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Fikri Zul Fahmi

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Nevertheless, scholars of international relations and politics, and indeed anyone interested in studying Indonesia's place in the world, can learn much from this book.

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McRae, Dave. 2014. 'More Talk Than Walk: Indonesia as a Foreign Policy Actor'. Lowy Institute Analysis. 27 February. <http://www.lowyinstitute.org/publications/more-talk-walk-indonesia-foreign-policy-actor>.

Rose, Gideon. 1998. 'Neoclassical Realism and Theories of Foreign Policies'. *World Politics* 51 (1): 144–72.

Regional Dynamics in a Decentralized Indonesia. Edited by Hal Hill. Singapore: Institute of Southeast Asian Studies, 2014. Pp. xxviii + 538. Paperback: \$30.90.

Indonesia's decentralisation and associated reforms have been complex and highly nuanced, and questions remain over whether decentralisation has in fact improved regional development. This edited book, which came out of the 2013 Indonesia Update conference at ANU, compiles interesting, high-quality studies of the implications of decentralisation for regional development dynamics amid Indonesia's enormous physical, socio-cultural, and economic geographies.

The idea of Indonesian decentralisation has evolved over time. It was enacted in 1999, amended in 2004, and amended again in 2008. The policies regulating it have changed twice since this book was published. Indonesia is still looking for the best model of decentralisation and regional governance, so the term 'decentralising' – instead of 'decentralised' – would describe developments more accurately.

Booth (chapter 2) notes that Indonesia's decentralisation policy was prepared in response to financial crises and political tensions triggered by the problem of 'rich provinces, poor people' – that is, of uneven development outcomes across its regions. In chapter 3, Mietzner describes how power and the authority to govern in Indonesia were originally devolved to the districts (*kabupaten*) and municipalities (*kota*), rather than the provinces, to prevent national disintegration. Indonesia's political leaders thought that distributing power to a large number of small administrative units would make separatist sentiments easier to contain (Fitriani et al. 2005). This approach may have increased the opportunities for local governments to bring public services closer to the community – through innovative schemes such as the National Program for Community Empowerment (McCarthy et al., chapter 10) – but it has left little room in which to develop strong institutional arrangements at the regional level (Firman 2009).

Hill and Vidyattama (chapter 4) find that interregional differences in living standards and economic structures remain large. Schulze and Sjahrir (chapter 8) suggest that decentralisation appears to have improved service delivery and made budgets more needs-oriented, but that local-level democratisation has not made the allocation of government spending more efficient. In other words, there

is no strong evidence that decentralisation and democratisation have had much effect on service delivery. Furthermore, in the last section of the book, on the challenges for Indonesia's periphery, the authors show that the special autonomy rights (*otsus*) granted to Aceh and the Papuan provinces have not removed the sources of local conflicts.

The distribution of power to the municipal level has also led many local governments to think of themselves as 'kingdoms' (Firman 2009). According to this book, there are at least two implications of this condition. First, it fragments regional development, because local governments tend to look inwards rather than try to collaborate with neighbouring regions on tackling development problems. Firman (chapter 15) gives the example of mega-urbanisation in Greater Jakarta, which consists of several administrative units. He points out that since these administrative units are functionally interrelated, they should not be managed in a fragmented way. Rather, the local governments should cooperate in managing infrastructure and public services. Yet these local governments often do not wish to communicate with others, even though they have no suitable governance mechanism in place to respond to these challenges. According to the central government's newest decentralisation policy, provincial governments are now positioned as the 'representatives of the national government at the local level' (*wakil pemerintah pusat di daerah*), which will affect the extent to which provincial governments can cooperate on local development, and the extent to which this will lead to better service provision and quality of life.

Second, many local actors have agitated for regional fragmentation (*pemekaran*), by arguing that public services can be better delivered by smaller administrative units. *Pemekaran* has become a headache for the central government; in many cases, proposals for local fragmentation are not feasible—for example, as Nolan, Jones, and Solahudin (chapter 17) note, the proposed regions may have high poverty rates and little economic potential. Patunru and Rahman (chapter 7) argue that *pemekaran* might cloud the main objectives of decentralisation—namely, to develop infrastructure, reduce transaction costs, and improve budget allocation. Conversely, Ilmma and Wai-Poi (chapter 5) find that regions that have undergone *pemekaran* are better able to reduce poverty. It is unclear, however, whether the original region or the new region is more likely to enjoy this benefit, and the authors acknowledge that further analysis is needed.

Another conclusion that we can draw from this book is that, despite decentralisation, there is still a lack of institutional capacity, especially of local governments, to direct local development, deliver public services, and alleviate poverty (Sumarto et al., chapter 12). Lewis (chapter 6) notes that the same problem hinders effective fiscal decentralisation, as fiscal equalisation and neutrality principles in grant allocation will work only if local actors are able to guide the provision of public services. Participatory actions are needed so citizens can demand that the local government provide them with better public services. Besides, there is the need to develop a suitable local-leadership framework that will encourage local governments to improve institutional capacity and mobilise the local resources needed to provide these services (Fahmi et al. 2015).

This is an excellent book, but it ignores some crucial aspects of decentralisation. Other than in Firman's chapter, the book alludes to but does not analyse in depth the behaviours of local governments as a side-effect of decentralisation. Nor does

it discuss how local governments experiment with new policy ideas, even though localities often adopt policies from other regions (see Phelps et al. 2014). In addition, although this book has a special section discussing development issues in the country's periphery, it focuses only on Aceh, Papua, and West Papua, which have special autonomy rights. Regional development in border regions, including in small remote islands, faces significant obstacles and is similarly worth our attention. This and other unobserved aspects should set the agenda for future research.

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Linking People: Connections and Encounters between Australians and Indonesians. Edited by Antje Missbach and Jemma Purdey. Berlin: Regiospectra Verlag, 2015. Pp. vii + 298. Paperback: €24.90.

According to the editors of this book, the idea for the symposium on which it is based came out of 'the "back-to-square-one" sense of inertia and frustration' about the Australia-Indonesia relationship. The book comes after official relations plummeted for almost a year from November 2013, over revelations that the Australian government had tapped the phones of Indonesia's then president Yudhoyono and the First Lady. Almost all the contributions highlight the importance of 'soft' power; the argument is that a broadening and deepening of people-to-people relationships can partly buttress against the inevitable downs in political relationships.

The book does a good job in giving us a glimpse of the wide range of personal and institutional connections that might contribute to soft power, particularly in education and culture. The editors warn, however, that only a few dimensions of these connections are on display in the book. Discussions of civil society, sport, religion, business, and many other areas of interaction between Australia and Indonesia are barely canvassed. The book is also largely a perspective on bilateral relationships from Australia; only one of the main authors resided in Indonesia at the time of writing.

The two chapters likely to be of most interest to *BIES* readers are those on the economy and on West Papua. Howard Dick (chapter 2) bemoans that Australians