

less an articulation of shared cultural norms than a deliberate ideological construction of regional rulers aimed at their common interest in securing elite-centred political regimes. He observes that coercive approaches to state- and nation-building have led to contradictions between (elite) regime or state security, on the one hand, and the human security of broad populations across the region on the other. Ameliorating such contradictions, he argues, requires the institutionalization of popularly accountable political regimes. Until such transformations occur more widely across Southeast Asia, no normative basis exists for building transparent, sovereignty-pooling institutions of regional cooperation. Thailand's abortive 1998 proposal to substantially modify ASEAN's cardinal norm of non-interference, therefore, was rejected for very real fears that "enhanced interaction" could abet threats to regime security and thereby exacerbate regional tensions. The price for keeping inter-state peace, however, is to privilege regime security over human security, and thus to ignore or cope inadequately with the burgeoning range of threats to the latter.

Security and Southeast Asia offers a comprehensive review of the spectrum of forces that shape security discourse and practice in the region. The invocation of critical security theory helps to frame the informed and well-rendered empirical discussion. This combination, together with an engaging writing style, makes the book a welcome contribution to the literature on Southeast Asia's international relations and a particularly useful teaching text.

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***The Politics of Power: Freeport in Suharto's Indonesia.* By Denise Leith.** Honolulu, Hawaii: University of Hawai'i Press, 2003. 347pp.

Indonesia's mining industry is at the centre of much of the political drama in the archipelago. Large foreign companies dominate mining, giving rise to nationalist concerns over who controls the country's natural resources. And what is at stake from an economic point of view is not small. Indonesia has extensive reserves of hard minerals and coal. Mining produces a significant share of Indonesia's export revenue — it was the dollar-earning export of coal, copper, gold, silver, nickel,

tin and bauxite that helped arrest somewhat Indonesia's economic collapse when the rupiah crashed in 1998. And mining taxes and production shares are a major source of government revenue.

But lucrative mining projects have also been associated with allegations of corruption as companies turn to well-placed local businessmen as partners to smooth development. At the same time, the often poor local communities question just what benefits they actually receive from mines in their midst. Most mines are in outlying provinces and there are often complaints that the modern operations socially damage traditional rural communities. Irreversible environmental damage is another fear. Mining and other resource exploitation have also become focal points in arguments by the provinces for greater autonomy from the central government and greater share of resource royalties and control over how they are spent. And in the case of restive Aceh in northern Sumatra and Indonesian Papua in the east (Irian Jaya as it was in the Suharto period), mining companies may find themselves in a no man's land between separatists and the military.

Yet it is surprising how little attention political scientists, economists and historians have given to mining in Indonesia. Helping to redress this is Denise Leith in her study of the US mining company, Freeport-McMoran, in *The Politics of Power: Freeport in Suharto's Indonesia*.

Leith argues that during the two decades of former president Suharto's rule until his fall in 1998, Freeport became enmeshed in the workings of his authoritarian regime. In order to develop and operate what is today one of the world's largest copper, gold and silver mines in Indonesian Papua, the Louisiana based Freeport became a close ally of Suharto. Entering Indonesia in 1967, the company's Papua operations became an integral part of Suharto's system of patronage. The outcome of this was favouritism towards the Suharto family and cronies in business dealings and compromising relations with the military.

But in the last years of Suharto, and since his fall, Freeport has become a target of attack domestically and internationally for alleged environmental damage by its mine and association with human rights abuses by the military against the indigenous Melanesian peoples in its mine area. "Freeport's ... insurance policy with Suharto actually became a political and economic liability," Leith writes (p. 249).

Leith begins with an overview of the relationships between politics and business in Suharto's Indonesia and the role of mining in the country before describing and analysing Freeport's experience. Leith's well written account, the product of a doctorate in politics at Macquarie University in Australia, is not a one-sided leftist or green diatribe. A former stockbroker, she visited the Freeport operations in Papua and

presents the company's perspectives as well as those of its critics. She underlines the profound problems that arise when a western company enters a tribal environment such as Papua's: "Cultural differences can blur lines of communication, leading to misunderstandings, resentment, and inappropriate development programs" (p. 90).

Freeport executives are not painted simply as villains. People do not always appreciate, she writes, "the strong emotional attachment" (p. 65) for geologists and engineers that results from discovering, building and working on a mine as isolated and spectacular an engineering feat as is Freeport's operation. The massive mine is 4,000 metres above sea level in Papua's Carstenz Range, and about 120 kilometres inland from the mid-south coast on the Arafura Sea. In 2003, the mine produced 690,800 tonnes of copper, 3,163,900 ounces of gold and 4,978,600 ounces of silver. Total sales were worth US\$2 billion. Freeport is also Indonesia's largest corporate taxpayer.

Freeport has paid ever more attention to overcoming adverse effects of the mine on the local community and environment. The company provides considerable support for community health and education programmes, local business development and infrastructure. But Leith says it has been prompted to do so by the changing political climate, non-governmental organization activism, and an international spotlight. No longer can multinational companies operate in obscurity in distant parts of the globe in the age of information technology and the World Wide Web. Some measures may be too late. The massive scale of the mine means that it is currently impossible to appreciate the full extent of the damage to the environment.

Where she believes Freeport is clearly guilty is in its relationship with the military. The army, the Tentara Negara Indonesia (TNI), whose soldiers are almost all from other parts of Indonesia, guards the mine area on the grounds that it is a national asset and must police against the Melanesian separatist movement, the OPM (the Free Papua Movement). Freeport is contractually obligated to provide access to military transport facilities and food and shelter for routine security detail. But the military presence also results in poorly paid soldiers looking for opportunities for making money by extortion of local villagers, stealing from Freeport, and operating illegal businesses. Worse still for Freeport are the now documented beatings, torture and killings of local people by the army. As Leith observes, "Through its history of silence and inaction Freeport is arguably implicitly involved in the military's action" (p. 253).

The military association, more than anything else, Leith argues, has prevented Freeport from achieving a more harmonious relationship with local communities and damaged its image internationally. Yet

unlike the issues of environmental and social impact, where there are no easy answers, the military entanglement should have been much more simple to cut away. Freeport, she points out, is a US company with powerful connections — former US Secretary of State, Henry Kissinger, was a board member until 2001 — and, if it wished, should have been able to force the Indonesian government to reform the conduct of the military.

Leith's book may start to appear as history as the Suharto period recedes. But Freeport continues to operate in Papua one of Indonesia's most economically important and politically sensitive projects. The legacies of the Faustian deals of earlier times remain and both parties — Jakarta and Papua — must still wrestle with them. Other companies will take heed of Freeport's story. One already doing so is British Petroleum (BP), which is developing very large gas fields for liquefied natural gas (LNG) export at Tangguh, in Bintuni Bay in the Bird's Head area of western Papua. An initial seven million tonnes per year facility for export — an output value of around US\$1.7 billion a year — is to start in 2007. BP wants to double or more the output over the longer term. BP is going to great lengths to ensure that the project's environmental impact is minimal and the effect on local communities is positive. To demonstrate to the world that it is doing this it has set up an independent panel of prominent international and Indonesian figures to make yearly reports of its progress. The panel reports and BP responses are published on BP's website.

BP's project, like Freeport's mine, is a central aspect of the relationship between Jakarta and Papua. The LNG project promises huge income to Indonesia and to Papua under new resource income sharing arrangements with the central government. But Jakarta does not want this new wealth to encourage separatism. BP does not want to have to pick sides. There are also expectations that BP should be an agent for development but BP warns it cannot replace the responsibilities of the government. BP wants to keep the project free of the military, arguing for a community-based security system. Local Papuans would be enlisted for basis perimeter security and the police, separate from the military, used for major internal disturbances. But can BP finally prevent Jakarta placing its soldiers at Tangguh if the government so decides?

A promising sign though is the announcement of the Indonesian government in March 2004 that it would reform the role of the military along these lines. Presidential regulation is to be put in place for a "three ring" system, consisting of a first ring of security guards, a second ring of local residents and a final ring of soldiers and police.

The development of the multi billion-dollar Tanguh project will be a test case for post-Suharto Indonesia. It is the largest foreign invested project since 1998 and its success should encourage other foreign companies to return to Indonesia. Interestingly, Freeport was the first western company to make investment in Indonesia after the fall of Sukarno. As Leith writes in her study, this was seen as an endorsement of the Suharto government's much more open policy towards foreign business. What BP's Tanguh project will say about how Indonesia goes about managing the political, social and environmental implications of resources development in the new century will be worth another book.

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Wooing the Generals: India's New Burma Policy. By Renaud Egreteau.

New Delhi, India: Authorspress and Centre for Social Sciences and Humanities, 2003. 234pp.

This book starts with the premise that Indian foreign policy, until recently, took little or no interest in Burma (Myanmar), a fairly important country on its eastern flank. Since India's preoccupations have been mostly with its western and northern neighbours, Pakistan and China respectively, it exhibited little or no interest in building a better understanding with Burma. Not only the long border but more critically, the instability in the northeastern region that lies close to the Burmese territory should have prompted India to pay more attention to the Burmese connection. But apparently this was not the case. On the contrary, benign neglect followed by outright hostility to the military regime characterized Indian policy for a fairly long time. Burma should have merited closer attention also on account of the China factor for two reasons — Chinese encouragement for the insurgencies rampant in India's northeastern states and the perceptible warming of Sino-Burma relations in the late 1980s. The book discusses these issues at length.

It also details the various facets of India's Burma policy starting with the history of bilateral relations and the geostrategic importance of the region where Burma meets India's northeastern states. The three factors of obvious Indian concern are outlined in the next part under