

# The Economic Historiography of the Dutch Colonial Empire

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## Abstract

Colonial possessions were a source of substantial revenue for the Dutch economy for over three centuries. The histories of Dutch trading companies in the East and the West, the Cultivation System and the Dutch Atlantic slave trade have engaged dozens of historians, some of whose work belongs in the select library of the world's most significant historical literature. The way in which economic historians have dealt with the key themes of Dutch colonial history, and the evolution of their perspectives, forms the subject of this overview. In the conclusion, the present fragmented state of the economic history of the Dutch colonial empire is addressed.

**Keywords:** colonialism, Atlantic slave trade, trading companies, business history, economic growth, historiography

## Introduction

The Dutch colonial empire existed for three and a half centuries and included dozens of territorial acquisitions, both in the eastern and western hemispheres. During the two centuries between 1600 and 1800, Dutch colonial history was dominated by the joint-stock chartered companies that controlled parts of global trade via fortresses, plantation islands and colonial enclaves. After their globe-spanning chain of enclaves and trading posts shrank considerably in the Napoleonic era, the Dutch successfully shifted from maritime to territorial empire building in Asia. Because of these spatial and temporal divisions, Dutch colonial historiography can be separated into four sections, as illustrated in the table below:

Table 1

Area / Period	1600-1800	1800 onwards
Asia (East from the Cape of Good Hope)	The Dutch East Indies Company (VOC)	Netherlands Indies (until 1949), New Guinea (until 1962)
Atlantic (West Africa, North America, Brazil, Guyana and the Caribbean)	The Dutch West Indies Company (WIC)	Gold Coast (until 1871), Suriname (until 1975), Dutch Antilles

To date, few attempts have been made to present comprehensive accounts of Dutch colonial history, or economic history for that matter, and most colonial historians simply confine themselves to one of the sections in the table above. The great majority of all publications on the economic history of the Dutch colonial empire concern the Dutch East Indies, and only a minor part is devoted to the Dutch Atlantic. This is the legacy of the significance of colonial Indonesia to the Dutch economy and society in the nineteenth and twentieth centuries. However, this tends to obscure the contribution of the Atlantic trade to the Dutch economy, particularly in the seventeenth and eighteenth centuries. That stated, this chapter follows historiographical tradition and devotes most of its space to the Dutch East Indies. For this part of the empire, the chapter will first deal with the Dutch East Indies Company (VOC, 1602-1799) and the Cultivation System (1830-1870), with debates on economic drainage, economic growth and living standards. A section on business history and imperialism follows and an overview of the historiography of colonial Indonesia is concluded by a section on the Outer Islands of the Indonesian archipelago. Because the historiography on the Atlantic part of the Dutch colonial empire is less extensive, I bring this literature together under a single heading. My contribution will mostly stay within the confines of the economic history of the colonies, though at the end of it I briefly allude to the debates on the role of coal and the colonies in the Great Divergence.

Most of these themes are intertwined and part of larger narratives. The histories of the VOC and WIC (Dutch West Indies Company), for example, are inexorably linked to the economic and maritime ascendancy of the Dutch Republic. According to Immanuel Wallerstein, the Republic was the first hegemonic power to realise '*simultaneously* productive, commercial, and financial superiority over *all other core powers*'.<sup>1</sup> It was long taken for granted that the VOC had its best years during the Golden Age – when the Republic was young, dominant and heroic – and that after saturation,

1 Immanuel Wallerstein, *The Modern World System II. Mercantilism and the Consolidation of the European World-Economy* (New York 1980) 38.

decline inevitably followed. However, this may not do justice to the fact that the VOC still contributed substantially to eighteenth-century Dutch national income. Meanwhile, in spite of the fact that the WIC was never able to match the success of its Asian counterpart, the gains the Dutch Republic derived from the Atlantic world might have approximated to those from Asia. Here, the debates about Dutch direct and indirect gains from the plantation economies in the New World relate to a much older and internationally more familiar debate on the contribution of the slave-based Atlantic economy to Britain's global ascendancy, a debate that harks back to the days of Eric Williams' *Capitalism and Slavery*.<sup>2</sup> That this debate is still ongoing, was demonstrated in 2005 by an article by Acemoglu et al., estimating that the direct and indirect revenues from the Atlantic trade accounted for most of the divergence in economic growth between Western and Eastern Europe.<sup>3</sup>

Another metanarrative concerns the increasing recognition of the maritime strength of Southeast Asia after J.C. van Leur defended his seminal PhD thesis in 1934. In the early 1930s, a time at which Dutch colonial chauvinism had reached its apex, he was still a dissident voice emphasising the autonomy of the Asian maritime world, where the VOC was just one of the actors. However, over the years the appreciation of Asia-centric perspectives grew, eventually culminating in Anthony Reid's *The Age of Commerce (1988-1993)*.<sup>4</sup> Applying a Braudelien approach, Reid portrayed a flourishing Southeast Asian maritime economy at the crossroads of world religions before the European trading companies destroyed the grand emporia such as Malacca, Banten and Makassar. Over the decades, Dutch mercantile history in Asia has become increasingly integrated into the maritime history of the Indian Ocean.<sup>5</sup> Moreover, from the 1960s onwards, the Indian historian Om Prakash pioneered the mercantile history of the Indian Ocean using VOC sources.<sup>6</sup> In the 1990s, Leonard Blussé launched the TANAP (Towards a New

2 For a brief overview of this debate see Pieter C. Emmer, Olivier Pétré-Grenouilleau and Jessica V. Roitman, 'Introduction; Colonial Trade and the European Economy', in: P.C. Emmer, O. Pétré-Grenouilleau and J. V. Roitman, *A Deus ex China Revisited. Atlantic Colonial Trade and European Economic Development* (Leiden/Boston 2006) xiii-xxix.

3 Acemoglu, Daron, Simon Johnson and James Robinson, 'The Rise of Europe: Atlantic Trade, Institutional Change, and Economic Growth,' *The American Economic Review* 95: 3 (2005) 546-579; 572.

4 Anthony Reid, *Southeast Asia in the Age of Commerce, 1450-1680* (New Haven 1988).

5 J.C. van Leur, *Eenige beschouwingen betreffende den ouden Aziatischen handel* (Middelburg 1934).

6 Om Prakash, *The Dutch East India Company and the Economy of Bengal, 1630-1720* (Princeton 1985).

Age of Partnership) programme to train young scholars Asia on the use of VOC archives in Asia, South Africa and the Netherlands. The ambition was to develop a history beyond colonialism towards 'connections'.<sup>7</sup> Meanwhile, the VOC archives have obtained recognition as being of irreplaceable value to global history and have accordingly been listed in UNESCO's 'Memory of the World Register'.

My final preliminary remark concerns the rootedness of the economic history of Indonesia in colonial times. This started with discussions about the economic impact of the Cultivation System (1830-1870) and continued with debates on the detrimental effects of the colonial plantation economy on the development of Java's rural society. Between the 1950s and 1980s, barely any economic history on Indonesia appeared apart from Clifford Geertz's famous *Agricultural Involution* (1963), which was widely contested by other scholars working on Java.<sup>8</sup> However, from the 1980s onwards, the economic history of Indonesia began to flourish, ranging from a reappraisal of the Cultivation System to extensive studies and debates on economic growth, living standards and the balance of payments. At least three edited volumes on the economic history of Indonesia appeared around 1990. These included contributions not only by well-known economic historians such as Peter Boomgaard, Anne Booth, Thomas Lindblad, Thee Kian Wie, Angus Maddison and Pierre van der Eng, but also by Radin Fernando, Roger Knight and Vincent Houben, who we would consider today to be social historians.<sup>9</sup> This testifies to increasing specialisation since the 1990s, fortunately without compartmentalisation.

## Changing perspectives on the VOC

The portrayal of the eighteenth-century VOC as a story of misery and decline, incompetent leadership and all-pervasive corruption, originated in the early nineteenth century and has lingered on well into the twentieth

7 See <http://www.tanap.net> [consulted on 29 November 2013].

8 Benjamin White, "Agricultural Involution" and Its Critics: Twenty Years After', *Bulletin of Concerned Asian Scholars* 15: 2 (1983) 18-31.

9 Angus Maddison and Gé Prince, *Economic Growth in Indonesia, 1820-1940* (Dordrecht, Holland 1989); Anne Booth and W.J. O'Malley, *Indonesian Economic History in the Dutch Colonial Era* (New Haven 1990); J. Th. Lindblad, (ed.), *New challenges in the modern economic history of Indonesia. Proceedings of the first conference on Indonesia's modern economic history, Jakarta, October 1-4, 1991* (Leiden 1993).

century.<sup>10</sup> The image of incompetence and careless financial management set the tone for the first serious historical works on VOC bookkeeping by G.C. Klerk de Reus in 1894 and W.M.F. Mansvelt in 1922.<sup>11</sup> Impressed by the sheer size and power of the VOC up to 1740, they dissected how the VOC Gentlemen XVII from that moment onwards had deliberately eroded the capital base of the company.<sup>12</sup>

After Mansvelt, decades of silence followed with regard to the economic history of the VOC, only interrupted by the 1958 dissertation of the Danish historian Kristoff Glamann, who expressed his amazement that there had been so little scholarly interest in the VOC as the world's first multinational.<sup>13</sup> This changed, however, when between 1968 and 1988, J.R. Bruijn, F.S. Gaastra and I. Schöffer produced their important three-volume collection of sources on Dutch Asiatic trade.<sup>14</sup> In the course of that project, Gaastra's well-known popular general history of the VOC appeared. From 1982 onwards, it went through more than ten reprints, providing an accurate and popular overview of the wide-ranging operations of the first multinational in the world, employing 18,000 Europeans in Asia by the late-eighteenth century.<sup>15</sup>

A contested issue has been the role of intra-Asiatic shipping, the relative value and profitability of which declined in the eighteenth century. According to Gaastra, the importance of intra-Asiatic trade for the VOC diminished, together with the need to obtain Asian commodities to be traded for precious spices. Hence, the extensive VOC infrastructure in Asia

10 Karel Davids, 'Van *Loser* tot wonderkind. De VOC in de geschiedschrijving van 1800 tot heden', in: Manon van der Heijden en Paul van der Laar (eds.), *Rotterdamers en de VOC. Handelscompagnie, stad en burgers (1600-1800)* (Amsterdam 2002) 11-29.

11 G.C. Klerk de Reus, 'Geschichtlicher Überblick der administrativen, rechtlichen und finanziellen Entwicklung der Niederländisch-Ostindischen Compagnie', *Verhandelingen van het Bataviaasch Genootschap* 47 (Batavia/The Hague 1894); W.M.F. Mansvelt, *Rechtsvorm en geldelijk beheer bij de Oost-Indische Compagnie* (Amsterdam 1922). For an overview of the historiography on the financial management of the VOC see Jan Luiten van Zanden, 'Over de rationaliteit van het ondernemersgedrag van de VOC: enkele empirische bevindingen', in: C.A. Davids, W. Fritschi and L.A. van der Valk, *Kapitaal, ondernemerschap en beleid: studies over economie en politiek in Nederland, Europa en Azië van 1500 tot heden; afscheidbundel van professor P.W. Klein* (Amsterdam 1996) 409-402.

12 Mansvelt, *Rechtsvorm en geldelijk beheer*, 101.

13 Kristof Glamann, *Dutch-Asiatic Trade, 1620-1740* (Copenhagen 1958).

14 J.R. Bruijn, F.S. Gaastra en I. Schöffer, *Dutch-Asiatic Shipping in the 17th and 18th Centuries*, I, *Introductory Volume* (met medewerking van A.G.J. Vermeulen); II, *Outward-bound Voyages from the Netherlands to Asia and the Cape (1595-1794)* (in collaboration with E. S. van Eyck van Heslinga) *Idem*, III, *Homeward-bound Voyages from Asia and The Cape to the Netherlands (1597-1795)* (in collaboration with E. S. van Eyck van Heslinga) (Rijks Geschiedkundige Publication Grote Serie 165, 166, 167 (Den Haag 1987, 1979 and 1979)).

15 F.S. Gaastra, *Geschiedenis van de VOC: opkomst, bloei en ondergang* (Haarlem 1982) 83.

became a millstone around the VOC's neck. By contrast, Els Jacobs, whose *Merchant in Asia* details the inner workings of this immense eighteenth century network, argued that the VOC was capable of adapting to changing circumstances and shifting consumption patterns in Europe in particular. Some of the new commodities, tea for example, had to be bought in China, or bartered for pepper and tin, which kept alive the need for an extensive intra-Asian network.<sup>16</sup> Jacobs also directed attention to local brokers and elites who entered the scene as partners of the VOC, changing the character of its operations towards a more Asian style in the eighteenth century.

### The Cultivation System (1830-1870)

The study of the economic history of colonial Indonesia began in the early nineteenth century, to feed the political debates about how to administer this potentially rich colonial possession. The political controversies between defenders and opponents of the Cultivation System left their mark on the historiography for many years. In the struggle with their conservative adversaries, the liberals portrayed the Cultivation System as an intolerable government monopoly that had suffocated private enterprise and impoverished Java. The first historical work on the Cultivation System by G.H. van Soest, published in 1869, filed one long complaint against this system of forced commodity production, which in his view should never have replaced sound liberal economic policies.<sup>17</sup> His complaint was echoed by Clive Day, the American historian who wrote perhaps the first economic history of Java, published in 1904. He reiterated the point made by Van Soest and other liberal opponents, that the Cultivation System had exerted strong pressure on village dwellers to share the burdens of cultivation conscription, an obligation that was tied to landownership. This pressure towards communal landownership had kept people huddled together in villages and had restrained them from spreading out and reclaiming waste land.<sup>18</sup> The impoverishing consequences of labour coercion, as well as the pressure to communalise land, still made up most of G. Gonggrijp's observations on the Cultivation System in his *Schets ener economische geschiedenis van Indonesië* (Sketch of an economic history of Indonesia). In Gonggrijp's view, the statesman in Johannes van den Bosch had yielded to the merchant in

16 Els Jacobs, *Merchant in Asia: The Trade of the Dutch East India Company during the Eighteenth Century* (Leiden 2006) 179-185.

17 G.H. van Soest, *Geschiedenis van het kultuurstelsel* (Rotterdam 1869).

18 Clive Day, *The Policy and Administration of the Dutch in Java* (New York 1904) 303.

him, who imposed his schemes of forced cultivation – in particular indigo cultivation – in a most reckless way in his drive to replenish the empty Dutch exchequer.<sup>19</sup>

This Whiggish historiography initiated by the liberal opponents would barely survive colonial times. The first reappraisal was by Riemer Reinsma, who in 1955 described how new opportunities for private enterprise emerged during the time of the Cultivation System.<sup>20</sup> This approach was pioneered by Cees Fasseur, Robert Elson and Roger Knight, who uncovered how in spite of its trial and error character, the Cultivation System at least did establish a globally-competitive sugar industry. They illuminated how the colonial government succeeded in channelling pre-colonial systems of *corvée* labour that sustained the Javanese patrimonial polities into a capitalist plantation economy. Over time, *corvée* and cultivation conscription gave way to wage labour, as Elson and Knight argued, even though they emphasised that this is not the same as free labour.<sup>21</sup>

The question of whether the emerging plantation economy and the sugar factories – which came to dominate Java's commodity exports from the late nineteenth century – were any better for the local populace than the Cultivation System, was raised as early as the 1860s by no less a person than Multatuli, who denounced the liberal colonial ideology as a sham and not inaccurately predicted that the Javanese would be worse off under the yoke of private planters.<sup>22</sup> Central to this debate was whether the introduction of liberal principles would work in a society that was not accustomed to individual property and free labour, and where the fruits of peasant labour would immediately be creamed off by village notables and moneylenders.<sup>23</sup>

Against this background, J.H. Boeke launched the concept of 'economic dualism' in his inaugural lecture as professor of Tropical-Colonial Economy at the University of Leiden in 1930, concisely presenting the insights he had been accumulating from the early 1920s onwards. He coined the term 'economic dualism' to typify a situation in which a superstructure that operated according to economic laws was imposed upon an indigenous society

19 G. Gonggrijp, *Schets ener economische geschiedenis van Indonesië* (Haarlem 1957).

20 See for example Riemer Reinsma, *Het verval van het cultuurstelsel* (The Hague 1955).

21 Cornelis Fasseur, *The Politics of Colonial Exploitation: Java, the Dutch and the Cultivation System* (Ithaca, NY 1992); G. Roger Knight, 'The Java Sugar Industry as a Capitalist Plantation: A Reappraisal', *The Journal of Peasant Studies*, 19:3-4 (1992) 68-86; Robert E. Elson, 'Sugar Factory Workers and the Emergence of "Free Labour" in Nineteenth-Century Java', *Modern Asian Studies* 20:1 (1986) 139-174.

22 Multatuli, *Nog-Eens: Vrije-Arbeid in Nederlandsch-Indie* (Delft 1870).

23 Justus M. van der Kroef, 'Review of Sociologisch-Economische Geschiedenis van Indonesië', *Pacific Affairs*, 50:2 (1977) 163-165.

that was governed by traditional social conventions and therefore not able to respond to economic incentives in the same way as Western societies. He therefore concluded that the colonial state and colonial business had inserted the village economies into a monetised world, but that in contrast to the commonly held view of his days, the actual additional income for Javanese farmers meant a net loss for Javanese rural society.<sup>24</sup> A highly original version of this dualist perspective was presented by the colonial government statistician J. van Gelderen, who related the high productivity and competitiveness of the Java sugar industry to the abundant supplies of cheap labour.<sup>25</sup> His point, made in 1928, strikingly resembles the thesis of unlimited supplies of labour by the Nobel Prize winner Arthur W. Lewis. Whatever the difference may be between these dualist positions – and Geertz' theory of agricultural involution also belongs to this family – they shared a pessimistic view about the relationship between 'traditional' and 'modern' sectors of commodity-producing countries.

Dualism was questioned from the beginning, particularly for its 'orientalist' notions. Boeke's own student D.H. Burger, who studied the impact of the monetary economy on a comparative basis in the 1930s and refined, or perhaps even deconstructed, dualism by emphasising the economic dynamics, including the existence of a land market and social and economic hierarchies within villages. Likewise, Boomgaard's *Children of the Colonial State* made an extensive argument for peasant responsiveness to external stimuli, which the author saw as an important cause of Java's astonishing demographic growth in the nineteenth century. The combination of rising economic expectations and the need to share the burden of conscript cultivation labour, according to Boomgaard, led to a situation in which birth rates did not fall after the introduction of smallpox vaccination had dramatically reduced mortality rates.<sup>26</sup> Even though manufacturing sectors

24 J.H. Boeke, 'Auto-activiteit naast autonomie. Voordracht van Dr. J.H. Boeke in de vergadering van het Indisch Genootschap te 's-Gravenhage op 13 oktober 1922', *Blaadje van het Volkscredietwezen* 11:3 (1923) 53-77; Idem, *Dualistische economie. Rede gehouden bij de aanvaarding van het ambt van gewoon hoogleraar in de tropisch-koloniale staathuishoudkunde aan de Rijksuniversiteit te Leiden op 15 januari 1930* (Leiden 1930); J.H. Boeke, *Economics and Economic Policies of Dual Societies as Exemplified by Indonesia* (New York 1953). The well-known father of the concept of the plural society J.S. Furnivall also based himself on Boeke's dualism. See Julie Pham, 'J.S. Furnivall and Fabianism: Reinterpreting the "Plural Society" in Burma', *Modern Asian Studies* 39:2 (2005) 321-348, 321; J.S. Furnivall, *Netherlands India; A Study of Plural Economy* (Cambridge 1944).

25 J. van Gelderen, *Western Enterprise and the Density of the Population in the Netherlands Indies* (Wetevreden 1928).

26 Benjamin White, 'Demand for labor and population growth in colonial Java', *Human Ecology* 1:3 (1973) 217-236; Clifford Geertz, 'Comments on Benjamin White's "Demand for Labor and

such as weaving suffered and Java's economy had become increasingly reliant on commodity exports, economic dynamism was co-responsible for the demographic growth of Java.

Notwithstanding the fact that Boeke's dualism has been nuanced and Geertz' agricultural involution discarded as being too much a static picture, the notion that the Cultivation System and the sugar plantation conglomerate it ushered in may have underdeveloped Java, is difficult to disavow. Recently, Jan Luiten van Zanden provided fresh evidence that in early and mid-nineteenth century Java, markets were imperfect, which forced labour proved to be highly inefficient, and that flooding Java with copper coins to grease the wheels of the Cultivation System caused a monetary crisis.<sup>27</sup> In fact, the same imperfect markets explain the success of the sugar factories in tying peasants to cane cultivation by providing financial advances.<sup>28</sup> A pivotal role in this regard was played by wealthy peasants acting as moneylenders for the smallholders, as has been pointed out by Knight, Elson and Bosma. In these years, the sugar complex owed its position as Java's most efficient and dominant export sector to the exploiting of market inefficiencies and the extremely limited access of farmers to credit, forcing them to relinquish their land to sugar factories on sub-economic terms.

## Financial drainage, economic growth and living standards

Financial drainage was a key issue among Indian nationalists following the days of Romesh Dutt and Dadabhai Naoroji. In the Netherlands Indies of the late nineteenth century, it was interestingly Europeans who loudly protested about the large remittances from the Indies going straight into

Population Growth in Colonial Java", *Human Ecology* 1:3 (1973) 237-239; Etienne van de Walle, 'Comments on Benjamin White's "Demand for Labor and Population Growth in Colonial Java"', *Human Ecology* 1:3 (1973) 241-244.

27 Jan Luiten van Zanden, 'Linking Two Debates: Money, Supply, Wage Labour, and Economic Development in Java in the Nineteenth Century', in: Jan Lucassen (ed.), *Wages and Currency. Global Comparisons from Antiquity to the Twentieth Century* (Bern 2008) 169-192; Van Zanden and Marks, *An Economic History of Indonesia*, 53.

28 J.F.H. Kohlbrugge, *Is grondverhuur aan suikerfabrieken een zegen of een vloek voor den Javaan?* (Haarlem 1909); G. Roger Knight, *Colonial Production in Provincial Java: The sugar industry of Pekalongan-Tegal 1800-1942* (Amsterdam 1993); Jan Breman, *Control of Land and Labour in Colonial Java: A case study of agrarian crisis and reform in the region of Cirebon during the first decades of the 20<sup>th</sup> century* (Dordrecht 1983). Jan Luiten Van Zanden, 'On the Efficiency of Markets for Agricultural Products: Rice, Prices and Capital Markets in Java, 1823-1853', *The Journal of Economic History* 64:4 (2004) 1028-1055; Ulbe Bosma, *The Sugar Plantation in India and Indonesia. Industrial Production 1770-2010* (New York 2013) 123.

the exchequer of the mother country, claiming this to be the cause of the alleged impoverishment of Java. The exploitative character of the financial relationship between colony and metropolis was first sharply condemned by N.P. van den Berg, president of the Javasche Bank (1873-1889) and of the Nederlandsche Bank (1891-1912), who published dozens of articles on the economy and history of the Netherlands Indies, with an emphasis on currency issues and statistics.<sup>29</sup> Van den Berg argued, and with justification, that the Dutch policies of financial drainage compared badly with the British attitude towards India.

Debates on financial drainage subsided after the introduction of the colonial welfare policies, termed Ethical Policies, in 1901, but reappeared in the early 1920s when the sugar factories and rubber estates were remitting massive dividends abroad. Indonesian nationalists took up the subject, but Europeans no longer raised their voices against it in these years. In 1928, when G. Gonggrijp wrote his well-known economic history of the Netherlands, he apparently deemed the old liberal theme of colonial drainage not to be applicable to the twentieth century. Even though he spelled out the massive surplus on the trade balance of colonial Indonesia, he considered this as the logical consequence of earlier investments, apparently ignoring the fact that these investments as a rule were made from profits previously accumulated in the Netherlands Indies.<sup>30</sup> The same avoidance of the word 'drainage', can be seen in a well-known 1940 article by J. Tinbergen and J.B.D. Derksen, in spite of the fact that it dwelt extensively on Dutch financial interests in the Netherlands Indies.<sup>31</sup>

In the 1970s, and even more so in the 1980s, however, the question of drainage returned to the scholarly agenda. First, H. Baudet and M. Fennema pointed out that the Netherlands Indies contributed 13 to 14 per cent of Dutch national income and this in addition to the total income earned by Dutch expatriates in colonial Indonesia.<sup>32</sup> Meanwhile, the Indonesian economic historian Thee Kian Wie pointed out that 'extractive institutions' such as the plantation belt in Sumatra generated enormous profits for small elites, but hardly any economic spin-off for the overwhelming majority of

29 N.P. van den Berg, *Munt-Crediet-En Bankwezen, Handel En Scheepvaart in Nederlandsch Indië: Historisch-Statistische Bijdragen: Historisch-Statistische Bijdragen* (The Hague 1907).

N.P. van den Berg, *Uit de dagen der Compagnie: Geschiedkundige Schetsen* (Haarlem 1904)

30 G. Gonggrijp, *Schets ener economische geschiedenis van Indonesië* (Haarlem 1957 [1<sup>st</sup> print 1928]) 168.

31 J. Tinbergen and J.B.D. Derksen, 'Ned.-Indië in cijfers', in: W.H. van Helsdingen, *Daar wèrd wat groots verricht. Nederlandsch-Indië in de xx<sup>ste</sup> eeuw* (Amsterdam 1941).

32 H. Baudet and M. Fennema, *Het Nederlands belang bij Indië* (Utrecht/Antwerpen 1983). See also W. Korthals Altes, W. *De betalingsbalans van Nederlandsch-Indië 1822-1939* (S.l 1986).

Indonesians.<sup>33</sup> These colonial extractive institutions left their legacy on the development path of Indonesia. Booth asked the question of why, in spite of an almost uninterrupted growth in trade and exports from the early nineteenth century to 1929, so little per capita growth of the Indonesian economy had been achieved. She concluded that although the colonial state of Indonesia was much more 'developmentalist' than the government of British India, it was still comparatively underspending.<sup>34</sup> The question of drainage would return in Maddison's seminal article on Dutch income from Indonesia, which pointed out that drainage was far more applicable to Indonesia than to India between the two world wars, because in the former colony remittances to Europe amounted to 17 per cent against a mere 1.7 per cent from India.<sup>35</sup>

Research into economic growth itself and its sectoral division in particular was initiated in the 1930s by the South-African born W.M.F. Mansvelt, Chief of the Netherlands Indies Government Central Statistics Bureau. Mansvelt did not survive the Second World War, but his assistant P. Creutzberg continued his work at the Royal Tropical Institute in Amsterdam. He in turn was succeeded by Peter Boomgaard. Between 1976 and 1996, the valuable fifteen-volume series *Changing Economy in Indonesia* appeared.<sup>36</sup> Meanwhile, Angus Maddison and Pierre van der Eng started to reconstruct economic growth per capita. In their assessment, per capita income in Indonesia slightly increased between 1870 and the end of the 1920s, and that Java's alleged declining welfare in the late nineteenth century actually had not taken place.<sup>37</sup> With regard to the development of living standards in colonial Java, opinions diverge. There is agreement that per capita rice consumption declined from the late nineteenth century onwards, but

33 Thee Kian Wie, *Plantation Agriculture and Export Growth: An Economic History of East Sumatra, 1863-1942*. (Jakarta 1977); Thee Kian Wie, 'Colonial Extraction in the Indonesian Archipelago' in: Ewout Frankema and Frans Buelens. *Colonial Exploitation and Economic Development: The Belgian Congo and the Netherlands Indies Compared* (London 2013) 41-59.

34 Anne Booth, 'The Evolution of Fiscal Policy and the Role of Government in the Colonial Economy', in: Anne Booth, W.J. O'Malley and Anna Weidemann (eds.), *Indonesian Economic History in the Dutch Colonial Era* (New Haven 1990) 210-243. See also J. Thomas Lindblad, Review of Indonesian Economic History in the Dutch Colonial Era by Anne Booth, W.J. O'Malley and Anna Weidemann', *The Journal of Asian Studies* 51:2 (1992) 448-449.

35 Angus Maddison, 'Dutch Income in and from Indonesia 1700-1938', *Modern Asian Studies*, 23:1 (1989) 645-670, 646

36 W.M.F. Mansvelt, P. Creutzberg, and P. Boomgaard, *Changing Economy in Indonesia: A Selection of Statistical Source Material from the Early 19th Century Up to 1940*. 15 Vols. (The Hague 1975-1996).

37 Angus Maddison, 'Dutch Income in and from Indonesia 1700-1938', *Modern Asian Studies* 23:4 (1989), 645-670, p. 655.

opinions vary about to what extent other crops were adequate substitutes. Van der Eng noted that the falling supplies of rice per capita is only part of the story, since the gap could be compensated by increased availability of other food crops. On the other hand, his own estimates of a daily calorie per capita intake somewhere between 1,600 and 1,700 suggests a condition of malnutrition for many Javanese, as Van Zanden observed.<sup>38</sup> Booth asserted that the nutritional conditions of the people of Java were hardly sufficient in terms of calories and proteins until 1929, and often deficient during the Depression of the 1930s.<sup>39</sup>

The issue of living standards is still a contentious one and the same applies to the causes of Indonesia's underdevelopment, or at least it can be said that there are different approaches. Booth, for example, claims that the present-day Indonesian economy is still very much shaped by the colonial policies of the Dutch between 1815 and 1942. Even though Van Zanden and Marks also accept a degree of path dependency, in contrast to Booth they have looked for explanations in the institutional settings rather than in fiscal policy decisions.<sup>40</sup> The latter approach, known as the New Institutional Economic History, seems to be more promising as it takes on board the studies on social transformations of nineteenth and early twentieth century rural Java that I mentioned before under the heading of the Cultivation System. This synthetic approach has resulted in a surprisingly coherent picture of the entanglements of colonial commodity production and the Javanese rural economy.

Over the last decade, we have seen an increasing interest in embedding the historiography of colonial Indonesia in a comparative approach towards path dependency of institutional characteristics in the work by Anne Booth, Bas van Leeuwen, Ulbe Bosma, Ewout Frankema and Frans Buelens.<sup>41</sup>

38 Pierre van der Eng, 'Food for Growth: Trends in Indonesia's Food Supply, 1880-1905', *Journal of Interdisciplinary History* 30:4 (2000) 591-616, p. 597; Jan Luiten van Zanden, 'Rich and poor before the Industrial Revolution: a comparison between Java and the Netherlands at the beginning of the 19<sup>th</sup> century', *Explorations in Economic History* 40 (2003) 1-23, 15.

39 Anne Booth, 'Measuring Living Standards in Different Colonial Systems: Some Evidence from South East Asia', 1900-1942', *Modern Asian Studies* 46:5 (2012) 1145-1181, 1154, 1156.

40 Van Zanden and Marks, *An Economic History of Indonesia*, 4.

41 Anne Booth, *Colonial Legacies. Economic and Social Development in East and Southeast Asia* (Honolulu 2007); Bas van Leeuwen, *Human capital and economic growth in India, Indonesia, and Japan: a quantitative analysis, 1890-2000* (Utrecht 2007); Bosma, *The Sugar Plantation*; Frankema and Buelens, *Colonial Exploitation and Economic Development*.

## Business History

The above-mentioned Mansvelt was not only one of the first economic historians working on the history of the VOC and colonial Indonesia's 'national' income, but also pioneered Indonesian business history. It is no coincidence that historians started to publish about colonial enterprise early on in the twentieth century. The centenaries of the Javasche Bank (1828-1928) and the Dutch Trading Society (1824-1924) offered excellent opportunities to commission business histories.<sup>42</sup> This was the case in the Netherlands Indies rather than in Suriname or the Antilles. The history of the Central Bank of the Netherlands Antilles, which was established in the same year as the Javasche Bank, only appeared in 1978. It was written by Jaap van Soest, who also published a major work on the oil industry of Curaçao.<sup>43</sup>

In tandem with the disappearance or 'Indonesianisation' of colonial business, the number of coffee-table books commemorating business history dwindled in the 1950s and the 1960s. However, in the 1980s, business history was resumed with regard to colonial enterprise. As so many important Dutch companies have roots in colonial times, it is not surprising that over the past decades Dutch business history has been engaged extensively with the colonial legacy. Mansvelt's history of the Dutch Trading Society has recently been followed up by Ton de Graaf's *Voor Handel en Maatschappij* (For Trade and Society). A fine example of a business history with a long-term view is *At home at the world market*, by J.P.B. Jonker and K.E. Sluyterman, which spans four centuries and presents an overview of the role of Dutch trading houses engaged in both the Atlantic and Asian worlds.<sup>44</sup> The most famous enterprise with roots in Indonesia is Royal Dutch Shell, one of its forerunners being the Bataafsche Petroleum Maatschappij. A team of researchers from Utrecht University wrote its business history, comprising some 1,800 pages, an achievement that in terms of scope, depth and comprehensiveness is difficult to surpass. It appeared in 2007 to mark the centenary of this Dutch-British company, which emerged as the world's

42 W.M.F. Mansvelt, *Geschiedenis van de Nederlandsche Handel-Maatschappij. Uitgegeven ter gelegenheid van het honderdjarig bestaan*. 2 Vols. (Haarlem 1924); L. de Bree, *Gedenksboek van de Javasche bank, 1828-24 Januari-1928* (Weltevreden 1928).

43 Jaap van Soest, *Trustee of the Netherlands Antilles: A History of Money, Banking and the Economy, with Special Reference to the Central Bank Van De Nederlandse Antillen 1828-6 February-1978*. Zutphen: Walburg Pers, 1978; Jaap van Soest, *Olie als water: de Curaçaose economie in de eerste helft van de twintigste eeuw* (Zutphen 1977).

44 K.E. Sluyterman and J.P.B. Jonker, *At home on the world markets. Dutch international trading from the 16th century until the present* (Den Haag 2000). Ton de Graaf, *Voor handel en maatschappij: geschiedenis van de Nederlandsche Handel-Maatschappij, 1824-1964* (Amsterdam 2012).

largest oil company in the 1920s thanks to its access to the financial and political infrastructure of the two colonial empires.<sup>45</sup>

Actually, British-Dutch imperial collaboration was nothing new, as Mansvelt had discovered. In 1938, he published a study on the early-nineteenth century mercantile houses in Java, which revealed their predominantly British character. This research theme has been further pursued by Knight and Bosma.<sup>46</sup> Gradually, the Asian perspective made its entrance into colonial business history. For example, Claudine Salmon and Peter Post have been working on the Chinese and Japanese trading houses, which were powerful players in Java sugar exports in the early twentieth century.<sup>47</sup> The multidirectional mercantile relationships and commodity chains that developed during high imperialism did not stop at imperial boundaries. The fact that the rapid growth of the global economy also included the emergence of new markets in East Asia, partly explains the fast expansion of exports and trade from colonial Indonesia. It should be noted that Chinese and Japanese trading houses were powerful players in Java sugar exports in the early twentieth century.<sup>48</sup> According to Peter Post, the role of Chinese entrepreneurship in pre-war Indonesia has still not been systematically researched, though an important step was taken by Alexander Claver's book on the multi-ethnic business community of colonial Batavia between 1800 and 1942.<sup>49</sup> Freek Colombijn and Howard Dick have undertaken pioneering work on multi-ethnic urban economies, acting as links between local commodity production and global markets. Colombijn researched Padang, a city that lost much of its momentum in the

45 The English version is Joost Jonker, J.L. van Zanden, Stephen Howarth, and K.E. Sluyterman. *A History of Royal Dutch Shell*. 4 Vols. (Oxford 2007). This history was preceded by Frederik Carel Gerretson, *Geschiedenis der 'Koninklijke'* (Baarn/Utrecht/Haarlem 1932-1973).

46 W.M.F. Mansvelt, *De eerste Indische handelshuizen* (Batavia 1938); Roger Knight, 'John Palmer and Plantation Development in Western Java during the Early Nineteenth Century', *Bijdragen tot de Taal-, Land- en Volkenkunde* 131 (1975) 309-337; Anthony Webster, *The Richest East India Merchant: The Life and Business of John Palmer of Calcutta 1767-1836* (Woodbridge 2007). Ulbe Bosma, 'The Cultivation System (1830-1870) and its private entrepreneurs on colonial Java', *Journal of Southeast Asian Studies* 38:3 (2007) 275-292.

47 G. Roger Knight, 'Exogenous Colonialism: Java Sugar between Nippon and Taikoo before and during the Interwar Depression, c. 1920-1940', *Modern Asian Studies* 44:3 (2010) 477-515, 492. Apart from Peter Post's *Japanse bedrijvigheid in Indonesië, 1868-1942: structurele elementen van Japan's economische expansie in Zuidoost Azië* (Amsterdam 1991) see also Claudine Salmon, 'The Han Family of East Java. Entrepreneurship and Politics (18th-19th Centuries)', *Archipel: Études Interdisciplinaires Sur Le Monde Insulindien* 41 (1991) 53-88.

48 Knight, 'Exogenous Colonialism'.

49 Alexander Claver, *Commerce and Capital in Colonial Java: Trade Finance and Commercial Relations between Europeans and Chinese, 1820s-1942* (S.I. 2006).

course of the nineteenth century, and Dick examined Surabaya, the hub of sugar production in the eastern salient of Java. Dick demonstrated how the opportunities and limitations of the colonial export economy shaped the fortunes of probably the largest city in Indonesia in the nineteenth century.<sup>50</sup> Finally, Thomas Lindblad, who has contributed many publications on the economic history of Indonesia, has detailed the transition from colonial to Indonesian enterprise during decolonisation.<sup>51</sup>

## From the imperialism debate to the economic history of the Outer Islands

The debate about imperialism started immediately after the colonial government in Batavia had declared war on Aceh in 1873. The same Europeans who had protested about financial drainage began to complain that the costs of this war were borne by the colonial budget and thus withdrawn from highly needed funds for investments in Java's economic development. In 1901, one year before the publication of J.A. Hobson's famous *Imperialism: A Study*, H.H. van Kol, the colonial specialist and Member of Parliament for the Dutch Social Democrats published a brochure, *Het Imperialisme van Nederland*. In fact, Van Kol's argument that European colonialism was the upshot of the quest for new markets was basically the same as Hobson's.<sup>52</sup> After the military subjugation of the Outer Islands was completed and the *Pax Neerlandica* was established in 1906 by governor-general J.B. van Heutsz, the issue was more or less laid to rest.

However, in 1970 in the middle of the Vietnam War, the Dutch Historical Society organised a conference around the question of whether Dutch military, administrative and economic expansion in the Outer Islands would fit a classical imperialist pattern as per Hobson and Lenin. Reactions were sceptical, but Kuitenbrouwer, who published an in-depth study on the subject in 1985, was adamant that the Netherlands had played its own

50 Peter Post, 'The Kwik Hoo Tong Trading Company of Semarang, Java: A Chinese Business Network in Late Colonial Asia', *Journal of Southeast Asian Studies* 33:2 (2002) 279-296, 281; Alexander Claver *Dutch Commerce and Chinese Merchants in Java: Colonial Relationships in Trade and Finance, 1800-1942* (Leiden 2014); Freek Colombijn, *Patches of Padang: The History of an Indonesian Town in the Twentieth Century and the Use of Urban Space* (Leiden 1994); H.W. Dick, *Surabaya, City of Work: A Socioeconomic History, 1900-2000* (Athens 2002).

51 J. Thomas Lindblad, *Bridges to New Business: The Economic Decolonization of Indonesia* (Leiden 2008).

52 H.H. van Kol, *Het imperialisme van Nederland* (Rotterdam 1901).

role in the imperialist game.<sup>53</sup> The question remained, however, of what type of imperialism the Dutch were engaged in, a debate that was sparked off by Raymond Betts' book, *The False Dawn* (1976). Betts introduced the concepts of pre-emption, grabbing land before other powers could take it, and contiguity, slow expansion based upon earlier acquisitions.<sup>54</sup> Wesseling has argued that pre-emption was something carried out by latecomers to the colonial scene such as Germany, Italy and Japan, but not for the Dutch, who had been tightening their control over the islands of the Indonesian archipelago since the early seventeenth century. Wesseling therefore concluded that the Netherlands fitted the rubric of contiguity.<sup>55</sup>

Since the 1980s, we have gained a more profound understanding of the multi-dimensional character of imperialism and the way in which it was part of the global impact of modernity.<sup>56</sup> Economic historians have made major contributions in this respect. Lindblad's seminal article of 1985 distinguishes different types of economic interest at different phases and localities of the colonial expansion: ranging from the business interests of individuals or individual companies and the fiscal interests of the colonial state, to the general ambition of developing the archipelago economically.<sup>57</sup> Since the 1980s, we have arrived at a more inclusive perspective on the advance of modernity, and the fruits of the Second Industrial Revolution in particular, as an enabling factor for the Dutch to effectively impose their rule on the Outer Islands. In 1888, the Koninklijke Paketvaart Maatschappij (Royal Packet Navigation Company) was established, which rapidly intensified connections between the islands and developed the infrastructure for the *Pax Neerlandica*.<sup>58</sup>

Articles by Lindblad and Elsbeth Locher-Scholten in the early 1990s provide evidence for a consensus that Dutch imperialism was part of modern imperialism along the patterns of other European countries and that

53 M. Kuitenbrouwer, *Nederland en de opkomst van het modern imperialism. Koloniën en de buitenlandse politiek, 1870-1902* (Amsterdam/Dieren 1985).

54 Raymond F. Betts, *The False Dawn: European Imperialism in the Nineteenth Century* (Minneapolis 1975); H. L. Wesseling, 'Bestond er een Nederlands imperialism', *Tijdschrift voor Geschiedenis* 99:1 (1986) 214-225.

55 Wesseling, 'Bestond er een Nederlands imperialism', 223.

56 See C.A. Bayly, *The Birth of the Modern World 1780-1914* (Malden etc., 2004) and Robin A. Butlin, *Geographies of Empire. European Empires and Colonies c. 1880-1960* (Cambridge 2009).

57 J.Th. Lindblad, 'Economische aspecten van de Nederlandse expansie in de Indonesische archipel ten tijde van het moderne imperialism', in: J. van Goor, *Imperialisme in de marge. De afronding van Nederlands-Indië* (Utrecht 1985) 227-266..

58 J.N.F.M. à Campo, *Koninklijke Paketvaart Maatschappij. Stoomvaart en staatsvorming in de Indonesische archipel* (Hilversum 1992).

it had forged the integration of the Outer Islands in the global economy.<sup>59</sup> Booth's *Agricultural development in Indonesia* was particularly important, covering the entire archipelago both in pre-colonial and post-colonial times. The most comprehensive work on the economic development of the Outer Islands under Dutch colonialism to date is Jeroen Touwen's *Extremes in the archipelago*.<sup>60</sup> Thanks to the work of these authors and their colleagues, economic history writing about Indonesia is no longer almost exclusively focused on Java. The latest development concerns the control of illicit economic flows, exemplified by the work of Trocki and Tagliacozzi, which in fact also draws our attention to the imperial projects of combating piracy and establishing control over the flows of goods and people as economic policies.<sup>61</sup>

## Increasing recognition of the importance of the Atlantic economy

In 1967, M.A.P. Meilink-Roelofz observed that the importance of the Atlantic trade to the Dutch Republic might have been seriously underestimated.<sup>62</sup> In this regard, Johannes Postma noted this was the result of the tendency of projecting back in time the late colonial empire of the Dutch, which concerned Indonesia for 90 per cent or more.<sup>63</sup> It may also explain why the contribution of the Asian trade to the Dutch Republic's national income is surrounded by less ambiguity than are gains from the Atlantic trade.<sup>64</sup>

59 Thomas J. Lindblad, 'Economic growth in the Outer Islands 1910-1940', in: J. Th. Lindblad (ed.), *New challenges in the modern economy of Indonesia* (Leiden 1993) 233-263; Elsbeth Locher-Scholten, 'Dutch Expansion in the Indonesian Archipelago around 1900 and the Imperialism Debate', *Journal of Southeast Asian Studies* 25:1 (1994) 91-111.

60 Anne Booth, *Agricultural development in Indonesia* (Sydney 1988); Jeroen Touwen, *Extremes in the Archipelago: Trade and Economic Development in the Outer Islands of Indonesia, 1900-1942* (Leiden 2001).

61 Carl A. Trocki, *Prince of Pirates: The Temenggongs and the Development of Johor and Singapore, 1784-1885* (Singapore 1979); Carl A. Trocki, *Opium, Empire, and the Global Political Economy: A Study of the Asian Opium Trade, 1750-1950* (London 1999); Eric Tagliacozzo, *Secret Trades, Porous Borders: Smuggling and States Along a Southeast Asian Frontier, 1865-1915* (New Haven 2005).

62 Her point was referred to by Victor Enthoven and Johannes Postma, 'Introduction', in: Johannes Postma and Victor Enthoven (2003), *Riches from Atlantic Trade Commerce. Dutch Transatlantic Trade and Shipping, 1585-1817* (Leiden 2003) 1-13, 1.

63 Johannes Postma, 'Review of Wim Klooster *Illicit Riches: Dutch Trade in the Caribbean, 1648-1795*', *American Historical Review* 104:3 (1999) 960-961.

64 J.L. van Zanden, 'Economische groei in Holland tussen 1500 en 1800', *NEHA Bulletin* 15:2 (2001) 65-76, see also J. de Vries, and A. van der Woude, *The First Modern Economy: Success, Failure, and Perseverance of the Dutch Economy, 1500-1815* (Cambridge 1997) 460.

The history of the WIC hardly left grandiose memories and its performance stood out starkly against the glorious track record of its counterpart, the VOC. Basically, the grand design that brought splendid results for the VOC was somewhat misplaced in the Atlantic, according to the historian Piet Emmer.<sup>65</sup> In the early years of the seventeenth century, Dutch ships sailed relatively unhindered to Brazil and the Dutch capital was already informally or illegally penetrating the emerging Brazilian sugar industry. From an economic point of view, the establishment of the WIC therefore made less sense than that of the VOC.<sup>66</sup> Moreover, while it was already difficult to control the spice trade to Europe as the VOC did, controlling the Atlantic sugar trade was beyond the capacity of any European maritime power.

Pioneering work in the field was accomplished in the 1950s by W.S. Unger, an economic historian and archivist in Middelburg, where he mined the archives of the Middelburgsche Commercie Compagnie (MCC), the central agency in the Dutch Atlantic Slave Trade. His work was continued from the 1960s onwards by Postma. Together with Cornelis Goslinga, Jonathan Israël and Emmer, Postma brought the Dutch-Atlantic trade back on the agenda.<sup>67</sup> These authors pointed out that as profitable as the trade on the East was for its investors, in the early seventeenth century its economic significance to the Republic ranked lower than that of the Atlantic trade.<sup>68</sup> In stating this, the ground was prepared for a debate on the economic significance of the Atlantic commerce to the Dutch Republic in a way that was partly informed by Anglophone literature. Following the publication of Eric Williams' famous *Capitalism and Slavery*, British and American scholars have debated the gains Europe may have derived from slavery. Until the 1990s, most economic historians opined that the proportion of slave-based profits in the British economy was too low to be of crucial importance.<sup>69</sup> In the same vein, Emmer argues that Dutch revenues derived from slave trade and slave plantations represented only a minor part of the national income, although he points out that Dutch participation in the Atlantic slave-based

65 Pieter C. Emmer, *The Dutch in the Atlantic Economy, 1580-1880* (Aldershot 1998) 88-89.

66 Pieter C. Emmer, 'The Dutch and the Atlantic Challenge, 1600-1800', in: Emmer, *A Deus ex machina revisited* (Leiden/Boston 2006) 160.

67 David Eltis, '[Review] The Dutch in the Atlantic Slave Trade 1600-1815 by Johannes Menne Postma', *The Journal of Economic History* 51:2 (1991) 484-485.

68 Victor Enthoven, 'Early Dutch Expansion in the Atlantic Region, 1585-1621', in: Postma and Endhoven, *Riches from Atlantic Commerce*, 47.

69 Patrick O'Brien, 'European Economic Development: The Contribution of the Periphery', *The Economic History Review*, New Series 35:1 (1982) 1-18, 4, 7; Acemoglu et al., 'The Rise of Europe: Atlantic Trade', 562.

economy may have imparted beneficial effects in terms of employment in the Republic.<sup>70</sup> Matthias van Rossum and Karwan Fatah-Black, however, claim that the Dutch transatlantic slave trade had a much greater impact on the Dutch economy overall than hitherto assumed.<sup>71</sup> A claim which not only seems to be supported by Acemoglu et al., but also by many of the findings over the past twenty years.<sup>72</sup>

Over the past two decades, a number of studies have provided a better insight into the profitability of the plantations in the eighteenth century, for example. The coffee plantations made Suriname one of the biggest coffee producers in the Caribbean. From the 1720s until the early nineteenth century, large quantities of coffee were exported from Suriname, as Alex van Stipriaan has shown.<sup>73</sup> The management and profitability of eighteenth-century plantations have also been extensively researched in the past. Johannes van der Voort's thesis that these plantations were highly capital intensive and therefore state-of-the-art was ground breaking, even though his contention that the later part of the eighteenth century saw a decline of the Surinamese plantation economy has been corrected by Van Stipriaan and Gert Oostindie. Whereas Stipriaan describes the plantation system in its entirety, Oostindie's book provides an in-depth study of two plantations. Together they contribute a thoroughly researched characterisation of the Surinamese plantation economy, bringing out its ability to adapt to new circumstances.<sup>74</sup> This brings us to the debate about the late abolition of slavery in the Dutch colonial empire, which in the Dutch West Indies occurred as late as 1863. At the time of abolition, the Surinamese plantations were still profitable and the Netherlands slow to industrialise, which precludes any causal link between capitalism and anti-slavery according to Semour Drescher's essay *The Long Goodbye* and to various contributions in the

70 P.C. Emmer, *The Dutch Slave Trade 1500-1850* (New York/Oxford 2006) 145.

71 Matthias Van Rossum and Karwan Fatah-Black, 'Wat is winst? De economische impact van de Nederlands trans-Atlantische slavenhandel', *Tijdschrift voor Sociale en Economische Geschiedenis* 9 (2012) 3-29.

72 See Acemoglu et al., 'The Rise of Europe: Atlantic Trade'.

73 Alex van Stipriaan, *Surinaams contrast. Roofbouw en overleven in een Caraïbische plantagekolonie 1750-1863* (Leiden 1993) 28-29, 429-433 and Alex van Stipriaan, 'The Surinamese rat race: labour and technology on sugar plantations, 1750-1900', *New West Indies Guide* 63:1/2 (1989) 94-117.

74 Johannes Petrus van De Voort, *De Westindische plantages van 1720 tot 1795: financiën en handel* (Eindhoven 1973); Van Stipriaan, *Surinaams contrast*; Oostindie, Gert. *Roosburg en Mon Bijou: twee Surinaamse plantages, 1720-1870* (Dordrecht 1989).

volume *Fifty Years Later* that appeared under the editorship of Oostindie in 1995.<sup>75</sup>

By the late 1990s, Henk den Heijer's *Goud, ivoor en slaven (Gold, ivory and slaves)*, George Welling's *The Prize of Neutrality* and Wim Klooster's *Illicit Riches*, had made a convincing claim that in the eighteenth century, Suriname and Dutch Antilles played a far more prominent role in the commodity trade than hitherto assumed and that together with the trade in Africa, this would approximate to the value of the trade with Asia at that time.<sup>76</sup> Moreover, apart from the WIC trade in slaves, private Dutch slave trade was extensive until the early nineteenth century.<sup>77</sup> Against the background of this literature, Victor Enthoven conjectured that the total value of the Republic's plantation profits plus the direct and indirect benefits from the Atlantic trade greatly exceeded the direct revenues and spin off from the VOC operations.<sup>78</sup>

## An economic history of the Dutch colonial empire?

An obvious conclusion from the above is that we do not have an economic history of the Dutch colonial empire that incorporates the colonial possessions in the East and the West as well as metropolitan Netherlands in a single analytical framework. Israel's *Dutch Primacy in World Trade* might come close, but since it was published just before the 1990s, it missed most of the new insights into the economic histories of the Dutch colonial possessions. It depicts the eighteenth century as too bleak, for example. The compartmentalisation of the economic history of the Dutch colonial empire is also exemplified by the fact that even though Suriname and

75 Semour Drescher, 'The Long Goodbye: Dutch Capitalism and Antislavery in Comparative Perspective', *The American Historical Review* 99:1 (1994) 44-69; Gert J. Oostindie, *Fifty Years Later: Antislavery, Capitalism and Modernity in the Dutch Orbit* (Leiden 1995).

76 H.J. den Heijer, *Goud, ivoor en slaven: scheepvaart en handel van de Tweede Westindische Compagnie op Afrika, 1674-1740* (Zutphen 1997); Wim Klooster, *Illicit Riches: Dutch Trade in the Caribbean, 1648-1795* (Leiden 1998); George M. Welling, *The Prize of Neutrality: Trade Relations between Amsterdam and North America 1771-1817: a Study in Computational History* (Amsterdam 1998).

77 See for example Ruud Paesie, *Lorrendrayen op Africa. De illegale goederen- en slavenhandel op West-Afrika tijdens het achttiende-eeuwse handelsmonopolie van de West-Indische Compagnie, 1700-1734* (Amsterdam 2008).

78 Victor Enthoven, 'An Assessment of Dutch Transatlantic Commerce, 1585-1817', in: Johannes Postma and Victor Endhoven, *Riches from Atlantic Commerce. Dutch Transatlantic Trade and Shipping, 1585-1817* (Leiden/Boston 2003) 444.

Java were both prominent producers of coffee and sugar in the eighteenth and early nineteenth century, these trajectories have not been reviewed from an imperial perspective. In what way, for example, was the decline of Surinamese sugar production linked to the ascendancy of the Java sugar complex? The economic histories of Dutch colonial plantation societies in the East and in the West have been two separate worlds, at the detriment not only of a broader imperial perspective, but also of a global contextualisation. Economic historians, as mentioned in this article, have noted hunger in Java in the 1930s, whereas social historians have noted that in October 1931 the hungry masses took to the streets in Paramaribo, as they did everywhere in the Caribbean at the time. However, the two phenomena were rooted in the same global collapse of the sugar market and therefore deserve to be narrated within a larger framework.

Finally, the bleak picture of the eighteenth century maritime and mercantile history of the Dutch Republic has been revisited over the past decades. In the 1980s and 1990s, historians on the Dutch colonial empire in Asia and their colleagues working on the Atlantic have *independently* from each other designated the Fourth Anglo-Dutch War (1780-1784) rather than the early eighteenth century as the moment of the demise of Dutch maritime power in their respective areas. Acemoglu at al., for example, made an assessment of only part of the maritime benefits, leaving out the Asian trade and refraining from linking slave-based profits to British industrialisation, a debate which Joseph Inikori has been kindling over the past decades.<sup>79</sup> Should we feel challenged to engage in a comprehensive study into the contribution of the eighteenth century Dutch Seaborne Empire to the prosperity and economic development of the Republic? On the one hand, it seems that such a comprehensive exercise would be less relevant to Dutch society as its industrialisation came late. On the other hand, we cannot exclude that slave-based profits and participation in both the Asian and Atlantic economies may have encouraged crucial innovations in shipping and insurance.

Going a step further, we may return to the old debate about whether the West achieved its economic primacy by underdeveloping the rest. For India, Prasannan Parthasarathi has tried to re-enter the subject into the academic agenda, though this time not under the flag of underdevelopment, but under the more fashionable colours of the Great Divergence. However, Parthasarathi's argument that the de-industrialisation of India was caused

79 Joseph E. Inikori, *Africans and the Industrial Revolution in England: A Study in International Trade and Economic Development* (Cambridge 2002).

by British protection of its infant cotton industry, is highly contested.<sup>80</sup> Moreover, even though the Dutch did throw their cotton cloth into the Java market, any allusion to de-industrialisation would be out of context in view of the rather marginal artisanal sector of the Dutch East Indies itself. In this respect, Java stood behind India, as well as China for that matter, which was still a considerable economic power in the early nineteenth century. The situation was even more marked in the Outer Islands of the Indonesian archipelago, which up to the late nineteenth century relied overwhelmingly on commodity extraction, peasant agriculture and fishery products, and showed the economic and demographic fragility that David Henley has described for Northern Sulawesi.<sup>81</sup>

This leaves us with the subject of the disparities in wages and living standards between the Netherlands and Java. Wage disparities already existed in the early nineteenth century and would further increase during colonial times, but the disparities in living standards were less pronounced. It could not be otherwise, Van Zanden pointed out, since the living standards of the labouring masses in the Netherlands were already close to the bare minimum.<sup>82</sup> Yet we have seen how various authors have noted that living standards in Java may have hit rock bottom in terms of minimal nutritional adequacy in the twentieth century. It is easy to refute that the Netherlands de-industrialised their colonies, but it would be a lot more difficult to prove that the Netherlands did not grow rich by underdeveloping their colonies.

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80 Ulbe Bosma, 'Review Essay. Why Europe Grew Rich and Asia Did Not', *International Review of Social History* 00 (2013) 1-12.

81 David Henley, *Fertility, Food and Fever: Population, Economy and Environment in North and Central Sulawesi, 1600-1930* (Leiden 2005).

82 See Van Zanden, 'Rich and poor'.