

## SPECIAL FOCUS

### Introduction:

# Reconstructing Intra-Southeast Asian Trade, c.1780–1870: Evidence of Regional Integration under the Regime of Colonial Free Trade

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This special focus provides a set of statistical knowledge on intra-Southeast Asian trade from the late eighteenth to the mid-nineteenth centuries, to better understand the ways in which Southeast Asia became integrated into both long-distance trade and intra-Asian trade. In so doing, it explores aspects of how and why some of the traditional trading networks of the region survived the Western impact and came to play a vital role in the process of regional integration.

In 1985 Kaoru Sugihara suggested that there was a growth of intra-Asian trade in the period 1880–1913, under the impact of the Industrial Revolution in England and the subsequent diffusion of industrialization in Europe and the United States. Unlike other parts of the non-European world, he argued, the rate of growth of intra-Asian trade during this period was faster than that of long-distance trade between the West and Asia. Over the last quarter of a century, relationships between long-distance trade—which is the trade between the West (United Kingdom, industrial Europe, and the United States) and Asia—and intra-Asian trade—which is the trade between India, Southeast Asia, China, Japan, and other Asian countries—have been vigorously explored; and trends in Asian regional integration, reflected in intra-regional trade, migration, and remittances, have been highlighted. Among the major observations is that during the high colonial era, from 1870 to 1914, Southeast Asia experienced the highest rate of export growth among Asian regions through its incorporation into both world and regional economies at almost equal speeds (Sugihara 1985; 1996; 2005).

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However, there has been little statistical work on Southeast Asian trade before 1870, to understand how the region responded to the Western impact as compared to other Asian regions, especially after the demise of the Dutch East India Company's monopoly at the end of the eighteenth century. Difficulties with data, due to territorial changes and the lack of data on local and regional commerce conducted by Asian merchants, prevented progress toward a fuller understanding. It is only during the last 15 years or so that leading scholars have begun to pay attention to this period and empirical research has been assembled, with the spirit of revising the traditional picture that the period was economically "static," if not in decline or disintegration, and that little could have been changed or transformed in the way of local and regional commerce. Anthony Reid and others have argued that the period between the mid-eighteenth and nineteenth centuries was an era of dynamic commercial expansion, questioning the view that there was no expansion comparable to those in the earlier "age of commerce (c.1450–1680)" and the colonial high noon (c.1870–1940) took place. In particular, the years between about 1760 and 1850 saw a distinct commercial expansion in the region, which was stimulated by a remarkable growth in Chinese junks and migration from southern China, an increase in local Malay shipping, and the impact of British private traders. During this period, Reid argues, Southeast Asia appears to have experienced an even greater increase in shipping and exports than during the high colonial period (Reid 1997; 2004).

Meanwhile, Sugihara argues that there was a growth in intra-Asian trade during the first half of the nineteenth century, partially revising his earlier assumption that regional trade started to respond to the Western impact in earnest in the late nineteenth century, and that the nature of this early nineteenth century expansion was substantially a trade in necessities such as rice and cotton cloth for ordinary people, similar in character to intra-Asian trade at a later stage, rather than a trade induced by country traders and the "opium triangle." He notes that Penang and Singapore were key contributors to the growth of multilateral trade patterns in and around Southeast Asia, integrating both traditional trade and the impact of long-distance trade into a coherent whole (Sugihara 2009). It should also be remembered that Hiroyoshi Kano suggested a similar perspective on the expansion, strong continuity, and transformation of intra-Southeast Asian trade from the eighteenth to early twentieth centuries, although he did not fully explore the availability of trade statistics and other sources (Kano 1991). This focus builds on the above works and suggests that there was a growth of intra-Southeast Asian trade in the early to mid-nineteenth century, reflecting active interactions between the new Dutch and English engagements in long-distance trade and the rise of Asian merchants in Southeast Asia, centering on Java, Singapore, and other major colonial ports and encompassing large areas of the "Outer Islands" and non-Dutch parts of Southeast Asia.

The three papers offer a detailed statistical study of the local and regional trade of Singapore, Java, and the Dutch Outer Islands. Making use of both English and Dutch statistical sources, the papers discuss the impact of the transition in long-distance trade from the dominance of the Dutch East India Company to the regime of colonial free trade under the Anglo-Dutch Commercial Treaty on local and regional trade in Southeast Asia, and the role that imports of English cotton textiles, Java's coastal trade, and exports of non-colonial products from the Dutch Outer Islands to China and other Asian countries played in transforming regional commerce. An intended historiographical contribution is a reinterpretation of Dutch trade data in a broader regional context, especially against the rise of British trading posts.

More specifically, Atsushi Kobayashi's paper traces the growth of Singapore's intra-Southeast Asian trade from the 1820s to 1852. Singapore began as an intermediary in local and regional trade before developing into a fully equipped international entrepôt, and it is here that we see most clearly the interactions of local and regional trade networks and the impact of imports of Lancashire textiles from Britain. While imports of cheap machine-made cloth must have induced local demand, the product's distribution across the region depended on the development of both an efficient Chinese trading network and its active relationships with local traders. Exchange of primary products for local consumption, including rice, was an integral part of the growth of multilateral trade patterns, now centered on Singapore. While Java's trade with the Netherlands continued to be the single largest component of Southeast Asia's trade throughout this period, the growth of local and regional trade, encompassing most of the territories under Dutch control, was driven by the principle of free trade by 1840, under the full enforcement of the Anglo-Dutch Treaty of 1824. With this change in mind, the other two papers reexamine Dutch data to extract information on intra-Southeast Asian trade. Ryuto Shimada's paper attempts to qualify the picture that Java's trade was dominated by long-distance trade, especially with the Netherlands, by examining the persistence of coastal trade from the late eighteenth century onward, involving Chinese and other non-Dutch merchants, and the resurgence of trade with the Outer Islands in the second half of the nineteenth century. He backs his argument about the structure of trade in the first quarter of the nineteenth century, for which reliable annual data are missing, with reference to data from both the late eighteenth century and the second half of the nineteenth century, to make a judgment of long-term change in the structure of trade. Atsushi Ota's paper supplements this Java-centered account by focusing on the Dutch Outer Islands trade, to argue that non-colonial products, predominantly for the Chinese market, were often more important than colonial products bound for Europe, and that this "China-oriented trade structure" continued well into the nineteenth century. His data do not cover the

entire Outer Islands (important trading posts in Aceh, North Sumatra, Bali, and Lombok are not included), but this is the first systematic attempt to suggest that the linkages between the imports of British cotton textiles and exports of non-colonial products to China and other parts of Southeast Asia as a mechanism of trade growth were present, not just via Singapore but across major trading ports, by the middle of the nineteenth century.

Thus, our tentative hypothesis is that the disruptive break around the turn of the century as a result of the European regime shift from mercantilism to free trade was a relatively limited one, and that the basic patterns of intra-Southeast Asian trade, including Java's coastal trade and Outer Islands trade, survived and acted as a vital agent in the region's integration into the international economy during the first half of the nineteenth century. We do acknowledge increased activities of American, Chinese, British, French, Indian, and Bugis traders during the period 1780–1820, when trade regimes were largely disrupted or absent. Trade was subsequently restricted by the more forceful impositions of Dutch and English colonialism. Nevertheless, we suggest that a new regime dominated by Anglo-Dutch commercial relations emerged at the same time, and it opened up the possibilities for regional integration across colonial borders in a way that would make Southeast Asia accessible to both the West and Asia.

Our results remain a modest effort toward such an understanding, not least because our discussion is based solely on colonial trade statistics, without taking into account the presence of unrecorded local and regional trade activities, which must have been substantial. We hope that this focus will further stimulate research in this area and contribute to a fuller understanding of the continuity and discontinuity in Southeast Asian economic history.

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