it remains unclear if such institutions can muster the necessary political will and legal commitment for regional financial regulation.

The volume's comprehensive coverage is evident in Chapter 7 (Kawai and Wignaraja) and Chapter 8 (Plummer), which examine trade, foreign exchange rates, balance of payments, and official reserves — all part and parcel of financial crises. Kawai and Wignaraja detail how two usually sensitive trade sectors — agricultural trade (pp. 149–50) empowered by farm lobbies and services trade liberalization (pp. 150–53) — are simply excluded in Asian free trade agreements (FTAs). Plummer argues that increased FTAs between developed and developing economies have ensnared the emerging post-Doha agenda, proven by the failure of succeeding WTO rounds. He also examines the peculiarities of Asian regionalism: a hybrid peppered with geopolitics to challenge existing trade architecture, examples include the U.S.-led Trans-Pacific Partnership and the ASEAN-led (or China-centric) Regional Comprehensive Economic Partnership.

Finally, Nehru (Chapter 9) and Prada (Chapter 10) round up the volume with analyses of multilateral development banks in Asia. The Japan-led Asian Development Bank (ADB) co-exists well with the World Bank in executing infrastructural development. On a tangential note, China's recently announced Asian Infrastructure Investment Bank underscores the importance of this volume's theme of the Asianization of the post-GEC architecture.

Whether termed as "the Asian perspective" or "Asianization", Asia's search for global credibility, recognition, legitimacy and leadership matters, as this volume illustrates. In fact, Asia's greater presence in the new global economic architecture may be for the better (or at least no worse) if it functions as a backstop to financial crises or a boost to infrastructure funding. After all, the effects of future financial crises — whether they originate from America, Asia or the Eurozone — will be felt globally.

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***Macroeconomic Policies in Indonesia: Indonesia Economy since the Asian Financial Crisis of 1997*. Edited by Anwar Nasution.** Abingdon and New York: Routledge, 2015. Pp. 330.

This edited book explores the key economic challenges Indonesia faced after its military-led authoritarianism was replaced with a multi-party democracy, and its state-led economy was replaced with a market-based one. After the fall of President Suharto in 1998, Indonesia undertook significant institutional reforms, characterized by a "messy" democracy, and since 2001, "big-bang" political and economic decentralization. The book argues that there are significant challenges in policy-making and sustaining much-needed reforms in the "new" Indonesia. Unlike the situation under Suharto's regime, the decision-making process is substantially more complex today. There is no mutual relationship between the government and a single-party majority; economic policies are hence subject to constant political bargaining.

In addition, decentralization delegated and transferred many powers to local governments, particularly at the district level. Since 2001, local governments have been permitted to manage their own economic strategies to achieve better growth and prosperity for their population. Unfortunately, this increase in local powers is not matched by sufficient technical capacity within local governments to understand economic challenges and identify the necessary reforms. Against this backdrop, the book assesses the progress made in some of the reforms introduced since the fall of Suharto.

The book has ten independent chapters in addition to an introductory discussion. The ten chapters cover a broad range of economic issues in Indonesia, such as the monetary and financial sectors, fiscal reform, trade, manufacturing, democracy and decentralization. The first four chapters discuss the dynamics of Indonesia's monetary policy and financial system since the end of the 1997–98 Asian Financial Crisis (AFC) — two of which were written by the editor, Anwar Nasution. It is likely that Nasution's contributions stem from his deep involvement with Indonesia's economic and financial management: he served as Senior Deputy Governor of the Central Bank from 1999 to 2004, and Chairman of the Audit Board of the Republic of Indonesia from 2004 to 2009.

With his first-hand experience, Nasution discusses how the central bank shifted from quantity rule to interest rate rule, and from a government-controlled financial system to a market-based one after the AFC. He warns against the existing use of the Taylor-rule — a guideline for interest rate manipulation — to direct monetary policy. This is because of the sensitivity of Indonesia's primary industry to the uncertainties of international markets, and the dominance of foreign investors in the ownership of Indonesia's sovereign bonds and Bank Indonesia's certificates (p. 31). Nasution also examines the post-AFC bank restructuring programme. In Chapter 2, he emphasizes the need to strengthen Indonesia's financial infrastructure through: adopting Basel core principles and standards; reducing insider trading; applying accounting standards; building financial sector supervisory authority; and establishing a financial system stability forum. However, this chapter could be improved by including a discussion on how financial reforms will address the public sector failures that resulted in the inefficiencies of many state-owned and regional development banks in Indonesia.

Chapters 5 (Brondolo, Silvani, Le Borgne and Bosch) and 6 (Mahi and Qibthiyyah) look at fiscal policy issues in Indonesia. In particular, the former reviews the progress and challenges in tax administration reform and fiscal adjustment, while the latter assesses the effectiveness of intergovernmental transfers. However, the use of old data limits the analytical strength of these two chapters, because there have been changes in tax policy since 2007. Additionally, the results in Chapter 6 on the impact of intergovernmental transfers on regional economic growth suffer from a serious reverse-causality issue.

Chapter 7 (Ing, Pangestu and Rahardja) analyses the rise in protectionism after the 2007–08 Global Financial Crisis. The authors argue that, despite the decrease in tariffs, non-tariff measures and behind-the-border restrictions have increasingly become more pressing trade-related issues (p. 236). The current political circumstances and decentralization of authority in the post-Suharto regime makes it more challenging for the government to implement much-needed reforms in the trade and investment sectors. Not least because Indonesia has been facing political resistance against greater trade and investment liberalization. In addition, the authors argue that there is a need for strong leadership and political commitment to effectively implement economic reforms. This recommendation is especially pertinent today, with the present administration facing strong political pressure to adopt protectionist trade policies.

Chapters 8 (Narjoko and Rahardja) and 9 (Kuncoro) discuss the challenges facing Indonesia's slowing manufacturing sector — now a contentious issue in the country. Since the AFC, this sector has not fully recovered in its role as an engine of growth. Both chapters argue that supply-side problems — such as infrastructure bottlenecks and a non-conducive business environment — have collectively undermined the competitiveness of the manufacturing sector, preventing Indonesia's participation in the global supply chain. Without seriously revitalizing the sector, this could hinder long-term growth and economic transformation. Alas, the declining performance of manufacturing firms — including a large number of small and medium-sized enterprises — has increased political pressure on the government to implement protectionist measures favouring local manufacturers. The chapters rightly suggest that Indonesia should give priority to policies promoting growth in the manufacturing sector in order to create more jobs.

The final chapter (Wihardja) is rather distinct in this economics-focused book as it covers the institutional framework of Indonesia's democracy and decentralization. The chapter makes the case that Indonesia's democracy and decentralization are not based on any specific paradigm nor consensus among policy-makers. With its procedural-electoral democracy, Indonesia's president needs to form a coalition in Parliament for a law to be passed. In the case of weak leadership, where there are dissenting voices from different political parties with varied political interests, democracy is often complicated and may not represent the people's interests. Hence, the aspiration of achieving democracy under this unstable and fragmented political system needs to be reconsidered. It is interesting that the author believes Indonesia's democratic consolidation to be promising, despite its present "messy" and "noisy" nature.

In conclusion, the book serves as a useful reference for those who are interested in understanding the extent to which economic policies work in Indonesia. Although there are some mathematical notations and econometrics models that could be too technical for non-economists, the book still provides valuable insights on the nature and dynamics of the macroeconomic policies and its associated challenges in the "new" Indonesia.

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***Indonesia's Changing Political Economy: Governing the Roads*. By Jamie S. Davidson.** Cambridge: Cambridge University Press, 2014. Pp. 312.

This book is the first in-depth study of toll roads in Indonesia — the most significant sign of infrastructural development. It analyses the political economy of road construction by listing the multitudinous factors and actors involved, as well as the inter-relationships and conflicts between them. It meticulously documents the numerous projects across different time periods and the behaviour of the state in dealing with them. The mismanagement of private sector involvement, the lack of care and legal certainty for land owners, and the rampant corruption and nepotism has meant the indefinite prolonging of these toll road projects — often at the cost of average citizens, whom the projects should actually benefit.

By discussing and chronologically outlining the development plans and execution of the various toll roads in Indonesia, the book provides an analytical explanation of the struggle behind these projects. Scrutinizing New Institutional Economics and choosing political sociology as a framework (as opposed to developmental economics or economic sociology, for instance) also allows the book to efficiently discuss the structural and governmental problems that afflict this sector.

Davidson provides a useful study the history of the state's choice to focus on toll roads, and how it has developed into such a lucrative yet problem-rigged sector. This book verifies in great detail every project (with specific kilometric measurements), how many concessionaires were involved and the share of the project each of them acquires. In doing so, the book also reveals the connections between the players, tycoons and politicians. Achieving this gives great insights into the business networks of this sector — specifically how interconnected they are, and how deeply-penetrating their influence in Indonesia's state sectors and politics are.

The role of various administrations, in particular Suharto's, was absolutely essential in determining how each project developed. In this discussion, the focus on the role and influence of Suharto's children in the sector — while no secret — is particularly illuminating. Their involvement, under the guise of their businesses, in building toll roads certainly serves as one of the best case studies on the extent of the corruption, collusion, and nepotism in Indonesia under Suharto. Beyond the domination of these palace children, looking into the struggles of the subsequent governments to improve the delivery of the various projects in this sector is equally useful in understanding the state's capacity (or lack thereof), and the fact that