

Some Canadian experts observed that "Indonesia has little hold on the public imagination in Canada now." "There used to be bankers and businessmen in Canada carefully watching what happens. Not now." Canadian direct investment in Indonesia is currently \$7 billion, and there is little new investment.

Challenges

At the centre: There is a need for strong central leadership to provide the nation a sense of direction with which decentralization can be managed. Participants remarked that "I think the army knows not to interfere now. People know that 'otonomi' is inevitable, and it will move right down to the grass roots. It is happening in my own province. But this is a very long term process, and may take a generation." The most important priorities are the economy and establishing the rule of law.

In the regions: New forms of local government are needed that are pluralistic and democratic, based on respect for human rights, and that are capable of dealing with New Order financial imbalances, frustrations, and legacies of patronage and marginalization. Decentralization is probably the effective way to do this, but it has to deal with years of bitter history and institutional disarray. The risk contained in autonomy is the ethnicization of politics and land and resources struggles, so that security for some poses insecurities for others. An expert asked if "customary procedures for incorporating "guests" can be extended to large migrant populations who move to new territories? Is the language of guests and hosts an appropriate language for envisioning citizenship in new territories? Indonesia has so far stayed away from attaching rights to identities (at least in theory, even if the practice has sometimes been to show favourites). Abandoning this principle is dangerous indeed".

"Indonesia is a collection of maritime states," participants agreed. So there is decentralized competition of various jurisdictions and authorities for marine resources like oil and fish, and the responsibility for marine pollution is very complex. And fish are a moving resource. For