

Local and regional dimensions in Indonesia's social and economic development: a governance approach

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Applicants/Research Team

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Context/Background

- Strongly uneven economic development between regions
 - Levels of private and public services vary widely across space
- Decentralization
 - Transformation from an authoritarian regime towards a more democratic society. Changing relationship between the political centre and local government.
- Rapid urbanization and motorization, in combination with insufficient (interregional) investment in transport infrastructure, cause urban poverty and social exclusion.

Aim of the project

To contribute to our understanding of the complex interrelationships between governance and economic and regional development.

The governance perspective is the overarching research topic.

Organization of this project: 3 subprojects

1) Macro-perspective

- Patterns and drivers of regional (di-) convergence within Indonesia (with special focus on public service provision)
- Development of Indonesia in the world economy
- Role of Indonesia in international networks

2) Micro-perspective

- Understanding location and mobility behavior of economic actors, and the size and nature of agglomeration externalities
- Using detailed micro-data on Indonesian firms and workers

3) Case studies

- inter- and intra-regional transport infrastructure investments and their impact on urban poverty and social inclusion

Schematic overview of program

Decentralisation of governance and fragmentation of
decision making power
(Post doc)



Regional
(di)Convergence -
patterns and drivers
(PhD project 1)



Location and mobility
behaviour of firms
and agglomeration effects
(PhD project 2)



Urban transport
infrastructure investments,
accessibility and social
cohesion
(PhD project 3)



Approach

- New economic geography literature, new trade theory, new economic growth theory with emphasis on governance
- Meta-analysis
- Emphasis on national and regional convergence patterns
- Micro-data ((linked) household and firm level data)
- Unique information on variation in quality of governance at the sub-national level (a.o. PODES datasets)