Indonesia is often viewed as a country with substantial natural resources, which has achieved solid economic growth since the 1960s, but which still faces serious economic challenges. In 2010, its per capita GDP was only nineteen per cent of that of the Netherlands, and twenty-two per cent of that of Japan. In recent decades, per capita GDP has fallen behind that of neighbouring countries such as Malaysia and Thailand, and behind China. In this accessible but thorough new study, Anne Booth explains the long-term factors, which have influenced Indonesian economic performance, taking into account the Dutch colonial legacy and the reaction to it after the transfer of power in 1949. The first part of the book offers a chronological study of economic development from the late nineteenth to the early twenty-first century, while the second part explores topics including the persistence of economic nationalism and the ongoing tensions between Indonesia’s diverse regions.