A SHORT HISTORY OF SOUTH-EAST ASIA

EDITED BY PETER CHURCH
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5TH EDITION
“... to understand the present and anticipate the future, one must know enough of the past, enough to have a sense of the history of a people.”

Lee Kuan Yew, then Prime Minister of Singapore, in January 1980 on the occasion of the 25th anniversary of the founding of the People’s Action Party
I had already been involved with South-East Asia for many years when I read former prime minister of Singapore Lee Kuan Yew’s thought-provoking words set out on the facing page. Although I was an indifferent student of history at school in Australia, the words hit me like a sledge hammer. Whilst I was well aware of the importance to business of understanding the different cultures of South-East Asia, I had not given a lot of thought to the relevance of history to the future in general, or to business in particular.

Since that time I have read a lot of history on the region and what I have learnt has reinforced over and over again Lee Kuan Yew’s message. Unfortunately, I have found much of the history of the region has either been written by scholars absorbed by their topics and at a much greater depth than is required to get that broad understanding of history of the people or has been written in an abbreviated form for tourists or others needing only an outline of the past.

This book is our fifth edition of *A Short History of South-East Asia* and we continue to attempt to find a middle path which will give business and other readers enough detail to have a sense of the history of the different countries and their people. The first edition of this book was published in 1995 under the title “Focus in Southeast Asia”. The original book was written substantially by two leading Australian historians who specialise in the ASEAN region, Professor (now Deputy Vice Chancellor at the University of Western Sydney) John Ingleson and Dr Ian Black of the University of New South Wales. They immediately understood what it was that we were trying to achieve and, through their skill, sensitivity and experience, the original book was published.

There have been significant historical developments in much of South-East Asia since 1995 and this led us to bring the material up to date in 1999, 2003, and 2006 for subsequent editions and again now in 2009 for the fifth edition. For this edition we turned once more to Daniel Rantzen and are extremely thankful to him for his professionalism and expertise. I must also thank my long time assistant, Daphne
Lim, for her painstaking work in reviewing and proofing the text. Any mistakes which remain are mine.

The original project proved to be a far more difficult exercise than at first envisaged. Not only is it difficult to condense thousands of years of history to a few pages but, at all times, we wanted to test the material against the objective that by the end of each chapter a reader should have a feel for the history of the particular people.

As this edition goes to press the whole world is being battered by the Global Financial Crisis (GFC). While South-East Asia came out of the Asian Economic Crisis relatively quickly, I fear the current crisis is likely to have a much deeper impact on the political and economic environments in most, if not all, of the countries covered. Only time will tell.

Above all, we hope you come away from reading our book with a deeper understanding of the history of South-East Asia which might, in a small way, better enable you to understand the present and interpret the future with respect to your South-East Asia business and other interests.

Peter Church OAM,
Chairman, Asean Focus Group
Sydney, 1 June, 2009
INTRODUCTION

INTRODUCTION TO THE 2009 FIFTH EDITION

The first sentence of my introduction to the fourth edition has been reinforced by the market since then. More than 150,000 copies of “this little book” have now been sold and here we are with a fifth edition. That it fills a need is more than ever obvious. Busy people who need a basic history of one or more of the countries of South-East Asia have been well-served by it.

The region, like the rest of the world in January 2009, faces formidable difficulties. Demand for exports is drying up, as is foreign investment. Economies that have a major exposure to earnings sent home by workers who have jobs in other countries are likely to be adversely affected. For example, some eight million Filipinos work overseas and their repatriated earnings are a significant part of the country’s national income. The competence of governments everywhere will be tested. Some will manage better than others, but all will come under strain. A major question is whether regional cooperation will be more effective than in 1987–88. Their histories do not enable us to predict with certainty how South-East Asian that Asian countries will be affected. But some knowledge of history certainly helps.

2009

Rawdon Dalrymple AO
Chairman, Advisory Board of Asean Focus Group

INTRODUCTION TO THE 2006 FOURTH EDITION

The continuing and increasing demand for this little book reflects not only the quality of its contents and the relevance of its format but also the prominence of South-East Asia in events which have engaged worldwide attention. Thus Islam in South-East Asia has been much discussed and many outside the region have become aware that there

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are more adherents of that religion in Indonesia than in any other country in the world. Political changes and developments in Indonesia, with a new and very different president, have appeared to hold out new promise, as has the change of leadership in Malaysia. Security incidents and concern about threatening networks have prompted unprecedented cooperation between the countries of the region including Australia. Most recently the natural disaster of the tsunami wave originating off Sumatra has focused world attention on the region and brought a huge supportive international response.

The East Asian solidarity movement, based on ASEAN, Japan, China and Korea, is still in an early stage, with difficulties between Japan and China, and reservations in ASEAN about both the giant northern neighbours, seeming likely to complicate prospects. But South-East Asia continues to seek to shape this regional cooperation by, for example, insisting that candidates sign on to its Treaty of Amity and Cooperation. Both Japan and the Republic of Korea found ways of doing so without prejudice to their alliance arrangements with the United States, and the government of Australia appears to be considering doing so. Economically, South-East Asia is far from demonstrating the dynamism of China and indeed China’s growth increasingly raises questions of the effects on the region. The flood of China’s low-priced products is damaging South-East Asian exports to major existing markets, especially since the textiles regime changed. But some Chinese industries are investing in production facilities in South-East Asia and Chinese demand for raw materials and energy resources is benefiting some parts of the region. In any case, the rise of China seems certain to be a major influence on the region in the years ahead. The countries of the region, and especially perhaps Indonesia and the Philippines, will need to address present constraints on their economic performance in order to hold their own.

2006

Rawdon Dalrymple AO
Chairman, Advisory Board of ASEAN Focus Group

INTRODUCTION TO THE 2003 THIRD EDITION

The success of this book shows that it fills a need, both in Australia and beyond, and that there is continuing interest in learning about the
countries of South-East Asia. That is encouraging because there have been major changes in the region since the book was first produced. Those changes probably require qualification of the optimistic last paragraph of the introduction I wrote three years ago. I will try to say briefly why that is so.

In the first place the global climate is more uncertain and even threatening. It is a commonplace that the early post-Cold War euphoria has dissipated. The Western alliance system is divided and possibly even endangered; the enthusiasm for international economic liberalisation has diminished; fear of terrorism has had a major effect, especially on the only superpower; and there is an historically high level of resentment and friction in the global system.

Secondly, South-East Asia has experienced some of the effects of the heightened intensity of Islamic anger spilling out of the Israel/Palestine issue, the slow economic development of the Arab world, and various perceived grievances, especially against the United States. Some countries in the region have taken firm action to prevent violent expressions of that anger, including in the form of international terrorism. Others have been less effective. Domestic religious violence, in some places on a large scale, has also been costly.

Thirdly, recovery from the financial crisis has been patchy and slower than expected. Necessary action on failed banking and financial institutions in Indonesia, for example, is still awaited. Reform and improvement of governance and legal institutions have not been much in evidence.

Fourthly, the dynamism of the Chinese economy and particularly the growth of its exports have overshadowed South-East Asia. Foreign investment has flowed strongly to China while appearing more wary of some of the old favourites in South-East Asia.

Indeed all the last three factors have no doubt played a role in the reduction in FDI into the region in recent years.

South-East Asia has also experienced a diminution of the growth of regional solidarity. This is hard to quantify, but the authority and standing of ASEAN and of its associated FTA seem to have slipped.

If confronted by an external challenge ASEAN would no doubt show renewed solidarity and resilience. But there has been a loss of momentum. This may be partly because the region seems to be waiting to see what comes out of China. Will China emerge in the next ten or 15 years as a new superpower, and if so will it inevitably expand its zone of influence? Will it then become the dominant power...