INDONESIA PROJECT BIENNIAL REPORT 2005–2006

DIVISION OF ECONOMICS RESEARCH SCHOOL OF PACIFIC AND ASIAN STUDIES ANU COLLEGE OF ASIA AND THE PACIFIC THE AUSTRALIAN NATIONAL UNIVERSITY

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INDONESIA PROJECT

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HIGHLIGHTS OF ACHIEVEMENTS IN 2005–2006

The Project continues to provide high quality analysis and stimulate debate on key issues of Indonesian economic policy and development The Project continued to focus on its two core activities during 2005–2006: the annual Indonesia Update conference followed by the associated conference volume series and the *Bulletin of Indonesian Economic Studies*. It also sponsored a number of other public activities in Australia and Indonesia. These activities sought

to provide a deeper understanding of the economy, policy initiatives and research developments, and present analysis of potential and on-going policy reforms. The Project organised a regular seminar series, the Indonesia Study Group, and hosted a range of visitors from elsewhere in Australia, Indonesia and other countries. We have also sought to nurture a new generation of Indonesia post-graduate research students. Another goal is to inform Australian and Indonesian government, the private sector and the general public on important policy issues in Jakarta and the regions.

- Update Conferences and Publications. Indonesia, Australia and the Region and Democracy and the Promise of Good Governance were the themes of the 2005 and 2006 Indonesia Update conferences respectively. Papers in those topics were presented by Indonesian and other international speakers, as well as by Australians from a range of institutions, stimulating debate among the large audiences of over 350. The Update volumes, The Politics and Economics of Indonesia's Natural Resources edited by Budy P. Resosudarmo, and Different Societies, Shared Futures: Australia, Indonesia and the Region edited by John Monfries, were published in May 2005 and 2006 by the Institute of Southeast Asian Studies (ISEAS) in Singapore, in cooperation with the Indonesia Project. A series of book launchings were held in Jakarta and Singapore as well as in Canberra for the two books. Judging from the international sales, the books have been widely accepted by the Australian, Indonesian and international readership interested in Indonesian development.
- The Bulletin of Indonesian Economic Studies (BIES). The BIES has sought to bring the results of analysis of economic developments and policy to the attention of Australian, Indonesian and wider international audiences. The economic policy challenges and performance of the Yudhoyono government were monitored closely in the regular Surveys of Recent Developments. Articles published in the BIES covered a wide range of topics including governance and corruption, regional development and finance, microeconomic policy and reform, foreign direct investment, and labour issues. Over 500 individuals and institutions subscribe to the journal, and almost 10,000 libraries have access to it.
- Other major public events. The Project invited Dr Mari Pangestu, the Minister of Trade, in August 2006 and Dr Sri Mulyani, the Minister of

Finance, to address recent development of policies in their Ministries and more broadly in the area of economic policy and governance. These forums were also an opportunity to stimulate public debate on key policy issues. The Project collaborated with the Centre for Strategic and International Studies in the staging of major one-day seminars in Jakarta on the Update topics in 2005 and 2006, with Ministers Dr Sri Mulyani and Dr Hassan Wirayuda delivering keynote addresses. We also supported and participated in international workshops on recovery from the *tsunami* in Aceh, Sri Lanka and Thailand (held in Jakarta), on cross-border cooperation between Papua New Guinea and Papua (held in Daru and Merauke), and on rural urban migration in Indonesia (held in Canberra).



HE Dr Sri Mulyani Indrawati, Indonesian Minister of Finance, Professor Ian Chubb, *ANU Vice Chancellor*, Richard Woolcott, *former Ambassador to Indonesia*

Indonesia Project staff were active in research on economic developments and policy, politics, political economy and governance in Indonesia and the wider East Asian region, and in supporting research work by postgraduate students. Project members wrote several books and numerous journal articles on Indonesia and East Asian topics in 2005–2006. Outreach activities sought to provide information and advice to government agencies and officials, business and the broader public. Staff took part in interviews and contributed articles in the Australian and Indonesian media on topical issues in Indonesia and in Australia–Indonesia relations.

In 2006 in particular, efforts have involved a wider range of people and institutions in the planning and execution of Project activities. The first meeting of a newly formed Indonesia Project Advisory Board was held in October 2006, involving Board members from ANU and other universities, and from on and off campus. The Project also began to issue a regular newsletter in 2006. Visitors to Canberra and the ANU gave a range of seminars. The Project also

collaborated with other national and international institutions in holding events in other cities in Australia, and in Indonesia.

PROJECT GOALS

The Project seeks to support high quality research and disseminate understanding of Indonesian developments and economic policy The main goals of the Project are pursued through four key sets of 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 Indonesian post-graduate students; and (iv) outreach activities in both Australia and Indonesia. Through our main activities the Project aims to:

- Undertake and support high quality research on the Indonesian economy, economic policy, political economy and governance. A major goal is to disseminate the findings of this work within the academic and policy community in Australia, 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, especially in the areas of politics, economics and governance, regional developments, international and bilateral relations, and Islam and society.
- 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.



Indonesia Project staff from left: Liz Drysdale, Chris Manning, Cathy Haberle, Hal Hill, Trish van der Hoek, Frank Jotzo, Budy Resosudarmo, Ross McLeod

PROJECT ADMINISTRATION, STAFFING AND ADVISORY BOARD

A younger group of researchers are engaged in work on Indonesia During 2006 we restructured the organisation of the Project to allow for more participation of younger academics and academics outside the economics discipline in Australia, in addition to several Indonesian academics and policy advisors.

- Three academics comprise the core administrative and operational staff: Dr Chris Manning (Head of the Project), Dr Ross McLeod (Editor of the *Bulletin of Indonesian Economic Studies*) and Dr Budy Resosudarmo who helps coordinate the research activities organised by the Project.
- Supporting academic staff directly engaged in planning and executing Project activities include Professor Hal Hill (HW Arndt Professor of Southeast Asian Economies), and as of 2006, two younger appointees to the Division of Economics, Dr Frank Jotzo and Dr Tao (Sherry) Kong. Two leading researchers in the Department of Political and Social Change, RSPAS, Dr Greg Fealy and Dr Ed Aspinall, are also directly engaged in supporting the core activities of the Project. They made valuable contributions in organising the Indonesia Study Group and supporting the Indonesia Update.



 $\label{eq:continuous} \mbox{Dr Greg Fealy and Dr Ed Aspinall, } \mbox{\it Political and Social Change, ANU}$

• In Indonesia, Research Associates include Dr Thee Kian Wie from the Indonesian Institute of Sciences (LIPI), Dr Hadi Soesastro, Executive Director of the Centre for Strategic and International Studies (CSIS) and Dr M Chatib Basri, Head of the Economic and Social Research Institute (LPEM) in the Faculty of Economics, University of Indonesia (see *Attachment A* for a full list of Project Research Associates). Dr Kelly Bird, a World Bank Consultant and Advisor to the Minister of Trade in Jakarta until April 2006, and now a staff member of the Asian Development Bank in Manila, is also a Research Associate of the Project.

The quality of the BIES is heavily dependent on the meticulous work of Liz Drysdale as Associate Editor who puts in many hours to ensure that the BIES is of the highest editorial standards, and published on time. An Administrative Officer, Cathy Haberle and a part-time Librarian and Supporting Administrative Staff member, Trish van der Hoek, play the major roles in looking after day to day activities of the Project. Cathy took maternity leave from December 2005 to December 2006 and was very capably replaced by Karen Guest. Trish van der Hoek assisted in organising and preparing our Newsletter for publication in 2006. Both Cathy and Trish play valuable roles in supporting the activities of the Project.

The Project is supported by a wider group of ANU economists and political scientists

Several other researchers at ANU were active in supporting Project activities, both from within the Division of Economics and the broader Research School of Pacific and Asian Studies, and from elsewhere in the ANU. In the Division of Economics, Ross Garnaut, George Fane, Prema-chandra Athukorala, Peter Warr and Sherry Kong have been directly involved in a range of activities: research on Indonesia, supervision of Indonesian PhD candidates and support for various Project activities.

John Maxwell and PhD candidates Della Temenggung and Arief Yusuf provided support for the Indonesia Study Group activities. Jamie Mackie (Emeritus Professor) advised on many Project matters, spoke at the 2005 Indonesian Update and continued to organise an informal Indonesia Discussion Group involving ANU staff and other Indonesianists. Andrew MacIntyre, Director of the Crawford School of Economics and Government (CSEG) at the ANU, was co-convenor of the 2006 Indonesia Update and is an active member of both the Project Advisory Board and the BIES Editorial Board.

Academic Support from Outside the ANU

Researchers in Indonesia and from other Australian institutions play a key role in Project activities Outside Canberra, Sisira Jayasuriya and Howard Dick from the University of Melbourne made valuable contributions to Project activities, especially through authorship of the Project Review (2006) and support for BIES, respectively. Michele Ford (Sydney University), Rod Maddock (Commonwealth Bank) and Tim Costello (World Vision) all contributed ideas towards Project activities through their role on the Advisory Board of the Project. We are also grateful for the support of other Advisory Board members, Martin Parkinson (Treasury, represented by David Pearl), and Catherine Boomer (World Vision, who attended meetings for Tim Costello) from outside the ANU.

In Indonesia, Thee Kian Wie, formally retired but still active in the Indonesian Institute of Sciences, continued to offer enormous support from Jakarta as a Research Associate attached to the Project. Dr Hadi Soesastro, from the Centre for Strategic and International Studies, has generously offered to host and organise the two all-day seminar–book launchings in Jakarta in 2005–06. Noke Kiroyan, as a contributor to the Update and an Advisory Board member, gave valuable support to our activities. The Project is also very grateful for the assistance of Mohmmad Chatib Basri in helping organise joint activities in both Indonesia and Australia. Chatib Basri also participated in several Project activities, including the 2006 Indonesia Update and as co-author of the 'Survey of Recent Developments' in the *BIES* in December 2006.

The Board of the Indonesia Project

A new Project Advisory Board was formed in 2006 to help guide Project activities In July-August 2006 a new Advisory Board to the Project was constituted and the first meeting of the Board held in October 2006. Formation of the Advisory Board was one recommendation flowing from the Review of the Project in 2005–06. Through consultation with the Director of the School of Pacific and Asian Studies, ANU, the Head of

theDivision of Economics, RSPAS, ANU and AusAID, fourteen persons were appointed to the Advisory Board, divided into two groups: Ex-Officio Members and Members appointed for a two year term.

Board Members

Chairperson: Robin Jeffrey, Director, Research School of Pacific and Asian Studies

Ex-Officio Members: Head of the Division of Economics, RSPAS, and Professor of Southeast Asian Economics (Hal Hill), Chairman of the Editorial Board, Bulletin of Indonesian Economic Studies (Ross Garnaut), Executive Director, Crawford School (Andrew MacIntyre), Representative of AusAID (Murray Proctor), Indonesia Research Staff, Department of Political and Social Change (Greg Fealy)

Other Australian Board Members: Lisa Cameron (University of Melbourne), Tim Costello (World Vision), Michele Ford (University of Melbourne), Rod Maddock (Commonwealth Bank) and Martin Parkinson (Treasury)

Indonesian Board Members: Mari Pangestu (Minister of Trade and Centre for Strategic and International Studies), Thee Kian Wie (Indonesian Institute of Sciences) and Noke Kiroyan (Indonesia Australia Business Council)

The first meeting of the Board in October 2006 was chaired by the Director of the Research School of Pacific and Asian Studies, Professor Robin Jeffrey. Members commented on reports from the Project Head and Editor of the *Bulletin of Indonesian Economic Studies* on recent and longer term developments. Discussion focused on the need to nurture new researchers and more formal linkages with a wider academic community in Australia and Indonesia, and to develop a broader approach in research and outreach, while preserving the quality of 'core' Project activities. We were particularly grateful to our non-ANU members for their contributions to the discussion: Murray Proctor (AusAID), David Pearl (Treasury), Rod Maddock (Commonwealth Bank), Noke Kiroyan (Newmont Mining), Catherine Boomer (World Vision) and Michele Ford (Sydney University).

MAJOR ACTIVITIES 2005–2006

The Bulletin of Indonesian Economic Studies (BIES)

The BIES is the major international forum for analysis of Indonesian economic policy issues

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 policy makers, officials and advisors in Indonesia and working for

international bodies, academics, postgraduate students and other informed observers of the Indonesian economy.

The *BIES* is published 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* contains three to five articles per issue on important policy issues, occasional shorter notes on topics of current interest, conference reports, book reviews and abstracts of recently completed PhD theses on the Indonesian economy. Except for the Survey (which is commissioned by the Editor), all papers undergo a rigorous international refereeing process.

Political economy and governance are important topics covered in the BIES In 2005, for the first time, we published the political and economic updates from the Update Conference series in the December issue of the *BIES*. In general, the *BIES* has sought to increase coverage of issues related to political economy and governance, as important areas of policy concern in Indonesia in recent times. Papers in these fields

include discussion of the organisation of *pribumi* entrepreneurs and the Indonesian deposit guarantee scheme, in addition to the political updates by R. William Liddle and Rodd McGibbon, in December 2005 and 2006 respectively (see *Attachment B*). Other areas of particular focus in 2005–06 have been regional development and finance, firm performance, microeconomic policy and reform, foreign direct investment, and labour issues. Comparative papers have dealt with Indonesia's monetary and exchange rate policies and export performance in the context of experience elsewhere in Southeast and Northeast Asia.

In early 2006 *BIES* launched its site in the Manuscript Central online manuscript submission and peer review system developed in conjunction with the publisher, Taylor and Francis. The system allows authors to submit papers online and to check the status of their papers at any time; it also allows referees to access the papers and submit their reports online, and provides automated reminders to referees, authors and journal staff. It is expected that this initiative will increase the flow of submissions, speed up the refereeing process and release more staff time for editorial activities.

The Indonesia Update Conferences and Books

The annual Update conference is the major international forum dealing with vital topics for Indonesian development and society

The Indonesia Update Conference is the most important public affairs activity undertaken by the Project. The conference has been organised jointly with the Department of Political and Social Change since 1983 and is the major annual conference on Indonesian developments anywhere in the world outside Indonesia. The 23rd and 24th Indonesia Update Conferences entitled *Indonesia*, *Australia and the Region* and *Democracy and the Promise of Good Governance* were held in September 2005 and 2006 respectively.

Based on the Update conferences, the Indonesia Update Series volumes *The Politics and Economics of Indonesia's Natural Resources* edited by Budy P. Resosudarmo, and *Different Societies, Shared Futures: Australia, Indonesia and the Region* edited by John Monfries, were published by ISEAS, Singapore, in May 2005 and 2006 respectively (*Attachments C and D*). *The Politics and Economics of Indonesia's Natural Resources* was launched at a series of gatherings in Jakarta, Singapore and Canberra in July–August 2005. Approximately 100 people attended the seminar and book launching in Jakarta, with Sri Mulyani (Chair of the National Development Planning Agency at the time) as the keynote speaker. Other speakers included Emil Salim (Indonesia's former Minister of the Environment) and David Kaimowitz, Director General, Center for International Forestry Research. K. Kesavapany, Director of ISEAS, presided over the book launching in Singapore and Murray Proctor, Deputy Director General, AusAID, launched the book in Canberra.

The 2005 Update Conference and Publication

The 2005 Update Conference was the first to focus on the bilateral relationship The 2005 Update Conference on the theme of *Indonesia*, *Australia and the Region* was organised by John Monfries and was attended by more than 400 participants over two days. Keynote speakers for the Update included Boediono (now Coordinating Minister for Economic Affairs) and R. William Liddle, Professor of Politics at Ohio State University, who

gave the economic and political updates, respectively. While Boediono concentrated on longer lessons for economic policy and management in a democratic environment, William Liddle focused on the relatively successful first year of the 'duumvirate' of Susilo Bambang Yudhoyono and Jusuf Kalla. The former Secretary to the Department of Foreign Affairs and Trade and Ambassador to Indonesia, Richard Woolcott, gave a brief overview of challenges for the bilateral relationship. Subsequent lively presentations and discussion ensued on specific topics.

The Update book was launched by the Indonesian Foreign Minister at a major seminar in Jakarta

The Update book based on the conference entitled *Different Societies*, *Shared Futures: Australia*, *Indonesia and the Region* (editor John Monfries) was published in May 2006 and launched at three different events over June–July 2006. The main launching was held at a one-day seminar in Jakarta on July 4, with the opening address given by the Indonesian Foreign Minister, Hassan Wirayuda, with a response by the Australian Ambassador, William Farmer. The seminar

featured book contributors including the former Indonesian Ambassador to Australia,

Wiryono, and Indonesia Australia Business Council President, Noke Kiroyan, and was attended by approximately 150–200 people. Valuable contributions were made also by the Trade Minister, Mari Pangestu, former Foreign Minister Ali Alatas, Parliamentary member Muhammad Hikam, and senior Australian journalist Patrick Walters. Speakers focused on many themes discussed in the book — the unpredictability of the relationship and the often highly emotional nature of public reactions on both sides, as well as more positive aspects, such as constructive cooperation in disaster relief and rehabilitation, and in multilateral forums.

Miles Kupa, the Australian Ambassador to Singapore, presided over the book launching in Singapore, and a third launching was presided over by the Parliamentary Secretary for Foreign Affairs, Teresa Gambaro MP, on August 8, 2006 in Canberra.



Ambassador William Farmer, Foreign Minister Hassan Wirayuda, Hadi Soesastro (CSIS) and Chris Manning at the Jakarta launch of Different Societies, Shared Futures.

The 2006 Update

Democracy and governance was the topic of the 2006 Update conference The 24th Indonesia Update, held in 2006, was entitled *Democracy and the Promise of Good Governance* and was held on September 22–23, attracting an audience of 350 participants. The conference was organised by Ross McLeod (Indonesia Project) and Andrew MacIntyre (Crawford School of Economics and Government, ANU).

Apart from the very popular economics and politics update sessions, there were excellent presentations on redesigning the political architecture through constitutional amendments and decentralisation; on rethinking the roles of government in relation to the economy, the private sector, natural resources and the environment and religion; and on bureaucratic and legal reform (*Attachment E*). Presenters from Indonesia were Chatib Basri, Arianto Patunru (economics update), Anies Baswedan, Smita Notosusanto, Ketut Irawan and Arskal Salim. Other visitors to the ANU who presented at the Update included Andrew Ellis, Staffan Synnerstrom, Natasha Hamilton-Hart, Simon Butt and Ron Duncan, while ANU contributors were Rodd McGibbon (politics update), Ross McLeod and Luca Tacconi. The edited volume based on the conference was published in early 2007.



Anies Baswedan (Partnership for Governance Reform, Indonesia), speaking at the 2006 Update

ANU collaborates with the Lowy Institute in a 'mini' Update

The Project collaborated with the Lowy Institute in Sydney to present a 'mini' Update to a group of business people, journalists and Asian specialists on September 25, 2006. Rodd McGibbon and Chatib Basri presented updates on political and economic developments, with Anies Baswedan and Chris Manning participating as discussants. Robust discussion followed,

especially focusing on the role of Islam in Indonesian politics and the resilience of the Indonesian economic recovery.

The Indonesia Study Group, Public Lectures and Workshops

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.

The Indonesia Study Group

Indonesian,
international and
interstate researchers
and policy makers
gave talks to the
Indonesia Study
Group

Regular meetings were organised by the Indonesia Study Group (ISG) throughout 2005–2006, skilfully coordinated by John Maxwell to May 2005 and then Edward Aspinall through to December 2006. The two coordinators were supported by Greg Fealy, Arief Yusuf, Della Temenggung and Chris Manning as members of the committee. The Study Group, coordinated by the Project, invites policy makers, students, researchers and other

experts to talk on aspects of Indonesian politics, economics and society. Indonesia Study Group meetings, which began some 35 years ago, are among the best-attended seminars on campus. They regularly attract 20–50 participants, from the university, government departments and agencies, and the general public.

Altogether, 54 addresses were given over the two years 2005–06, including 28 in 2006. Speakers included visiting scholars and well-known public figures from Indonesia. A special effort was made in 2005–06 to augment the number of presentations by researchers from other universities in Australia. Over the two-year period, Indonesian speakers gave 13 presentations, 11 were given by other international visitors and eight by researchers from other universities in Australia.

Seminars included several presentations on the Aceh and Yogyakarta disasters and recovery

As in previous years, both politics and economics dominated presentations given at the Indonesia Study Group (see *Attachment F*). Five of the seminars were devoted to discussions of economic developments and policy, and three to the impact of the disasters and recovery programs in Aceh and Yogyakarta. Several addresses dealt with Australia's aid program to Indonesia, regional politics (including Aceh and Papua), Islam, political parties, governance, and labour issues.

Public Lectures

Two public lectures attended by several hundred people were organised in honour of the late Professor Heinz Arndt, the founder of the Indonesia Project. The lectures were organised by the Division of Economics, RSPAS, ANU. The third Arndt Lecture, entitled *Asia in the Global Economy: Historical Dimensions*, was presented by Professor Angus Maddison, a British economist and economic historian, and emeritus professor of economics at the University of Groningen, Netherlands, and was held on November 10, 2005. The fourth lecture in the series was delivered by Professor Jagdish Bhagwati, Senior Fellow in International Economics at the Council on Foreign Relations, on July 31, 2006, and was entitled *The Trading System in Crisis: The Threat from Proliferating Preferences*.

Two Indonesian Cabinet Ministers give public addresses on economic policy The Project also organised two major public addresses given by the Indonesian Ministers of Trade and Finance in Canberra in 2006. Both were attended by approximately 100–150 people and were chaired by the Vice Chancellor, Professor Ian Chubb. In August, the Minister of Trade, Dr Mari Pangestu, spoke on trade policy challenges, both bilateral and multilateral, in the general context of economic

developments in Indonesia in recent times. A smaller group of academics had more in-depth discussions on trade and other policy issues with the Minister following the talk.

On November 20, 2006, Indonesia's Minister of Finance, Dr Sri Mulyani Indrawati, delivered a public lecture entitled *Challenges of Economic Development and Globalisation in Indonesia in the 21st Century.* The lecture, attended by university, government and business people, focused on the recent economic changes and macroeconomic management in Indonesia, in the light of longer term challenges of reform and governance in the changed political environment.



Mari Pangestu, Minister of Trade, and Ian Chubb, ANU Vice Chancellor

Workshops

Workshops were held on Eastern Indonesia, Papua—PNG relations, recovery from the tsunami and the challenge of urban rural migration A workshop on *Development and Environment in Eastern Indonesia: Papua, Maluku and East Nusa Tenggara* was held at the ANU on April 8, 2006. Convened by Budy Resosudarmo and Frank Jotzo and attended by some 90 participants, the workshop covered developments and policies for balancing environmental concerns with economic development in the poor provinces in Eastern Indonesia. Workshop topics included forestry, fisheries,

biodiversity, mining and health, as well as local and trans-boundary issues. Papers were presented by Australian, Indonesian and other international researchers and policy makers. The workshop was supported financially by AusAID, the Multi-Donor Support Office for Eastern Indonesia (SofEI), and the ANU College of Business and Economics.

In February–March 2006, the Project helped organise a workshop on cross-border economic cooperation between PNG and Indonesian Papua in Daru, Papua New Guinea, and also assisted in the holding of meetings in Merauke in Papua. The activities were sponsored by the Papua New Guinea Sustainable Development Program and AusAID. They were attended by Budy Resosudarmo and Chris Manning on behalf of the Project, and underpinned the need for constructive action for economic development in a very poor region on Australia's doorstep.

In December 2006, the project supported and Project staff participated in an international workshop on recovery from the *tsunami* in Aceh, Sri Lanka and Thailand, in cooperation with the Asian Development Bank Institute, the Indonesian Economics Association and the University of Indonesia. The workshop, entitled *Two Years after the Tsunami: Redevelopment in Comparative Contexts*, was held in Jakarta on Monday, December 18, featured Acehnese, national and international speakers, and was attended by approximately 100 participants.

A major new research project on urban rural migration in China and Indonesia In November 2006, the Project organised a three-day workshop on the issues and methodology in the Indonesia segment of a China–Indonesia Comparative Rural–Urban Migration Project funded by the ARC and AusAID. This involves a five-year panel study of socio-economic mobility among urban migrant and non-migrant households. Chris Manning and Budy Resosudarmo are the coordinators of the

Indonesia research work, assisted by Tao (Sherry) Kong. Four Indonesian visitors attended and gave presentations at the workshop: Armida Alisjahbana (Padadjadjaran University), Asep Suryahadi (SMERU Research Institute, Jakarta), Salustra Widya (Bappenas) and Wynandin Imawan (Central Statistics Agency, Jakarta).

Other participants included Chikako Yamauchi (ANU) and Graeme Hugo (University of Adelaide) who spoke on general issues of migration in Indonesia, Ray Trewin (ACIAR) who discussed migration and agricultural productivity inter-linkages, Paul Frijters (Queensland University of Technology) and Jenny Williams (University of Melbourne). Several AusAID staff (Christine Groeger, Peter van Diermen and Theo Levantis) also participated in the workshop.

RESEARCH STUDENTS

High quality training of PhD students has the potential to make a major contribution to economic policy In addition to research conducted by Project staff, graduate student research supervised by the staff made an important contribution to the research output of the Project. A record number of seven Indonesian students were directly enrolled in writing up PhD dissertations in the Division of Economics, RSPAS in 2005–06. Two completed their PhDs in 2006 and another was about to complete her thesis in early 2007. A

large number of Indonesian students were also enrolled in Masters and Diploma programs in the International and Development Economics (IDEC) program, and in related governance and environment courses at the Crawford School of Economics and Government.

Student dissertation research covered a number of key issues in Indonesian economic policy, including poverty measurement and regional poverty, regional development, environment and poverty, monetary policy, and technological transfer related to foreign direct investment (see *Attachment G* for a list of students and their thesis topics). The PhD students participate actively in debates on Indonesian economic policy issues in regular forums in Canberra. Almost all the students are funded by AusAID.

Based on past experience, high quality and policy relevant research in Australia conducted at PhD level can make a significant contribution to good policy formulation in Indonesia. This is especially the case given the high standard of students now seeking to study in Australia through to PhD level. Additional students enrolled or are expected to enrol in the Division of Economics, RSPAS, in 2006–07 and we anticipate similar synergies with the Indonesia Project in the future.

VISITORS

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 both on the study of the Indonesian economy and society and on broader developments in the East Asian region. The Project hosted 5 visitors in 2005 and then had a record total of 12 visitors in 2006 (*Attachment H*).

Besides the many visitors to the Project during the Indonesia Update conferences, the Project supported the visits of several leading Indonesian economists from Gadjah Mada University, the University of Indonesia (four visitors) and Padjadjaran University, the University of Airlangga and the Department of Forestry, Manokwari (Papua). John Monfries was a visitor to the Project for several months while editing the 2006 Update book, and Pierre van der Eng used the Division of Economics and the Economics Division and Indonesia Project as a base during his sabbatical leave in 2006. Several of the visitors (Ari Kuncoro, Kurnya Roesad, M. Chatib Basri and Arianto Patunru) spent 1–2 week periods in Canberra while writing up the 'Survey of Recent Developments'.

In 2005, Kelly Bird from Jakarta wrote up some of his important work on labour policy and poverty, and Zahari Zen finished a paper with Colin Barlow on the oil palm industry. In 2006, two visitors Suahasil Nazara (University of Indonesia) and Catur Sugiyanto (Gadjah Mada University) were engaged in research on recovery and rehabilitation after the natural disasters in Aceh and Yogyakarta. Firman Witoelar (most recently a post doctoral fellow at Yale University), spent two months with the Project working on issues related to household economics. Tulus Tambunan (University of Trisakti, Jakarta) pursued on-going work on the implications for agriculture and rural poverty of (potential) completion of the Doha round. Firman also interacted closely with the team working on the China-Indonesia rural-urban migration research project, and shared with us some of his experience with the Indonesia Family Life Survey. We were also pleased to welcome Kacung Marijan (University of Airlangga) who visited the Project to complete work on decentralisation and policy towards small industries.

PRESENTATIONS AT RESEARCH AND POLICY FORUMS AND OUTREACH

Staff are actively engaged is research and policy forums in Indonesia and Australia

Staff contributed presentations at various workshops, seminars and conferences in Indonesia on economic development and policy in 2005–06. These included presentations on:

- labour and technology issues delivered at World Bank workshops and conferences on the overall and rural investment climate, held in Jakarta in August and November 2005 and July 2006 (Hal Hill and Chris Manning)
- Indonesia's economic transformation at the *Indonesian Economics Association* Convention in Manado in June 2006 (Hal Hill)
- natural resources and environmental issues at the Indonesian Regional Science Association (IRSA) International Conference in Malang, East Java in August 2006 (Budy Resosudarmo).

Internationally, presentations on longer term growth performance, governance and labour were made at the Philippines Economics Society in Manila and the East Asian

Economics Association Congress in Beijing (Hal Hill, 2006), at an international conference at Taiwan's National Central University (Ross McLeod, 2006) and on labour policies in Southeast Asia at the annual Asian Development Bank meeting in Hyderbad (Chris Manning, 2006).

Back home, staff participated in other conferences held by universities, government and business groups, including the Indonesia 'Festival' in Melbourne in September, and the Australia Indonesia Business Council Biennial Conference in Adelaide (Chris Manning, 2006) and on illegal fishing in the Arafura Sea at Charles Sturt University in Darwin (Budy Resosudarmo, 2006).

The staff of the Project participated in a large number of outreach activities. A major activity is writing articles for the media, especially The *Australian*, the *Jakarta Post* and *The Far Eastern Economic Review*, to help inform the Australian and international public of events in Indonesia, and to contribute to policy debates on Indonesian economic development. Project staff also made themselves available for interviews with the electronic media, especially the ABC and SBS. In addition, staff networked with major Indonesian and Australian policy makers, attended discussions with AusAID, several Australian journalists, diplomats and development assistance consultants, and also undertook a number of consultancy Projects in Indonesia on labour and trade policy, and the national audit policy.

RESEARCH ACTIVITIES AND PUBLICATIONS

Several new books were published by Project staff Project staff and researchers associated with the Indonesia Project continued to work on a wide range of research topics in the fields of economic development and policy and political economy. Major books by Indonesia Project Staff and Research Associates on Indonesia dealt with

politics, Islam, environment and natural resources, international economic relationships in the Asia Pacific region, and the drive for high-tech economies in East Asia. In addition, the seminal edited volume on development options for Timor Lorosa'e, originally published in 2001, was translated into Indonesian and published in 2006. The authors and titles of the main publications were as follows (see *Attachment I* for detailed references):

- Thee Kian Wie (ed.) *Pelaku Berkisah: Ekonomi Indonesia, 1950-an sampai 1990-an*, (Indonesian translation of the book Recollections: The Indonesian Economy 1950s–1990s), Freedom Institute and Penerbit Buku Kompas, Jakarta, 2005.
- Ed Aspinall, *Opposing Suharto: Compromise, Resistance and Regime Change in Indonesia*, Stanford University Press, Stanford, 2005.
- Budy P. Resosudarmo (ed.) *The Politics and Economics of Indonesia's Natural Resources*, Institute for Southeast Asian Studies, Singapore, 2005.
- John McCarthy, *The Fourth Circle: A Political Ecology of Sumatra's Rainforest Frontier*, Stanford University Press, Stanford, 2006
- Greg Fealy and Virginia Hooker (eds), *Voices of Islam in Southeast Asia: A Contemporary Sourcebook*, Institute of Southeast Asian Studies, Singapore, 2006.

- Yun-Peng Chu and Hal Hill (eds) *The East Asian High-Tech Drive*, Edward Elgar, Cheltenham, 2006.
- Christopher Findlay and Hadi Soesastro (eds), *Reshaping the Asia Pacific Economic Order*, Pacific Trade and Development Series, 2006.
- Hal Hill and Joao Saldanha (eds) *Membangun Negara Baru Timor Lorosa'e* Translation of 'East Timor: Development Challenges for the World's Newest Nation,' ISEAS, 2001, Aksara Karunia, Jakarta, 2006.

Research publications covered a range of fields, including politics and Islam, and ongoing debates on the directions of Indonesia's development in the first two years of the Yudhoyono–Kalla government. Topics included recent economic developments and policy in a more democratic environment; political economy issues and governance associated with reform efforts; trade and industrial development in an increasingly nationalist political setting; protecting the environment and natural resources, and dealing with natural disasters in a decentralised Indonesia; and overcoming poverty, and developing a labour policy conducive to employment growth (see *Attachment I* for details).

- Three major new books were published on *politics, political economy and Islam.* Ed Aspinall's PhD dissertation on political opposition to Soeharto, and John McCarthy's study of the political economy and ecology of forestry exploitation in Sumatra, were published in 2005 and 2006, respectively, both by Stanford University Press. Greg Fealy and Virginia Hooker's important and comprehensive collection of Southeast Asian writings on Islamic ideas and ideology was published by the Centre of Southeast Asian Studies in Singapore in 2006. Ed Aspinall continued to work on other aspects of Indonesian politics, including Aceh and Papua, Greg Fealy on Islam and on terrorism, and John McCarthy on political aspects of environment and natural resources in Indonesia.
- Research work on economic development and policy, macroeconomic stability and banking, was undertaken by Ross McLeod, who continued to contribute to debates on monetary policy. George Fane wrote a comparative survey of Indonesian monetary and exchange rate policy in the BIES. Ross McLeod, Chris Manning, Budy Resosudarmo and Chatib Basri all contributed to the Surveys of Recent Developments in the BIES, and Chatib Basri contributed an overview chapter on Indonesia to the Pacific Economic Outlook (2005). Ross McLeod also turned his attention to political economy issues in relation to financial sector reform, and in publications on the more general challenge of governance in the post-Soeharto era of democratic reform. Hal Hill (with Sam Hill) took up the issue of 'growth economics in the tropics' in an important new look at Southeast Asian development in broader perspective. Papers published by Ross Garnaut dealt with growth performance and macroeconomic stability in East Asia and the Pacific, while Warwick McKibbin examined the global macroeconomic consequences of demographic change.
- Trade and related industrial and agricultural policy in Indonesia have continued to be a focus of publications authored by several Project members, including Chatib Basri, Hal Hill (with Dionisius Narjoko), Kelly Bird and Thee Kian Wie. Subjects included the political economy of industrial

development, 'picking winners', technology transfer, competition law, the experience of key sectors such as garments, and an historical perspective on Indonesia's industrial policy. Frank Jotzo also published joint work on trade reform in agriculture, and Pierre van der Eng looked at agricultural growth and labour absorption in historical perspective.

- Budy Resosudarmo (with A. Jusuf), Warwick McKibbin and Frank Jotzo published papers on various aspects of *natural resource management and environmental economics* in Indonesia and globally. In the Indonesian context, the focus was especially on the effectiveness of policies in forestry and the political economy of forest exploitation, in the context of decentralisation, and on recovery in Aceh in the aftermath of the *tsunami*. Warwick McKibbin addressed the global impacts of climate change and climate change policy through the application of a CGE model, including specific implications for Indonesia.
- Peter Warr published several papers on pro-poor growth, *food policy and poverty* in Southeast Asia. Chris Manning published papers on various aspects of *labour policy* in Indonesia (with Armida Alisjahbana), and the results of research on international labour migration of professionals in Southeast Asia (with Pradip Bhatnagar and Alexandra Sidorenko).

A list of publications of Indonesia Project staff and publications on Indonesia by Research Associates and Staff Members of the Division of Economics, RSPAS, ANU are appended in *Attachment I*.

ATTACHMENT A: RESEARCH ASSOCIATES

ANU

Prema-chandra Athukorala

Professor, Division of Economics, Research School of Pacific and Asian Studies

Pierre van der Eng

Reader, School of Management, Marketing and International Business, ANU College of Business and Economics

George Fane

Adjunct Professor, Division of Economics, Research School of Pacific and Asian Studies

Ross Garnaut

Professor, Division of Economics, Research School of Pacific and Asian Studies*

Jamie Mackie

Emeritus Professor and Visiting Fellow, Division of Economics, Research School of Pacific and Asian Studies

John McCarthy

Senior Lecturer, Environmental Management and Development Program, Crawford School of Economics and Government

Andrew MacIntyre[†]

Professor of Political Science and Director of the Crawford School of Economics and Government

Peter Warr

Crawford Professor of Agricultural Economics, Division of Economics, Research School of Pacific and Asian Studies

OUTSIDE THE ANU

M. Chatib Basri

Director, Economic and Social Research Institute (LPEM), University of Indonesia

Kelly Bird

Asian Development Bank, Manila

Peter McCawley

Dean, Asian Development Bank Institute, Tokyo

Hadi Soesastro

Executive Director, Centre for Strategic and International Studies, Jakarta

Thee Kian Wie

Researcher, Division of Economics, Indonesian Institute of Sciences

^{*} Also Chairperson of the Editorial Board of the *Bulletin of Indonesian Economic Studies* and member of the BIES International Advisory Board.

[†] Member of the Editorial Board of the *Bulletin of Indonesian Economic Studies* and the Project Advisory Board.

ATTACHMENT B: ARTICLES PUBLISHED IN THE BULLETIN OF INDONESIAN ECONOMIC STUDIES 2005–2006

VOLUME 41 NO 1 (APRIL 2005)

Survey of Recent Developments Hadi Soesastro and Raymond Atje

Productivity Gains, Technology Spillovers and Trade: Indonesian Manufacturing, 1980–96

Jojo Jacob and Christoph Meister

Unity in Diversity? The Creation of New Local Governments in a Decentralising Indonesia

Fitria Fitrani, Bert Hofman and Kai Kaiser

Proposed Changes to the Value Added Tax: Implications for Tax Revenue and Price Distortions

Stephen V. Marks

Note

How Many Chinese Indonesians? *Jamie Mackie*

VOLUME 41 NO 2 (AUGUST 2005)

Survey of Recent Developments *Ross H. McLeod*

Professor Mubyarto, 1938–2005 *Boediono*

Professor Mubyarto, 1938–2005 Howard Dick and Peter McCawley

A Team Player Technocrat: Radius Prawiro, 1928–2005 J. Soedradjad Djiwandono

Geoff Forrester, 1946–2005

John Monfries and Chris Manning

Post-crisis Monetary and Exchange Rate Policies in Indonesia, Malaysia and Thailand *George Fane*

The Evolving Role of the Central Government in Economic Planning and Policy Making in Indonesia

Anne Booth

Indonesia Project

Multinational Presence and Labour Productivity Differentials in Indonesian Manufacturing, 1975–2001

Sadayuki Takii and Eric D. Ramstetter

Indonesia's New National Accounts *Pierre van der Eng*

VOLUME 41 NO 3 (DECEMBER 2005)

Survey of Recent Developments Kunal Sen and Liesbet Steer

Professor Dr Saleh Afiff: An Appreciation C. Peter Timmer and Walter P. Falcon

Managing the Indonesian Economy: Some Lessons from the Past *Boediono*

Year One of the Yudhoyono–Kalla Duumvirate *R. William Liddle*

Telecommunications Reform in Indonesia: Achievements and Challenges Roy Chun Lee and Christopher Findlay

The Struggle to Regain Effective Government under Democracy in Indonesia Ross H. McLeod

VOLUME 42 NO 1 (APRIL 2006)

Survey of recent developments *Ari Kuncoro and Budy P. Resosudarmo*

Surplus mobilization in farm agriculture: a comparison of Java and Japan, 1870–1940 *Pierre van der Eng*

Indonesia's new deposit guarantee law *Ross H. McLeod*

The *pribumi* entrepreneurs of Bali and Central Java (or how *not* to help indigenous enterprise)

Gustav F. Papanek

Institutional determinants of Indonesia's sugar trade policy *Tim Stapleton*

Review article: J. Soedradjad Djiwandono, *Bank Indonesia and the Crisis Stephen Grenville*

VOLUME 42 NO 2 (AUGUST 2006)

Survey of recent developments

Chris Manning and Kurnya Roesad

John ('Jack') Bresnan, 1927–2006 Ann Marie Murphy and Hadi Soesastro

Post-crisis export performance: the Indonesian experience in regional perspective *Prema-chandra Athukorala*

Local government taxation: an analysis of administrative cost inefficiency *Blane D. Lewis*

Labour market dimensions of poverty in Indonesia *Armida S. Alisjahbana and Chris Manning*

VOLUME 42 NO 3 (DECEMBER 2006)

Survey of recent developments *M. Chatib Basri and Arianto A. Patunru*

Indonesian politics in 2006: stability, compromise and shifting contests over ideology *Rodd McGibbon*

Productivity and firm dynamics: creative destruction in Indonesian manufacturing, 1994–2000

Jan ter Wengel and Edgard R. Rodriguez

New estimates of total factor productivity growth in Indonesian manufacturing Virginie Vial

Review article

Three Indonesian histories *Robert Cribb*

ATTACHMENT C: INDONESIA UPDATE PUBLICATION 2005

(Based on the Update Conference 2004)

THE POLITICS AND ECONOMICS OF INDONESIA'S NATURAL **RESOURCES**

Budy P. Resosudarmo (ed.), Institute of Southeast Asian Studies, Singapore 2005

CONTENTS

Introduction: Budy P Resosudarmo

PART I Recent Political and Economic Developments

Politics: Indonesia's Year of Elections and the End of the Political Transition Edward Aspinall

The Economy: High Growth Remains Elusive

Ross H. McLeod

PART II Globalisation, Decentralisation and Sustainable Development

Indonesia in a Changing Global Environment Warwick J. McKibbin

International Trade and the Natural Resource 'Curse' in Southeast Asia: Does China's Growth Threaten Regional Development Ian Coxhead

Unfinished Edifice or Pandora's Box? Decentralisation and Resource Management in Indonesia

James J. Fox, Dedi Supriadi Adhuri and Ida Aju Pradnja Resosudarmo

Does Indonesia have the Balance right in Natural Resource Revenue Sharing? Armida S. Alisjahbana

Development Performance and Future Scenarios in the Context of Sustainable Utilisation of Natural Resources

Iwan J. Azis and Emil Salim

PART III Sectoral Challenges

Oligarchy in the Timber Markets of Indonesia: From Apkindo to IBRA to the Future of the Forests

Paul K. Gellert

If Only Fish Could Vote: The Enduring Challenges of Coastal and Marine Resources Management in Post-reformasi Indonesia Ian M. Dutton

Petroleum Paradox: The Politics of Oil and Gas

Francisia S.S.E. Seda

PART IV Illegal Extractions and Conflicts

Illegal Logging in Indonesia: Myth and Reality *Krystof Obidzinski*

Illegal Coalmining in West Sumatra: Access and Actors in the Post-Soeharto Era *Erwiza Erman*

Local Government and Environmental Conservation in West Java *Joan Hardjono*

PART V Law and Institutions

New Legal Initiatives for Natural Resource Management in a Changing Indonesia: The Promise, the Fear and the Unknown *Jason M. Patlis*

Institutional Transformation for Better Policy Implementation and Enforcement *Isna Marifa*

ATTACHMENT D: INDONESIA UPDATE PUBLICATION 2006

(Based on the Update Conference 2005)

DIFFERENT SOCIETIES, SHARED FUTURES: Australia, Indonesia and the Region

John Monfries (ed.), Institute of Southeast Asian Studies, Singapore 2006

CONTENTS

Introduction: John Monfries

Part I Regional Viewpoints

An Indonesian View: Indonesia, Australia and the Region

S. Wiryono

A Regional View: The Garuda and the Kangaroo

K. Kesavapany

An Australian View: The Outlook for the Relationship

Paul Kelly

Part II Security Aspects

The New Australia–Indonesia Strategic Relationship: A Note of Caution *Hugh White*

The War on Terror: The Primacy of National Response

Rizal Sukma

PART III Mutual Perceptions and Irritations

Strange, Suspicious Packages *David Reeve*

The Indonesian Student Market to Australia: Trends and Challenges *Isla Rogers-Winarto*

The Centrality of the Periphery: Australia, Indonesia and Papua *Richard Chauvel*

PART IV The Economic Partnership: Aid, Economics and Business

The Australia–Indonesia Partnership for Reconstruction and Development *Scott Dawson*

The SBY Promise to the Business World *Noke Kiroyan*

Australian and Indonesia in the Wider Context of Regional Economic Relations *Stephen Grenville*

PART V Conclusion

Reflections on the Bilateral Relationship – and Beyond *Jamie Mackie*

ATTACHMENT E: INDONESIA UPDATE CONFERENCE PROGRAM 2006

DEMOCRACY AND THE PROMISE OF GOOD GOVERNANCE

FRIDAY 22 SEPTEMBER

KEYNOTE ADDRESS

Chancellor of the ANU *Allan Hawke*

ECONOMIC UPDATE

Chair: Chris Manning - ANU

M. Chatib Basri and Arianto Patunru University of Indonesia

Discussant: Della Temenggung - ANU

POLITICAL UPDATE

Chair: Harold Crouch - ANU

Rodd McGibbon

Discussant: Anies Baswedan

PANEL 1: Reforming the institutions of democracy

Chair: Mark Turner - University of Canberra

National Political Institutions *Andrew Ellis*

The Civil Service Staffan Synnerstrom

PANEL 2: Roles of Government

Chair: Jenny Corbett - ANU

The State and the Market Ron Duncan and Ross McLeod

The State and Private Business *Natasha Hamilton-Hart*

SATURDAY, 23 SEPTEMBER, 2006

PANEL 3: Democracy at Sub-National Levels of Government Chair: Lucky Sondakh – Sam Ratulangi University

Reforming Regional Political Institutions Smita Notosusanto

Fruits of Decentralization *I Ketut Erawan*

PANEL 4: Political Parties, Religion, Natural Resources and Environment Chair: George Quinn – ANU

Electoral and Political Party Reform *Ben Reilly*

The State and Religion *Arskal Salim*

The State, Natural Resources and the Environment *Luca Tacconi*

ATTACHMENT F: INDONESIA STUDY GROUP MEETINGS

2005

13 January 2005

Bridget Welsh (Southeast Asian Fellow, RSPAS, ANU, and Assistant Professor, Southeast Asia Studies, Johns Hopkins University—SAIS, Washington DC)
Murder or Mob Justice? Keroyokan in Indonesia?

9 February 2005

Erwiza Erman (Indonesian Institute of Sciences (LIPI))

Deregulation of Tin and the Emergence of a Local Shadow State: Case Study of Bangka

11 February 2005

Dr Edward Aspinall (School of European, Asian and Middle Eastern Languages and Studies, University of Sydney)

The Tsunami in Aceh: A First Hand Account of the Relief Effort

16 February 2005

Adrian Hayes (Program Visitor, Demography and Sociology, RSSS, ANU)
The Indonesian Family Planning Program: Current Woes and Future Prospects

9 March 2005

Dr Daniel Fitzpatrick (Faculty of Law, ANU)

Land Administration in Post-Tsunami Aceh: Issues, Responses and the Potential for Conflict

16 March 2005

Dr Zahari Zen, Dr Colin Barlow and Dr Ria Gondowarsito (Universitas Sumatera Utara, Medan, Department of Political and Social Change, RSPAS, ANU, and International Oil Palm Study Group)

Oil Palm in Indonesia's Socio-Economic Improvement: A Review of Options

23 March 2005

Kelly Bird (USAID, Jakarta)

Economic Policy Making in Indonesia: Changes Post Crisis

13 April 2005

Associate Professor Lesley Potter (Human Geography, RSPAS, ANU)

Producing Tree-based Commodities in Indonesia: Historical Perspectives, Modern Issues

20 April 2005

Ben Arps (Leiden University and Centre for Asian Societies and Histories, Faculty of Asian Studies, ANU)

Audio Scandals and Their Actors: Crimes, Gaffes and Sensations Involving Sound Media in Recent Indonesian History

27 April 2005

Simone Alesich (Dept of Anthropology, RSPAS, ANU)

Projects and the Village Context: An AusAID Health Project in Rural Southeast Sulawesi

11 May 2005

Velix Wanggai (Flinders University)

Papuan Special Autonomy: Origins, Developments and Problems

18 May 2005

Greg Fealy (Political and Social Change, RSPAS, ANU)

In Fear of 'Rising Islamic Radicalism' in Indonesia: A Critical Look at the Evidence

25 May 2005

Paul Zeccola (Political and Social Change, RSPAS, ANU)

The Work of Peace Brigades International in Aceh, 2000–2003

1 June 2005 (joint seminar with Political and Social Change, RSPAS, ANU)

Alisdair Bowie (Woodrow Wilson International Center for Scholars and George Washington University, Washington DC)

Decentralization and Democracy in Indonesia and Vietnam

29 June 2005

Ross McLeod (Indonesia Project, Economics, RSPAS, ANU)

Survey of Recent Economic Developments

5 July 2005

Luca Tacconi (APSEG, ANU)

Deforestation and Forest Degradation in Indonesia

27 July 2005

Chris Manning (Indonesia Project, Economics Division, RSPAS, ANU)

Indonesia's Employment (Unemployment?) Problem: Some Recent Developments

10 August 2005

Kate Duggan (Griffin, NRM)

Community Based NRM in the Eastern Islands of Indonesia

24 August 2005

Julia Suryakusuma (prominent writer on women's issues)

Sex, Power and Nation Revisited

31 August 2005

Paul Tickell (School of Humanities and Social Sciences, University of New South Wales, ADFA)

A Thoroughly Modern Prison Camp: Boven Digul, the Press and Modernity in the Late Colonial Indies

14 September 2005

Benedictus Raksaka Mahi (Faculty of Economics, University of Indonesia)

Oil, Price Fluctuations and Regional Finances Indonesia

21 September 2005

David Reeve (Department of Chinese and Indonesian, School of Modern Language Studies, University of NSW)

Becoming Indonesian; the Long and Painful Journey of Onghokham

11 October 2005

Rendra (one of Indonesia's leading poets and dramatists)
Artists, Literature and Political Reform in the Post-Soeharto Era

26 October 2005

Maria Amigo (University of Sydney)

Children and Work: Chasing Money in Rural Lombok

2 November 2005

Dr Patrick Ziegenhain (Arnold-Bergstraesser-Institute, Freiburg) The Indonesian Parliament during Democratisation, 1998 to 2004

9 November 2005

Dave McRae (Faculty of Asian Studies, ANU, and International Crisis Group, Jakarta)

An Overview of Violence in Poso in 2005

2006

7 February 2006

Budy Resosudarmo (Indonesia Project, Economics, RSPAS, ANU) and Ari Kuncoro (Institute of Economic and Social Research, Faculty of Economics, University of Indonesia)

Recent Developments in the Indonesian Economy

8 February 2006

Kosuke Mizuno (Kyoto University)

Potential Paths to Stable Industrial Relations in Indonesia: Strengths and Weaknesses of Trade Unions with Weak Law Enforcement

22 February 2006

Harold Crouch (Political and Social Change, RSPAS, ANU)

The Path to Peace in Maluku

8 March 2006

Greg Fealy (Political and Social Change, RSPAS, ANU) Hizbut Tahir and Transnational Islamism in Indonesia

15 March 2006

His Excellency T M Hamzah Thayeb (Indonesian Ambassador) Indonesia, Australia and the Asia-Pacific Neighbourhood

22 March 2006

Julian Millie (Monash University)

Islamic Saints and Holy People in Contemporary Indonesia

5 April 2006

Thomas Lindblad (Leiden University, Netherlands, and ANU)

The Economic Decolonisation of Indonesia

19 April 2006

Michele Ford (Department of Indonesian Studies, University of Sydney)

The Danger Without: Perceptions of 'Indonesia' and Singaporean Security

26 April 2006

Hidayat Al-Hamid (Department of Forestry, Indonesia)

The Dynamics of Local Development in the Bintuni Area, Papua

3 May 2006

John McCarthy (Crawford School of Economics and Government, ANU)

Regional Autonomy and Resource Politics in Jambi

15 May 2006

Marcus Mietzner (ANU graduate and researcher based in Jakarta)

Democracy, Conflict and Autonomy: The Gubernatorial Elections in Papua

31 May 2006

Dirk Tomsa (Melbourne University)

Dominating by Default: Analyzing the Enduring Strength of Golkar in Post-Suharto Indonesia

Chris Manning (Indonesia Project, Economics Division, RSPAS, ANU)

and Kurnya Roesad (World Bank)

Recent Developments in the Indonesian Economy

7 June 2006

Alan Boulton (ILO Director, Jakarta)

The Conflict over Proposals to Change Indonesia's Labour Laws

14 June 2006

Matt Davies (Indonesian linguist, former Department of Defence Intelligence Analyst, author of 'Indonesia's War over Aceh: Last Stand on Mecca's Porch' (Routledge, April, 2006))

TNI Operations in Papua: Restructuring and Reasserting Sovereignty

5 July 2006

Hamdan Juhannis and Yon Mahmudi (PhD Students, Faculty of Asian Studies, ANU) Sharia Law: The Contrasting Cases of KPPSI in South Sulawesi and PKS

19 July 2006

Suahasil Nazara (Demography, University of Indonesia)

Aceh–Nias Post-Tsunami Redevelopment Strategy: Progress and Future Challenges

9 August 2006

Catur Sugiyanto (Department of Economics, Gadjah Mada University)

The Impact of the Yogyakarta Earthquake on Manufacturing Business and Prospects for Recovery

16 August 2006

Greg Fealy (Political and Social Change, RSPAS, ANU, and Virginia Hooker, Faculty of Asian Studies, ANU)

Voices of Islam in Southeast Asia: The Travails of Editing a Sourcebook and Discussion of Selected Extracts

23 August 2006

Bima Arya Sugiarto (Political and Social Change, RSPAS, ANU)

The Invisible Hands: Party Factionalism and Leadership in Post-Authoritarian Indonesia

13 September 2006

Eve Bosak (World Bank)

Towards Good Governance in Indonesia: Fresh Perspectives

20 September 2006

Ian Wilson (Asia Research Centre, Murdoch University)

The Battle for Hearts, Minds and Money: Violent Entrepreneurs, Vigilantes and Gangs in Jakarta

5 October 2006

(joint seminar with Political and Social Change, RSPAS, ANU)

Dr Merlyna Lim (Arizona State University)

Democracy and Everyday Forms of the Internet in Indonesia: Radical Change or Bourgeois Pursuits

11 October 2006

Ken Ward

Jemaah Islamiyah: What We Can Learn From Trial Documents

18 October 2006

Robin Davies (AusAID)

Reflections on Australian Aid to Indonesia 2003-06

25 October 2006

Pierre van der Eng (Economic History, The Faculties, ANU)

Konfrontasi and Australia's aid to Indonesia during the 1960s

1 November 2006

Hal Hill (Economics Division, ANU, and Sandy Cuthbertson, Centre for International Economics)

Making Trade Policy in Indonesia

22 November 2006

Christian von Luebke (Crawford School of Economics and Governance, ANU) Voice and Leadership in Local Governance: Political Economy of District Business Regulations in West Sumatra, Central Java, Bali and NTB

29 November 2006

Kacung Marijan (Airlangga University)

The Role of Government in Promoting Cluster Industries: The Case of the Leather Goods Cluster Industry in Sidoarjo

ATTACHMENT G: STUDENT PHD DISSERATION TOPICS

Completed in 2006

Nashihin, Muhammad

Poverty incidence in Indonesia, 1987–2002: a utility-consistent approach based on a new survey of regional prices

Prasetiantono, Tony[‡]

Privatization and state enterprise reform

Narjoko, Dionisius A.

Indonesian Manufacturing and the Economic Crisis of 1997/98

Currently enrolled

Machmud, T.M. Arief

Research topic: Inflation in Indonesia

Miranti, Riyana

Research topic: Regional poverty in Indonesia

Vidyattama, Yogi

Research topic: Regional growth patterns in Indonesia since 1970

Yusuf, Arief Anshory

Research topic: Distributional impact of environmental policies in Indonesia

Temenggung, Della

Research topic: Foreign direct investment and technology transfer in Indonesia

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[‡] Enrolled in the Public Policy Program, Crawford School, jointly supervised by staff of the Indonesia Project.

ATTACHMENT H: VISITORS TO THE INDONESIA PROJECT

2005

Zahari Zen (University of North Sumatra, Medan)

(5 weeks, February–March 2005)

Speaker at the Indonesia Study Group: 'Oil Palm in Indonesia's Socio-economic Improvement: A Review of Options.'

Raymond Atje (Researcher, Department of Economics, Centre for Strategic and International Studies, Jakarta)

(1 week February 2005)

Worked on the 'Survey of Recent Developments' for the April edition of BIES.

Kelly Bird (Advisor to Bappenas, USAID–GIAT Project; Research Associate, Indonesia Project, ANU)

(2 weeks, March 2005)

Liaised with research students; speaker at an Economics Division seminar on minimum wages and poverty in Indonesia; speaker at the Indonesia Study Group: 'Economic Policy Making in Indonesia: Changes Post Crisis'.

Ari Kuncoro (Lecturer, Institute of Economic and Social Research, Faculty of Economics, University of Indonesia)

(3 weeks, April 2005)

Visited the project for three weeks as the recipient of the H.W. Arndt Award for scholarship on the Indonesian economy and worked on manufacturing development in Indonesia. Speaker at an Economics Division seminar.

Kelly Bird (Advisor to Bappenas, USAID–GIAT Project; Research Associate, Indonesia Project, ANU)

(3 Weeks, August 2005)

Worked with Dr Chris Manning on a book on labour policy.

Benedictus Raksaka Mahi (Faculty of Economics, University of Indonesia) (4 weeks, September 2005)

Worked on the *BIES* 'Survey of Recent Developments'.

2006

Ari Kuncoro (University of Indonesia)

(1 week, February 2006)

Worked on the BIES 'Survey of recent developments'

Gave an informal talk to the Indonesia Study Group on recent developments in the Indonesian economy.

Lydia Napitupulu (University of Indonesia)

(February–April 2006)

Helped with the co-ordination of the Eastern Indonesia Workshop.

Hadi Soesastro (Centre for Strategic and International Studies, Jakarta)

(2 days, February 2006)

APSEG Workshop.

John Monfries (Faculty of Asian Studies, ANU)

(March–June 2006)

Editing of the 2005 Update book.

Hidayat Al-Hamid (Department of Forestry, Indonesia)

 $(6^{th} \text{ April} - 5^{th} \text{ May } 2006)$

Eastern Indonesia Workshop in April. Speaker at the Indonesia Study Group on 'The Dynamics of Local Development in the Bintuni Area, Papua'.

Kurnya Roesad (World Bank, Jakarta)

(1 week, June 2006)

Co-author of the BIES 'Survey of Recent Developments'.

Suahasil Nazara (Demography, University of Indonesia)

(3 weeks, June 2006)

Research on the impact of earthquake in Nias. Speaker at the Indonesia Study Group on 'Aceh-Nias Post-*Tsunami* Redevelopment Strategy: Progress and Future Challenges'.

Pierre van der Eng (College of Business and Economics, ANU)

(2 months, July–August 2006)

Speaker at the Indonesia Study Group on '*Konfrontasi* and Australia's aid to Indonesia during the 1960s'.

Catur Sugiyanto (Inter-University Economic Centre, Gadjah Mada University) (2 weeks, August 2006)

Speaker at the Indonesia Study Group on 'The Impact of the Yogyakarta Earthquake on Manufacturing Business and Prospects for Recovery'.

Kacung Marijan (Airlangga University)

(1 month, August 2006)

Speaker at the Indonesia Study Group on 'The Role of Government in Promoting Cluster Industries: The Case of the Leather Goods Cluster Industry in Sidoarjo'.

Firman Witoelar (Yale University)

(2 months, September–November 2006)

Research on economics of the family based on the Indonesian family life survey. Presented seminar to the Division of Economics, RSPAS, on the impact of smoking on health.

Tulus Tambunan (Trisakti University, Jakarta)

(2 months, October–November 2006)

Research on food policy related to the Doha round, presented seminar to the Division of Economics, RSPAS on this topic.

ATTACHMENT I:

PUBLICATIONS ON INDONESIAN ECONOMIC POLICY AND RELATED TOPICS

2005

Edward Aspinall

Opposing Suharto: Compromise, Resistance and Regime Change in Indonesia, Stanford University Press, Stanford.

The Helsinki Peace Agreement: a More Promising Basis for Peace in Aceh? East West Center, Policy Paper series, East West Center, Washington.

'Politics: Indonesia's Year of Elections and the End of the Political Transition', in Budy P. Resosudarmo (ed.), The Politics and Economics of Indonesia's Natural Resources, ISEAS, Singapore (Indonesia Update series), 13–30.

'Elections and the normalization of politics in Indonesia', *South East Asia Research*, 13 (2): 117–156.

'Indonesia after the tsunami.' Current History. 104 (680): 105–109.

'The Historical and Political Background to the Aceh Conflict', in Kamarulzaman Askandar and Ang Ming Chee (eds) *Building Peace in Aceh: Problems, Strategies and Lessons from Sri Lanka and Northern Ireland.* Forum Asia, Bangkok, 31–42.

Book Review:

With Anthony Reid, An Indonesian Frontier: Acehnese and Other Histories of Sumatra. Singapore University Press. Inside Indonesia, (85): 31.

Prema-Chandra Athukorala

With B.P. Resosudarmo, 'The Indian Ocean Tsunami: Economic Impact, Disaster Management, and Lessons', *Asian Economic Papers*, 4 (1): 1–39.

'The Indian Ocean Tsunami: Economic Impact, Disaster Management and Lessons', *Working Papers in Trade and Development*, 2005/05, Division of Economics, Research School of Pacific and Asian Studies, ANU.

With S.K. Jayasuriya, 'Food safety Issues, Trade and WTO Rules: A Developing Country Perspective', in R. Mehta and J. George (eds): *Food Safety Concerns and Trade: The Developing Country Perspective*, Delhi: Macmillan India, 24–46.

M. Chatib Basri

With Hadi Soesastro, 'The Political Economy of Trade Policy in Indonesia', ASEAN *Economic Bulletin*, 22 (1).

'Indonesia' in (Yuen Paul Woo, coordinator) *Pacific Economic Outlook*, 2005–2006, *Economic Prospects for the Asia Pacific Region*, Pacific Economic Cooperation Council.

Kelly Bird

With Chris Manning, 'Minimum Wages and Poverty in a Developing Country: Simulations from Indonesia's Household Survey', *Working Paper in Trade and Development* 05/09, Division of Economics, Research School of Pacific and Asian Studies, Canberra.

George Fane

'Accounting for Discrepancies among Estimates of TFP Growth in East Asia', jointly with P. Nandalal Weerasinghe, *Economic Papers*, 24 (3): 280–293.

'Post-crisis Monetary and Exchange Rate Policies in Indonesia, Malaysia and Thailand', *Bulletin of Indonesian Economic Studies*, 41 (2): 175–195.

Greg Fealy

With Aldo Borgu (eds), Local Jihad: Radical Islam and terrorism in Indonesia, Australian Strategic Policy Institute, Canberra.

With Anthony Bubalo (eds), Joining the Caravan? The Middle East, Islamism and Indonesia, Lowy Institute Paper no. 5, Lowy Institute for International Policy (Longueville Press), Sydney. (Revised version published as Between the Global and the Local: Islamism, the Middle East and Indonesia, Analysis Paper Number 9, The Saban Center for Middle East Policy, the Brookings Institution, Washington DC.)

With Bernhard Platzdasch, 'The Masyumi Legacy: Between Islamist Idealism and Political Exigency', *Studia Islamika*, 12 (1): 73–99.

'The Prospects for Radical Islam in Indonesia', Oxford Analytica, 1-8.

'The Yudhoyono Government and Terrorism in Indonesia', Oxford Analytica, 1–7.

'Indonesia', Encyclopaedia Britannica Book of the Year, 408–9.

'Radical Islam in Indonesia: history and prospects', in Greg Fealy and Aldo Borgu (eds), *Local Jihad: Radical Islam and terrorism in Indonesia*, Australian Strategic Policy Institute, Canberra, 11–46.

'Half a Century of Violent Jihad in Indonesia: an Historical and Ideological Comparison of Darul Islam and Jema'ah Islamiyah', in Marika Vicziany and David Wright-Neville (eds), *Islamic Terrorism in Indonesia: Myths and Realities*, Annual Indonesia Lecture Series, (26), Monash Asia Institute, Clayton, 15–31.

'Islamisation and politics in Southeast Asia: The contrasting cases of Malaysia and Indonesia', in Nelly Lahoud and Anthony Johns (eds), *Islam in World Politics*, Routledge Curzon, London, 152–69.

Book Reviews:

M. Millard, (ed.), Jihad in Paradise: Islam and Politics in Southeast Asia in Asian Studies Review, East Gate Books, 29 (2): 224–5.

Bachtiar Effendy (ed.), Islam and the State in Indonesia by, in Inside Indonesia, 31.

Ross Garnaut

'A New Open Regionalism in the Asia Pacific', in H. Soesastro and E. Pedrosa (eds), *The Future of APEC and Regionalism in Asia Pacific: Perspectives from the second Track*, Centre of Strategic and International Studies, Jakarta and Pacific Economic Cooperation Council, Jakarta and Singapore, 108–29.

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Book Review:

'Business in Indonesia: New Challenges, Old Problems', M. C. Basri and P. van der Eng (eds), Institute of Southeast Asian Studies, Singapore, in *Bulletin of Indonesian Economic Studies*, 41 (1): 103–5.

Hal Hill

Foreword to Mohamed Ariff and Ahmed Khalid, *Liberalization and Growth in Asia:* 21st Century Challenges, Edward Elgar, Cheltenham, xii–xiv.

'The Malaysian Economy: Past Successes, Future Challenges', ANU Working Papers in Trade and Development, No. 2005/10.

Book Reviews:

Richard Pomfret, 'Constructing a Market Economy: Diverse Paths from Central Planning in Asia and Europe', Edward Elgar, Cheltenham, 2002, 151 + xi, in Economic Analysis and Policy.

T.J. Pempel (ed.), 'Remapping East Asia', Cornell University Press, in *Contemporary Southeast Asia*.

Reprinted material:

Excerpts from *The Indonesian Economy*, Cambridge University Press, 2000, pp. 130–138, 196–198, 201–203; recorded as Selection VIII.C.2, 'Falling Inequality in Rural Indonesia, 1978–1993', in Gerald M. Meier and James E. Rauch, *Leading Issues in Economic_Development*, Oxford University Press, New York, 8th edition.

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'Movement of Workers in ASEAN: Healthcare and IT Sectors, Final Report', REPSF Project 04/007, ASEAN Secretariat, Jakarta, (Joint Team Leader with Alexandra Sidorenko of ASEAN–ANU Migration Research Team).

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J. Strauss, T. Beegle, A. Dwiyanto, Y. Herawati, D. Pattinasirani, E. Satriawan, B.Sikoki, Sukamdi and F. Witoelar (2004) *Indonesian Living Standards Before and After the Financial Crisis*, Institute of Southeast Asian Studies, Singapore in *Bulletin of Indonesian Economic Studies* 41 (1): 113–15.

John McCarthy

'Contesting Decentralization: Law, Power and Access to Property in Central Kalimantan, Indonesia'. In Franz von Benda-Beckmann, Keebet von Benda-Beckmann and Anne Griffiths (eds), *Mobile people, mobile law:* Expanding legal Relations in a Contracting World, Ashgate.

'Between Adat and State: Institutional Arrangements on Sumatra's Forest Frontier', *Human Ecology*, 33 (1): 57–82.

Warwick McKibbin

With R.C. Bryant, 'Incorporating Demographic Change in Multi-Country Macroeconomic Models: Some Preliminary Results' in Onofri P. (ed.), *The Economics of an Ageing Population: Macroeconomic Issues*, Cheltenham: Edward Elgar.

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'Indonesia in a Changing Global Environment' in Resosudarmo BP (ed.), *The Politics and Economics of Indonesia's Natural Resources* Singapore: Institute of Southeast Asian Studies (ISEAS Publications).

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'PECC's Formative Years: Institutionalization of a Process', in *The Evolution of PECC: The First 25 Years*, Singapore: PECC International Secretariat, 31–46.

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With Aida Budiman, Ninasapti Triaswati, Armida Alisjahbana, Sri Adiningsih (eds), *Pemikiran dan Permasalahan Ekonomi di Indonesia dalam Setengah Abad Terakhir*, 5 volumes, Jakarta: Ikatan Sarjana Ekonomi Indonesia.

'Re-writing APEC's Approach?' in *The Future of APEC and Regionalism in Asia Pacific* — *Perspectives from the Second Track,* Jakarta: Centre for Strategic and International Studies and PECC, 1–5.

'Faktor Ekonomi dalam Politik Luar Negeri Indonesia', in Bantarto Bandoro (ed.), *Mencari Desain Baru Politik Luar Negeri Indonesia*, Jakarta: Centre for Strategic and International Studies, 70–83.

'Diperlukan Investasi Besar untuk Membangun Jembatan Asia-Afrika', in Bantarto Bandoro (ed.), *Mencari Desain Baru Poltik Luar Negeri Indonesia*, Jakarta: Centre for Strategic and International Studies, 110–114.

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'Achievements and Problems of the Indonesian Economy under Soeharto's New Order' in Yasukich Yasuba, (ed.), *Socio-Economic Development of Southeast Asia,* 1970–2000 (in Japanese), Keiso Shobo, Tokyo, 79–96.

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'Indonesia's First Affirmative Policy: The 'Benteng' Program in the 1950s', in *Lembaran Sejarah, Edisi Khusus: Indonesianisasi dan Nasionalisme Ekonomi,* (History Publications – Special Issue: Indonesianisation and Economic Nationalism), 8 (2): 33–45.

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Edward Aspinall

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Jacques Bertrand, *Nationalism and Ethnic Conflict in Indonesia* (Cambridge University Press, 2004), *Pacific Affairs*, 79 (1): 151–2.

M. Chatib Basri

'Asia Pacific economies and the Doha Development Agenda' (co-authored with Bijit Bora) in Christopher Findlay and Hadi Soesastro (eds), *Reshaping the Asia Pacific Economic Order*. London: Routledge

With A.A. Patunru, 'Survey of Recent Developments' in *Bulletin of Indonesian Economic Studies*, 42 (3).

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Kelly Bird

With Hal Hill, 'Indonesian Industrial Policies: Before and After the Crisis', in Chu and Hill (eds); 335–375.

Greg Fealy

With Virginia Hooker (eds), *Voices of Islam in Southeast Asia: A Contemporary Sourcebook*, Institute of Southeast Asian Studies, Singapore.

Book Reviews:

Indonesia's Struggle: Jemaah Islamiyah and the Soul of Islam by Greg Barton, in Bulletin of Indonesian Economic Studies, UNSW Press, 42 (1): 127–9.

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'Bandung 1955: Non-Alignment and Afro-Asian Solidarity', by Jamie Mackie (2005), in *Bulletin of Indonesian Economic Studies*, 42 (1): 117–8.

'Indonesia: The Great Transition', by John Bresnan (ed.) (2006), in *Bulletin of Indonesian Economic Studies*, 42 (3): 389–90.

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'An Overview of the Issues', in Chu and Hill, (eds), with Yun-Peng Chu, 1-56.

With Kelly Bird, 'Indonesian Industrial Policies: Before and After the Crisis', in Chu and Hill (eds), 335–375.

With S. Hill, 'Growth Econometrics in the Tropics: What Insights for Southeast Asian Economic Development?', *Singapore Economic Review*, 51 (1): 313–344. ISSN: 0217–5908.

With D. Narjoko, 'Winners and Losers during a Deep Economic Crisis: Firm-level Evidence from Indonesian Manufacturing', Working Papers in Trade and Development, Australian National University, No. 2006/13.

Translation:

Membangun Negara Baru Timor Lorosa'e, Hal Hill and Joao Saldanha, (eds), Aksara Karunia, Jakarta. Indonesian translation of <u>East Timor: Development Challenges for</u> the World's Newest Nation, ISEAS, 2001.

Frank Jotzo

With C. Forner, J. Blaser, C. and Robledo, 'Keeping the Forest for the Climate's Sake: avoiding deforestation in developing countries under the UNFCCC', *Climate Policy*, 6 (3) 275–294.

With I. Roberts and B. Buetre, 'Agricultural Trade Reform in the WTO: Special Treatment for Developing Countries', in Alex McCalla, A. and Nash, J.D. (eds) Reforming Agricultural Trade for Developing Countries (vol.2): Quantifying the Impact of Multilateral Trade Reform, Washington, DC: World Bank.

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With C. Barr, I.A.P. Resosudarmo, A. Dermawan, Setiono. Moeliono. B. 'Decentralization of Forest Administration in Indonesia: Implications for Forest Sustainability, Economic Development and Community Livelihoods', Center for International Forestry Research (CIFOR), Bogor, Indonesia.

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