

## Table of Contents

|   |    |
|---|----|
| Cover   | 1  |
| Validity Sheet  | 2  |
| Plagiarism Statement  | 4  |
| Table of Contents   | 4  |
| Abstract  | 5  |
| 1. Introduction   | 7  |
| 2. Theoretical Background   | 9  |
| 2.1 Foreign Direct Investment (FDI) and Investment Policy Frameworks          | 9  |
| 2.2 Income Inequality and Policy Trilemma                                     | 12 |
| 3. Methodology  | 16 |
| 4. Result and Discussion  | 17 |
| 4.1 Commercial Port for Locals' Economic Development                          | 20 |
| 4.2 Population Density Matters in Java: FDI Does Not Affect Income Inequality | 23 |
| 4.3 Challenge to East Borneo as the New Capital of Indonesia                  | 24 |
| 4.4 "Race to the Bottom" and Investment Policy: Pro-poor Policy is The Key    | 25 |
| 5. Conclusion   | 27 |
| Reference   | 28 |