

**INDONESIA PROJECT
ANNUAL REPORT 2003**

**DIVISION OF ECONOMICS
RESEARCH SCHOOL OF PACIFIC AND ASIAN STUDIES
THE AUSTRALIAN NATIONAL UNIVERSITY**

Published by

INDONESIA PROJECT

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The Australian National University continues to provide the Project with substantial and continuing support. A special vote of thanks goes to The Director of the Research School of Pacific and Asian Studies (RSPAS), Professor Jim Fox, the Convenor of the Division of Economics, RSPAS, Professor Warwick McKibbin, and staff in the Business Managers office under Dr. Katie Gillette in RSPAS, for their encouragement and cooperation over the past two years. Without this support, the work of the Indonesia Project could not be maintained.

Finally, Project wishes to thank academic colleagues and administrative staff in the Economics Division for their encouragement and valuable input into the Project's activities. The Project Head and academic staff are especially indebted to the efforts of the Project's administrative and support staff.

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HIGHLIGHTS IN 2003

The Project aims to provide high quality analysis, and stimulate debate, of key issues of Indonesian development at ANU, within the Australian academic and wider community, and internationally. To this end, the Project continued to focus on its three core activities during 2003: *The Bulletin of Indonesian Economic Studies*, the annual Indonesia Update Conference and Assessment book based on the conference, and our regular seminar series, the Indonesia Study Group. In addition, we hosted a range of visitors from elsewhere in Australia, Indonesia and other countries, arranged special workshops and conferences on topical issues in Indonesian development, and organised book launchings and new publishing arrangements.

Indonesia Project staff were active in research on economic developments in Indonesia and the wider East Asian region, and in supporting research work by post-graduate students on Indonesia. Outreach activities sought to provide information and advice to government agencies and officials, especially AusAID, as well as to other institutions and individuals interested in Indonesia. Staff conducted interviews and contributed articles in the Australian and Indonesian media on topical issues in Indonesia and in Australian-Indonesian relations. In addition, Project members wrote numerous book and journal articles on Indonesia or general East Asian topics in 2003.

- **The Bulletin of Indonesian Economic Studies (BIES).** The BIES continued as the focus of Project academic work, bringing the results of analysis of economic developments to the attention of Australian, Indonesian and the wider international audiences. The economic policy challenges and performance of the Megawati government was monitored closely in the regular Surveys of Recent Developments. Articles published in the BIES in 2003 covered a wide range of topics including decentralisation, governance and corruption, banking and finance, and labour and poverty. The publishing arrangement with CARFAX continues to work smoothly.
- **Update Conferences and Publications.** *Business in the Reformasi Era* was the theme of the 2003 Indonesia Update conferences. The 2003 Update hosted a large audience of over 400 and papers were given by Indonesian, other international and Australian speakers. The conference was organised by Pierre van der Eng and M. Chatib Basri who will edit a book based on the conference to be published by ISEAS. The Assessment volume *Local Power and Politics* based on the Update conference in 2002, edited by Greg Fealy and Ed Aspinall, was published in May 2003 by the Institute of Southeast Asian Studies (ISEAS) in Singapore. A very successful seminar and book launching to commemorate the event was held in Jakarta in the same month.

PROJECT GOALS

Through our main activities (i) the publication of a high quality academic journal and other publications (ii) an annual Indonesia Update and other conferences and seminars, (iii) teaching and support for students, and (iv) outreach activities, the Project aims to:

- Undertake and support high quality research on the Indonesian economy, disseminate the findings of this work within the academic community in Indonesia and internationally, and contribute to debates on Indonesian economic policy.
- Encourage research, public discussion and debate on important topical issues in Indonesian affairs more generally, both in Australia and internationally.
- Contribute to stronger ties between Australia and Indonesia, particularly among economists and economic-linked institutions, and to assist Australian government and non-governmental bodies to deepen and broaden links with our largest neighbour.

PROJECT ADMINISTRATION AND STAFFING

Four academic staff members – Chris Manning, Ross McLeod, Budy Resosudarmo and Hal Hill – constituted the core of the academic Project ‘team’ during 2003 (see *Attachment A*). Chris Manning was Acting Editor of the BIES during the first half of 2003. The permanent editor, Ross McLeod, took leave to conduct research at SAIS in Washington D.C. in the United States, and returned to Canberra in July.

We said goodbye to Jill Wolf after a year of ably serving as the Project Administrator, and welcomed Cathy Haberle as the new Project Administrator in early 2003.

Several other researchers were active in supporting core Project activities, both from within the Division of Economics and the broader Research School of Pacific and Asian Studies at ANU, and also from elsewhere in the ANU. In the Division of Economics, John Maxwell, George Fane, Prema-chandra Athukorala and Peter Warr have been directly involved in research on Indonesia and supported various Project activities. John Maxwell has made a valuable contribution in organising the Indonesia Study Group, together with Budy Resosudarmo.

Among the many other ANU staff who supported Project activities in 2003, Greg Fealy and Jamie Mackie (Emeritus Professor) deserve special mention. Greg made valuable contributions to the analysis of politics in the regular BIES surveys of recent developments, and played a central role in helping organise the Indonesia Study Group. Jamie Mackie provided countless advice on many Project matters and continued to organise an informal Indonesia Discussion Group involving ANU and other Indonesianists.

The Project has benefited from the participation and support of Andrew MacIntyre, Director of the Asia Pacific School of Economics and Government (APSEG) at the ANU in a range of activities. Andrew co-authored the Survey of Recent Developments in August 2003 which was presented as a seminar at the Indonesia Study Group. He attended a number of Project seminars and meetings with visitors, as well as the annual Board Meeting of the BIES. Outside Canberra, Lisa Cameron from the University of Melbourne, a Research Associate with the Division of Economics and the Project, has made a valuable contribution to Project activities.

In Indonesia, Thee Kian Wie, formerly from the Indonesian Institute of Sciences, continued to offer enormous support from Jakarta as a Research Associate attached to the Project. Hadi Soesastro, as visiting Adjunct Professor in the Economics Division and Australia-Japan Research Centre, attended conferences in addition to assisting other activities of the Indonesia Project through our cooperative arrangements with the Center for Strategic and International Studies (CSIS) in Jakarta. Kelly Bird, a research associate with the Project and a consultant with the planning agency BAPPENAS, has also provided valuable assistance to our Project activities from Jakarta. We are delighted that M. Chatib Basri also agreed to take up our offer research associate in 2003. He has continued to make a valuable contribution to our research and other activities since he graduated in 2001.

MAJOR ACTIVITIES 2003

The Bulletin of Indonesian Economic Studies

The *Bulletin of Indonesian Economic Studies* (BIES), the Project's core activity, was in its 39th year of publication in 2003. The journal aims to inform readers worldwide of developments in the Indonesian economy within the context of debates on economic development in the international literature. A principal goal is to make the BIES accessible to a broad readership interested in economic policy issues. The anticipated readership includes policymakers, officials and advisors in Indonesia and working for international bodies, academics, postgraduate students and other informed observers of the Indonesian economy.

The BIES is issued three times a year, in April, August and December. Each issue offers up-to-date analysis of developments in the Indonesian economy in the *Survey of Recent Developments*. In addition, the Bulletin usually contains three to five articles on important policy issues, occasional shorter notes on topics of current interest, conference reports, and book reviews. Except for the *Survey*, all papers undergo a rigorous international refereeing process. It is encouraging that some nine Indonesian writers contributed to articles during 2003. The Editor commissions the *Survey*, which is usually written by a well-known economic commentator, or by a younger up and coming economist; Project staff also have a significant input. In 2003, *Surveys* were written by Mike Waslin (The Treasury), Budy Resosudarmo and Andrew MacIntyre (ANU) and David Ray (Partnership for Economic Growth Project, USAID). The BIES web page provides abstracts of current and recent articles along with other general information about the journal.

The entire contents of the journal are available online to institutional subscribers. The Centre for Strategic and International Studies (CSIS) in Jakarta continues to print and distribute the journal in Indonesia. The Project wishes to record its sincere gratitude to CSIS for its success in making the BIES available to readers in Indonesia with minimal delay.

Recent *Surveys* of the economy have chronicled the success of the government of Megawati Sukarnoputri in achieving greater economic stability, yet at the same time failing to achieve a return to the high growth rates of the 1980s and early 1990s (See *Attachment B*). An interesting feature has been the impact of Indonesia's newly democratic environment, in which it has often proved difficult to implement sound economic policies in the face of greater economic nationalism, and deals with implications of the impending withdrawal and eventual retreat from the financial support program under the IMF.

One new initiative in 2003 was the publication of PhD thesis abstracts from dissertations completed on the Indonesian economy in recent years. The abstracts were included in the December edition, and we aim to repeat the practice annually. We are grateful to Thee Kian Wie, who suggested this initiative. Dr Thee also compiled a collection of interviews with several key policy-makers and indigenous businessmen, all of whom had played significant roles in Indonesia's development from the 1950s through the New Order period. These interviews had been published individually in the BIES over a number of years. As Kian Wie was involved in many of the interviews, it was fitting that he should edit the volume, entitled *Recollections: The Indonesian Economy, 1950s-1990s*, published by the Institute of Southeast Asian Studies in Singapore.

The Arndt Prize for the best article written by Indonesian authors published in the BIES each year was awarded to two articles in 2003. Budy Resosudarmo was awarded belatedly for his 2002 article 'Indonesia's Clean Air Program'. For 2003, the Prize was awarded to a group of authors from the Social Monitoring and Early Response Unit (SMERU), Asep Suryahadi, Wenefrida Widyanti, Daniel Perwira and Sudarno, for their paper 'Minimum Wage Policy and its Impact in the Urban Formal Sector.'

The Indonesian Update Conference and Update Book¹

The Indonesia Update Conference is the most important public affairs activity undertaken by the Project. The conference is organised jointly with the Department of Political and Social Change. This has been an annual event at the ANU since 1983, and is the major annual conference on Indonesian developments anywhere in the world outside Indonesia.

¹ Prior to the 2003 publication, the edited volume based on the conference was published as part of the Indonesia 'Assessment' Series, first by ANU and subsequently in cooperation with the Institute of Southeast Asian Studies from 1995 onwards. From 2003 onwards, the series is called the Indonesia Update Series

The 2003 Update *Business in the Reformasi Era* was well-timed, as Indonesia struggled to absorb more investment and improve the business climate (see *Attachment C*). Organised by Pierre van der Eng (ANU) and M. Chatib Basri (University of Indonesia), the conference was attended by more than 400 participants over two days. It featured a gathering of an impressive range of experts and practitioners working in the field of business, corporate governance and regulation, as well as on related issues of foreign investment, human resources and labour unions. Sidney Jones (International Crisis Group in Jakarta) gave a spirited account of the political and human rights challenges facing Indonesia as it moved towards the 2004 elections, and M. Chatib Basri outlined some of the challenges faced in economic policy in the 'post-IMF' era.

Plans are well under way for the holding of the 2004 Update conference on *Natural Resources and the Environment*, to be coordinated Budy Resosudarmo in September.

The co-publishing arrangement between ISEAS and ANU, bringing together papers from the Update conference in an edited book based on the conference, is now into its 11th year. The Assessment volume *Local Power and Politics* based on the Update conference in 2002, edited by Greg Fealy and Ed Aspinall, was published in May 2003 (see *Attachment D*).

A special half-day seminar and book launching of *Local Power and Politics* was held at the Center for Strategic and International Studies (CSIS) in Jakarta, opened by the well-known political leader Professor Amien Rais, was attended by close to 100 invitees. Addresses were given by the Chief Economist of the World Bank, Bert Hoffman, and Tubagus Feridhanusetyawan and Rizal Sukma from CSIS, as well as several contributors to *Local Power and Politics* (Ed Aspinall, Hans Antlov and Hana Satriyo). A smaller book launching was also held in Canberra, in cooperation with the ANU Bookstore, at which The Hon. Christine Gallus MP officiated, welcomed by the Vice Chancellor and some 30-40 guests.

The Indonesia Study Group and other Meetings

Regular seminars at the ANU, workshops and conferences play an important part in our efforts to disseminate information on developments in Indonesia. These forums seek to promote discussion and debate on a range of topics, including deliberations on policy issues in Indonesian development and related bilateral relations.

Indonesian Study Group. Regular meetings were organised by the Indonesia Study Group throughout 2003, skillfully managed by Budy Resosudarmo and John Maxwell. The Study Group, coordinated by the Project, invites informed speakers, policy makers, students and researchers to talk on aspects of Indonesian politics, economics and society. Speakers included visiting scholars and well-known public figures from Indonesia. Indonesia Study Group meetings, which began some 35 years ago, are among the best-attended seminars on campus. They have regularly attracted 20–50 participants throughout the period from the university, government departments and agencies and the public. Altogether, 25 addresses were given in 2003. Highlights included addresses by Rachlan Subandi Nashidik (Director of Indonesian Human Rights Watch), Nurdin Rahman (Founder of PASKA, The Program for Victims of the Conflict in Aceh), and the

Head of Nahdatul Ulama, Hasyim Muzadi, together with several key religious leaders in Indonesia. In all, Indonesian speakers contributed to just under half of all ISG addresses.

As in previous years, politics dominated in topics for seminars given at the Indonesia Study Group (see *Attachment E*). Progress in decentralisation and developments in regional hot-spots, especially Aceh, and implications for Australia were major issues raised in the seminars. Other topics also included rural development, crime in colonial Indonesia, human rights, governance and corruption, and political economy and poverty. Economic updates were also given by both the visiting BIES *Survey* writers at meetings in 2003.

The H. W. Arndt Public Lecture Series. In 2003, the ANU inaugurated a series of public lectures to celebrate the life and work of Professor Heinz Arndt, the founder of the Indonesia Project, who passed away in May 2002. The first lecture was held on August 13, 2003. The Treasurer, the Hon. Peter Costello introduced Dr. Anne Krueger, First Deputy Managing Director of the International Monetary Fund (IMF), who delivered the inaugural lecture entitled *Dismantling Barriers and Building Safeguards: Achieving Prosperity in an Era Of Globalisation*.

The Indonesia Discussion Group. Jamie Mackie continued to coordinate meetings of a small informal study group of about 15 persons who meet periodically to discuss the significance of current developments in Indonesia. Most members of the group are from the Research School of Pacific and Asian Studies at ANU and the Faculty of Asian Studies, but also include a few prominent Indonesianists (journalists, public figures and government officials) from elsewhere in Canberra. Jamie arranged for several members to make a joint submission to the Joint Parliamentary Committee on Relations with Indonesia in July 2003.

Visitors to the Project, Staff Work in Indonesia and Institutional Ties

The quality of research work, and the capacity of the Project to remain in touch with developments in Indonesia, depend critically on ties with the Indonesian academic and research community, and with Australian and international students, scholars and policy makers working on Indonesia. These objectives are pursued through our visitors program specifically targeted to provide financial support for Indonesian researchers.

We are also aware of the importance of fostering informal and on-going contacts and cooperation with Indonesian institutions, as well as other centres that focus on both the study of the Indonesian economy and society and broader developments in the East Asian region. In 2003, the Project hosted seven longer term visitors (*Attachment F*). Aside from the many Indonesians who visited us to present papers at the Update in 2003, the Project, three well-known, younger Indonesian economists visited in 2003: M. Chatib Basri, Ari Kuncoro and Edimon Ginting (all from the University of Indonesia.) All came under our Visitor's Program. Chatib Basri worked on editing the Indonesia Update volume with Pierre van der Eng, and gave seminars and talks at ANU, AusAID and the Australian-Indonesian Business Council. Dr. Kuncoro wrote up research work on

governance, and Dr. Ginting completed a note for BIES on the new finance law, and reported on on-going research on the impact of corruption on economic activity. The latter two visitors gave seminars to the Division of Economics, and all gave presentations to the Indonesia Study Group.

We were delighted to host the first visit of Peter Timmer from Development Alternatives International (DAI), formerly from UC San Diego, to ANU. His visit was funded by the Project and the Asian Pacific School of Economics and Governance. Peter is a long standing BIES Board Member and has been a valuable supporter of the project for over 30 years. Peter gave stimulating addresses on issues of agricultural development, income distribution and poverty, and the political economy of corruption at the ANU. He also attended our annual board meeting and interacted intensively with staff and students.

In addition, Christian von Luebke a staff member of the German Technical Cooperation Agency (GTZ) in Indonesia and PhD candidate from the University of London, spent a month with the Project in early March-April, and S. Takii from the University of Kitakyushu in Japan spent two months pursuing his research interest in manufacturing development in Indonesia. David Ray, from USAID in Jakarta spent a week with us writing up the Survey of Recent Economic Developments.

Academic staff attached to the Project made several visits to Indonesia to give conference papers and seminars at Indonesian universities and research institutes and at international conferences. Our links through joint seminars, reciprocal staff visits and support for post-graduate students have been particularly intensive with the Center for Strategic and International Studies (CSIS) and the Faculty of Economics at the University of Indonesia. Hal Hill spoke at a high level meeting on Indonesian Development attended the President, in Bali in December, Ross McLeod and Chris Manning gave seminars in Jakarta, and Chris was also an invited speaker at the IRSA (Indonesian International Regional Science Association) conference in Bandung in July 2003. Budy Resosudarmo was one of the organisers of the annual IRSA conference which involves academics and policy makers from all over Indonesia and from abroad. In addition, Ross McLeod spent one week as a Visiting Professor with the Faculty of Economics, University of Indonesia. He gave several lectures and interacted with students and staff as part of an informal program of cooperation with the Faculty.

We appreciate the support given to the project by many institutions and individuals during these visits. In particular, we should mention Tubagus Feridhanusetyawan and other CSIS staff, in addition to the generous support from the CSIS Executive Director, Hadi Soesastro. Chatib Basri and Bambang Brodjonegoro, in particular, have played a major role in supporting closer ties between the Project and research staff and students in the Faculty of Economics at the University of Indonesia.

Research Activities and Publications

Publications and research activities of Project staff, including both core and other research staff attached to the Project, covered major aspects of Indonesian economic development. In addition to research conducted by Project staff, graduate student work supervised by the staff made an important contribution to the research output of the

Project. Two new Indonesian students were directly enrolled in PhD programs in economics and supervised by staff of the Project in 2003, joining Tony Prasetyantono, who is now into his second year of a PhD program with the Public Policy Program. Several students are enrolled in Masters and diploma degrees in economics and at least one outstanding candidate is likely to continue on to a PhD.

Research work on Indonesia's *macroeconomic development and banking* continued to be a focus of research supported by the Project and undertaken by several Project staff members. Ross McLeod made a major contribution to debates on monetary policy and the controversial IMF program in Indonesia, and continued his research on Indonesian financial markets and monetary policy. *Trade and related industrial policy and development* in Indonesia have continued to be a focus of research undertaken by several Project members and associates, including Chatib Basri, Hal Hill and Thee Kian Wie. *Decentralisation and regional development* was also an important topic of research. George Fane published a paper in the BIES on financial decentralisation and several other papers were published on this topic in the BIES. Budy Resosudarmo worked on various aspects of *environmental economics* in Indonesia. In addition to research on air pollution and publishing a paper on Indonesia's clean air program, Budy also examined energy pricing policy, bribery, illegal logging and forestry policy. Chris Manning published papers on various aspects of *labour markets and labour policy* in Indonesia and conducted research on international labour migration in East Asia, sponsored by the ASEAN Secretariat in Jakarta.

Other areas of research of continuing research specialisation among staff members included *agricultural development, economic history, and poverty*. In particular, Colin Barlow continued to work on agriculture and rural development in East Indonesia, Pierre van der Eng in the Faculties at the ANU conducted research on Indonesian economic history, and Peter Warr and John Maxwell were involved in research on poverty.

National and International Seminars and Conferences

A high priority of the Indonesia Project is the international dissemination of its research work through seminars and conferences. During 2003, besides conferences in Indonesia (Jakarta, Bandung and Bali), core Project members were involved in a range of international conferences in Phuket, Bangkok, Manila, Singapore, Kuala Lumpur, Tokyo, Paris and the USA.

Outreach

Project members were active in a wide variety of public affairs and outreach activities, including teaching, media commentary, consulting and advisory work. Core Project staff participated in meetings and workshops on aspects of the developments in Indonesia, in addition to academic seminars and the Update conferences. These included the above-mentioned Indonesia Discussion Group meetings organised by Jamie Mackie at the ANU.

Core staff members sought to be accessible to the media on aspects of Indonesian affairs in 2003. They gave radio interviews with reporters from Australia and overseas (the ABC, and the Singapore Broadcasting Corporation) and contributed to the print media.

Project members enjoy close relations with Australian and international development agencies, and are often called upon by them to give advice or present papers. Examples of this kind of activity included briefings to the Indonesia section staff in AusAID, and contributions to AusAID action statements and plans on Indonesia, including the decentralisation program and the World Bank report on Indonesia for the annual donors meeting (the CGI). In addition, Project members held informal meetings with a range of Indonesian embassy staff, both Indonesian and Australian government officials (including a meeting at the Treasury), and journalists working on Indonesia. They also provided informal briefings for several officers prior to their departure to take up new postings in Indonesia.

ATTACHMENT A: CORE STAFF OF THE PROJECT²

Chris Manning
Head

Ross H. McLeod
Editor
Bulletin of Indonesian Economic Studies

Hal Hill
Professor of Southeast Asian Economics

Budy Resosudarmo
Research Fellow

Liz Drysdale
Associate Editor
Bulletin of Indonesian Economic Studies

Cathy Haberle
Administrator

Trish van der Hoek
Librarian

² All core staff members are attached to the Division of Economics, Research School of Pacific and Asian Studies.

ATTACHMENT B: ARTICLES PUBLISHED IN THE BULLETIN OF INDONESIAN ECONOMIC STUDIES 2002-2003

VOLUME 39 NO 1 (APRIL 2003)

Survey of Recent Developments

Mike Waslin

Minimum Wage Policy and Its Impact on Employment in the Urban Formal Sector

Asep Suryahadi, Wenefrida Widyanti, Daniel Perwira and Sudarno Sumarto

Indonesian Trade Liberalisation: Estimating the Gains

Tubagus Feridhanusetyawan and Mari Pangestu

Indonesia's Banking Crisis: What Happened and What Did We Learn?

Charles Enoch, Olivier Frécaut and Arto Kovanan

Indonesia's Textiles and Apparel: The Challenges Ahead

William E. James, David J. Ray and Peter J. Minor

VOLUME 39 NO 2 (AUGUST 2003)

Survey of Recent Developments

Andrew MacIntyre and Budy P. Resosudarmo

Change and Continuity in Indonesia's New Fiscal Decentralisation Arrangements

George Fane

Tax and Charge Creation by Regional Governments under Fiscal Decentralisation:
Estimates and Explanations

Blane D. Lewis

Village Government and Rural Development in Indonesia: The New Democratic
Framework

Hans Antlöv

Note

Recent Technical Papers on BPS Data

Yahya Jammal

VOLUME 39 NO 3 (DECEMBER 2003)

Survey of Recent Developments

David J. Ray

An Economic Survey of Northern Sulawesi: Turning Weaknesses into Strengths under Regional Autonomy

Lucky Sondakh and Gavin Jones

Towards Improved Monetary Policy in Indonesia

Ross H. McLeod

Towards Improved Monetary Policy in Indonesia: A Comment

Gordon de Brouwer

Revisiting Growth and Poverty Reduction in Indonesia: What Do Subnational Data Show?

Arsenio M. Balisacan, Ernesto M. Pernia and Abuzar Asra

Note

The State Finance Law: Overlooked and Undervalued

Edimon Ginting

Conference Report

Indonesia Update 2003

Business in the *Reformasi* Era: New Challenges, Old Problems

Hal Hill

**ATTACHMENT C: INDONESIA ASSESSMENT SERIES 2003
(PROCEEDINGS OF INDONESIA UPDATE 2003 TO BE
PUBLISHED IN 2004)**

**BUSINESS IN THE REFORMASI ERA: NEW CHALLENGES, OLD
PROBLEMS**

Pierre Van Der Eng and Chatib Basri (Eds)

Welcome:

Hal Hill

Opening address:

Andrew MacIntyre

Session I: Political Update

Terrorism, nationalism, and disillusionment with reform

Sidney Jones

Session II: Economic Update

After five years of *Reformasi Ekonomi*: What next?

Chatib Basri

Session III: Challenges to business

Business prospects: A view from the private sector

James Castle

A new political economy? Politics, ethnicity and business

Sadanand Dhume

Session IV: Old problems in business

IBRA, credit crunch and company restructuring

Felia Salim

Private sector response to public sector corruption

Merly M. Khouw

Session V: New regulations impacting on business

Upholding bankruptcy legislation

Marie-Christine Schröder

Kevin Sidharta

Corporate governance reform

Ahmad D. Habir

Business climate in the decentralisation era

Bambang P.S. Brodjonegoro

Session VI: Economic change and business

Foreign direct investment: Is it necessary?

Kelly Bird

Export-led development of SMEs

Henry Sandee

Peter van Diermen

Session VII: Private and state-owned firms

Corporate ownership-management: Does it change?

Yuri Sato

Privatisation and state-owned enterprise reform

Tony Prasetiantono

Session VIII: Workers, employees and firms

A challenge for business? Indonesian trade unionism

Michele Ford

Human resource management in Indonesian firms

Wahyu Sutiyono

**ATTACHMENT D: INDONESIA ASSESSMENT SERIES 2002
(PUBLISHED BY ISEAS, SINGAPORE IN MAY 2003)**

**LOCAL POWER & POLITICS: DECENTRALISATION AND
DEMOCRATISATION**

Edward Aspinall and Greg Fealy (eds)

Introduction: Decentralisation, Democratisation and the Rise of the Local
Edward Aspinall and Greg Fealy

PART I Political and Economic Update

2. Political Update 2002: Megawati's Holding Operation
Harold Crouch
3. Economic Update 2002: Struggling to Maintain Momentum
Mohamad Ikhsan

PART II Decentralisation and Democratisation Overview

4. Regional Autonomy and local politics in Indonesia
M. Ryaas Rasyid
5. Not Enough Politics! Power, Participation and the New Democratic Polity in Indonesia
Hans Antlov
6. What is Happening on the Ground? The Progress of Decentralisation
Arellano A. Colongon, Jr.
7. New Rules, Old Structures and the Limits of Democratic Decentralisation
Michael S. Malley

PART III Regional Case Studies

8. Power and Politics in North Sumatra: The Uncompleted *Reformasi*
Vedi R. Hadiz
9. Who are the *Orang Riau*? Negotiating Identity across Geographic and Ethnic Divides
Michele Ford
10. The Privatisation of Padang Cement: Regional Identity and Economic Hegemony in the New Era of Decentralisation
Minako Sakai
11. Coming Apart and Staying Together at the Centre: Debates over Provincial Status in Java and Madura
George Quinn

12. Changing the Cultural Landscape of Local Politics in Post-authoritarian Indonesia: The View from Blora, Central Java
Amrih Widodo
13. Between Rights and Repression: The Politics of Special Autonomy in Papua
Rodd McGibbon

PART IV Institutions and Society

14. Decentralisation and Women in Indonesia: One Step Back, Two Steps Forward?
Hana A. Satriyo
15. Shifting Power to the Periphery: The Impact of Decentralisation on Forests and Forest People
Ida Aju Pradnja Resosudarmo
16. Business as Usual? The Indonesian Armed Forces and Local Politics in the Post-Soeharto Era
Marcus Mietzner
17. Decentralisation and the Indonesian Bureaucracy: Major Changes, Minor Impact
Rainer Rohdewohl

ATTACHMENT E: INDONESIA STUDY GROUP MEETINGS 2003

31 January 2003

Mike Waslin (Dept of Treasury, former Treasury representative in Jakarta 2000-2003)

Recent Economic Developments

12 February 2003

Hasyim Muzadi (Leader of the Nahdatul Ulama)

The role of Islam in promoting religious tolerance in South-East Asia.

5 March 2003

Nurdin Rahman, (Founding director of PASKA (Program of Activities of Socio-economy for Victims of Conflict in Aceh) and RATA (Rehabilitation Action for Torture Victims in Aceh))

Will the Peace Agreement lead conflicts in Aceh be solved in a democratic way?

26 March 2003

Ari Kuncoro (Faculty of Economics, University of Indonesia)

Recent Development of Indonesian Manufacturing Sector: Some Insights.

2 April 2003

John Maxwell (Economics Division, RSPAS, ANU)

Tackling the issue of poverty and food security: an assessment of Bulog's 2002 'Rice for Poor Families' Program.

16 April 2003

Edimon Ginting (Faculty of Economics, University of Indonesia)

Working with the Indonesian Parliament on the budget: the political economy of fiscal policy.

23 April 2003

Christian von Luebke (Consultant for Local Economic Development, GTZ program, Nusa Tenggara Barat)

Local Economic Development in the Wake of Decentralisation - status quo and challenges: the case of Bima, Eastern Sumbawa.

30 April 2003

Brian Fegan (Consultant Development Sociologist)

Recent reforms in the system for licensing foreign boats to fish in Indonesia's EEZ.

28 May 2003

Budy Resosudarmo (Economics, RSPAS), Professor Andrew MacIntyre (Director, NCDS)

Political Economy in Indonesia: Recent Developments.

18 June 2003

Gavin Jones (Demography Program, RSSS)

Socio-Economic Developments in North Sulawesi and Gorontalo: A Regional Survey.

2 July 2003

John Maxwell (Economics Division, RSPAS)

Small-scale infrastructure development and poverty alleviation: experiences with recent village-level programs

23 July 2003

Philip Yampolsky (Ford Foundation-Jakarta)

VCD, Indonesia's new entertainment medium: piracy, identity, nostalgia - and Inull!

30 July 2003

Robert Cribb (Pacific and Asian history, RSPAS)

Crime in Colonial Indonesia

13 August 2003

Sri Moertiningsih Adioetomo (Deputy Coordinating Ministry of People Welfare for Women's Empowerment and Senior Researcher at the Demography Institute - Faculty of Economics, University of Indonesia)

The Population of Indonesia and its Implications: Widjojo's Expectations vs. Current Situation.

22 August 2003

Rachlan Subandi Nashidik (Director of Indonesian Human Rights Watch (IMPARSIAL))

The Role of Military and the Impact of Martial Law in Aceh on the Upcoming Election.

27 August 2003

Chris Manning (Indonesia Project, Economics Division, RSPAS)

Indonesia's New Labour Laws: Protecting the Weak or the Strong?

19 September

David Ray (USAID - Jakarta)

Recent Development of the Economy: Before and After the Marriott Bomb

24 September

Thee Kian Wie (Indonesian Institute of Sciences)

Recollections of Policy-Makers, Senior Officials, and Businessmen Who Have Shaped the Indonesian Economy Since Independence.

8 October

Suhadi (LKIS)

"Discourse and counter-discourse on the implementation of Islamic syari'ah in the post-Soeharto era."

10 October

Chatib Basri (Faculty of Economics, University of Indonesia)

The Political economy of trade policy in Indonesia.

15 October

Colin Barlow and Ria Gondowarsito (The Australian National University and International Oil Palm Study Group)

The Palm Oil Industry in Indonesia: Policies and Interventions.

Indonesia Project

12 November

Greg Fealy (Political and Social Change Division, RSPAS)

Darul Islam and Jemaah Islamiyah: An Historical and Ideological Comparison of Terrorist Movements.

19 November

Catharina Williams (Human Geography, RSPAS)

Migration to urban centres: Eastern Indonesian Women negotiating economic opportunities?

26 November

Peter Timmer (Chief Economist, Development Alternatives, Inc)

Income distribution in Indonesia in regional perspective.

10 December

Harold Crouch (Political & Social Change, RSPAS)

Speculating About the 2004 Elections.

ATTACHMENT F: VISITORS TO THE INDONESIA PROJECT 2003

LONGER TERM VISITORS

Ari Kuncoro (University of Indonesia)

(March, one month)

Speaker at the Indonesia Study Group (manufacturing development) and Economics Division (corruption), March 2003.

Edimon Ginting (University of Indonesia)

(April, one month)

Speaker at the Indonesia Study Group on the state finance law, April 2003.

Christian von Luebke (GTZ Indonesia and University of London)

(April, one month)

Research work on community development programs in Eastern Indonesia

M. Chatib Basri (University of Indonesia)

(September-October, 3 weeks)

Presenter at the Indonesian Update, Co-Editor of the Update book and presenter of several seminars on and off campus on current political and economic trends in Indonesia.

S. Takii, (International Centre for the Study of East Asian Development, Kitakyushu, Japan)

(September-November, 2 months)

Presented an Economics Division seminar on technology and industrial structure in Indonesia

David Ray (PEG-USAID, Jakarta)

(October, one week)

BIES survey writer for December 2003, and Indonesia Study Group Presenter on recent economic developments in Indonesia

Peter Timmer (Development Alternatives International, DAI)

(November-December, 2 weeks)

Presented seminars on Agricultural development, income distribution and poverty, and corruption.

OTHER

Hasyim Muzadi (Head of the major political party Nahdatul Ulama)

Gave a public address, together with other Indonesian religious leaders, on religious tolerance in Indonesia

Bambang Brodjonegoro (University of Indonesia)

Discussed plans for cooperation in teaching, research and students with the Faculty of Economics, University of Indonesia.

Amien Rais (Speaker of the Indonesian Parliament)

Presented a public lecture on Prospects for the Presidential Elections

Team from the Ministry of Finance

Presented a seminar on a Blueprint for Financial Sector Safety Nets in Indonesia

Thee Kian Wie (LIPI, Jakarta)

Chaired a session at the Update and presented at the Indonesia Update

Joan Hardjono (Bandung)

Attended the BIES Board Meeting