

1. Economic History

In the academic tradition of the Netherlands, economic history and social history have always been considered close relatives, if not twins. Both are interdisciplinary – at the crossroads between the social sciences and history – and study strongly interrelated aspects of reality. Moreover, inequality figures prominently in both approaches to the past.

Given these resemblances, it is logical that the IISH, after incorporating the NEHA (Netherlands Economic History Archive), has now developed its own economic history programme, focused on global economic history. This is the counterpart to the Global Labour History programme, which has become pivotal in research conducted by the IISH.

Global economic history is a rapidly growing sub-discipline and has received a substantial boost from recent work on 'The Great Divergence' (Ken Pomeranz). It basically explores two questions – which are arguably the two main questions in economics and economic history.

Front cover: Indonesian metalworker standing next to a cane leaf-crushing machine, 1925.

The Surabaya plant of the Dutch machine construction firm Braat built a series of six of these machines for the Poerwoasrie sugar mill.

From a photo album about the Surabaya plant, offered to the retiring chairman of the supervisory board J.H. Lagers, ca.1927.

The firm employed 74 European and 1200
Indonesian employees on Java, and specialised in machines for the sugar industry, but also built trains wagons and armoured cars for the Royal Netherlands-Indies Army.

Price list of spices and sugars, 21 April 1667.

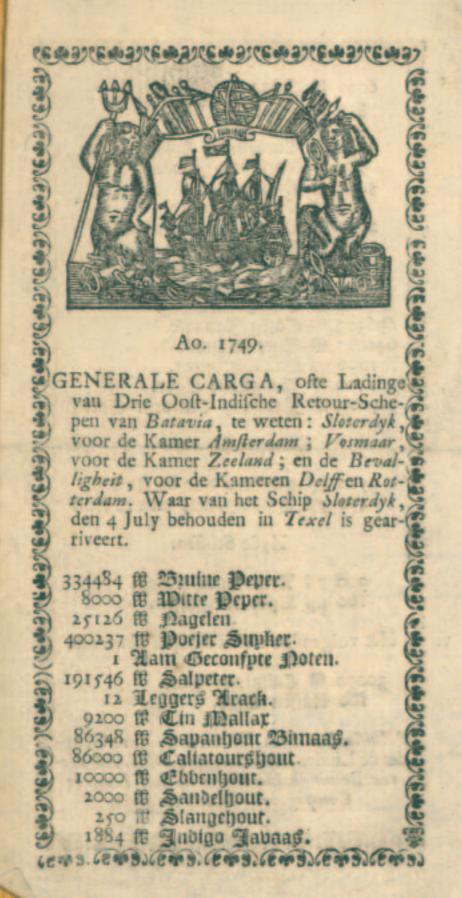
Unknown publisher, prices filled in by hand. Lists of commodity prices were printed from the sixteenth century onward, first in Italy, later also in Central and Northern Europe. The oldest printed list from Amsterdam dates back to 1585.

On it prices for different goods were collected.

Amsterdam brokers published regular commodity price currents for the use of merchants from 1609.

Later price currents for exchange rates and stocks were published in the same way.

De Prysen van Specerijen, en Zuyckeren. Nagelen in foorten -Nooten in foorten Foely in foorten . France Safferaen -Genees Greyn gl. 't 100 & C. Drooge Gember Witte Candy-Zuycker Dito Bruvn Candy-Brooden 2 Ponts Raffenaden Dito Geplackte Gestoten Raffenaden Gestoten Melissen Dito Pan-Goed Mascobaden Panneelen Caribiffche Zuycker Barbadische Zuycker Inlandiche Seroop Madrilsche dito, 't vat-Ady Amsterdam, den OI Aler



Cargo list of three ships returning from the Dutch East-Indies, listing produce including spices, wood and indigo. Of the three ships the one commissioned by the Amsterdam Chamber of the Dutch East India Company (VOC), the Sloterdijk, had arrived safely in Texel on the 4th of July 1749.

Printed in Amsterdam for the VOC by the printers

A. Wor en de Erven G. Onder de Linden.

The first main question concerns the longterm success of mankind or the story of economic growth. The world population is now growing at an unprecedented speed, and this growth appears to be virtually unrestricted. The production of goods and services is accelerating at an even faster pace, especially since the most densely populated parts of the world (i.e. East and Southeast Asia) now participate in economic growth as well. Explaining this phenomenon of economic growth is central in economic history research. Economic growth means that people are becoming increasingly successful at manipulating biological, chemical, and physical forces to meet their needs. Economists and economic historians have devised concepts to measure growth, in particular through national accounting, which generates estimates of GDP (Gross Domestic Product). Research on economic history, however, often requires other indicators of economic success (and failure). Over the past two decades economic historians have started to regard economic growth as a global process, linked to the accumulation of knowledge and the growth of human capital. But human capacity for storing and processing information is limited.

Nearly infinite accumulation of knowledge therefore presumes that people specialize, that they concentrate on a restricted area of expertise, and that they exchange their output to profit from each other's knowledge. In other words, economic development presupposes a social organization of labour and exchange to manage the growing stock of knowledge. Beyond a certain point, therefore, ongoing growth of knowledge depends on the development of complex patterns of specialization and on cooperation between specialists. This coordination is fundamental for understanding long-term economic growth processes. The more specialists an economy integrates within one viable framework of cooperation, the more knowledge it will be able to generate and to incorporate in its production system. In the long run, accumulation of knowledge therefore depends to a large extent on the ability of economies to reduce the costs of coordinating different activities (Douglass North).

These premises tie in with the second main question, which concerns the 'failure' of mankind, or the story of inequality. The rise of inequality is directly linked to this process of specialization, which leads to different societal roles - those of peasants, priests, kings, and merchants, for example - with different claims to the overall produce. Moreover, social differentiation coincides with spatial differentiation: some regions become hubs in tight networks of exchange, others become or remain marginal, specializing in less remunerative activities. Some regions develop institutions that promote specialization and accumulation of knowledge, while others are less successful in this respect.

The rise of global inequality therefore has two dimensions: a social (or vertical) one – i.e. inequality within social groups or nations – and a spatial (or horizontal) one – inequality between regions and countries. The two dimensions add up to a single context of global inequality.

The aim of the programme is to analyse these long-term changes, both at the global and at the local or national level. In both cases, two questions arise: what happened (how can these long-term processes be quantified more accurately?), and why did it happen (which explanations can we offer?). As no single research group has the resources to study all these issues worldwide, the scope of the research needs to be circumscribed. One strategy is to concentrate on more or less representative cases. The programme focuses on a country that has been a pioneer of modern economic growth (i.e. the Netherlands) and a representative developing country (i.e. Indonesia). Although both countries have unique features, they are probably fairly representative of the two patterns - European early industrialization and Asian late industrialization - dominating global growth and inequality. In order to make the comparison even more interesting, the two countries were, as a result of a series of historical coincidences, closely interconnected from the seventeenth century until the late 1950s. We hope that analysing these two cases and trying to understand why the Netherlands became so prosperous at such an early stage (the roots of Dutch modernity date back to the Middle Ages), and why Indonesia remained relatively poor, will provide answers to the main questions in economic history.



The second strategy is to construct global datasets of key variables in economic development – GDP, wages and prices, for example – that are conducive to studying global development in detail and to determining whether the cases studied (e.g. the Netherlands and Indonesia) are representative samples. Both strategies require national and international cooperation with specialists in these fields. The IISH hopes to encourage this kind of research and to provide an infrastructure for such work.

Label of the Leiden textile firm of M. van Weeren, used to send samples of cloth to Batavia and Hong Kong, 1861.

TEMBACO VAN NELLE NJANG PALING BAIK



DE ERVEN DE WED. J. VAN NELLE ROTTERDAM

(DIAGA BARANSTIRDEAN)

WARHT U-VOOR NAMAAK)

2. Research

IISH research projects in Economic History concentrate on three areas of Dutch metropolitan and colonial economic history that are also relevant to global economic history: the Dutch Republic as an example of early economic growth, Indonesia in the period of Dutch colonialism and since its independence, and the Netherlands as a prosperous small economy in the nineteenth and twentieth centuries.

"Van Nelle tobacco is the very best". Poster of the Dutch tobacco firm De Wed. J. van Nelle for the Indonesian market. Design by Menno van Meeteren Brouwer, ca. 1932.

Economic History of the Dutch Republic is

addressed in three current projects. Jan Luiten van Zanden is working on a Reconstruction of the National Accounts of Holland from 1500 to 1800 together with Milja van Tielhof at Utrecht University. The aim of this project is to analyse the economic development of Holland in the early modern period based on a reconstruction of the national accounts. This project marks one of the first times that the system of national accounts is applied to the study of a preindustrial economy. The geographic scope is confined to the province of Holland, which was demographically and economically the most important part of the Northern Netherlands during this period. Data are being gathered on annual output and added

value in each of the most important economic branches, according to the System of National Accounts (SNA) used in contemporary economic-statistical research. The production approach is the point of departure for the research; the branches being reconstructed include agriculture, herring fisheries, peat extraction and production of textiles, sugar and paper, to name but a few. Weights will be derived from reconstruction of the labour force composition at three points in time: 1510/14, 1670/80 and around 1800. The chronological series and the data on the labour force composition combined will provide a foundation for estimating changes in the level and structure of national income. For additional details and publications, see www.iisq.nl/nationalaccounts/

Foreign travellers who visited the Dutch Republic in the early modern period were impressed by the social prominence of Dutch women. Dutch women were reportedly independent and capable entrepreneurs, conducting business either in their own name or on behalf of their absent spouses. The project Women's Work in the Northern Netherlands in the Early Modern Period (c. 1500-1815) examines whether this impression is historically accurate, and how we can explain the role of women and the extent of their participation in the labour market. The questions asked are as follows: what kind of work did women do, which work was divided by gender, did this gender division change during the period studied? To what extent was female participation influenced by economic specialization, restrictive rules, or an emerging culture of domesticity? How did women earn their living, how much money did women earn, and what was their contribution to the family income (assuming that they were part of a family)? How did marital status affect women's careers, how was labour divided within the family, and how did the strategies of women relate to those of men or the family as a whole? These questions are addressed by focusing on production (female spinners: Elise van Nederveen Meerkerk), production and trade (alcoholic beverages: Marjolein van Dekken), and trade (Danielle van den Heuvel). Poor women in early modern Amsterdam are covered as well in the research (Lotte van de Pol). Ariadne Schmidt, who supervises the project, focuses on women's work in social services and will write a comprehensive overview, combining the research findings of the whole programme with archival research on women's work in the city of Gouda. For more detail and publications, see www.iisg.nl/research/womenswork.php The influence of the economic growth of the Dutch Republic on the nearby North Sea

coasts is the subject of the project Close



A Dutch trader in Nagasaki weighing ivory elephant's tusks. There is a notebook under his left arm. From the 1630s to the middle of the nineteenth century, Japan was practically closed to foreigners. The only Westerners allowed to stay in Japan and engage in trade were the Dutch. They had to submit to very strict regulations, however, and were only allowed to live on Deshima, a small artificial island in Nagasaki harbour. This Japanese woodblock print, called Dutchman weighing goods (Oranda-jin kamotsu o kakeru), was published around 1845 by Yamatoya in Nagasaki. Prints like this one were sold as souvenirs to Japanese who visited Nagasaki and perhaps hoped to catch a glimpse of these strange 'red-haired barbarians'. The prints show the amazement with which the Japanese looked at Westerners. The Dutch are depicted as pale, ugly, red-haired barbarians with large noses.

encounters with the Dutch: The North Sea as near-core region for a nascent modern world (1550-1750). Modern practices, ideas, technologies, and goods travelled from and through Amsterdam to the North Sea shores, offering new opportunities to Holland's neighbours, while at the same time exposing them to the risks of a more competitive global economy. Neighbouring regions had to choose between accepting or rejecting this Dutch treat, between surrendering or protecting parts of their traditional interpretations of the world around them and of going about their business. The nature of their responses is investigated in this project, in conjunction with Danish historians Poul Holm and Bo Poulsen. In Amsterdam, Christiaan van Bochove works on wages, grain-prices and timber sawing, and Jelle van Lottum concentrates on labour migration. Lex Heerma van Voss and Poul Holm will write a synthesis. For additional details and publications, see www.iisg.nl/research/northsea.php

The work on Indonesian Economic

Development focuses in the first place on a

reconstruction of the national accounts of
Java (1815-1939; Jan Luiten van Zanden at
the IISH) and of Indonesia (1900-2000; in
cooperation with Pierre van der Eng in
Canberra and Thomas Lindblad in Leiden)
and an analysis of the long-term evolution of
the Indonesian economy in this period.



The reconstructed national accounts will serve as the primary source of information about the economy's development over time and will thus provide an analytical framework for a more thorough understanding of changes and discontinuities in the economic performance of Indonesia. For additional details and publications, see www.iisg.nl/indonesianeconomy/

Human capital formation and the standard of living in Indonesia, India, and Japan in the twentieth century are the subject of the research by Bas van Leeuwen, and Daan Marks examines the service sector in Indonesian economic development 1900-2000. Ulbe Bosma is investigating migration between the Netherlands and Indonesia.

Among other sources he uses the Life
Courses collected by the Historical Sample
of the Netherlands to trace DutchIndonesian migration and return migration.
For additional details, see
www.iisg.nl/~hsn/projects/mni.html

Research on the Dutch economy in the nineteenth and twentieth centuries has been based on an earlier reconstruction of the Dutch national accounts in the nineteenth and early twentieth centuries. The resulting publications include The Strictures of Inheritance. The Dutch Economy in the Nineteenth Century (Princeton University Press 2004) by J.L. van Zanden and A. van Riel. At the IISH/NEHA earlier research has concentrated on the insurance sector. This

scope has expanded thanks to participation in a collaborative research project on the Dutch Business System in the twentieth century (with the Universities of Utrecht, Eindhoven and Rotterdam). Jacques van Gerwen (together with Ferry de Goey) is writing the volume on entrepreneurship. This research is supported by a special database on individual entrepreneurs' biographies, available at www.iisg.nl/ondernemers/
For additional details and publications, see www.bintproject.nl/ondernemerschap.html.

Imports into Western and Central Europe, 1930. Print from a collection visualising social and economic developments, produced by the Social and Economic Museum in Vienna. Imports are divided according to their provenance from predominantly industrial, agricultural, horticultural or plantation areas of the world. The graph shows the influence of Gerd Arntz, head of the graphic department of the museum, in unifying visual statistical information. The globe is projected to render the size of continents realistically. Source: Gesellschaft und Wirtschaft, bildstatisches Elementarwerk. Das Gesellschafts- und Wirtschaftsmuseum in Wien zeigt in 100 farbigen Bildtafeln Produktionsformen, Gesellschaftsordnungen, Kulturstufen, Lebenshaltungen. (Bibliographisches Institut A.G. in Leipzig: 1930), 32.

3. Collections

NEHA and IISH founder N.W. Posthumus (1880-1960) was the first Dutch professor of Economic History. In 1914 he established the Netherlands Economic History Archive (NEHA), dedicated to collecting, preserving, arranging, and processing source materials relevant to economic history. In addition to a great many corporate archives, which have been entrusted to municipal or state repositories since the 1970s, and an important collection of memorabilia, manuscripts, and documents, the NEHA has an impressive book collection.

The IISH/NEHA library ranks among the best in the world in the field of economic history. Geographically, the emphasis lies primarily on Western Europe and the Netherlands and the Netherlands East Indies in particular. The NEHA collections are supplemented by the library and archive collections of the IISH (founded by Posthumus in 1935), which has a vast collection on the history of work and the labour movement. The two collections were reunited in the same building and organization in 1989.

Chronologically, the economic history collection spans the period from the end of the Middle Ages to the present day. Great economic theorists are well represented, generally by almost complete series of editions, pirated editions, and translations of works by authors such as Young, Defoe,

Tulips are another Asian import to Holland. They were brought over from Turkey in the sixteenth Century. In the 1630s speculation in tulips drove prices up to soaring heights, especially for fashionable flowers with a flame pattern. Prize tulips fetched up to twenty times the yearly wage of a skilled artisan. From this period date a number of books with paintings of tulips, that gave an impression of the tulips that would grow out of the bulbs traded in. This drawing of an unnamed tulip is on page 42 of one of these tulip books, painted by Jacob Isaacz van Swanenburg (1571-1638), the Leiden painter who had taught Rembrandt. In February 1637 the bubble burst and left many speculators broke. The tulipomania is the first financial bubble documented in history. The NEHA tulip book is presented on internet at http://www.neha.nl/tulips/





Quesnay, Smith, and Ricardo. There are leading journals on economics and economic history (The Economist, Journal des Economistes, Economic Journal, Weltwirtschaftliches Archiv), as well as statistical series. Of the various economic sectors, the primary sector is best represented by works on mining. The broad scope of variegated works on the history of skilled trades and industry, including the history of technology, is exemplified by Diderot and d'Alembert's Encyclopédie and some 9,000 series of corporate annual reports. One of the library's special assets, which Posthumus started collecting decades ago, is the extensive collection of business histories. The Bruyard Collection, with its extensive overview of French industry on the eve of that nation's revolution, is particularly interesting. A catalogue of the collection is available at www.iisg.nl/publications/ bruyard.pdf

Pressing and packing tobacco in the fermenting shed on the Kwala Bingei plantation of the Delimaatschappij, 1905. From a photo album about the plantations of the Deli-maatschappij N.V. on the east coast of Sumatra. The area around Medan was only sparsely populated and the Deli Company brought in Chinese and Javanese contract labourers to work on its plantations. In 1880 the Dutch colonial government introduced the system of penal sanction, which allowed planters to punish coolies who fled the plantations or did not work hard enough.

Perhaps still more impressive than the works in the field of industrial history are those about the background to trade and finance. This immense and highly diverse collection of all kinds of documentary and printed works is understandable, given the extended domination of world trade by the Dutch Republic and, of course, Amsterdam. Visitors will also find an exceptionally rich and varied collection on bookkeeping, starting with a Pacioli edition printed in 1523 and including works by Menher de Kempten, Petri, and Stevin, and on international trade and shipping, e.g. numerous price lists from 1585 onwards, the stock exchange and speculation (e.g. the priceless 'tulip book', resulting from speculation fever in 1636 is available on line at www.neha.nl/tulips/), coinage, and currency circulation (including a fascinating collection of letters of exchange and similar documents), and Belgian and Dutch merchants' accounts books from the sixteenth century onward. The works and archive materials concerning insurance are equally noteworthy.

The library allows approaching government finances, not only in terms of currency, but also through documentation on nineteenth and twentieth century initiatives such as public utilities. This aspect was significantly enhanced by the acquisition of extensive statistical material from the Netherlands and abroad.

The IISH and NEHA catalogues are accessible on line: the library catalogue, including the visual documents, at www.iisg.nl/opc.php; the special collections at www.neha.nl/specialcol/

4. Meta-sources:

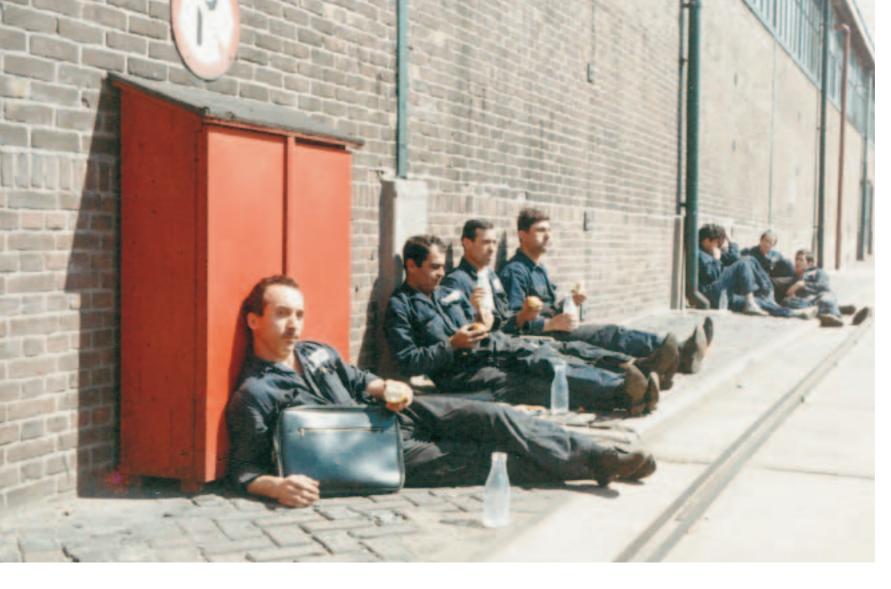
Economic-historical research relies largely on databases constructed by economic historians. In fact, one of the comparative advantages of this discipline is that economic historians know how to produce 'new' data. Data on historical national accounts, wages and prices, monetary phenomena (interest rates, money supply, exchange rates), heights (from ancient skeletons to twentieth-century recruits), government expenditures and taxation, international trade and capital flows, and so on and so forth, form the backbone of economic-historical research.

Producing databases is often the most labour-intensive part of a project, and their quality is a major factor in the quality of the project findings. After the results of a research project are published, however, most data sets tend to be neglected and remain the sole property of their author. This often complicates performing international-comparative research or, more generally, building upon work that others have done. Historical national accounting exemplifies a different way of organizing research. For more than a generation, Angus Maddison has been pivotal in such research. He knows everyone working in the field, has provided tremendous encouragement (he might ask at any point: what have

Harvesting tobacco on the Medan plantation of the Deli Company, 1905. In 1863 the Dutch discovered that tobacco could be grown in the Sultanate Deli on Sumatra. A number of plantations sprung up, which were united in the Deli Company in 1869.

The Deli Company grew into one of the largest plantation companies, exploiting more than 120.000 hectares. From a photo album about the plantations of the Deli-maatschappij N.V. on the east coast of Sumatra.





you done for the GDP this week?), and, most important of all, has gathered the research findings of all these scholars, has performed international comparisons, and publishes the results about once every ten years.

His efforts have boosted this kind of research enormously and have generated a framework for international comparative work that is one of the strongest sub-disciplines in our field. The possibilities of the Internet now offer more efficient (and transparent) ways to bring these data together and to publish international comparative results. The aim is to achieve the same objectives by forming

central hubs in economic-historical research networks that concentrate on collecting, storing, and publishing relevant data bases from specified sub-disciplines. To this end, researchers will have to make their databases accessible to others, at least once the most important publications based on these data have appeared. They would either disclose such data on a site at their own research institute (with a hyperlink to the relevant 'hub') or send the data, along with a description of how the data were collected, and the database was constructed, to the 'hub', providing universal accessibility.

In the seventeenth and eighteenth centuries the Dutch economy drew a large number of labour migrants, mostly from the surrounding countries. In the second half of the twentieth century this phenomenon repeated itself, with workers coming from greater distances; Poland, Italy, Spain, Morocco and Turkey. This picture shows Inan Kirilmaz (second from left) and Turkish colleagues at Chrysler in Rotterdam, which employed about 20 Turkish workers in 1964. The men are having their lunch break outside. The factory offered all workers a daily bottle of milk. Turkish guest workers arrived mainly in the ten years after this picture was taken.

Constructing and maintaining such a 'hub' will mean investing heavily in collecting and synchronizing the databases and in publishing the results of their comparative work.

This idea has been discussed at a round table at the XIIIth World Economic History Congress held in Buenos Aires in 2002 and has since been adopted by the IISH as a strategy for enhancing the research infrastructure for economic (and social) historical research. The IISH has developed a hub – in the tradition of its founder N.W. Posthumus – focused on wage and price data: www.iisg.nl/hpw

The current hub already contains data sets from many countries and periods – from Commodity Prices in Babylon between 385 and 61 BC to Rice Prices on Java during the first half of the nineteenth century, or Labour Costs, Land Prices, Land Rent, and Interest Rates in the southern region of Korea (1690-1909). The long-term aim of the project is to construct a global data set of prices and wages between the High Middle Ages and the present. The project is being conducted by an international team of researchers (including Bob Allen, Peter Lindert, Debin Ma, and Christine Moll-Murata).

5. Services

Visitors are welcome to consult the collections for reference and research purposes at the IISH Reading Room. The NEHA maintains the Economic and Business History section of the World-Wide Web Virtual Library, featuring more than 1,200 links to sites relevant to economic history worldwide, at www.neha.nl/w3vl/

NEHA and IISH publish Tijdschrift voor sociale en economische geschiedenis, the leading Dutch scholarly journal in the field of social and economic history. Publishing house Aksant publishes books on economic history in Dutch and English (www.aksant.nl/). IISH/NEHA also hosts the web site of the International Economic History Association at www.neha.nl/ieha/. The IEHA organizes the World Economic History Congress (the most important Economic History conference worldwide) once every four years. In 2009, this conference will take place in Utrecht, to be co-organized by Utrecht University, NEHA, and IISH. Every two years, the IISH organises the European Social Science History Conference, which includes an economic history network. Smaller workshops and seminars about aspects of economic history are organized at least once a year.

Sampling tea in the King William I warehouse in the port of Amsterdam. Photo by Ben van Meerendonk, 29 December 1964. The Amsterdam market in tropical products like tobacco, cacao and tea remained important for some time after the Dutch had relinquished their colonial hold on producing areas in Indonesia. The warehouse where the picture was taken now houses the IISH.



