Never has there been a more important time for Australia, and the rest of the world, to understand what kind of a country Indonesia is, and what is happening there.

Indonesia has over 200 million people - the fourth biggest, and by far the largest Islamic, country in the world. It straddles a region which has been for a very long time one of the most volatile in the world, but which since the formation of ASEAN - under Indonesian leadership - has been remarkably stable; and which since the resolution of the Cambodian conflict - again with Indonesia playing a leadership role - has been remarkably peaceful.

It is a country which over the last generation has been through a wrenching process of economic modernization, and which was well on its way by the mid-1990s to achieving general prosperity and complete eradication of poverty.

Indonesia was certainly a country which by the mid-1990s had not got its political system right, and badly needed to: it was a tragedy, in retrospect, that Suharto did not manage to complete a process of transition and succession when he had every chance to do so. It was a country which was extremely intolerant of some forms of dissent, and one whose military had behaved brutally and oppressively toward some of its people - most obviously in Aceh and East Timor.

- But Indonesia nonetheless was by and large a country at peace with itself, accommodating tolerantly and under one roof and the Pancasila state philosophy, an extraordinary diversity of cultures, religions and ethnicities.

Now Indonesia is a country in turmoil. It is not at all at peace with itself, is economically fragile, and is struggling to hold itself together. We in Australia - as in the United States and Europe - tend to focus overwhelmingly on what to Indonesians is just one very small part of the total turmoil - the situation in East Timor. But what we should be seeing is a country wrestling simultaneously with three huge transformations:

First, reconstruction of its political system - from an authoritarian, militarily dependent, overwhelmingly centralized non-democracy, to a democratic system in which the military play a very much reduced role, and where there is a more sensitive recognition of the
needs and aspirations of the different regions.

Second, reconstruction of its economic system - to recover something from the wreckage of the 1997 meltdown, and fundamentally rebuild and revitalize the country's whole financial and corporate structure.

Third, reconstruction of its social harmony - put extraordinarily at risk by the explosion of ethnic and religious based conflict in all too many parts of the country.

It is the huge merit of this book that it puts all these issues in this context - it enables us to understand the scale of the crisis, and the scale of transformation that is going on. It is as up to date as any published book can be - containing papers for a conference here just last December, and with a postscript bringing things together right up to March 1999 - just a few weeks ago. And the book is a huge credit to its editors - Arief Budiman, Barbara Hatley and Damien Kingsbury - its authors, and to the Monash Asia Institute which brought it all together.

The book is analytically strong and rich. It would be invidious to single out any particular chapters, when all are of such high quality - but in the short time I had to read it I focused on two which are must-reads for any journalist or politician or commentator inclined to make glib and sweeping statements about what is happening in Indonesia:

First, Marcus Meitzner's chapter on political Islam in the post-Suharto era. This is a wonderful guide through the labyrinth, explaining the conservative/progressive, traditionalist/modernist; and pro and anti-government, and pro and anti-nationalist, fault lines around which the current batch of Islamic parties are clustered.

- After reading this chapter, I am inclined to set a little test for anyone pontificating about Indonesia: "Amien Rais's trouble is that he is too green for the red-and-whites and too red-and-white for the greens. Discuss". If the commentator in question doesn't know what the hell this means, then he or she should shut up!

Just as this chapter is a great corrective for those who see or fear an Indonesia dominated by monolithic Islamic force, so too is Harold Crouch's chapter on military-civilian relations since May 1998 for those who can see only a single, monolithic, jack-booted military force.

- The truth of the matter is that there are multiple pressures and cross-currents running through the military, and the crucial question is whether the democratic and civilized "new paradigm" promoted by the intellectual group of officers clustered around Bambang Yudoyono will in fact prevail.
What the book brings out more than anything else is the extraordinary complexity of Indonesian society, its sophistication and richness as well its many still unresolved problems. None of this is news to the people who produced this book, or came to the December conference, or are here at the launch today.

But it is a story which has to be told to a great many more Australians - including many in positions of great public influence - if we are going to get our relationship with our huge neighbour right, and be in any kind of position to influence outcomes in a way we would all like to.

This book makes a great contribution to telling that story. I congratulate everyone associated with its production.