3) That some parts of Southeast Asia (Malaya, Sumatra and the Philippines) were already high growth areas in the colonial era, laying a basis for the post-1970 success;
4) That the period 1930-1970 marked the major setback for most Southeast Asian economies in the modern era, especially in comparison with growth in the advanced economies;
5) That the pre-colonial period, notably between 1780 and 1840, already showed the beginnings of the exportgrowth and commercialization that is usually but inappropriately ascribed to the high colonial period.

* * *

1994 was particularly busy, with five workshops to consider: Bob Elson's draft 'The End of the Peasantry in Southeast Asia' (February), Lesley Potter's outline on 'Forests, People and Environments in Southeast Asia: Two Centuries of Change', and the three workshops in December discussed more fully below.

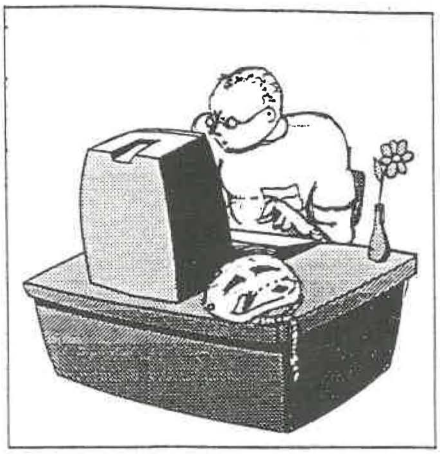
Anthony Reid

What Happens Next?

The end of 1994 and the first weeks of 1995 were a season of farewells, as Gregg Huff, Amarjit Kaur and Pierre Brocheux finished their terms of writing here. Teruko Saito will be the last to go in March (for a month in Tokyo and then 11 months in Singapore). Our Research Assistant, Yiqi Wu, moved on to pursue her studies.

Because not all the Luce Foundation grant was expended within its 3-year term, we have been able to retain the services of Linda Poskitt as secretary to the Project throughout 1995. Other editorial tasks on the Data Papers and Monographs will be funded from the same source, as will our remaining workshops - Anne Booth's in April, Teruko Saito's perhaps in Singapore in late 1995 and Norman Owen's in February 1996.

We are however living now more modestly, and we expect this will be the last issue of the ECHOSEA Newsletter – 12 issues of which have been sent free to about 300 subscribers. Most of the monographs which the project set out to sponsor are still in the pipeline, but it will no longer be possible to communicate research findings or information about new publications on the economic history of Southeast Asia to our subscribers. However, we hope to remain in touch and an inexpensive but valuable alternative has been found. The editors of the newsletter have established an electronic forum on the economic history of Southeast Asia at the Research School of Pacific and Asian Studies of the ANU.



The forum is called EcoHist-SEAsia-L and is the same as a discussion list or bulletin board. The forum begins without a moderator and is open to all, subject to subscription approval by the list owner, which is a *pro forma* operation to permit some basic control of the contents of submissions. We hope that all participants in the EchoSea project and all who subscribed to the newsletter and are on Internet or Bitnet will join the forum.

The forum will replace the newsletter, but it will also be the place for discussion on how to write and teach the economic history of Southeast Asia. To subscribe to the forum, send an email message to: **majordomo@coombs.anu.edu.au** with in the body of the text **only** the message 'subscribe EcoHist-SEAsia-L <your email address>', in which you replace <your email address> with your email address. You will then receive further information on the forum, such as how to contribute and how to undo your subscription.

Pierre van der Eng will be the list owner and he will seek to keep the forum stocked with regular announcements relevant to the study of the economic history of Southeast Asia. But it will be up to subscribers to turn the forum into a lively platform. Pierre can be contacted directly on: pierre.vandereng@anu.edu.au

Teaching the economic history of Southeast Asia

The ECHOSEA project has been important in stimulating wider interest in the economic history of Southeast Asia. Maintaining the momentum which it has generated may depend not only on the continuation of our own research, but also on the extent to which we economic historians manage to enthuse our students for the economic history of the region. It may also depend on the extent to which we will be able to encourage colleagues to take an interest in the study and teaching of the economic history of Southeast Asia.

Many universities have found that student interest in Asia has grown along with the economies of most Asian countries. Maintaining that interest depends to a large extent on the way we teach the economic history of Southeast Asia. Although there is an increasing exchange of our research results, there is little dialogue about the ways in which we teach the subject.

Colleagues with a primary interest in Western societies noted at a meeting at the annual conference of the Economic History Association in the US last year, that they are increasingly challenged to teach international economic history, with particular emphasis on Asia. Indeed, several economic history departments now offer undergraduate courses which include aspects of the economic history of the 'Asian giants' Japan, China and India, countries for which major topics of debate have floated to the surface due to the long-standing academic discourse about their development experience.

There is a growing interest in the historical experience of Southeast Asian countries, but many colleagues are still uncertain about the main issues. Unlike the 'Asian giants', there are few textbooks on Southeast Asia which may provide a lead in this respect. Time may gradually change this, but in the meantime the teaching of the economic history of Southeast Asia may be improved and encouraged by discussing it.

Most of the courses involving the economic history of Southeast Asia which are presently taught are standard semester courses which involve a combination of lectures, tutorials and student essays and do not use a single textbook.[1] But that seems to be where the similarities end. The time period, countries and topics covered, the preconditions and assessment procedures all differ widely.

Some would see the dearth of textbooks in print on the economic history of Southeast Asia as an advantage, because it allows us to fashion a course according to own interests and strengths. Most courses use reading bricks with selected articles and chapters and encourage students to read widely. But it does not make it easy for colleagues who would like to further their interest in the region without the stepping stone of a research background in any of the countries in the region.

Several courses cover the 19th and 20th centuries up to World War II. It is convenient to restrict coverage to these years, because periods of colonial rule seem to form a innate entity. Moreover, most publications by historians cover prewar topics. But is it apt to use political milestones in economic history? Perhaps the Japanese occupation was an interlude rather than a watershed, when looking at economic change in Southeast Asia in the long run. Moreover, the colonial era recedes ever further into the past. How relevant is the prewar experience for an understanding of the historical background of the dramatic economic changes in recent decades?

The Japanese occupation brought the Japanese model of development to Southeast Asia's doorstep. Together with the impact of the crisis of the 1930s, it can be used to explain the emergence of inward-looking development strategies of the 1950s and 1960s. Likewise, the more recent export-oriented development strategy can be regarded in the light of the disappointment with the earlier inward-looking approach. Including such issues in a course becomes more relevant now that other courses in development economics or politics of developing countries, pay increasingly less attention to the historical experience of Southeast Asian countries in the 1950s and 1960s.

There is no fixed definition of the countries that constitute Southeast Asia. Like the EchoSea project, one may aim to include Burma and the countries of Indochina. But if the goal is to put economic development of recent decades in historical perspective, it may be convenient to restrict coverage to the ASEAN countries. An additional problem is that the historiography of the Philippines and Indochina is not as advanced as that of the other countries, which indicates a similarity in the problems of geographical and chronological coverage.

1 It would have been difficult to write this article if Amarjit Kaur (University of New England), Bob Elson (Griffith University), John Drabble (University of Sydney), Stephen Morgan (University of Melbourne) and Gervaise Clarence-Smith (SOAS) had not been so kind as to send me copies of their course outlines.

The problems caused by aiming at comprehensiveness can be avoided by using a thematical and comparative approach. This encourages students to take an analytical rather than a descriptive approach to economic history. Moreover, a focus on issues and a comparative stance help to identify important gaps in the historiography of particular countries or periods, while providing exemplary indications of how such issues can be addressed.

The discussion of major topics or issues need not be incompatible with a broad chronological coverage. Most major topics are defined by time. For instance, the change from a silver standard to a gold-exchange standard and its impact on foreign trade in the region is largely confined to 1875-1910, although the principal issue of the impact of currency devaluation on foreign trade is timeless.

Colleagues teaching courses on European and North American economic history generally seek to emphasise important or interesting substantive research done in the field. The arguments, methodology and evidence used in discussing an issue like the Industrial Revolution is ready-made for teaching. That is not always the case in the economic historiography of Southeast Asia. But perhaps further discussion may provide new insights into how new topics can be taught.

For instance, most courses cover the development of foreign trade and export production in the region by describing the rise and demise of major export products. But it is possible to go beyond that, because the historical experience of Southeast Asia allows us to elaborate broader issues in development economics, such as comparative advantage and long-term change in the terms of trade, or even an elusive topic like 'colonial drain'.

It is possible to raise a range of other issues we may want to discuss, such as the prerequisites for courses (languages, economics), tutorials (how to generate discussion) and assessment procedures (assignments, exam questions). But perhaps it is useful to first focus on establishing an exchange of ideas on teaching economic history of Southeast Asia. One possibility is to convene sessions at conferences, in particular economic history conferences, where it is possible to exchange experiences with colleagues who teach more established courses on other parts of the world and where colleagues may be enthused for the economic history of Southeast Asia.

Secondly, the Cliometric Society in the US now sponsors an electronic list or bulletin board on teaching economic history. This econhist.teach list still contains mainly contributions about the economic history of the US and Europe, but the methodological issues raised are of use to all who lecture at universities.[2] A discussion about Asian economic history started to bud very recently. This discussion indicates to me that many colleagues have a latent interest in Asia, but find it difficult to detect what the current debate on key issues is, because they tend to restrict themselves to the traditional economic history journals.

The Gopher of the Cliometric Society also contains a collection of more than 50 course syllabi, which can be downloaded.[3] These course syllabi mainly relate to US and European economic history courses, but even reading such outlines yields new ideas about how economic history can be taught. The Cliometric Society encourages people to submit their syllabi and is particularly keen on receiving outlines of courses which are not generally taught at universities, such as the economic history of Southeast Asia. In addition, a volume in Edward Tower's series of syllabi of economics courses is on economic history.[4] A new 1995 edition is now being prepared.

It may not be customary to circulate course syllabi in the field of Asian history. For one thing, perhaps, because academics do not always regard their course outlines in the same light as their research results. Another reason may be that, just like research results, course syllabi are regarded as the fruits of extensive intellectual work which should be protected from plagiarism. But it should be obvious that a lot can be learnt from a comparison and discussion of the approaches and methods used by others in their teaching. I, for one, would welcome your response to this

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2 To obtain information about the list, send an e-mail message to lists@cs.muohio.edu with the message "info econhist.teach". To subscribe to this list, send an e-mail message to the same address with the message "subscribe econhist.teach <your name>".

3 Gopher to Miami University in Ohio (US) through the Gopher of your university. Or contact the Gopher of the Cliometric Society directly with "telnet cs.muohio.edu", login "gopher" if you have Telnet software installed.

4 Edward Tower (ed.) (1990) *Economics Reading Lists, Course Outlines, Exams, Puzzles & Problems. Volume 23: Economic History*. Durham (NC): Eno River Press. (US$20.- plus postage, Eno River Press, Box 4900, Duke Station, Durham NC 27706-4900, USA)

article, possibly on the new *EcoHist-SEAsia-L* forum.

Pierre van der Eng

Money, Finance and Economic Growth in Southeast Asia: Financial Development in the Twentieth Century

Financial development, which involves the emergence of the system of money and other financial assets together with an institutional structure of banks, insurance organisations, savings and loan associations, development banks, finance companies and eventually a stock exchange, has recently gained much greater prominence because of the central role now assigned to finance in understanding the wider economic development process. An economy's financial sector 'does matter in economic development' (Shaw, 1973, p.3). The study on which I am working will stand somewhat apart from recent literature, however, in considering financial development over a long period - more than a hundred years - and in attempting to provide an in-depth analysis of a specific region. Like its companions in the EchoSea series, this book will try to link the experience in Southeast Asia before and after World War II, and to show how each side of this wartime 'dividing line' is better comprehended with a knowledge of the other.

The main aims of my EchoSea volume are twofold. One is to relate Southeast Asia's financial world to the real economy context in which it was embedded. The hope is to make more intelligible 20th century growth and change in both the financial and the real or goods sectors of Southeast Asian countries. Towards this end I am assembling the first comprehensive set of statistics relating to 20th century financial development in Southeast Asia, and plan to trace associated institutional development. Just as a growing ratio of money to real product indicates financial development, so the expansion of one component of the money supply such as M1 or M2 relative to another points to changes within a country's financial structure.

The study's other main aim is to provide some empirical commentary on theories of financial development and on the role of a country's financial structure in fostering - or retarding - economic growth through considering how Southeast Asian countries' financial structure changed over time. Although the danger of trying to combine economic history and theory, described by R. Nurkse (1961, p.9) as 'one of the most difficult *genres* in economic literature', is well known, I am persuaded in the attempt by the belief that history and economics have much to offer each other. Despite recent important empirical work covering the years after World War II (Cole and Patrick, 1986; Cole, 1988), it remains true, especially for the 20th century as a whole, that as H.W. Arndt (1983, p.99) observed more than a decade ago 'the most obvious gap in our knowledge is in the overall perspective of the process of financial development'.

The hope is that my study's longer time period and its concentration on Southeast Asia will begin to close this gap by making patterns of financial development somewhat clearer. Insofar as additional perspective on the process of financial development can be gained, policy lessons of correspondingly greater value may emerge. However, anyone in search of an unambiguous statement, hitherto absent from the literature, on whether economic development follows finance, or the reverse, will again be disappointed: the causal relationship between finance and economic development is complex and almost certainly not unidirectional.

Because financial systems develop over time and the same patterns and issues are not of equal importance at different periods in a country's economic growth, the book will be divided into three main sections corresponding to the three main periods in modern Southeast Asia's economic development. Even so, temporal overlaps cannot be avoided: countries in Southeast Asia neither began from the same starting point nor always developed at similar rates. In some instances, too, I anticipate having to eschew strict periodisation to facilitate a comparative and conceptual analysis.

My plan for the book is as follows. Part One of the book introduces in chapter 1 some of the main theoretical concepts used in subsequent chapters and sketches the broad outline of Southeast Asian financial development. Chapter 2 fills in the late 19th century backdrop of rapid economic growth in large parts of Southeast Asia and attempts to explain how this could take place in the absence of much formal financial structure. Institutional developments dealt with include the breakdown in, and beginning of a reconstruction of, a formal system of money, the establishment of European banking together with its comprador system, and the contribution of tax farms in mobilising resources.

Part Two covers the period from the beginning of the 20th century to the outbreak of World War 2. Chapter 3 offers

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Contents

NEWS FROM THE PROJECT (or Last Writes)

The five years' earmarked funding by the Research School of Pacific [and Asian] studies for ECHOSEA came to its allotted end in 1994. This is therefore the moment to look back and reflect on what has been achieved and what remains to be done.

21 different authors have been commissioned to write major volumes for the new Macmillan Economic History of Southeast Asia. Of these, three are tenured members of the Research School, and two others obtained appointments in the Project – Dr Anne Booth as Senior Research Fellow (1989-91) and Dr Pierre van der Eng as Post Doctoral Fellow (1992-93). Both these scholars left before their full term – Dr Booth to a chair at SOAS in London, and Dr van der Eng to a Lectureship in the Faculty of Economics, ANU.

Of the remaining 16 authors, all but two have been funded for a period of full-time work on their respective books of between 3 and 12 months, usually as Visiting Fellows at the ANU. A three-year grant (1992-1994) from the Henry Luce Foundation in New York became increasingly important in making these activities possible, and enough remains to provide essential back-up as the books proceed towards publication.

In 1994 the Visitors were: Teruko Saito, from April (writing the Economic History of Burma); Lesley Potter, until June (Environmental History); Amarjit Kaur, from July (Labour); Gregg Huff, from September (Money and Banking); Pierre Brocheux, from October (Vietnam); Thomas Lindblad, February-May (Foreign Investment).

The Project has also arranged for most of its authors a workshop to evaluate their book outline or draft, and bring various points of view to bear on it – including views from Southeast Asia itself. The Luce grant was particularly valuable in making the Asian participation possible. A preliminary conference was organised on the writing of Southeast Asian Economic History, in 1989, and nine workshops on particular books were held at various times over the period 1991-94.

I believe the achievement of these five years has been considerable. Not only have publications been generated and a new Economic History of Southeast Asia been mapped out through the Macmillan series. More important perhaps has been the enthusiasm generated in our authors to think thoughts they would not have thought and to embark on ambitious projects which would have seemed beyond them (or anyone) working alone. We have made some progress (not enough) on getting economists, economic historians and historians to talk to one another, and bridging conceptual gaps between the contemporary and colonial, and between the discourses on each distinct country.

For myself, the strongest impressions emerging from the collective research that has gone into the enterprise are three:

1) That the region does make sense as a whole for most, if not all, of the important themes;

2) That the comparisons between countries made possible by the consistent quantification we are seeking does prove stimulating and illuminating, often breaking through conventions on particular countries;