to increase production. Principally, there are two ways for people to invest their money:

1) Direct Investment allows people to invest money by setting up a business. This type of investment is regulated in Act Number 25 of 2007 concerning Capital Investment;
2) Portfolio Investment allows people to invest money by buying securities. Sporadic management of portfolio investment depends on the type of the investment (it is regulated in Act Number 8 of 1995 concerning Capital Market).[1]

Capital investment can be performed by investing money either by local investors or foreigners, allowing them to set a business within Indonesia.[2] Investing money can be performed by means of direct investment, not portfolio investment where capital owner only owns some stock in a company but has no full control of authorities to manage the company.[3] Another definition of capital investment is given by *Organization European Economic Co-operation (OEEC), where direct investment is defined as acquisition of sufficient interest in an undertaking to insure its control by investors*. In other words, capital investors have their freedom to set their business or found a company in which capital is invested, or capital investment gives the capital owner to control over the capital invested. This definition seems to focus only on the control by the company without considering any potential of capital investment in the form of portfolio investment.[4]

Capital investment is aimed to develop the economy of Indonesia as intended in the 1945 Constitution of the Republic of Indonesia. The Constitution is not restricted to its function as political document, but it serves as economic-related document which at lest could influence the dynamic of the economy of a state.[5] Therefore, modern constitution can be viewed as political, social, or economic constitution.

[1] Rahmi Jened, 2016, Teori dan Kebijakan Hukum Investasi Langsung (*Direct Investment*), Jakarta: Prenadamedia Group, p 29.
[2] See Article 1 of Presidential Decree No. 44 of 2016 concerning Closed and Open Business Fields with Requirement in Capital Investment.
[3] Aminuddin Ilmar, 2004, Hukum Penanaman Modal Di Indonesia, Kencana Prenada Media Group, p 43.
[4] *Ibid*., p. 44
[5] Jimly Asshiddiqie, 2010, Konstitusi Ekonomi, Jakarta: Kompas, p. 213.

The constitution suggests that economic development in Indonesia can be performed by involving people participation,[1] as stated in Article 33 Paragraph (4) of the 1945 Constitution of the Republic of Indonesia after amendment: "The organisation of the national economy shall be conducted on the basis of economic democracy upholding the principles of togetherness, efficiency with justice, continuity, environmental perspective, self-sufficiency, and keeping a balance in the progress and unity of the national economy." Furthermore, Act Number 25 of 2004 concerning Planning System of National Development clearly states that national development is performed by all components in Indonesia for the sake of the objective of the state. The meaning and principles of togetherness stated in Article 33 Paragraph (4) of the Constitution has to be viewed from a wider scope. It is important that society be aware that the government has limited fund and restriction to carry out economic development since the development can be very complex. This implies that the people participation in the development is necessary. The principle of togetherness as intended in Article 33 Paragraph (4) of the Constitution is aimed to emphasise that the responsibility to get involved in the national development is to be shared between the government and its people.

Investment always bring along the risk. It is commonly acceptable that the higher the risk is, the higher the potential profit will be. This law is widely accepted in developing economic markets including those in Indonesia. Investing in Indonesia can be highly profitable and at the same time it can also be too risky compared to investing in more developed countries since Indonesia has its own dynamic and particular nature that can jeopardise the investment and its climate. There should be at least three vital elements in reciprocal process that takes place, where political factors affect economic outcomes:[2]

a. Political system shapes economic system since International economic structure and system (in a wider definition) are determined by how international political system works and its structure.
b. Political perspectives often shape economic policy because economic policy is generally dictated by political interests.
c. International economic relation can also be seen as political relation since international economic interaction works the way international politic relation does. It is the process where state actors (not the state) are involved in dispute settlement or fail to settle the dispute and build association or fail to achieve common objectives.

Investment is inseparable from profits. To observe whether something can be seen as good investment depends on how much profit is gained from the investment. The higher the profit is obtained from investment and the short the time is needed for the investment, the more attractive the potential of investment is to investors. However, when investors are not only aware of the profit given by the investment but also the protection, the insurance supporting the investment is open to the investors to choose from. Investment usually embarks from a close analysis, where one assures the investment could guarantee the security in terms of investment values and potential profit. Investment is related to the future when it is linked to investment return. Future brings uncertainty along with it the risk at all levels[3] although it can also be simply said that future also brings hope for the better, and the latter is inviting to prospective investors.

The risk based on the object imposed can be put in three categories:[4] personal risk, property risk, and liability risk. Personal risk is related to death or incapability of an individual. Principally, death is certain but when it comes is not known. To what extent physical condition of a person still allows one to work is also hard to predict, including accident, illness or ageing that could slow down an individual's productivity, all of which are considered as personal risk. In short, personal risk has something to do with mental and physical health of an individual. Property risk can take place when all of a sudden an accident occurs without any chance given to an individual to be prepared for this. Sometimes fire accident, for example, could cause financial loss to the victim. In this case, property is directly affected. On the other hand, indirect influence on the property is when, for example, somebody has to face profit loss. All loss of property that can take its toll without warning is categorised into property risk. This type of risk can possibly affect the third party. For example, when a bank fail to return the money deposited by and to its client on the due date, the bank is then responsible for the loss of its client. Another example is that when an accident is caused by a careless car driver, which causes harm to another party, the driver is then responsible for the accident and compensation should be given.

However, in reality such types of risk mentioned can be avoided through the following:[5] avoidance, prevention, transfer, and assumption or retention. To minimise the risk, risk transfer is sometimes executed. Transferring risk means encouraging others to willingly accept any possible risk happening. The party given the risk can receive it only partially or fully. When the risk is only partially transferred, it is then categorised into

[1] Jonker Sihombing, 2010, Peran Dan Aspek Hukum Dalam Pembangunan Ekonomi, Bandung: PT Alumni, p. 74-75.
[2] Ikbar, Yanuar, 2007, Ekonomi Politik Internasional 2, Implementasi Konsep dan Teori, Bandung: Refika Aditama, p. 10.
[3] J. A Sereh dan Gunarto, 1987, Pasar Modal Indonesia-Pengalaman dan Tantangan, Jakarta: Lembaga Penerbit Fakultas Ekonomi Universitas Indonesia, p. 56.
[4] *Ibid*, p. 10.
[5] *Ibid*, p. 2.

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shared risk, while the risk is fully transferred, it is defined as risk transfer.

Risk transfer requires liabilities on the side of those who receive the transferred risk under an insurance agreement. Therefore, it is essential that internal protection be provided for capital investors.

2. Theories

A theory involves the relationship of two or more facts or arranging facts in particular way.[1] Theories play an important role in science since it is utilised as a tool to understand and solve problems that are carefully discussed. Theories act as a set of concepts, framework, and proposition with their systematic perspectives regarding phenomena where the correlation of variables is elaborated to explain and predict the phenomena.[2]

Particular legal theories are employed to analyse the problems, including: the theories of legal protection, legal certainty, investment, and insurance.

3. Methodology

Normative juridical method was employed in this research, in which the normative legal research involved literature, primary, and secondary data.

With the normative method, the author sought deep into legal inventory, legal principles, in *concreto* legal history, and statute approach, especially the provision of laws and regulations concerning direct investment. Normative-juridical approach studies, examines, and implements legal principles and general principles of law in capital investment.

This research employed four following approaches: statute, conceptual, case, and comparative.

Normative based research normally does not require data to settle issues and explain what is needed for research sources. The research sources were obtained from both primary and secondary materials.

Legal materials used to support the content of this research were obtained from literature and document review, where the materials needed were collected by (1) exploring norms that regulate insurance, and (2) closely analysing the issue to solve the research problems.

Descriptive technique in this research was performed by fully presenting phenomena of the aspect studied to discover clearer conditions. The analysis involved was aimed to settle the problems by closely examining the similarity and difference of the phenomena found, calculating dimension of the phenomena, setting standard, and studying the correlation among the phenomena and so forth.

4. Research Results And Discussion

All investors surely expect for a better welfare in the future. When money is not well managed and not circulated, the values will drop and even the money will physically spent completely. When this is the case, investment is the solution to such a problem, where it is mostly aimed to help manage the money to gain more profit from the invested money. In relation, internal protection is aimed to provide legal protection for the agreement set among investors.

Investment help investors earn their profit in the future, while the future itself sometimes bring uncertainty that is commonly linked to investment risk.[3] Vast globalisation and economic growth worldwide trigger more investors to not only invest their money locally, but they have extended to foreign investment with the hope that there will be far higher profit gained from foreign markets than from domestic ones.[4] Higher profits gained from the foreign markets are triggered by different types of investment instrument, bringing more profits to the investors. Moreover, the cost spent for investment in domestic markets tend to be smaller than that spent for foreign markets, which is also affected by different exchange rate.

Investment posted in foreign markets can be performed by directly developing a partnership with foreign businesses, buying foreign companies, setting up subsidiaries in a different country, and buying stock from a company to give them authorities to control the company.[5] Since Foreign Direct Investment (FDI) requires huge investment, the risk can be more significant. Investors are required to carefully conduct an analysis before plunging themselves into investment and to fully understand the risk potential that can happen at anytime, especially the political risk. Foreign Direct Investment (FDI) can also be performed by doing real investment where a company can be directly established, or doing financial investment where stock can be bought from a company to gain full authorities to control the company. a lot of investors prefer to put themselves in financial asset due to its easy process of investment in comparison to the investment in real sectors. Understanding risk

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[1] M. Marwan & Jimmy P., 2009, Kamus Hukum. Surabaya: Reality Publisher, p. 596
[2] Kerlinger's opinion cited by Khudzaifah Dimyati, 2004, Teorisasi Hukum Studi Tentang Perkembangan Pemikiran Hukum di Indonesia 1945-1990, Surakarta: Muhammadiyah University Press, p. 37.
[3] Noor, Henry Faizal, 2014, Investasi, Pengelolaan Keuangan, dan Pengembangan Ekonomi Masyarakat, Jakarta: Mitra Wacana Media, p. 22.
[4] Keown, Arthur J., John D. Martin, J. William Pretty, David F. Scott Jr, 2010, Manajemen keuangan: Prinsip dan Penerapan, tenth edition, volume 2, Jakarta: Indeks, p. 370.
[5] Madura, Jeff, 2011, *International Corporate Finance,* book 1. Jakarta: Salemba Empat, p. 101.

has to be considered in Foreign Direct Investment (FDI) for either real investment or financial investment.

Investors are required to conduct an analysis to minimise any possible risk. The risk in investment can be that the goal of investment is not successfully achieved, or no benefit can be gained as expected, all of which can lead to loss or improvidence. This investment risk can be triggered by the nature of investment where long-term dimension applies.[1] Today investment may give profit in the future while it is full of uncertainty. It is then the time gap that makes the risk more potential to happen.

Another concern of investment is the process of nationalisation, and the compensation given due to the effect of nationalisation should be based on fair and immediate market values of investment before the public scents the nationalisation. The interest must be paid at normal commercial level that offers better protection to investors. The payment must be performed without any unnecessary delay, it must be realised effectively, and it is transferrable. National standard in regards to compensation is only applicable among parties bound in investment contract due to armed conflict, national emergency, insurgencies, civil disruption, or other similar situations. Particular tax imposition could give similar effects to nationalisation, but when the tax authorities of the two contracts of the parties involved have agreed that tax imposition is not a part of nationalisation, investors do not have rights for international arbitration.

In investment agreement, investors must include the risk affecting the state and the indicators of economic characteristics. People and environmental characteristics should surely be considered before investors embark to analyse political risk. The analysis of political risk enables, at least to a certain level, a way to recognise or anticipate the political risk.

Political risk analysis is applicable for anticipating potential of new investment code implementation, political imbalance that forces divestment or even ruins administrative process of the state. Comprehensive, valid, and reliable analysis and comparison are useful for examining political atmosphere where all financial decision for foreign investment takes place.

Kahn and Wiener (1967) argue that the model of political risk analysis should have something to offer to decision maker in terms of having transaction in the future and minimising impacts and valuing benefits in the future. Measures have to be taken to design a model that is capable of facing the future where threat and opportunities are potential when risk occurs. Investors must be self assured and persistent to avoid any risk and they can go on with foreign investment following political risk analysis of a certain country. To achieve this, there should be reliable fundamentals to help investors to design political risk management to gain profits from risky situation. Investment insurance is linked to the method of how investment-related issues are settled, ranging from providing solution to the risk to implementation for change and planning for risk and other potential problems. Political risk analysis is closely related to the fact that political dynamic and ever-changing business climate can affect investment and profitability. Political risk requires regular scrutiny, and the assessment must keep updated to provide investors as an insured with the latest political risk analysis.

The most important strategic tasks encountered by investors are related to how to respond to specific atmosphere of different countries where the companies they invest in operate. As mentioned earlier, domestic investment brings different atmosphere in terms of political system, government regulation, social norms, and cultural values. Two methods are usually employed to minimise the impacts caused by political risk in foreign companies: integrative and protective methods. Integrative technique works by reducing the frequency of loss and it is mainly aimed to influence the relationship between institution and actors in political sphere, while the protective method is developed to minimise the severity of loss and is intended to protect internal key of power of *Multi National Corporate* (MNC).[2]

Analysis and management of political risk of investment insurance company are closely connected. Private investment insurance is developed based on agreement and purchase of license that allows operation or concession. When this agreement is cancelled in any way or contractually, the investment will be of no values. Requirement regarding investment insurance clause is growing and it is proven more effective. Changing into license or concession may be the method applied by the government to abolish competition among investors. This way, it can effectively lead to nationalisation (or it takes time to explore in the process) although investors are likely to protect their asset and no longer protect their rights based on economic feasibility.[3] Another incremental clause is related to the state where negligence and forced release which is attractive to most investors, especially related to internal matters in several fields in Indonesia in recent years.[4]

The operation carried out by foreign manager working in a host country must hold political risk policy that

[1] Noor, Henry Faizal, 2014, Investasi, Pengelolaan Keuangan, dan Pengembangan Ekonomi Masyarakat, Jakarta: Mitra Wacana Media, p. 22.
[2] Gregory, A, 1988, *Integrative and Protective Techniques in Reducing Political Risk: A Comparison of American and Canadian Firms in Indonesia*, in J. Rogers (ed.), *Global Risk Assessments: Issues, Concepts and Applications Book 3,* Global Risk Assessment, Inc., Riverside.
[3] Alifano, G.J, 1984, *A Reassessment of International Banking: A Regional Bank Point of View*, *The Journal of Commercial Bank Lending,* January 1984, p. 12.
[4] Venter, A, 1999, *The 1998 Fall of Suharto: A Vindication of Key Political Risk Indicators?*, *Strategic Review for Southern Africa,* Vol. 21(2), p. 73-75.

clearly delivers to organisation and host country regarding how investors aim to face any potential political risk. Each investor or foreign company must be able to arrange political risk policy at planning stage and to change the policy during post-analysis of implementation phase (or absentee phase when investment is kept to a particular condition)

The policy or political risk strategy for investment insurance companies involve design for operation and management in the sphere of investors. Most managers of *Multi National Corporate* (MNC) implement established policy whose nature is rarely questioned. Such negligence is considered unwise and it can be due to sudden change. It is expected that the policy of the host country, the change in technology, social structure, and regulations, public behaviour or even international sphere require immediate occurrence in its strategies. Political risk policy is aimed to help Indonesia with its specific role to manage political risk through the implementation that complies with the principles and methods of organisation. Several political risk potentials require identification, assessment, measurement, control, and anticipation in the future. Investment is mainly intended to give profit, and this intention must not violate national law of the host country. In terms of avoiding boycott or demonstration practice, *Multi National Corporate* (MNC) can serve as a useful organisation in a social scope, meaning that commodities at affordable cost can be encouraged for domestic consumption. *Multi National Corporate* (MNC) may also be on its way to minimise political risk behind the national government by integrating profits and accountability in services and performance. Political risk is addressed to foreign companies operating in a host country, where political risk affecting foreign investors is not only triggered by host country and state investment policy. Political risk policy of *Multi National Corporate* (MNC) is mostly based on global strategies of the company to minimise the political risk. *Multi National Corporate* (MNC) must consider the way the local culture interpret investment strategies of *Multi National Corporate* (MNC) regarding whether it is acceptable (although it is not significantly different from what has been set in initial planning) or whether the *Multi National Corporate* (MNC) has the commitment and patience to deliver follow-up with global strategies and political risk related to policy.[1] The manager responsible for Multi National Corporate (MNC), especially when he/she faces political risk, is not supposed to rely on improvisation, but on future plan, projection, anticipation, and budget. When the anticipated political risk takes its toll, the *Multi National Corporate* (MNC) will stay at the level below divestment. Political risk requires constant update of plan for the organisation to adapt to socio-politics, socio-economy, internal and external factors. It is expected to support the existing rigid plan because it is assumed that multinational companies always have both financial and human resources to set a plan and to act in flexible way. Big investment insurance companies not only predict political risk for anticipation, but also for setting goal, designing scenario, conducting analysis, and actively watching the operation performed by investors.

Bunge argues that business, economy, and politics are inseparable from one another. He adds that everyone is aware that business is not done in empty political space, but it also takes close connection with political sphere, and people are still aware that political campaigns are often funded by companies that expect reciprocal results. It is recommended that code of conduct in interaction between business and politics be included in political risk policy. Such an interaction will give synergy in time and confrontation to another party. In terms of the policy management of an investment insurance company, provisions must be made to influence macro-economic policy.[2]

Several guidelines can be considered to set political risk policy for *Multi National Corporate* (MNC),[3] where the guidelines must be adjusted to particular developing countries for the corporate which has its flexibility to activate political risk to face any changes in unstable environmental policy and investment climate. The first guideline involves investors who have their interest and are influenced by identified foreign investors. The investors can be those having government share of the host country, customers, suppliers, employees, natural resources and environment, and labour union. During the process, the investors and their interests overseas can be identified comprehensively. When all investors are identified, the liability of Multi National Corporate (MNC) and their responsibilities to the investors can all be analysed. The steps taken by *Multi National Corporate* (MNC) can affect or trigger political risk such as demonstration and boycott. It is important to remember that *Multi National Corporate* (MNC) has lots of shareholders in Indonesia, not only its own investors in the company. Apart from the economic, managerial, and legal decision matters, managers should also look at the ethics regarding religion and culture in different host countries. The third guideline is making provisions regarding constant monitoring and analysis of environmental policy in a host country. It is specifically linked to the impact of policy on specific investment climate in industries and host countries as a whole. There is no evidence that analysis of policy can encourage MNC to adapt investment insurance policy regarding political rumour and neither can the policy harm the investors. Several perspectives must be taken into account and they are to be carefully scrutinised. Cost and benefits spent on and obtained from MNC regarding all

[1] Lane, H.W., DiStefano, J.J. and Maznevski, M.L, 2000, *International Management Behaviour,* Blackwell Business, Oxford.
[2] Dale, A. and Davies, R.B. (eds), 1994, *Analysing Social and Political Change: A Casebook of Methods,* SAGE Publications, London.
[3] Lane, H.W., DiStefano, J.J. and Maznevski, M.L, 2000, *International Management Behaviour,* Blackwell Business, Oxford.

measures taken for the investors must be seriously examined. Moreover, options that MNC has no access to must also be considered, and whether it is considered is not identified yet. To identify all the possibilities of steps taken, the MNC must not use any false dichotomy such as 'one of' or deciding which one should win or lose. The statement 'have to bribe or have the licence revoked' refers to win or lose, while it should not be decided that way. It is not always necessary for MNC to win a place when forming political risk policy as long as the problem that involves several parties is solved and as long as MNC manages to execute its responsibilities for both the corporate and its public. What needs to be executed as the responsibilities held by stakeholders involves meeting the national government expectation, policy makers, labour union, and environmental lobbyists without neglecting the objectives of MNC per se. In the fifth guideline, in terms of formulating political risk policy, it is not quite appropriate to use culture as a reason to execute things. In addition, it is also essential to remember that it should be included in the clause of investment agreement. The criteria of decision making that have to be carefully considered by all investors concerned involve executing responsibilities, observing local (*adat*) and national law and contract, being honest, avoiding physical, social, political and economic risk for the sake of the host countries. A *Multi National Corporate* (MNC) must stay alert to the political risk policy, where it is seen as also a constant effort in leadership and as to give global, social, and political response and accountability.

Investment insurance companies run as big industries involving more than one type of risk. To enable the availability of profit in the investment insurance, the companies are entitled to evaluating risk and investors they deal with (where investors often rely on statistical models); inventing and marketing eye-catching products and services for investors, which also gives profits and allows the companies to manage incentive effect in investment insurance; and taking some measures to manage investment insurance to enable integrated risk and proportional return (through diversification and reassurance).

Investment agreement should elaborate procedures required in environmental monitoring as follows: obedience will be guaranteed by petitioners, and in terms of representation and continual assurance provided to appreciate the environment, requirement will be included and processed as long as the contract is valid.

5. Conclusion

Internal legal protection is aimed for the agreement among investors. The protection for the investment risk provided by giving encouragement to companies to abide by regulation should also involve non-litigation way. It is essential that perspectives from investors and other stakeholders be taken into account during the forming process and revision of policy. When acts exceed existing regulations, implementation and enforcement regarding this issue must be clear and transparent. Investors must understand practical implication of the regulations that control over their investment in terms of fulfilling certain condition. Public review or proposing appeal can also be considered when disputes take place.

The agreement for investors must be specifically made to avoid any political risk that could harm investors. The following are some clauses that have to be included by investors into their agreement:

1) Investors must be able to explain factors that could serve as threats for return of investment, probability and consequences of intensity regarding risk impacts, measurable risk factors, and contingency plan aimed to manage political risk that can be formulated and budgeted.
2) In their investment agreement, investors should also include risk for the state, including economic characteristic indicators. The risk unique or relevant to the society and the characteristics of the environment of a particular system must also be taken into account before investors begin to analyse the political risk. Political risk analysis enables a method used to recognise or anticipate political risk to at least a certain level.
3) Investors must anticipate and calculate the loss that investors may have to face. This condition needs anticipation by figuring out feature background regarding the state, industries, or particular environment concerned.
4) Investors must attempt to minimise the impact given by political risk to foreign companies, which includes integrative and protective methods. The integrative is performed by minimising the frequency of loss and it is mainly aimed to influence the relationship between institution and actors in political sphere. The method is also aimed to reduce the severity of the loss and to protect internal keys of the power of *Multi National Corporate* (MNC).
5) Investors in both analysis and political risk management are closely related. When the agreement is cancelled or it is contractually changed, the investment involved will lose its values. The requirement of investment insurance clause is growing and it is proven more effective. Changing licence to concession can be applied by the government to abolish competition. This step is expected to effectively lead to nationalisation (or nationalisation with time-consuming exploration). Investors are also potential to protect their rights to their assets but they will no longer protect their rights based on the economic feasibility.
6) Forced negligence and release have been proven attractive to investors and those having capital, especially regarding internal matters in several fields in Indonesia in recent years.

7) Each investor and foreign company must arrange political risk policy in their initial planning and change the policy during post-analysis of implementation phase (or absentee phase, when investment has to be kept to a level where the period observed shows a change). The policy or political risk strategies for an investment insurance company also involves the design of operation and management in the sphere where the investors are in.
8) In the agreement, investors make provisions to carry out constant monitoring and analyses of environment of the policy in host countries, and it is specifically related to the climate of investment in industries and host countries as a whole.
9) Investors must not state or show that they conduct any acts on behalf of culture. These acts may involve political activities (without lobbying or acting against the law and regulations), or use market power or take strategic steps that could harm competitors and government, all of which are quite predictable.
10) Investment agreement should be able to elaborate the procedures of environmental monitoring as follows: obedience will be specifically guaranteed by petitioners, and in terms of representation and continual assurance provided to appreciate the environment, requirement will be included and processed as long as the contract is valid.

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