Universitas Internasional Batam
Fakultas Hukum
Jl. Gadjah Mada, Batam, 29442, Indonesia
Phone : (0778) 743 7111 Ext, 140.
Email: admin_jlpt@gmail.com

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IMPLEMENTATION OF INTEGRATIVE LEGAL THEORY AND PROJECT MANAGEMENT APPROACH IN DISPUTE RESOLUTION THROUGH ARBITRATION IN INTERNATIONAL COMMERCIAL CONTRACTS

Verny Rahmadini[1]*, Nurlaily[2], Elza Syarief[3]*****
Faculty of Law, Universitas Internasional Batam

Abstract

This study examines the integration of arbitration mechanisms and project management in resolving international trade disputes. Arbitration is chosen as the preferred dispute resolution method due to its confidential, flexible, final, and binding nature, as well as the international enforceability of its awards. In contrast, resolving international commercial contract disputes through Indonesian courts has proven to be time-consuming, involving multiple layers of appeal, and resulting in judgments that are difficult to enforce across jurisdictions. This normative juridical research employs primary and secondary legal materials to analyze legal issues and managerial approaches within arbitration. Romli Atmasasmita's Integrative Legal Theory is used to bridge the values of legal certainty, utility, and justice, while project management concepts are applied to structure arbitration proceedings as a project consisting of planning, execution, and closing phases. The findings indicate that arbitration procedures align with the project life cycle, enabling dispute resolution to be carried out more effectively and systematically. The integration of these two approaches is evident in international commercial contracts, where arbitration clauses are commonly included as the designated dispute resolution mechanism.

Keywords: *International Commercial Arbitration, Legal Project Management, Integrative Legal Theory*

A. Background

International trade refers to commercial transactions conducted on the basis of agreements between residents of different states, whether between individuals, between individuals and a foreign government, or between the governments of two or more states. What fundamentally distinguishes international trade from domestic trade is the fact that the buyer and the seller are separated by national boundaries. Consequently, goods involved in international trade must be transported across borders and are subject to various regulatory frameworks, including customs regulations derived from sovereign restrictions imposed by each state. In addition, international trade is characterized by differences in language, currency, systems of measurement and valuation, as well as divergent commercial laws and legal regimes governing trade relations among states.[1]

International trade also plays a significant role in enhancing a country's domestic income. As emphasized by Sadono Sukirno, international trade provides several economic benefits, including access to goods that cannot be produced domestically due to differences in geographical conditions, climate, or levels of technological development. It also allows states to benefit from specialization, as in certain circumstances it is more efficient for a country to import goods even when domestic production is possible. Furthermore, international trade contributes to market expansion,

*1 Corresponding Author : 2152009.verny@uib.edu
**2 drnurlaily@uib.ac.id
***3 elza@uib.ac.id
[1] Serlika dan Rio Adhitya. Aprita, Hukum Perdagangan Internasional. (Depok: Rajawali Pers, 2020).

increased profits, and serves as an important medium for the transfer of modern technology.[2]

Despite these advantages, international trade is inherently vulnerable to disputes that may arise at any stage of cross-border commercial transactions. Such disputes frequently escalate into legal conflicts requiring formal resolution.[3] Accordingly, parties engaged in international trade must anticipate potential disputes by establishing appropriate and effective dispute resolution mechanisms.[4] Generally, two principal mechanisms are available: dispute resolution through national courts (litigation) and dispute resolution outside the courts through Alternative Dispute Resolution (ADR), which encompasses negotiation, mediation, conciliation, and arbitration.[5]

Litigation before national courts is widely regarded as an ineffective mechanism for resolving international commercial disputes, particularly those involving parties from different jurisdictions. In the Indonesian context, judicial proceedings are often time-consuming, as the losing party may pursue multiple legal remedies, including appeals to the High Court, cassation to the Supreme Court, and judicial review, especially when errors in the application of law are alleged.[6] Moreover, court judgments rendered by Indonesian courts lack extraterritorial enforceability, and similarly, foreign court judgments cannot be directly enforced in Indonesia. This legal reality has led parties in international trade to increasingly favor arbitration as the preferred mechanism for dispute resolution. Arbitration possesses several distinctive features that make it particularly attractive in the context of international commercial disputes. These include procedures that are relatively informal, confidential, and flexible, as well as the final and binding nature of arbitral awards.[7] Most importantly, international arbitral awards benefit from a robust enforcement regime, as they may be recognized and enforced in jurisdictions that have ratified the Convention on the Recognition and Enforcement of Foreign Arbitral Awards of 1958 (the New York Convention 1958). This global enforcement framework provides legal certainty and predictability for parties engaged in cross-border commercial transactions.[8]

Project management, in general terms, refers to a systematic set of principles, methods, tools, and techniques designed to achieve optimal and effective outcomes.[9] It facilitates the processes of defining, planning, implementing, controlling, and completing a project through the application of specific methodologies. Given that arbitration constitutes a specialized legal mechanism for dispute resolution, the application of legal

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2 Agus Setiono dan Siti Napisah, *Dasar-Dasar Ekonomi : Panduan Praktis Teori dan Konsep* (Jambi: PT. Sonpedia Publishing Indonesia, 2023).

3 Sally Harpole, 2003, 'Factors Affecting the Growth (or Lack Thereof) of Arbitration in the Asia Region' 20(1) *Journal of International Arbitration* 89, 100.

4 Ade Maman Suherman, 2002, *Aspek Hukum Dalam Ekonomi Global,* hlm.82.

5 Pasal 1 butir 10 Undang-Undang Nomor 30 Tahun 1999 Tentang Arbitrase dan Alternatif Penyelesaian Sengketa.

6 Sudargo Gautama, 1999, *Undang-Undang Arbitrase Baru 1999,* Citra Aditya, Bandung, hlm.3-4.

7 Klaus Peter Berger, 2000, 'Understanding International Commercial Arbitration' in Centre For Transnational Law (ed), *Understanding Transnational Commercial Arbitration* 7.

8 *Convention on the Recognition and Enforcement of Foreign Arbitral Awards,* 330 UNTS 38 (entered into forced 10 June 1958).

9 Knutson, Joan and Bitz, Ira, 1991, *Project Management: How to Plan and Manage Successful Projects,* New York.

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project management represents a tailored adaptation of project management principles to the arbitration process, particularly in the context of online arbitration.[10]

In view of the legal and managerial challenges arising in the implementation of arbitration, this research adopts an integrated approach combining legal theory and management perspectives. The juridical issues arising from the use of arbitration will be analyzed and addressed through the Integrative Legal Theory developed by Romli Atmasasmita. Meanwhile, managerial issues related to the conduct of arbitration proceedings will be examined and resolved by adopting the principles of legal project management.

B. Identified Problems

Based on the foregoing background, this research formulates the following research questions:

1. How is arbitration related to project management in the context of international trade?
2. How can the Integrative Legal Theory be applied through a project management approach using arbitration in international commercial contracts?

C. Research Methods

This research adopts a normative juridical research method; therefore, the analytical framework applied in this study is based on juridical reasoning.[11] Normative legal research is conducted through the examination of library materials or secondary data, which consist of primary legal materials, secondary legal materials, and tertiary legal materials. These legal materials are systematically organized, examined, and analyzed in order to draw conclusions in relation to the legal issues under investigation.[12]

In normative legal research, the data utilized are secondary data, namely data that are not obtained directly from fieldwork or empirical observation but are derived from library research. Such research includes the study of books, official documents, statutory regulations, scientific research results in the form of reports, and other relevant legal literature related to the issues examined.[13] In this study, the sources of data consist of:

1. Primary Legal Materials, namely legally binding materials that contain fundamental legal norms. The primary legal material used in this research is Law Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution.
2. Secondary Legal Materials, namely legal materials that provide explanations and interpretations of primary legal materials, including legal research findings, scholarly writings by legal academics, and articles from both printed and electronic media relevant to the subject of this research.

Data analysis in this research employs a qualitative approach. Written data are analyzed using content analysis based on linguistic interpretation and systematic legal interpretation.[14]

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[10] Levy, Stephen B., 2009, *Legal Project Management: Control Costs, Meet Schedules, Manage Risks, and Maintain Sanity*, DayPack Books, Seattle, WA.

[11] Ronald Dworkin, *Legal Research,* (Daedalus: Spring. 1973), hlm. 250. dikutip oleh Pedoman Penulisan Skripsi Fakultas Hukum, 2006, Universitas Trisakti, Jakarta.

[12] Soerjono Soekanto, 2008, *Pengantar Penelitian Hukum,* UI Press, Jakarta, hlm. 52.

[13] *Ibid*.,hlm. 12.

[14] Soerjono Soekanto, *Op.Cit*., hlm. 21.

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D. Research Findings and Discussions

The Relationship between Arbitration and Project Management in International Trade

Several sources of international commercial contract law fall within the category of hard law[15], including the following:

1. The United Nations Convention on Contracts for the International Sale of Goods 1980 (CISG)

   This Convention contains rules governing cross-border sales of goods derived from the harmonization of various legal systems and transparently regulates the rights and obligations of the parties. The Convention is structured into several parts, each consisting of chapters. Part I addresses matters concerning the scope of application and general provisions. Chapter I regulates the scope of application of the Convention, including circumstances under which the Convention applies,[16] as well as situations in which it does not apply (Articles 2–6 of the Convention). Chapter II contains general provisions, including rules on interpretation (Articles 7–8), trade usages (Article 9), domicile (Article 10), evidence, and the form of contracts (Article 11). Part II governs the formation of contracts, including provisions on offers and acceptance. The rules on offers cover the requirements for an offer, withdrawal and termination of offers, as well as modifications and counter-offers. The Convention also regulates acceptance of offers, including the validity period and methods of communicating acceptance, as well as withdrawal of acceptance. A contract is deemed concluded at the moment when acceptance of an offer becomes effective.

   Part III governs the sale of goods, including general provisions, the obligations of the seller—such as delivery of goods and documents, conformity of goods, and third-party claims—as well as remedies for breach of contract. It also regulates the obligations of the buyer, including payment of the agreed price, taking delivery of the goods, and remedies for breach. Other provisions address the passing of risk, anticipatory breach, installment contracts, damages, interest, exemptions, effects of avoidance, preservation of goods, and other related matters.

2. The Convention on the Law Applicable to Contracts for the International Sale of Goods 1986.

   The principal provisions of this Convention concern its scope of application, the applicable law, and general provisions. With respect to the applicable law, the Convention sets out rules for determining the governing law and the scope of its application.

3. The Convention Relating to a Uniform Law on the International Sale of Goods 1964

   This instrument consists of two conventions, namely: the Convention Relating to a Uniform Law on the International Sale of Goods (ULIS) and the Convention Relating to a Uniform Law on the Formation of Contracts for the International Sale of Goods (ULF). ULIS and ULF were intended to improve earlier conventions, particularly the Convention on the Law Applicable to International Sale of Goods. ULIS consists of 15 articles governing, inter alia, the obligation of each contracting state to incorporate the provisions of the Convention

[15] Ida Bagus Rahmadi Supancana, Perkembangan Hukum Kontrak Dagang Internasional (Jakarta: Badan Pembinaan Hukum Nasional, 2012).

[16] United Nations Convention on Contracts For The International Sale of Goods (1980), t.t.)

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into its national legal system; the requirement to accord equal treatment to other contracting states; procedures for withdrawal from the Convention; openness of the Convention to all UN member states and specialized agencies; and its entry into force six months after the deposit of the required instrument of ratification. The annex to ULIS contains provisions on the scope of application, general rules, the seller's obligation to deliver goods in accordance with the agreed place and time, liability for damages in the event of breach, conformity of goods, delivery of documents, and other obligations, as well as the buyer's obligation to pay the price and take delivery, joint provisions governing both parties, and rules on the transfer of risk. ULF consists of 13 articles and two annexes. Annex I regulates the scope of application of the Convention, trade usages and practices, the absence of a formal requirement for contracts, the requirement that offers be definite and sufficient, the nature and communication of acceptance, and the legal status of contract formation in the event of death or incapacity of a party.

4. The Convention on the Law Applicable to International Sale of Goods 1955

   The provisions of this Convention address various aspects, including its scope of application, the law applicable to the parties, situations in which the Convention does not apply, the relationship between public policy and the application of the Convention, and the integration of the Convention's provisions into the national laws of member states. With regard to scope, the Convention applies only to contracts for the sale of goods and does not extend to transactions involving shares, ships, aircraft, or sales conducted pursuant to court orders. The applicable law governing the transaction is the national law of one of the parties as agreed in the contract. Public policy considerations may serve as a basis for excluding the application of certain legal provisions. The contracting states agree to integrate Articles 1 to 6 of the Convention into their respective national legal systems.

5. The United Nations Convention on Contracts for the International Carriage of Goods Wholly or Partly by Sea (The Rotterdam Rules) 2008

   This Convention consists of several chapters covering general provisions, scope of application, electronic transport records, the obligations of the carrier, carrier liability for loss, damage, and delay, additional provisions concerning specific stages of carriage, the shipper's liability, transport documents and electronic transport records, delivery of goods, controlling parties' rights, transfer of rights, limitation of liability, time limits for claims, jurisdiction, arbitration, validity of contractual terms, and matters not governed by the Convention. Compared to earlier conventions, the Rotterdam Rules provide a more comprehensive, detailed, and clearer regulatory framework.

In addition to hard law, several soft law instruments are relevant, including:

1. The UNIDROIT Principles of International Commercial Contract 2010

   These Principles represent a synthesis of contract law principles drawn from various legal systems, including civil law, common law, socialist law, Islamic law, and canon law, with the aim of facilitating international trade. The 2010 version constitutes a revision of earlier editions issued in 1994 and 2004, with a significant expansion in the number of provisions—from 125 articles in 1994, to 185 articles in 2004, and 284 articles in 2010. The UNIDROIT Principles consist of 11 chapters covering general provisions, contract formation, authority of agents, illegality and

interpretation, contract content, performance, non-performance, set-off, assignment of rights and obligations, limitation periods, and plurality of parties.

2. The UNCITRAL Model Law on Electronic Commerce of 1996, together with the Guide to Enactment and the additional Article 5 bis adopted in 1998

   This Model Law applies to all information in the form of data messages used in commercial activities. Data messages refer to information generated, sent, received, or stored by electronic, optical, or similar means, including but not limited to electronic data interchange (EDI), electronic mail, telegrams, telex, and telecopy.

3. UCP 600 (Uniform Customs and Practice for Documentary Credit)

   The UCP serves as a primary reference for international trade transactions worldwide, particularly in the use of letters of credit (L/C). UCP 600 is the latest revision of UCP 500 and has the nature of *lex specialis*. It represents consistent customs and practices relating to documentary credits, aimed at providing legal certainty and security for both parties in international trade transactions. As a body of widely accepted commercial practice, UCP 600 facilitates smoother and more predictable transaction processes.

In Indonesia, regulations governing international commercial contracts are not comprehensively codified in a single statute but may be found in various legislative instruments, including the Indonesian Civil Code (KUHPerdata), the Commercial Code (KUHDagang), and other complementary regulations. Both international and national legal sources—whether hard law or soft law—commonly include dispute settlement clauses as an essential component of commercial contracts.

In the context of international commercial contracts involving Indonesian parties, dispute resolution through national courts is generally discouraged due to the lengthy judicial process in Indonesia. Consequently, arbitration has become the preferred dispute resolution mechanism in international trade where one of the parties is an Indonesian national or an Indonesian company.

Arbitration in Indonesia is regulated by Law Number 30 of 1999 on Arbitration and Alternative Dispute Resolution. Article 1 paragraph (1) defines arbitration as "a method of resolving civil disputes outside the general court system based on a written arbitration agreement made by the disputing parties." The General Explanation of Law Number 30 of 1999 emphasizes that arbitration under this Law is based on a written agreement of the parties; however, not all disputes are arbitrable. Only disputes concerning rights fully controlled by the parties and arising from mutual consent may be resolved through arbitration.[17]

Arbitration is often classified as a form of Alternative Dispute Resolution (ADR), alongside negotiation, mediation, conciliation, and expert determination, as it operates outside the judicial system.[18] Unlike mediation and conciliation, however, arbitrators possess the authority to render binding decisions. Arbitral awards are final and binding upon the disputing parties.[19]

[17] Siburian Paustinus, 2004, Arbitrase Online (Alternatif Penyelesaian Sengketa Perdagangan Secara Elektronik), Djambatan, Jakarta, hlm.39.

[18] Suyud Margono, 2004, ADR & Arbitrase: Proses Pelembagaan dan Aspek Hukum. Ghalia Indonesia, Bogor, hlm. 36.

[19] Pasal 60 Undang-Undang Nomor 30 Tahun 1999.

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Priyatna Abdurrasyid[20] classifies arbitration procedures into three stages: (1) pre-hearing procedures; (2) hearing procedures; and (3) enforcement of arbitral awards. These stages reflect conventional arbitration procedures as regulated under Law Number 30 of 1999. In contrast, online arbitration utilizes technological tools to facilitate arbitration procedures. Substantively, online arbitration does not differ significantly from conventional arbitration; the primary distinction lies in the means employed, as online arbitration is conducted through electronic platforms. Currently, Indonesian business actors involved in disputes with foreign parties have increasingly adopted online arbitration due to its perceived efficiency in terms of cost and time.

A project is defined as a temporary endeavor with a clearly defined beginning and end—often constrained by time and financial resources—undertaken to achieve specific and unique objectives.[21] According to the Project Management Body of Knowledge (PMBOK),[22] project management is the application of knowledge, skills, tools, and techniques to project activities to meet project requirements. Project management consists of three phases: (1) the planning phase, which includes setting objectives, defining the project, and organizing the team; (2) the scheduling phase, which integrates people, financial resources, and facilities for specific activities and links each activity to others; and (3) the controlling phase, which aims to monitor resources, costs, quality, and budgets. These three phases constitute the Project Life Cycle, a method for illustrating how a project is planned, controlled, and supervised from initiation to completion.[23]

The arbitration procedure, which consists of three stages (1) pre-hearing procedures; (2) hearing procedures; and (3) enforcement of arbitral awards, essentially reflects a Project Life Cycle. In other words, arbitration procedures may be analogized to a project. Accordingly, arbitration requires project management to ensure that the process is conducted effectively and efficiently.

The Application of Integrative Legal Theory through a Project Management Approach in Arbitration within International Commercial Trade

Romli Atmasasmita developed the Integrative Legal Theory, which is widely recognized as a reconstruction of Development Law Theory and Progressive Legal Theory. Prior to further discussing Integrative Legal Theory, it is necessary to outline the fundamental concepts of Development Law Theory and Progressive Legal Theory.

Development Law Theory was introduced by Mochtar Kusumaatmadja. This theory asserts, first, that law does not merely consist of principles and norms regulating human life in society, but also encompasses institutions and processes through which such norms are implemented in practice. Second, law constitutes the entirety of rules and principles governing human and social life, including the institutions and processes that ensure the effective operation of law in reality. Mochtar Kusumaatmadja's view on the function and role of law in national development is grounded in the following propositions:

1. All developing societies are inherently characterized by change, and law functions to ensure that such change occurs in an orderly manner;

[20] Priyatna Abdurrasyid , 'Pengusaha Indonesia Perlu Meningkatkan Minatnya Terhadap Arbitrase Dan Alternatif Penyelesaian Sengketa (Alternative Dispute Resolution-ADR/Arbitration) Suatu Tinjauan (2002) Jurnal Hukum Bisnis 5, hlm.125-141

[21] Nokes, Sebastian , 2007, *The Definitive Guide to Project Management*,2nd Ed., Prentice Hall, London, hlm. 4

[22] Budi Santoso, 2009, *Manajemen Proyek: Konsep & Implementasi*, Graha Ilmu,Yogyakarta, hml.3.

[23] Wulfram I. Ervianto, 2003, *Manajemen Proyek Konstruksi*, Andi Offset, Yogyakarta, hlm.19

2. Since both change and order represent fundamental objectives of a developing society, law serves as an indispensable means (rather than a mere instrument) in the development process;
3. The function of law in society is to maintain order through legal certainty while simultaneously regulating processes of social change; a good legal system is one that corresponds to the living law within society and reflects the prevailing social values;
4. The implementation of the law's function can only be realized through the exercise of authority; however, such authority must itself operate within the limits prescribed by law.[24]

Progressive Legal Theory, as proposed by Satjipto Rahardjo, emerged from dissatisfaction and concern regarding the quality of law enforcement in Indonesia. The progressive legal movement is based on two fundamental assumptions:[25]
1. Law exists for human beings, not the other way around. Consequently, when legal problems arise, the law must be examined and reformed, rather than forcing individuals to conform rigidly to legal schemes;
2. Law is not a fixed or final institution, as it is continuously in the process of becoming (law as a process, law in the making).

Progressive Legal Theory is characterized by its progressive nature, in that law:[26]
1. Aims to promote human welfare and happiness, and therefore views law as continuously evolving (law in the making);
2. Is sensitive to social changes occurring at the local, national, and global levels;
3. Rejects the status quo when it results in decadence, corruption, and significant harm to public interests, thereby encouraging resistance and reform through progressive legal interpretation.

The theoretical debate between Satjipto Rahardjo and Mochtar Kusumaatmadja was reconciled by Romli Atmasasmita through the formulation of Integrative Legal Theory. This theory represents a reconstruction of both Development Law Theory and Progressive Legal Theory.[27] According to Romli Atmasasmita, law comprises principles, norms, processes, and institutions that function as the driving force of legal operation within society to achieve the fundamental objectives of law, namely legal certainty, utility, and justice. The development of the function and role of law must proceed in an orderly manner, and the theory rejects the notion that social change through law must occur in a revolutionary way. The core conclusion of Integrative Legal Theory is that law may be understood as a system of norms, a system of behavior, and a system of values, all of which form part of the activities of a particular society at a specific time and place.[28]

Integrative Legal Theory is not merely a synthesis of Development Law Theory and Progressive Legal Theory; rather, it is capable of incorporating the philosophical

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[24] Romli Atmasasmita, *Teori Hukum Integratif (Rekonstruksi Terhadap Teori Hukum Pembangunan dan Teori Hukum Progresif)* Genta Publishing, 2012
[25] Satjipto Raharjo, *Hukum Progresif Urgensi dan Kritik*, Kompas,Jakarta, Hlm. 34-37.
[26] *Ibid.,*
[27] Teori Hukum Integratif dalam Konstelasi Pemikiran Filsafat Hukum (Interpretasi atas sebuah "Teori Rekonstruksi"), http://shidarta-articles.blogspot.com/2012/05/teori-hukum-integratif-dalam-konstelasi.html.
[28] Prof Dr Romli Atmasasmita S.H, L.L.M *Teori Hukum Integratif (Rekonstruksi Terhadap Teori Hukum Pembangunan dan Teori Hukum Progresif)* Genta Publishing, 2012.

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values of Pancasila as the foundational basis of law. Comprehensively, Integrative Legal Theory recognizes that law as it exists today (as emphasized in Development Law Theory) may evolve in the future due to the dynamic behavior of society (as highlighted in Progressive Legal Theory). Nevertheless, the formation of new, responsive law cannot be detached from the cultural roots and national identity of Indonesia, which have been sublimated into the values of Pancasila.[29]

In Indonesia, arbitration procedures may be divided into three stages as follows:

Table 1. Stages of Arbitration

Stage I Pre-Hearing Procedures	**Stage II Hearing Procedures**	**Stage III: Enforcement of the Arbitral Award**
The settlement of disputes through arbitration commences with pre-hearing procedures, which consist of several stages as follows: a. Notification to the Arbitrator of Appointment The first step in initiating arbitration is the delivery of written notification to an expert informing him or her that he or she has been appointed as an arbitrator to resolve a particular dispute. b. Preparation of the Arbitrator An essential matter to be considered by the arbitrator is ensuring that the appointment has been conducted in accordance with applicable laws and regulations. c. Preliminary Examination In practice, arbitrators generally hold a preliminary meeting with the parties prior to conducting formal hearings. d. Procedures for the Performance of the Arbitrator's Duties Pursuant to Law Number 30 of 1999, arbitrators are authorized to issue orders and conduct examinations during the hearing process. In exercising this authority, arbitrators may adopt an	The stages during the hearing process are as follows: a. General Provisions The arbitrator holds a position comparable to that of a judge based on the agreement of the disputing parties regarding the appointment. Such appointment confers upon the arbitrator the authority to render a decision based on the facts and evidence presented. b. Persons Entitled to Attend During the arbitration proceedings, third parties or members of the public are not permitted to attend. This reflects the confidential nature of arbitration, which aims to protect the privacy of the disputing parties. c. Conduct of the Hearing The arbitrator conducts the hearing in accordance with the arbitration agreement and is vested with full authority to determine the procedures governing the hearing. The arbitrator may not refuse the presence of legal counsel or attorneys who have been duly authorized by the parties. d. Hearing Procedures The hearing procedures are conducted in a manner	The enforcement of an arbitral award is subject to specific procedural requirements. Pursuant to Article 59 of Law Number 30 of 1999, the enforcement procedure depends on whether the arbitral award has been registered with the court within a period of no later than thirty (30) days from the date on which the award is rendered.

[29] Mengurai Sepintas "Hukum integratif" Romli Atmasasmita, http://www.negarahukum.com/hukum/mengurai-sepintas- %E2%80%9Chukum-integratif%E2%80%9D-romli-atmasasmita.html

Stage I Pre-Hearing Procedures	Stage II Hearing Procedures	Stage III: Enforcement of the Arbitral Award
active role by seeking and collecting relevant data, or a passive role whereby the parties present the evidence and arguments while the arbitrator primarily listens and evaluates the submissions. e. Definitions Used in Arbitration Procedures Various procedural terms are employed in arbitration, including responses, statements of claim and responses, counterclaims, explanations, hearings, and document disclosure. f. Determination of the Time and Place of Hearings If one of the parties fails to appear at the scheduled hearing, the arbitrator may nevertheless proceed with the hearing in the absence of that party. g. Individual Communication between the Parties and the Arbitrator If one party attempts to communicate with the arbitrator without the knowledge of the other party during the arbitration process, the arbitrator is obliged to refuse such communication.	similar to court proceedings, and the party asserting a claim bears the burden of proving its allegations. e. Stamp Duty and Documents The arbitrator is bound by the provisions of the Stamp Duty Law and must take into account any absence or insufficiency of stamp duty or legal validation on documents submitted by the parties. f. Expert Opinions If, during the proceedings, the arbitrator seeks expert opinions or advice, the arbitrator retains full discretion to utilize or disregard such opinions or advice in exercising arbitral authority.	

Source: (Abdurrasyid Priyatna, 2002)

The concept of project management encompasses the following elements:

1. Utilizing the concept of management based on its functions, namely: planning, organizing, leading, and controlling company resources, including human resources, costs, and materials.
2. Managing activities that are short-term with clearly defined objectives.
3. Employing a systems approach.
4. Possessing both horizontal and vertical hierarchies.

The above definition indicates that project management does not intend to eliminate vertical workflows but rather seeks to incorporate technical approaches and specific methods to respond to the demands and challenges encountered in project activities.

Universitas Internasional Batam
Fakultas Hukum
Jl. Gadjah Mada, Batam, 29442, Indonesia
Phone : (0778) 743 7111 Ext, 140.
Email: admin_jlpt@gmail.com

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The stages of project management activities are:

1. Project scheduling and planning stage.
2. Tendering and contract implementation stage.
3. Physical construction implementation stage.
4. Project evaluation stage prior to handover.

Table 3. Project Management Development Stages

Initiating	Planning	Executing	Monitoring and Controlling	Closing
Initiating is the process of identifying, defining, and starting a new project or a new phase of a project. The actions that must be undertaken by the project manager and senior management during the project initiation are as follows: a. Quickly forming a strong project team. b. Securing the involvement of stakeholders at the early stage of the project. c. Preparing a detailed analysis of business issues and developing project comparison techniques. d. Employing a phased approach. e. Preparing a practical and	Planning involves the process of thinking through and considering work schemes to ensure that the project proceeds in accordance with the organization’s requirements. To meet these requirements, the plans developed must be realistic and practical, and the planning process requires considerable time and effort.	Executing involves coordinating human resources and other resources and implementing the project plan to produce the products, services, or outcomes of a project or project phase. The deliverables of the project are produced during the execution phase and typically require substantial resources to complete.	Project monitoring and controlling involve measuring and regularly tracking the progress of the project to ensure that the project team meets the project objectives. The project manager and staff oversee and assess progress against the plan and take corrective actions as necessary.	Closing involves the formal acceptance of a project or project phase and effectively concluding the project. Administrative activities are often involved in this process, such as collecting project data, closing contracts, and obtaining formal acceptance of the project. The closing process also includes activities to secure stakeholder and customer acceptance of the final product and the project or project phase for final delivery. This encompasses verifying all completed work and may involve project audits.

realistic project plan.				During the final closure of each project, project team members should allocate time to communicate project results by preparing comprehensive project documentation.

Source: (Schwalbe, 2006)

The adoption of Integrative Legal Theory with a legal project management approach essentially states that:

1. The parties in dispute resolution act in good faith to ensure that the dispute can be resolved amicably, while allowing them to continue their business relationships in areas not under dispute.
2. In the process of dispute resolution through arbitration, the parties agree that the process constitutes a project that must be managed, so that the project completion—in this case, the arbitration process—must be timely and produce the outputs and outcomes expected by the parties (arbitral award).
3. The characteristics of both Project Management and Integrative Legal Theory must be maintained; however, the integration of the two aims to produce an arbitral award that is binding on the parties and enforceable.

In practice, the integration of Integrative Legal Theory and project management approach is adopted through the inclusion of arbitration clauses in international commercial contracts. For example, in the Sales Contract Between Shangrao Jinko Solar Import And Export Co., LTD, Point 13 concerning Arbitration states:

> *"Any dispute in connection with or arising from the Contract shall be settled through friendly negotiations. If no settlement can be reached, the dispute shall be submitted for arbitration to the Chinese-European Arbitration Center in Hamburg, Germany, following the UNCITRAL Arbitration Rules in effect at the time of applying for arbitration. The arbitration shall take place in Hamburg, Germany, and the arbitral award shall be final and binding upon both parties; and the arbitration fee shall be borne by the losing party" (Sec.gov., 2022).*

This clause illustrates that any dispute arising from the contract must first be resolved through amicable negotiations. If no resolution is achieved, the dispute will be submitted for arbitration at the Chinese-European Arbitration Center in Hamburg, Germany, conducted under the UNCITRAL Arbitration Rules in effect at the time of arbitration application. The arbitration will take place in Hamburg, Germany, and the arbitral award will be final and binding on the parties, with the arbitration fee borne by the losing party.

In the context of commercial contracts in Indonesia, Pertamina, a state-owned enterprise (SOE), entered into a commercial agreement with Karaha Bodas Co. LLC. The

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contract included an arbitration clause specifying that any disputes would be resolved through Swiss arbitration, applying international law, notably the New York Convention and the UNCITRAL Model Law[30]. Subsequently, Pertamina attempted to challenge the enforcement of the Swiss arbitral award, which had already been recognized by the Central Jakarta District Court. The company argued that Indonesia was experiencing an economic and monetary crisis at the time. However, the Supreme Court of Indonesia rejected Pertamina's appeal, affirming that the Swiss arbitral award was final and binding. Consequently, Karaha Bodas Co. was entitled to enforce the award.

E. Conclusions

Arbitration, whether conventional or online, follows structured stages that align with the project life cycle: planning, execution, monitoring, and closing. This allows dispute resolution to be managed as a "project," ensuring efficiency, timeliness, and enforceable outcomes. In international trade, arbitration is preferred over national courts due to its confidentiality, flexibility, finality, and international enforceability under the 1958 New York Convention.

International hard law and soft law, along with Indonesian national law, provide frameworks for contracts and dispute resolution, making arbitration clauses a standard practice. Romli Atmasasmita's Integrative Legal Theory, which harmonizes legal certainty, justice, and usefulness, can be combined with project management approaches to structure arbitration processes. Parties must act in good faith and treat arbitration as a "legal project" with clear objectives and timelines to ensure awards are enforceable and meet legal goals.

Practical applications are evident in international contracts, such as the Jinko Solar Sales Contract and Pertamina–Karaha Bodas case, demonstrating that arbitration effectively integrates legal theory and project management for planned, efficient, and globally recognized dispute resolution.

[30] Ayesha Tasya Izulkha, *MANTAP: Journal of Management Accounting, Tax and Production E-Alternatif Penyelesaian Sengketa Bisnis Melalui Arbitrase (Studi Kasus Pertamina dengan Karaha Bodas Company (KBC)*, 2, no. 2 (2024).

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