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The story of the Indonesian economy after 1966 is one of a dramatic turnaround from the hyperinflation of the late Sukarno era to the rapid growth of the 1990s. As a result of this success, the subject of Indonesia's economic development has attracted a large number of scholars, spawning a correspondingly large volume of literature on the topic. Surprisingly, until recently, none of these scholars has attempted a systematic and general treatment of the Indonesian economy during the New Order. By writing *The Indonesian Economy Since 1966*, Hal Hill has accomplished this tremendously difficult feat with merit.

The title, *The Indonesian Economy Since 1966*, is a bit misleading. The book does not provide a picture of the Indonesian economy in its completeness—to successfully accomplish such a task would take many lifetimes. Rather, it is an evaluation of the performance of many important aspects of this fascinating organism. In the span of 319 pages, divided into twelve chapters devoted to the consideration of diverse aspects of the Indonesian economy, the author paints a broad picture of the functioning of the economy and the successes and failures of the New Order regime in relation to its goals. The early chapters of the book provide an excellent introduction to Indonesia's strong performance in the Suharto era. After comparing the Indonesian experience with those of other developing countries, the author asserts that Indonesia's track record is a qualified success: qualified because of the contribution of windfall gains from high oil prices in the 1970s, the depletion of natural resources including forest resources, Indonesia's large debt, and a questionable record of equitably distributing the gains from growth, and successful because of strong and sustained growth, and large improvements in basic social conditions, including primary education, access of citizens to health care, and nutrition. The next few chapters in the book progress from an analysis of general and economy-wide aspects, including fiscal and monetary policy, to sector specific aspects, including agriculture, industry and services. The remaining chapters of the book include an evaluation of social progress and the significance of Indonesia's location in the rapidly growing Pacific Rim economy. The concluding chapter is an excellent summary of the problems and dilemmas which will face Indonesia in the years to come, including the depletion of natural resources and the exhaustion of oil reserves, the dilemmas facing stewards of Indonesian industrial policy, and external debt.

A noticeable gap in the book is the absence of any systematic treatment of some of the institutions that have played an important role in the development of the Indonesian economy. The army (ABRI), for one, performed important functions in the early years of the New Order, though its importance as an "agent of development" is on the wane and its functions have been increasingly taken over by others, including the private sector. A treatment of the consequences of the lack of checks and balances in the system, which can work either in favor of or against the economy as a whole, is also absent. The tension between the technocrats (trained economists) and the technologists (trained engineers/technicians) in the running of the economy, and its impact on macro and microeconomic policy is another subject that should have received more than...
passing mention in an integrated treatment of the Indonesian economy since 1966. While these issues stray into the realm of political economy, a broad topic which the author consciously wishes to avoid, the overarching elements of political economy are nevertheless crucial to holistic treatment of the more “purely” economic aspects of the Indonesian economy and its performance in the past three decades.

In spite of the necessarily broad approach to his subject, the author provides some useful and interesting ways of examining the post-1966 Indonesian experience. For example, he breaks down the thirty years of New Order Indonesia into four time periods as follows: Rehabilitation and Recovery (1966-1970), Rapid Growth (1971-1981), Adjustment to Lower Oil Prices (1982-1986), and Liberalization and Recovery (1987 to present). This breakdown is crucial to understanding macroeconomic management during the New Order. By virtue of the importance of oil exports to the Indonesian economy, Indonesian economic planners have had to deal repeatedly with the benefits and dangers of fluctuating international oil prices.

*The Indonesian Economy Since 1966* is a good read for a variety of reasons. The book is written in language that is easy to understand, making it accessible to a broad spectrum of readers. It is excellent reading for the economist who knows little or nothing about one or more aspects of the Indonesian economy. The introduction is illuminating and the conclusion is thought provoking. The chronology of important events at the end of the book has been thoughtfully and carefully compiled. The statistical data are appropriate and effectively presented. While the book sacrifices depth for scope out of necessity, the bibliography is thorough and provides excellent guidance for further reading. All in all, it is a valuable contribution to our view of the Indonesian economy in the New Order—a difficult task performed with great skill.