

how the judiciary works in Canada and how things can be simplified and more carefully structured for society's needs. We should move on to the topic of investment, so now let me invite Umar Juoro and Greg Elms to give their comments.

Juoro: Thank you. Let me briefly say something about CIDA and foreign aid in general. I think Indonesia should take responsibility for finding its own funding and for using it effectively. My understanding is that foreign aid has only a limited capacity for effectiveness and it's getting worse. On one side, there is UN, World Bank and also CIDA, who are seeking to assist the government, and on the other side there is Indonesia with its various government agencies. The problem arises not because we don't want to improve the government sector, but because there are so many actors involved. And this is not just true of the central government - of Bappenas, the Ministry of Finance, or the Ministry of Public Works - but also the regional and provincial governments, and down to and the district levels, not to mention the NGOs. This is, I think, the crucial issue that Indonesia is facing, not about the amount of money and how it is to be spent for development. On this kind of issue I don't have a simple answer but I would rather focus on a specific thing such as concrete business activity rather than talking about broad things such as the economic system, the banking system or the legal system. It would be better to focus on particular cases, such as what we learned from the example of Manulife.

In some ways, there are many similarities between Canada and Indonesia when it comes to the economic importance of natural resources. Indonesia has a lot of natural resources and this, I believe, is where the jumpstart of the economy will come from. But it is less helpful to look at the overall picture than to zoom in on the cases. Take the example of the case of Canada and CIDA sponsored program in Sulawesi. If Canadian businesses become involved in new locations, such as in East Kalimantan or Riau, it would be less helpful for assistance programs to try to deal with macro issues that to look at how what we are able to learn from one case might be applied in another instance, or in this case how a program undertaken in Sulawesi can be moved to other specific but similar places. One could look to the example of Inco in thinking about this approach, how they were able to establish themselves in Indonesia as a well-run, professional company, and how they have learned to prevent problems, to work with local community groups and NGOs,