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***Infrastructure Investment in Indonesia: A Focus on Ports*, edited by Colin Duffield, Felix Kin Peng Hui, and Sally Wilson.** Cambridge: Open Book Publishers, 2019. Pp. 396.

The book *Infrastructure Investment in Indonesia: A Focus on Ports*—an outcome of a research project jointly conducted by the University of Melbourne, the University of Indonesia and Gadjah Mada University—compares and contrasts some major infrastructure projects in Indonesia and Australia. The special focus of this edited volume lies on the study of port infrastructure projects.

While some readers could argue that such a comparison is not fair, given the disparity between the two economies, the perspective employed in this publication is useful to understand how different investment regulations can lead to very different outcomes in port development.

The book begins with a short introductory chapter that describes the Indonesian economy and its pressing infrastructural needs. The next three chapters highlight the country's overall infrastructure challenges, from planning (Chapter 2), to financing (Chapter 3), to efficiency (Chapter 4) constraints. The remaining eight chapters are exclusively devoted to ports and their development. The analysis is supplemented with stakeholder surveys, focus group discussions and expert interviews.

Port development plays a vital role in strengthening a country's international competitiveness. In fact, inefficiency in the port industry can be held responsible for a nation's poor trade performance and, indirectly, for hampering its rapid integration into global value chains.

One of the key challenges faced by port business operators in Indonesia is the prevalence of deep-rooted corruption in the sector (Chapters 2 and 8). The vast majority of survey respondents (who are mostly employed in port operations) cited corruption as the most significant deterrent to port development in the country. In this regard, one of the survey participants highlighted the issue of "too many interested parties wanting a slice of the action" (p. 216). It is well established in economic literature that corruption not only reduces a sector's efficiency by distorting resource allocation but also hiders the inflow of investments into the sector. To make matters worse, the entrenched corruption in port operations is also related to the second biggest problem mentioned in the survey—Indonesia's inefficient and excessive bureaucracy. The authors argue that there are too many players involved in the different port business operations—including the port authority, freight forwarding, imports, exports, customs, shipping, inter alia—that add to the already excessive paperwork. Unnecessary bureaucratic agencies and a lack of coordination among them have complicated the manner in which country's ports function, opening up multiple opportunities for fraud and bribery.

This begs two follow-up questions. First, what measures has the government implemented to address the challenges? And second, have these been effective? Unfortunately, neither question is answered in a systematic manner in this publication. This is unfortunate because examining the difficulty involved in resolving corruption and inefficient bureaucracy at ports is critical to understanding why Indonesia's port competitiveness has been persistently lagging behind that of its regional counterparts. The consequent adverse impact on trade and logistics competitiveness also explains why the archipelago has not been able to significantly improve its participation in global production networks and supply chains. In other words, mitigating the issues of corruption and bureaucratic inefficiency is imperative to improving the standing of not just Indonesia's port industry but also its overall economy.

This book does not discuss whether the inefficiency observed in the nation's port operations is a natural consequence of state domination in port-related businesses. State-owned enterprises (SOEs) have long played major ownership and operational roles in all the key ports across the archipelago, including Tanjung Priok, Tanjung Perak, Belawan and Makassar. However, the government's infrastructure plan has not been very coherent. For instance, although the current administration insists that it wants to promote economies of scale of the major ports, the Ministry of Transport continues issuing permits to open up special terminals for goods and container movement across the country. Unfortunately, there is no discussion on how the existence of many small ports—all competing with each other—could have contributed to the unimpressive performance of the port sector. Given that there are around 2,000 ports of various capacities throughout the country, it would be useful to think of policy measures to resolve this oversupply of small, inefficient ports. Specifically, how to improve their efficiency and how to integrate them into the national connectivity programme, such as the current government's flagship Sea Toll project.

This highlights another major gap in the book in that it fails to include a meaningful discussion on the Sea Toll project, which aims to significantly reduce logistics costs in the country. Although Chapter 8 briefly mentions the idea of developing twenty-four strategic ports to support the sea transport network in the archipelago, it falls short of mentioning the programme and its challenges. For example, no writing space is devoted to explaining the commercial viability of the project or how the strategic ports should be developed such that they are connected to the hinterland.

In general, there is always a strong nationalist argument that port development is an area of strategic importance that merits substantial—if not full—government control. In this context, opening the sector to the private sector is perceived to be detrimental to national security. As a result, the sector is completely shut from market competition. So where does this leave the private sector in Indonesia's port operations? This book does not have a clear answer.

The governments' strong preference for public-private partnerships (PPPs), which the authors discuss as an alternative for sourcing private funding for infrastructure projects (Chapter 10), indicates the state's reluctance to fully privatize the sector. However, there is a clear difficulty in raising sufficient tax revenues for major infrastructure projects in the country, including port infrastructure. Although PPPs offer the possibility of private sector financing, the prerequisite of majority government control (or ownership) poses a major hurdle. While the book covers the difficulties surrounding the entry of private investors (Chapters 3, 4 and 10), as McLeod (2020) critically argues, it fails to explore fundamental problems concerning the implementation of PPPs in port infrastructure in Indonesia.

Notwithstanding the above-mentioned limitations, this edited volume provides some useful information on how to better plan, finance and manage seaport infrastructure. It will serve as a useful reference for policy makers, researchers, students and observers interested in infrastructure development in Indonesia.

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