

Introduction

Localisation and Globalisation

Two simultaneously occurring processes—economic globalisation on the one hand, and the localisation of power on the other—feature prominently today in debates about development issues (Harriss, Stokke and Tornquist 2004: 2). The first, not surprisingly, focuses predominantly on pressures for an ever-closer integration of national economies with global markets; the other is about rising demands within the geo-bodies of nation-states for increased local autonomy in the socio-political, economic and cultural fields in the face of the same economic globalising impulses. These debates are also reflective of real tensions and contradictions that have emerged in the actual experiences of simultaneously localising and globalising societies—of the kind that this book is concerned with especially in relation to post-authoritarian Indonesia.

It is suggested here that all the profound social, political and cultural transformations ultimately intertwined with the processes of economic globalisation have only come to reinforce one seemingly paradoxical point: issues of local power matter greatly in a globalised world (see Harriss, Stokke and Tornquist 2004). Not in the least, they matter in forging and mediating the conditions under which economic globalisation is experienced and made sense of by citizenries at sub-national levels of governance. Conversely, they also help in shaping local and national responses to seemingly relentless structural pressures that have to do with integration into the world economy,

which may vary from embracement to resistance. As Kerkvliet and Mojares put it (1991: 11), 'Local communities are not only "affected" by broad national and world developments, they are continually being reconstituted by them.' But it is not a simple, one way process: 'extralocal systems' are unavoidably defined, too, 'through the overall configuration of local realities'. It is contended here that such 'local realities' cannot be understood in the majority of cases without taking into account the fundamental nature of concrete and tangible contests over power and resources. These can involve local, national and even international-based social forces and interests.

Thus contests over local power—which may take place through a range of vehicles and whose variety of expressions may be deeply influenced by what is locally available materially, culturally and ideologically—have taken on a new significance as the social transformations associated with capitalist development and integration into the world economy proceed. The dynamics of local power are understood, however, in radically dissimilar ways by different scholars, depending on their theoretical standpoints, political agendas and social values. The intellectually predominant neo-liberal view on what is often referred to rather expediently as the 'local/global nexus' is, not surprisingly, most powerfully articulated by international development organisations like the World Bank, along with most governments of the advanced, industrialised North, and the international media. It is well-encapsulated, too, in a range of scholarly works, such as the 'Democracy and Local Governance Research Program' undertaken in the late 1990s by the University of Pennsylvania; this study was carried out on the basis of a 'grand hypothesis' that 'globalization would give impetus to local democratic institutions, values, and practices'. It was also undertaken in the belief that globalisation invariably 'expands alternatives' and increases 'freedom of choice to entrapped locals', and 'stimulates local democratization' (Teune 2004).

It is useful to note, however, that growing interest in 'the local' has grown partly as doubts have surfaced about the social, political and economic ramifications of the march of economic globalisation. Thus the simultaneous and interconnected processes of globalisation and localisation can be associated with the rise of good governance, or local entrepreneurial spirit and innovation on the one hand; but also to such things as local corruption or abuse of power, xenophobia and ethnic or religious violence, on the other. Grindle (2007: 9) therefore cautiously observes that the expectations associated with 'going local' have had to be modified downward, though the 'promise of good governance and democracy' initially attached to it has not been abandoned.

Local Politics as Arenas of Contestation

The book is premised on the contradiction-laden relationship between pressures for economic globalisation and the continuing vitality of the local and how this is expressed in the vagaries of concrete contests over power. In important respects it follows on the observations of authors like Boone, who suggests that economic deregulation and open market policies have eroded central state authority, but without ‘unleashing market-determined policies of social interdependence and resource allocation as neo-liberal reformers had hoped’ (n.d.: 4). Instead, what have been activated in the Sub-Saharan African case she examined are complex, and often brutal, struggles to redefine territorial jurisdictions, relations between the centre and the periphery, and the nature of the state at the local level.

In these and other contexts, a crucial task is often to understand how predatory systems of power remain resilient in the face of international pressures for market-facilitating ‘good governance’. The answer to the puzzle, it is argued here, will frequently lie in the fact that entrenched local predatory interests have been able to usurp the agenda of good governance reforms, including that of decentralisation, to sustain their social and political dominance. From this point of view, the advance of local democratic politics does not *necessarily* constitute any direct threat to the position of assorted local oligarchs, strongmen and notables; neither are they always supportive of ‘rationally’ organised free markets.

Local power is thus but another arena of contestation among a range of interests concerned with the forging of economic and political regimes that would govern the way wealth and power are distributed, just as nation-states and the world at large are sites of such contestations.¹ What is important in any empirical analysis is identifying the kind of social forces and interests that actually affect the dynamics of power at the local level. Obviously one cannot assume the homogeneity of interests among state, market or civil society actors in any context. One *needs to concretely examine what kind of interests*, ascendant, or subordinated, are involved or marginalised in actual contests over power. This entails an examination of prevailing ‘political topographies’, to borrow a phrase used by Boone (2003),² or historically specific constellations of power and interest.

It is notable that much of the literature on local power in Southeast Asia has focussed on the phenomena of ‘local strongmen’, corrupt local machineries

of power, or the resilience of pockets of authoritarianism (e.g. Sidel 1999). The Indonesian case is particularly intriguing because the heavily centralised authoritarianism of the New Order actually left little room for the emergence of relatively autonomous local strongmen frequently associated in the region with the experiences of Thailand or the Philippines (Sidel 2004).³ Nevertheless, it is argued here too that institutional reforms pertaining to the localisation of power, inspired by neo-liberal notions of ‘good governance’, have ironically assisted in ‘clearing the way’ for the kind of social and political milieu for their emergence and consolidation, rather than their pre-emption or eradication.

From a broader regional perspective, a major question that needs to be examined is why the localisation of power in Indonesia—like in Thailand and the Philippines—has failed to usher in more fundamental transformations in the prevailing relations of power that tend to be dominated still by long-entrenched predatory interests. In all of these cases, the localisation of power—through much lauded decentralisation policy—has notably taken place under distinctly post-authoritarian conditions.⁴

Neo-Liberalism and the Reconfiguration of the State

It has to be stated clearly at this juncture that the book diverges greatly from much of the neo-liberal/neo-institutionalist inspired work on decentralisation (see the discussion in Chapter 1) as the institutional expression of the localisation of power. It has to be noted that neo-liberals and neo-institutionalists, whether as consultants or academics, tend to see a close relationship between receptivity to global free markets and democratic governance, and more lately, decentralisation. Simonsen argues, for example, that ‘Failure of economic performance within an increasingly globalised economy can be considered the most general underlying cause behind the demise of authoritarian regimes around 1989’ (Simonsen 1999: 399). The distinguished works of Crook and Manor (1998) and Manor (1999)—as well as innumerable reports and policy papers produced by an array of international development organisations and policy think tanks—then attempt to make the link between market rationality, democratic governance and decentralisation.

The development of local village elections in China, therefore, has been viewed in relation to the new economic giant’s massive experiment with mar-

ket and local governance reforms (see Craner 2004; IRI n.d.), even if a highly autocratic Communist Party still rules unchallenged and deeply suspicious of the democratic aspirations of domestic groups of ‘dissidents’. If there is irony involved here, it does not pre-occupy those who emphasise the ‘market preserving’ character of Chinese decentralisation. Such scholars place importance on how a ‘federal’-like institutional framework of governance has emerged to support the growth of market forces, however, without explaining the persisting lack of democracy accompanying the shift to markets (e.g. Montinolla, Qian and Weingast 1995; Qian and Weingast 1996; Singh 2007). The ambivalent nature of the Chinese experience has led critics to stress how the localisation of power in globalising China has produced corrupt local governments (e.g. Gong 2006), with little accountability to the governed in the context of a rigid one-party system (Lin, Tao and Liu 2006: 322).

There has been less ambiguity in some treatments of other cases that have involved a similar shift to the market. The World Bank, for example, notes that the fall of Communism in Eastern Europe and Central Asia introduced its peoples to new opportunities generated by the combination of market capitalism and electoral democracy. It has also lauded the experience of administrative and fiscal decentralisation—as the accompaniment to electoral democracy—in these societies.⁵

Significantly, decentralised governance has been established as part of a broader and more fundamental project of rolling back the pervasive role of inefficient central states for the sake of the growth of healthy market economies. This project constitutes an exercise in defining the parameters of a desired state role in facilitating the operations of the market. The economist Bardhan, for example, notes that ‘free-market economists tend to emphasize the benefits of reducing the power of the overextended or predatory state.’ According to Bardhan, the occurrence of ‘market failure’ has led proponents of free markets to turn ‘for their resolution to the government at the local level, where the transaction costs are relatively low and the information problems that can contribute to central government failures are less acute’ (2002: 186). The assumption being made is that local states are inclined to be more receptive and flexible when it comes to the task of facilitating market operations (Montinolla, Qian and Weingast 1995; Qian and Weingast 1996).

Economic globalisation, therefore, does not signal the demise of sovereign states and of politics, even for market-oriented neo-liberals. Instead, it means a transformation of the nature and functions of state power. This is

because under the pressure of global markets, ‘many states are undergoing transformations toward *de-statisation* (that is, reduced state authority in favour of market liberalisation) and toward *de-nationalisation* (that is, the scalar reconfiguration of state power in favour of regionalisation and localisation)’. The consequence is that ‘political authority is becoming increasingly diffused among state, market and civil society actors at local, national, regional and global scales’ (Harris, Stokke and Tornquist 2004: 2). The degree to which such pressures have actually resulted in these transformations, of course, must be examined empirically from case to case.

It is well known that organisations such as the International Monetary Fund (IMF) and the World Bank have acted as the main advocates of a particular view of decentralisation and ‘good governance’ that has become influential in the developing world. Their view highlights how integration in the global economy imposes market forces that pressure local governments to behave responsively as well as efficiently in the delivery of a range of services. The effect of their influence is to ‘create and sustain political and discursive frames for thinking and acting, frames that are strongly influenced by a technocratic and apolitical approach that is itself rooted in the most powerful global institution of all—the market (Harriss, Stokke and Tornquist 2004: 2–3). As we shall see, this creates problems in terms of deciphering the sorts of social outcomes produced by the decentralisation experiences in post-authoritarian Southeast Asian societies like Indonesia.

Odd Anti-Neo-Liberal Alliances?

However, the allegedly unstoppable rise of global markets has been understood as endangering the autonomy of local communities by those who challenge the neo-liberal view (see Escobar 1995; Hines 2000). Especially disadvantaged according to such dissenters are the urban and rural poor, as well as marginalised groups such as ethnic religious minorities, and ‘indigenous peoples’.

Abers, for example, notes the view that globalisation can kill off the possibility of genuine democracy. Thus, mobilising the resources of local communities *against* the forces of encroaching market capitalism (see Abers 2000) is the only way of saving democracy *from* globalisation. In a nutshell, while neo-liberals see globalisation as generating new vitality and entrepreneurship in local communities, their populist opponents effectively see globalisa-

tion as a great threat both to local cultural diversity (see Abdullah 2005) and local capacities that tend to get subordinated to the logic of the global market (Hines 2000). They also see the incursions of global capitalism, more often than not, as detrimental to the welfare of the poor in local communities; for example, they will lament the environmental degradation caused by the intrusion of capitalist enterprise or the propensity of global markets to destroy local community self-reliance (see Govan 1997; Maffi and Woodley 2005).

For localist populists, who are often represented in activist communities, neo-liberal economic globalisation is inherently anti-democratic in nature. As one observer (in the neo-liberal camp) writes in summarising their viewpoint: ‘Among the many evils’ perceived in globalisation ‘is the suspension or blockage of local democratic processes in deference to more encompassing and generally more powerful systems, whether of a region, a state, transnational regions or the world as a system’. Thus, globalisation’s successful inroads into local communities frequently ‘by-pass local institutions, including democratic ones’, and tend to ‘nurture anti-democratic and corrupt local institutions and practices’ (Teune 2004).

It is important to point out that localist populism of any kind is not a ‘free floating idea’; its bearers can range from critical non-governmental organisations (NGOs) to the advocates of state development programmes. The ‘guiding principle’, however, is almost always the stated desirability of rooting the development process in ‘people’s own practices’. Its claims to being participatory are thus embedded in the already existing cultural reference points of local communities (Connors 2001: 3). Moreover, localist populism is not necessarily anti-capitalist in nature, though its social agents are typically suspicious of globalisation’s consequences on local productive capacities. Instead it is more frequently about the innate morality of protecting local agriculture and business from the encroachment of the forces of international capital (Connors 2001: 4).

From this last observation, another important point can be made: localist populism can take forms that merge readily with the official, statist-nationalisms of much of the developing world’s most well-known leaders. Thus, prominent figures in Asia, such as former prime ministers Mahathir Mohammad of Malaysia or Thaksin Shinawatra of Thailand, can make strident appeals for the protection of local cultures—and simultaneously, domestic capitalist forces—while selectively engaging with the most salient actors of the global capitalist order. It is therefore possible to imagine newly ascendant

local politicians in post-authoritarian Indonesia adopting a similar position—in relation to extra-local actors—especially if it serves their material interests.

Given the above observation, it is notable that localist populists have been supported intellectually by a hotchpotch of former Leftists, as well as academic post-structuralists and post-modernists, who are equally suspicious of the neo-liberal globalisation project (see Harriss, Stokke and Tornquist 2004: 1). These have largely dismissed grand historical narratives and, consequently, political contestation on grand scales. Having been let down by History, their hopes and aspirations are pinned on the revitalisation of democratic, humane impulses within members of local communities and citizenries (e.g. Laclau and Mouffe 1985). For them, meaningful politics are direct, local and subaltern (Chatterjee 1993).

The latter also tend to be critical of the culturally homogenising threat posed by economic neo-globalisation. Thus local communitarianisms believed to be underpinned by local ‘knowledge’ systems (as understood by Geertz 1983)—as well as values, norms, beliefs and lifestyles (Harvey 2000: 84)—are thought to be under threat by ‘development’ (Diawara 2000). In effect, these threatened cultures and ways of life signal some sort of benevolent ‘other’ possibility—representing mankind’s last hope of escape from the ravages of the impersonal and homogenising forces of capitalism on a global scale. In the concrete struggles over the localisation of power in Southeast Asia, such views are frequently found among representatives of the NGO community (Hewison 2000).

The irony, of course, is that the notion partly rests on an atavistic call to restore old religious or cultural values that can serve as the basis for various kinds of narrow ethno-religious solidarities and xenophobic nationalisms. Like notions associated with populism in general, such atavism easily falls into the hands of politically conservative, even reactionary, social forces that the aforementioned critics of the neo-liberal globalisation project would be averse to support. While atavism represents uneasiness toward the consequences of the march of global capitalism on the diversity and richness of the human experience, its deployment by conservatives may result in outcomes that are much less meaningful for emancipatory struggles imagined by those dissenting against the neo-liberal project.

Socially and politically conservative forces in the United States, for example, that are suspicious of interventionist big states *as well as* the ‘anarchic’ tendencies unleashed by the free market, will find commonalities with

intellectual and political positions that uphold the virtues of ‘traditional’ or ‘Christian’ values (see Harvey 2000: 70). In Indonesia and Southeast Asia—the parts of the world that this book is most concerned with—localism and atavism have certainly been valuable weapons for some of the most distinctly un-progressive of social forces—even if they do not necessarily find expression in overtly post-modernist discourse. In Thailand, for example, Pasuk’s (2004a) otherwise sympathetic treatment reveal how inward-looking notions of ‘Buddhist economics’, emphasising local community, are conceptually linked to an idealised notion of village life that appears to be equally attractive to NGO activists, monks, the Ministry of the Interior, as well as the King. In Indonesia, particularly conservative and rigid interpretations of Islam have been utilised by a range of forces since the advent of democratisation in 1998 to provide ideological legitimacy to their fight for power (e.g. Irianto 2006: 20).

An intriguing development, therefore, as Harriss, Stokke, and Tornquist (2004: 1) rightly observe, relates to the importance now placed on local power by those espousing a wide variety of social and political agendas. Neo-liberals, and assorted populists and Leftist critics of globalisation, who often fiercely disagree on issues such as the social effects of globalisation and marketisation, have lately coalesced around the virtues of local grassroots politics. There is consensus that local initiatives are especially crucial for social change in a ‘positive’ direction, however ‘positive’ is to be defined.

Likewise, Bardhan notes the oddity of free marketeers joining with ‘a diverse array of social thinkers: post-modernists, multicultural advocates, grassroots environmental activists and supporters of the cause of indigenous peoples and technologies’ in espousing the cause of strengthening local-level governance. According to Bardhan, though the latter ‘are usually both anti-market and anti-centralized state’, they ‘energetically support assignment of control to local selfgoverning communities’ (Bardhan 2002: 186), much like mainstream economists who view central states as a cumbersome obstacle to local initiative and development.

It is, therefore, not surprising that in Indonesia, as well as Southeast Asia more broadly (Ungpakorn 2003a: 299; also see George 1998), many largely populist NGO activists have been drawn into the World Bank-sponsored discourse on ‘good governance’, which has come to emphasise local community and civil society participation in development (World Bank 2000). This has occurred despite their usual hostility toward many other facets of the

neo-liberal economic globalisation agenda, including those of privatisation and marketisation (see Culla 2006). For their part, organisations like the World Bank realise that support from NGOs could be useful in terms of garnering broader public acceptance of market reforms. The World Bank (2003a: 3) now highlights, for instance, that civil society organisations, including NGOs, ‘are important actors in building a necessary social consensus for economic reforms and long-term development, in promoting effective governance by fostering transparency and accountability of public institutions’.

Indonesia and the Southeast Asian Experience

The position taken in this book—that of ‘localisation as an arena of contestation’—involves a fundamental critique of the sort of convergence described above, which is developed in dealing with the main case study of post-authoritarian Indonesia, in comparative Southeast Asian perspective. It undertakes this critique by concretely examining the constellations of social interest that have presided over the localisation of power, especially in the Indonesian regions of North Sumatra and East Java. As Rodan, Hewison and Robison (2006: 7) point out, existing regimes anywhere ‘cannot be dismantled at will because they embody a specific arrangement of economic, social, and political power.’ Furthermore, ‘Institutions that might appear dysfunctional for growth and investment often persist because elites are prepared to sacrifice efficiency where their social and political ascendancy is threatened’. Importantly, however, institutional reforms, including those pertaining to decentralisation and democratisation, may be advanced in such a way that already dominant forces might ‘further their control or weaken their opponents in broad struggles over social, political, and economic ascendancy’.

As in other societies, the localisation of power has been expressed institutionally in Indonesia through the renewed salience of contests over decentralisation policy. After the fall of the late dictator Soeharto in 1998, Indonesia implemented a decentralisation programme that has been quite dramatic in many ways. Inheriting its far-flung borders from the Netherlands East Indies, this archipelagic country has struck many observers as being remarkable because it has remained intact despite an incredible diversity of cultures, religions, ethnicities, economies and geographies (see, for example, Bourchier and Hadiz 2003: 255). However, the combination of the Asian Economic Cri-

sis of 1997–98, political instability, regional demands for autonomy or even independence, and the perceived rise of ‘failed states’ globally brought concerns about the long-term viability of the Indonesian nation-state as we now know it (Gelbard 2001). Such concerns have clearly been exacerbated by the rise of religious and other forms of ‘communal’ violence in post-authoritarian Indonesia (see van Klinken 2007; also see Sidel 2006). Not surprisingly, ‘local autonomy’ has been linked in Indonesia to issues pertaining to the revival of local traditions and customs (see Davidson and Henley 2007), which is reflective of the potency of mobilisations based on local cultural identities in spite of notions about the homogenising effects of globalisation.

It is no wonder, therefore, that the Indonesian case has been simultaneously placed at the heart of international policy and academic debates on both decentralisation and democratisation. The Indonesian case is also particularly instructive because it so readily displays the primacy of constellations of power and interest vis-à-vis institutional crafting in determining how institutions actually work at the local level in post-authoritarian situations—a theoretical point that is argued throughout this book. The Indonesian experience is especially valuable given the sharp contrast between the heavily centralised and authoritarian New Order and the highly decentralised and diffuse democracy that has replaced it.

Analysing the Indonesian case is therefore particularly useful because in spite of the caution of Grindle mentioned above, Bardhan (2002: 185) remains essentially right when he announces that ‘All around the world in matters of governance decentralization is the rage’. Furthermore, according to Bardhan and Mookherjee (2006: 1):

The last two decades of the twentieth century witnessed a significant rise in the scope of local democracy throughout the developing world, with increasing devolution of political, economic, and administrative authority to local governments. Along with privation and deregulation, this shift represents a substantial reduction in the authority of national governments over economic policy. The phenomenon is geographically spread, occurring simultaneously in Latin America, Africa, Asia, and Eastern Europe. The earliest changes were initiated in the 1970s, picked up momentum in the 1980s, and accelerated after 1990.

But what is really the appeal of decentralisation, especially for the intellectually dominant proponents of the neo-liberal and technocratic view of statecraft?

To put it succinctly at this juncture, the centralised state ‘has lost a great deal of legitimacy’, and decentralization is believed to promise a range of benefits as ‘a way of reducing the role of the state in general, by fragmenting central authority and introducing more intergovernmental competition and checks and balances’. As a considerable bonus, ‘In a world of rampant ethnic conflicts and separatist movements, decentralization is also regarded as a way of diffusing social and political tensions and ensuring local cultural and political autonomy’ (Bardhan 2002: 185).

But the relationship between decentralisation, democracy and transparent and accountable governance is understood here as being essentially problematic and contentious. In the case of Indonesia, it will be shown here that the rise of local politics has been instrumental in—and become part of—the emergence and consolidation of newly decentralised and predatory networks of patronage that have become politically ascendant after the fall of Soeharto. These have continued to have a vested interest in resisting many institutional reforms or have usurped them in a number of creative ways. From this standpoint, this book also represents an attempt to explain the processes through which power has been reorganised in post-authoritarian Indonesia through the lens of local politics.

It should be added that there have now been a few edited collections produced that deal with the politics of the local in Indonesia (e.g. Aspinall and Fealy 2003; Kingsbury and Aveling 2003; Erb, Sulistiyanto and Faucher 2005; Schulte-Nordholt and van Klinken 2007). But this is a relatively new development because the particularly centralised nature of power during Soeharto’s New Order meant that only rare studies of local power were previously ever undertaken. The few exceptions included those by Antlov (1995), Schiller (1996) and Malley (1999). Given this relative dearth, the study of post-authoritarian Indonesia will benefit from the insights provided by the experience of the Philippines or Thailand, where the study of local power is far better developed, partly because the Cold War-era authoritarian state was arguably never as successfully centralised as in Indonesia.⁶

It is for this reason that the discussion on the localisation of power in Indonesia is continually interspersed in this book with discussion of other cases of post-authoritarian decentralisation. The Indonesian case is far from unique in terms of its ‘unintended consequences’—to borrow a well-known term from Weberian sociology. Across the world, decentralisation has produced ‘unanticipated problems’ (Grindle 2007: 2), perhaps especially for the

technocrats, domestic or international, whose main task is to craft policy frameworks. In Southeast Asia, the cases of post-authoritarian Thailand and the Philippines provide some particularly useful points that help decipher the Indonesian situation due to certain commonalities in the prior experience of authoritarianisms born in the Cold War era.

Of course, these two cases are not meant to have a 'status' within the book that is equal to that of Indonesia. There is no full-fledged analysis of Indonesia's neighbouring Southeast Asian democracies being offered here. However, key developments in the Philippines and Thailand, as well as in such places as Russia and China, will be cited to help shed light on such fundamental issues as the politics of institution-building, power and contestation, and on the determinants of societal trajectories.

Structure of the Book

Chapter 1 provides a critical analysis of dominant (economics-inspired) neo-institutionalist and neo-liberal perspectives on decentralisation, development and democracy. These perspectives essentially view the relationship as a mutually reinforcing process that is sustained by the free market. They typically highlight the importance of designing the 'correct' institutional frameworks to govern state, society and economy; and they have lately given much weight to Putnamian notions of social capital. These perspectives fail to seriously address conflict; they treat it mainly as a managerialist problem of insulating good policy-making from certain kinds of societal pressure. The chapter offers a contrasting position that highlights the importance of constellations of power and of social conflict in determining the way that institutions, including that of the state, actually work.

Chapter 2 extends the contrasting position by relating it to the role and composition of state and local elites in determining societal trajectories, especially in connection with experiences of democratisation in Southeast Asia. In particular, the chapter reassesses modernisation approaches in their myriad more 'classical' and contemporary forms to the question of technocratic design of social change. But this is no perfunctory revisit of old theories. The suggestion being made is that much of the social thinking that has emerged in relation to decentralisation constitutes a rebirth of modernisation theory assumptions about development, politics and technocracy. It

then juxtaposes this sort of thinking to that which latches on to the role of predatory 'local strongmen' or 'oligarchies' in post-authoritarian Southeast Asia. In the process, the chapter provides the background for a concern that is pursued in later chapters: local elite responses/adaptations of/resistance to the allegedly homogenising effects of globalisation pressures.

Chapter 3 takes the book deeper into the complexities of the specific post-authoritarian Indonesian situation. It does so by examining the background of broader social and political changes since the demise of Soeharto's New Order in 1998 and then inserts into this context the actual contests over institutional reform. The chapter pays particular attention to debates about reforms pertaining to decentralisation and local governance in Indonesia in relation to those that have taken place in Thailand and the Philippines. In the process, the chapter expands the argument about the complex and often contradictory relationship between institutional reform design and concrete struggles over power at sub-national arenas of contestation.

Chapter 4 presents an analysis of the sociological background of Indonesia's newly ascendant local elites—particularly through case studies in North Sumatra and East Java. Chief among these are the former local apparatchik, and local entrepreneurs incubated within the New Order system of political patronage, as well as assorted goons and thugs who have managed to cast themselves as democratic actors. The chapter demonstrates how these have reinvented themselves as reformist local democrats, and pays particular attention to their appropriation of democratic institutions like political parties and parliaments. Comparisons with the social origins and bases of local elites in post-authoritarian Thailand and the Philippines are also presented to augment the view put forward about the primacy of constellations of power and interest over institutional frameworks in driving change.

The processes and mechanisms through which the social and political ascendance of local elites are secured and maintained in post-authoritarian Indonesia are more deeply examined in Chapter 5. In this chapter, the experiences of other post-authoritarian societies in Southeast Asia are shown to be particularly instructive. The focus of the chapter is on the vagaries of alliances and coalition-building in Indonesian local electoral politics, and the way in which localised networks of predatory power are now being developed through money politics, and to some extent, local instruments of coercion.

Chapter 6 presents an analysis of the modes of political inclusion and exclusion in post-authoritarian Indonesia, contrasting these at important junc-

tures with other post-authoritarian Southeast Asian experiences. The chapter pays attention to the mechanics of electoral democracy at the local level as well as to the position of social groups that had been marginalised during the New Order. Chief among the groups to be examined in the context of the actual operations of local power is organised labour. In the process, the chapter raises crucial issues related to political participation and contestation, and the position of civil society in post-authoritarian situations. It also raises questions about the emergence of localised oligarchies.

The Conclusion offers observations that re-link the experiences of post-authoritarianism with the localisation of power. It also reviews the main arguments of the book as a whole in relation to the question of the entrenchment of distinctly localised forms of oligarchic power. The chapter offers speculations too on some of the possible implications of the outcomes of the localisation of power for particular kinds of integration with the global capitalist economy.