

***Resource Nationalism in Indonesia: Booms, Big Business, and the State.* By Eve Warburton. Ithaca, New York: Cornell University Press, 2023. Hardcover: 252pp.**

An in-depth study of “resource nationalism” in Indonesia has been conspicuously, but perhaps understandably, absent for some time. Due to ambivalence over the concept, resource nationalism has never been an easy subject for research, not least in Indonesia, a major global exporter of coal, palm oil, nickel and other minerals. However, Eve Warburton’s book addresses some gaps in the existing literature by exploring how patronage networks and the country’s experience of democratization have reshaped state management of natural resources. Conventional theories contend that governments pursue nationalist policies over their natural resources—renationalization of industries, higher taxes or stricter laws on foreign ownership in these sectors—because of commodity prices and market cycles. For instance, when commodity prices are high, resource-rich nations have greater leverage in global markets, and their governments respond with measures to maximize value for the country. However, Warburton explores “localizing forms of resource nationalism” (p. 28), explaining government responses as primarily political decisions influenced by domestic business actors and sector-specific policymaking.

The book takes an innovative approach to Indonesia’s distinct brand of resource nationalism during the early twenty-first century, a period marked by significant fluctuations in commodity prices and policy approaches. An International Monetary Fund (IMF) intervention following the 1997–98 Asian Financial Crisis led to the end of state-owned energy company Pertamina’s monopoly over downstream activities in oil and natural gas and the creation of a new regulatory agency. Further trade liberalization resulted from Jakarta signing numerous free trade agreements in the 1990s. Nonetheless, resource nationalism remained intact, evidenced by recent restrictions on foreign ownership in the mining sectors spurred by demands of domestic politico-business elites.

Warburton also challenges statist narratives that portray resource nationalism as a monolithic force driven by state intervention, rent-seeking and conflicts between domestic and foreign interests, arguing that this overlooks variations in nationalist policies and their beneficiaries. For instance, in 2018 Jakarta nationalized the major copper and gold Grasberg mine, formerly run by the American

company Freeport-McMoRan. Warburton notes that this was “one of the few foreign-operated mines taken over by a state-owned enterprise, rather than by domestic private businesses because President Joko Widodo [Jokowi] deemed this particular mine too economically and politically strategic to be controlled by one or a group of tycoons” (p. 10).

Warburton focuses on three key sectors—mining, palm oil and oil and gas—to advance a framework that connects the power of private conglomerates with the intensity of nationalist policies. Because Indonesian companies in the mining sectors have low international exposure and more influence in Jakarta and Indonesia’s local governments, they have benefitted more favourably from nationalist policies. Conversely, the palm oil sector, dominated by internationally integrated conglomerates, has seen fewer nationalist interventions, allowing these businesses to maintain advantageous positions within global capital networks. Warburton also explores the role of state capitalism, borrowing from Pepper D. Culpepper’s concept of “loud politics” to argue that the prominence of state ownership in critical projects drives nationalist policies, particularly when democratic politics motivates leaders to place state-owned enterprises (SOEs) in charge of these ventures. According to Warburton:

The increasing centrality of patronage to Indonesia’s young democracy and the increasing centrality of mining and palm oil to the economy—expanded both the instrumental and structural power of domestic agribusiness and mining companies. In turn, land and resource policy, including the trajectory of resource nationalism, came to reflect the preferences of domestic capital during and after the boom (p. 12).

The book is structured around historical turning points and key events that highlight the variability of resource nationalism in Indonesia. Warburton provides a comprehensive overview of Indonesian politics, tracing the rise of domestic business power from the colonial era through the New Order period (1966–98), when nationalist policies benefitted President Suharto’s family, military generals, SOEs and businesses owned by ethnic Chinese.

Warburton’s analysis extends to the persistence of resource nationalism in Indonesia’s oil, gas, agriculture and coal sectors in the post-New Order era. She demonstrates how the instrumental and structural power of mining companies and oil palm conglomerates has shaped resource policies, often reinforcing the dominance of the ruling class that emerged during the New Order period. Legislative

tools have expanded corporate power and consolidated networks of wealthy business and bureaucratic interests. For example, the 2009 Mining Law's divestment policy reflects the interests of dominant private businesses, with major coal firms leveraging close relationships with political actors to secure favourable policies. Warburton surveys the varied interests of 672 companies in Indonesia, and her findings support the thesis that internationally integrated companies, particularly in the palm oil sector, are more supportive of foreign investment than their domestically focused counterparts in the mining industry.

While Warburton's research is comprehensive, she raises unanswered questions about the relationship between state capitalism and global resource accumulation, particularly in Indonesia's emerging nickel industry and the China-dominated mineral processing sectors. Moreover, there should be a nuanced assessment of how cross-sector coalitions, such as those between coal and palm oil conglomerates, are now shaping nationalist policies.

Warburton's book provides a much-needed empirical and theoretical examination of capitalist oligarchic interests in Indonesia, broadening our understanding of resource nationalism beyond being merely an ideological tool that protects resources from foreign control by providing valuable insights into Indonesia's complex and politically driven resource policies. It is an essential read for scholars interested in Indonesia's politics and political economy—it is an eye-opener for those who study “resource curses”—and interested in the broader dynamics of resource nationalism.

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