

perspectives. This edited volume also gives us a hint of topics and approaches for further study and shows that in the subject of the interaction between Vietnam and the West there remains much more to investigate. There is no doubt that, for either those specifically seeking to explore the diverse aspects of Vietnamese encounters with the West or for anyone with an interest in Vietnam in general, this book, *Vietnam and the West: New Approaches*, is essential reading.

Montira Rato

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*Fiery Dragons: Banks, Moneylenders and Microfinance in Burma* by SEAN TURNELL. NIAS Monographs #114, Nordic Institute of Asian Studies (Copenhagen: NIAS Press, 2009). ISBN 978 87 7694 041 6 (hard), 978 87 7694 040 9 (soft)

Sean Turnell is Associate Professor of Economics at Macquarie University in Australia, a former senior analyst at the Reserve Bank of Australia, and one of the co-founders of Burma Economic Watch. With feet firmly placed in two arenas, global economics and monetary institutions, on the one hand, and the colonial and modern political economy of Burma on the other, Turnell has demonstrated an ability to utilize both in effective analyses of Burma's colonial and postcolonial history. The current book is no exception and will certainly serve as an important landmark in our understanding of the country's economic history.

The book consists of eleven chapters, including the introduction, and the text is divided roughly evenly between the colonial and post-independence periods, with roughly 130 pages devoted to the post-1962 period of military rule and domination in the country. As such, the book impacts two historiographies, one colonial-focused and the other focused on the more difficult political ground of contemporary scholars, making more uncomfortable the separation of these two scholarships.

As with many non-Western countries that surged out of colonialism in the twentieth century, historiography on

Burma made a rapid transition from colonial-era scholarship and its blind acceptance of the improvements offered by Western administration to indigenous nationalist historiography and its focus on the political activities of indigenous agents. Scholars of Burma for decades have been focused on questions of the emergence of the nation and nationalism. It is a fact that the degree of adherence to the “government line” since 1962 has determined access to national archives and indeed to the country itself. It is thus no surprise that whole swathes of government economic institutions and commercial organizations, from the revenue office to banks, have been ignored or because information on them was considered to be too inaccessible to make serious study possible. This book is one of a growing number of works that step outside of the crowd and offer some of the first significant attempts to come to grips with the historical roots of Burma’s contemporary impoverishment. Obviously, one might expect then that the data used for more recent periods of Burma’s history might be unavailable to the author. Nevertheless, Turnell adopts an appropriate (as clearly outlined in a special section in the introduction) methodology to circumvent these obstacles, making this perhaps the most reliable of recent works the present reviewer has read on the contemporary history of the country. The author has also decided not to include the pre-1824 period and for good reason, as secondary research on pre-colonial Burmese moneylending is not yet substantial enough to lend itself to forming an

accurate picture, leaving space for some future economic historian to provide a worthy prequel to the present volume.

The relevance of Turnell’s study to any student of the country is best captured in the book’s opening two sentences: “At the dawn of the twentieth century Burma was the richest country in Southeast Asia. At the dawn of the twenty-first century it was the poorest” (p. 1). How, this radical upsetting of what should have been the natural order of things (Burma was at the beginning of this process blessed with the resources, level of education, and a strategic location to argue against anything but its lagging behind its neighbors). The answers rest in the intersections between politics and the economy. Turnell’s focus in this book is on financial institutions because they play a crucial role in national economic development and because in Burma they have played a peculiarly important role, taking centre stage in Burma’s modern history. The main foci of the colonial period include the Chettiar moneylenders who, despite their negative popular reputation in Burma and scapegoating in colonial reports, are refreshingly and more accurately recast as providers of a positive and necessary financial service to the poor cultivators in Burma who needed such help most. In one of the most interesting chapters, Turnell then turns to the introduction and expansion of the cooperative credit societies, on the German model(s) in rural Burma from 1904. Their rapid growth, Turnell shows, was not cut short by the World Trade Depression from 1928, but rather by

1927 as a result of retrenchment, when it was realized that the movement had grown too big, too fast, to protect itself from bad loans and corrupt practices. The last pre-war chapter looks at plans, which never reached fruition, to develop a Burma Bank, leaving Burma to depend even after 1937 upon the Imperial Bank of India for central bank services.

The failings of the colonial period were made dramatically worse from 1962. Admittedly, new laws after independence in 1948 began to hamper the activities of foreign banks in Burma and make Burma a less attractive place to do business for everyone, but the 1950s also saw the emergence of new indigenous banks that had the potential to develop into something very significant. Unfortunately, the coup of 1962 and the nationalization of banks that began in 1963 ushered in a period that has never really ended characterized by the eradication of general prosperity in favor of that of the military leadership. From this point, destabilizing government interventions, hunger for money, mismanagement and criminal activity (in the form of money laundering, for example), and the insecurity of money (frequent demonetizations being only one of several reasons for this) all contributed to the fragility of Burma's financial sector. Ultimately, as Turnell sums up briefly and effectively in the afterword, Burma lacks a proper financial system, one necessary for national prosperity, symptoms of this being the absence of "reliable money" at all levels and the insecurity of property rights. The main

reason for this is "the almost universally destructive role of the government" and its insatiable desire for cash, sustained in large part by huge budget deficits and borrowing, leading to inflation and *kyat* deflation (p. 353).

*Fiery Dragons* is our most focused and well-researched contribution to the study of Burma's colonial and postcolonial financial institutions. In it, the grateful reader will uncover many of the answers as to why Burma has become Southeast Asia's most impoverished backwater. Whether dressed in the white linen suits of colonial administrators or the rifle green uniforms of its post-1962 leadership, Burma's political leadership has failed to set up the financial institutions fundamental to the proper functioning of a modern economy. This book is highly recommended for anyone who seeks to understand Burma and why it has lost the prosperity it enjoyed a century ago and for specialists on the country who have found the general literature not well versed into the hidden and very complicated, but highly relevant world of finance in Burma. Certainly, the book will find effective application in the postsecondary history, political science, and economics courses that cover the country.

Michael W. Charney

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