Extremes in the Archipelago: Trade and Economic Development in the Outer Islands of Indonesia, 1900–1942. **By Jeroen Touwen.** Leiden: KITLV Press, 2001. Pp. 459.

Although the fabled "Spice Islands" were originally located in eastern Indonesia, during Dutch colonial rule the island of Java assumed, over time, centrality of the Dutch East Indies. That is until the 1900s. Jeroen Touwen has written a volume that restores some balance through an analysis of trading patterns in the outer islands of the Dutch East Indies during the late colonial period. By "Outer Islands" Touwen means everything outside of Java. The enormity of this undertaking should be readily apparent given the extraordinary diversity of these regions in just about every conceivable manner — coupled with the massive volume of statistics that the author has clearly had to sift through in order to identify patterns. Touwen draws the conclusion that between 1900 and 1942 there was a shift in economic importance away from Java to the Outer Islands, to the extent that the latter probably assumed equal prominence, especially through trade in coffee, pepper, rubber, copra, and tobacco (and a number of other commodities). This finding, identified early in the book, is then backed up with the large amount of brokered data that follows.

Touwen makes the stated assumption that indigenous export production was "a positive development" (p. 7). Like the overall scope of the book and some of its terms, the author does a good job of providing a definition for his use of the term "indigenous" (ibid) — a necessary thing given the contested notion of what this means in the case of Indonesia. A major theme of the book is an attempt to tell something of the history of indigenous bulk commodity production and trade through the statistics, rather than just the colonial history. He argues that the indigenous sector "rivalled" European export production (p. 163) in the Outer Islands, and is therefore a major factor in commercial relations, deserving of a place in the history books. In order to give sense to the patterns, Touwen presents the dyad of European and Asian economic activity. The use of the term "European" allows inclusion of non-Dutch commercial agents from Europe (and to a lesser extent the United States), while the term "Asian" allows the author to throw together indigenous commercial operations with Chinese and Arab interlocutors. The leading role of middlemen is seen as important to the story and therefore "Asian dynamics" refers to the activities of "Chinese (and sometimes Arab, or Malay, Minangkabau, Macassarese, Banjarese, or Bugis)" (p. 314). Touwen does not fully explain at any length why these groups — indigene and émigré — should be clustered together, except to point out in the conclusion that the role of Chinese entrepreneurs and businessmen is still important to Indonesia's economy. There is also the difficulty of disentangling various "Asian" groups, even if ethnic Arabs are included for the purposes required here.

The book is very well written, but the occasional sentence proves to be awkward or ambiguous. The practice of dropping in the odd Indonesia term without explanation, or where the English would do just as well, will be a minor frustration to the non-specialist audience (for example, "toko keepers" [p. 93] and "pinang nuts" [p. 194] instead of shop keepers and betel nut). Another minor detraction of this book has to do with some of the background theory and history. Touwen succinctly repeats the well-known arguments for and against dependency theory (pp. 25–28), before declaring that "[i]n this study no explicit use will be made of the dependency theories" (p. 27). One wonders if the surrounding explanation is needed, and if these introductory sections could have been streamlined. By contrast, the background history to the time period in question is brief. No introductory explanation is given to the development and nature of the Dutch colonial rule, including its hitherto economic control, bar scattered snippets throughout the body of the book. Furthermore some regions have the history of colonial acquisition mentioned — such as Aceh, Manado, Bengkulu, and Maluku — while a number of others do not. And while the book in no way glamourizes Dutch colonial rule, the question of weighting may occur. Touwen uses the terms "Pax Neederlandica" and "liberal period" without explanation (although in fairness these sorts of terms are used throughout the literature). Although the Ethical Policy may have been a departure from the time when Dutch governors like J. P. Coen used force and serfdom to construct an empire, in spite of notable reforms it was still a failure in many respects. For example, the majority of Indonesians still failed to gain access to education, which was reserved for a tiny élite. Indonesia may well still be suffering as a direct result of this outcome. Touwen explains that: "The Ethical Policy was an unprecedented phenomenon in the annals of the colonial administration" (p. 275), and prefers to see its failure to bring about economic development in the Outer Islands as due to "lack of funds rather than by a lack of good intentions" (p. 281). One has to concede that the Dutch empire was largely bankrupt during the "liberal" period, particularly after several decades of bitter warfare to subdue Aceh had drained the coffers. Therefore *Pax Neederlandica* was indeed much like *Pax Romana* — accept imperial law or else.

Extremes in the Archipelago is a rich text, and well worth reading and retaining as a source book. It is not light reading, but this is precisely because it is gleaned from a mountain of archival material and other research — buttressed by a large number of useful graphs and tables. Touwen pens a value book about a difficult topic, and is ultimately convincing in his interpretation of the importance of the Outer Islands in late colonial Indonesia.

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Timber Booms and Institutional Breakdown in Southeast Asia. **By Michael L. Ross.** Cambridge: Cambridge University Press, 2001. Pp. xvi + 237.

A concern for tropical deforestation in three Southeast Asian countries: the Philippines, Indonesia, and Malaysia (Sabah and Sarawak) has led Ross to chronicle the policy failures of governments in these countries, drawing from new institutional economics and the theory of rent seeking to explain the paradox of resource booms and accompanying institutional breakdown.

According to Ross, post-boom failures have arisen because politicians have engaged in a form of rent-seeking behaviour, introduced and appropriately termed by Ross as "rent seizing". Rent seizing is defined as effort by public officials to seek the right to allocate rents to others (p. 33). In seeking this right, institutions are reconfigured to favour and safeguard the interests of such rent-seizing officials and politicians.

In what may seem to be a complex intermingling of political economy issues involving corruption, cronyism, over-exploitation of natural resources, and weak governance, Ross's strength lies in linking timber windfall gains with rent-seizing activity and subsequent policy failures (systemic abuses of natural resource management in these countries). Ross argues that changes in the independent variable — windfall timber revenues due to a boom — have led to the causal mechanism of rent seizing by officials which in turn produced negative changes in the dependent variable (breakdown of forestry institutions and policies).

Eight chapters set out the problem of natural resource mismanagement in a political economy context, to investigate this interesting and challenging topic in a detailed and very methodical manner.

Chapter 1 introduces the issues pertinent for understanding timber booms and the attendant breakdown of forestry institutions and policies. The next chapter then lays out the scope of the problem of resource booms in a very general manner by examining resource booms in countries within and outside Southeast Asia. A workable definition of resource booms, and measurement of institutional performance are provided in this chapter. A resource boom is defined as a sharp financial gain arising from the export of an unprocessed commodity, while institutional performance is measured by the ability of the state to protect resource windfalls from pressures of overharvesting. The theory of rent seizing is