SOCIO-ECONOMIC HISTORY : THE TREND IN THE STUDY ON INDONESIAN HISTORY 1950-1980S

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1. Introduction

In the early years of Indonesian independence, the study of Indonesia's recent history tended to be dominated by scholars who emphasized political and cultural themes in their studies. There was a need to explain those developments of the colonial period which underlay some of the most important features of newly independent Indonesia; and scholars such as Kahin (1952) writing on nationalism, Benda (1958) on Islam, and McVey (1965) on communism attempted in different ways to provide a background to our understanding of those major political forces in Indonesia between 1950 and 1965. That kind of work was necessary and much of it was done well; but by concentrating on the national level of politics and attempting to cover the whole colony or the whole nation over an extended period of time, these writers (and others) tended to focus mainly on the stories of only a few leaders, who were the most prominent or most articulate members of those movements. They did not tell us much about the masses of the people or about the changes that were occuring at the local level. Attempts to concentrate more on the masses of the people and to bring them somehow into the history of Indonesia were made by Sartono (1966) in his works on the peasants' revolt in Banten and on agrarian unrest in rural Java (1973), and by Benda and Lance Castle's (1969) writing on the Samin movement. These works on peasant rebellion were important contribution to Indonesian historiography, because they bridged the gap between general or political history and the local socio-economic studies which began to emerge in the 1970s.

About two decades ago a new dimension began to be opened up in the Indonesia social sciences when a group of historians and social scientists carried out studies of socio-economic history of certain localities on Indonesia; for example, Onghokham (1975) in his study on Madiun, Elson (1984) on Pasuruan, Kuntowijoyo (1980) on Madura, Fernando (1982) on Cirebon, and Roger Knight (1983) on Pekalongan. The development of the social sciences in Indonesia was also leading to a better understanding of rural society. This new focus on Indonesian historical and socio-economic studies, directed especially at agricultural and social aspects, was very appropriate. The latter focussed more on the role of the mass of the people in the socio-economic processes occuring at the grassroots level and on the roles of important outside forces which were now being taken into account, not just for their own sake, but rather as they were related to the interests of the people in the rural areas in the localities under study.

With this closer orientation to the study of rural people, local socio-economic history became attractive as well as possible, partly also because of the increasing availability of archival sources, especially in the National Archives, Jakarta. Documents can be found there on various aspects of karesidenan-level (Residency) socio-economic history. Furthermore, some conclusions or assumptions implicit in the earlier kind of political history were now challenged by the findings of local socio-economic historians. Certainly, the socio-cultural plurality of Indonesian society and its diversified geographic and historical experience played an important part in determining the responses of local communities to particular pressures and intrusions. For instance, Frederick's (1978) work on Surabaya and O'Malley's (1977) on Yogyakarta and East Sumatra showed that the path taken by nationalist politics in those places was more influenced by local conditions and personalities than had been shown in the conventional picture. Likewise,

Geertz's Agricultural Involution thesis (1963), after exerting great influence for many years, came to be challenged on various grounds by people who had studied particular regions in detail, most notably Elson, *(loc.cit.)* Kuntowijoyo, (*loc.cit.*) and Fernando, (*loc.cit.*) (although we should note that numerous other scholars have also offered more general criticisms of Geertz's theory).

2. Plantations Economy in the Study on Indonesian History

Large-scale plantation industries constituted a keystone of the Indies economy during the period 1830-1940, a period in which major changes were experienced with respect to their crop patterns, their method of organization of production and the location of the plantations. Even the concept of a "plantation" (which is used here almost synonymously with "estate") changed greatly between the mid-19th century and the mid-20th century, both in respect of their size (from a dozen or so hectares in the earliest cases to many thousands of hectares in the cases of largest rubber estates in East Sumatra) and organisational structure, ranging from small individually-owned estates to huge corporate bodies like HVA, Deli Mij. or NV. Klatensche Cultuurmaatschappij (NV. KCM), the latter being the one we will be most concerned with here. Boeke (1948: 79) characterized a plantation as "a complex of enterprises, technical units, probably with its own administrative and exporting units." But he was defining a plantation solely in terms of technical and organizational efficiency, with almost no reference to the labour supply or to the society surrounding it. It was almost as if the plantations had no relationship to that society, as if there were an entirely separate or "dualistic" plantation enclave, set quite apart from the surrounding villages. But this was clearly not true of the Vorstenlands tobacco industry, as we shall see, nor of the case of Besuki tobacco cultivation. Nor was it true of the system of sugar production, in which there was a close relationship between the sugar mills and and the surrounding villages. In fact, there was not a sharp line of distinction at all between plantation and peasant production of cash crops (except in the case of rubber and to a lesser extent tea) so much as a rather blurred and fluctuating line, differing from place to place and time to time, as well as from one crop to another, especially in the case of high-quality cigar tobacco production.

The Cultivation System is commonly regarded as the beginning of the Dutch plantation system. Yet it operated on a plantation basis only for sugar, not at all for the major cash crop of that time, coffee. Under the Cultivation System, sugar production did, indeed, mark the beginning of the development of a new pattern of large-scale "plantation" enterprise, because it was a form of large-scale production, based upon big, expensive mechanized mills, involving control of much land and labour by the mill. After 1870, the same characteristics could be seen in the private Dutch (or other foreign) plantations producing tobacco, rubber, tea and in some degree coffee, although there were important differences in size and structure. In the case of indigo and coffee production under the Cultivation System, these crops were not operated as "plantation"-type enterprises, so much as compulsory cash crops grown by peasants under the direction of the Dutch government officials. Coffee production under the Cultivation System was not very different from the Preanger-stelsel of 18th century, except that the control by an opziener became much more intense after 1830. But it was still mainly the bupati, wedono, or demang who organized the cultivation of the crop, not a Dutch government official or company or "plantation". Coffee was produced on small-scale kebuns owned and operated by the villagers, not by Dutch planters. These were very different from the the large-scale "plantation" pattern of cultivation applied to sugar and tobacco later on. And yet it was coffee, not sugar, which earned the big money for the Dutch government in the early years of the Cultivation System. Only after the 1850-60s did sugar begin to replace coffee as a major source of government revenue. The compulsory production of indigo never succeeded in bringing in big revenues to the government under the Cultivation System; nor did tobacco or tea (Fasseur, op.cit., pp. 119-120).

Of the various cash crops grown under the Cultivation System, coffee was not a new crop, while others such as sugar, tobacco,

and indigo were not new in certain areas, although they were elsewhere. These crops were grown on lands belonging to the natives or in the so-called private lands (partikuliere landen). Coffee was grown basically on uncultivated hill-slope land or in the pekarangan of the peasants, under the orders of the native village leaders, subject to the supervision of Dutch officials. Sugar factories usually made contracts with peasants to grow cane for delivery to mills established by Dutch contractors. When the private tobacco planters emerged in the 1850s in Besuki, they rented the land from local rulers (or the government in Batavia) but relied on the peasants to grow the crop. In the Principalities, the apanage system enabled the planters to obtain both land and labour through arrangements made with the local rulers.

Soon after private Dutch entrepreneurs were allowed to operate extensively in agricultural production after the 1870 Agrarian Law, the area of land under cash crops increased rapidly and their cultivation was found to be more profitable, except during a period of recession in 1884-1885. Millions of guilders were accumulated as profits by the planters and plantation companies and large sums of money remitted to the Netherlands. The transition from individually-or family-owned enterprises to the "corporateplantation system" (Geertz, op.cit., p. 50) in the 1860-70s had a very significant effect upon the economy of the peasants as a consequence of the cash payments paid by the cash crop industries.

The expansion of plantation agriculture and cash crop cultivation took place between 1870 and the 1920s, especially sugar and tobacco in Java (also tea and coffee later, and some rubber) and later rubber and palm oil in Sumatra. In this period, agricultural industries experienced rapid expansion, although a decline occurred after the 1884-85 recession, with a gradual recovery being achieved in the 1890s. This expansion continued until the out break of World War I; but from 1915 to 1919, productions of Vorstenlands tobacco declined almost to nil, because of difficulties in the shipment of the produce to the international market. The expansion of the plantation companies at that time was stimulated by two developments, the provision of capital through the estate banks and by the strong demand on the international market. This situation caused more and more companies to invest their capital in various industries in the Indies, especially in the period from 1890 to 1910, which consequently increased the competition among them. And in the highly competitive international market of that time, all Netherlands Indies plantation companies needed a low-cost and low wage economy to be established by the government's economic policies. In the Principalities, this was obtained in the late 19th century through the implementation of the apanage system, although after it was reorganized in 1912-1917, various other provisions were made by the Dutch government in order to safeguard the industry.

The heyday of plantation industry in the Indies occurred in the 1920s, but was soon followed, unfortunately, by the 1930s Great Depression. The entire situation confronting the plantations, at home and abroad, was fundamentally changed by the Depression, which caused loss of international markets for many commodities and collapse of many plantation companies (especially sugar, although rubber rather less so - and paradoxically that was not a big problem at all for Vorstenlands tobacco). In the 1940s, further disruption of the plantation economy occurred during the Japanese occupation and the independence struggle; in the 1950s it was just recovering when all Dutch enterprises were nationalized in 1957-58. After that, the plantations operate under a state enterprise, PPN, but with radical changes in the economic environment, since they no longer constituted the leading sector. This new situation in which the plantations were operating after 1958 differed quite fundamentally from that of the early years of the industry between about 1860-1930, as we shall see in due course. So, the development of one small part of the Dutch plantation industries, namely the Vorstenlands tobacco industry, needs to be examined against that broader background. Yet in its local context, it was a major industry in the late 19th century, although not the only one or the largest, and today it has become, in fact, a relatively a minor element in the regional economy of Klaten. It is of interest, however, because our search for reasons interest for those changes can tell us a lot

about socio-economic changes generally in rural Java.

3. Theories about the Plantation Economy

Andre Gunder Frank (1967) is the most influential writer on this subject and the intellectual founder of the "dependency school" of analysis of the impact of modern capitalism and neo-colonialism on the Third World countries. He stresses the importance of external pressures upon these countries as the main determinant of their economic and political development. Frank's main contribution was to highlight the far-reaching implications for countries which were highly dependent on one or two export commodities of the price fluctuation of those commodities and the power that came to be exercised by the big property-owners there, in many cases plantation-owners, over their political and social life. This state of affairs also gave foreign capital, on which such economies were highly dependent, a great deal of influence over them, either in the form of direct investment in plantations or cash crops or indirectly through the links established between the local elites and the external organisations connected with the trade in those commodities. And while the production of export oriented crops was highly profitable, there was little incentive for investment in production of other manufactured goods, which could more easily be imported. So the "dependency syndrome" operated as a kind of vicious circle from which it was difficult to break out.

At first sight, this analytical pattern seems to have a close similarity to the situation in Netherlands Indies prior World War II. It cannot be denied that the colonial economy was dominated by the industries producing export crops (sugar and rubber), minerals (tin and later also oil) and other commodities on which the prosperity of the colony largely depended nor that the Dutch owners of these assets exercised a powerful influence over the determination of policy making. But Netherlands Indies was not a monoculture in the same degree as the Caribbean Islands, or parts of Latin America became. On the contrary, the diversification of the colony's main sources of exports was one of the most significant features of its development between 1870-1941. And the Dutch government did not run the economic policies of this colony solely in the interests of any one group of plantation owners or mines, but had to keep a balance between the divergent interests of many of them, as well as of the so-called "natives", whose welfare it was trying to look after under the the period of Ethical Policy. So the political and socio-economic dynamics of the pattern of development which occurred over the last century of colonial rule cannot entirely be reduced to a simplified "dependency theory" model without taking local circumstances and differences into account.

But critics have been saying much the same as that about dependency theory in other countries also. It is a mistake to overemphasize the degree of influence exerted by external factors or the international trade situation even in cases where these have been very important. There has also been considerable debate among Marxists about the degree to which the development of international trade has been responsible for the development of market relationships and capitalism in Third World societies during the process of transition from "feudalism" to capitalism. Laclau (1971) has been critical of Frank on this matter, arguing against the view that the growth of international trade was the crucial factor in this and putting the emphasis instead on changing labour relationships, in particular, the change from various forms of slavery or other involuntary servitude towards free wage labour, which he regards as the central feature of capitalism.[10] This debate between Frank and Laclau has close similarities to a much earlier debate between Sweezy and Dobb (See Mandle, 1972: 49-62) on the same issues in the development of capitalism in Europe. Sweezy, like Frank, was inclined to put the stress on the development of market relations, and especially international trade, in breaking the bonds of feudalism and opening up trading opportunities as an engine of growth in the early stage of capitalism. (Frank, by contrast, regards international trade and the dependency it promotes as one of the main long-term causes of stagnation; so their approaches were not identical). Dobb, like Laclau, had put more weight on the conditions of employment and the relative bargaining power of the rural and urban

labour force as the main factors determining the breakdown of feudalism and the emergence of a capitalist society.

Commenting on the significance of this debate in the course of an article on "the plantation economy", as a distinctive type or phase of socio-economic development, Mandle has concluded that, "...it obviously is not trade per se which accounts for whether a country or area stagnates or expands. ... The effect of international trade is largely determined by what goes on inside society. The extent to which market power either is achieved by or is denied to others depends on the internal capacity of the economy; the extent to which modernization of technology and institutions is the consequence of widening markets similarly depends upon internal social structure."

Mandle's article serves as a useful starting point for our analysis of the whole issue of the relationship between the Dutch plantation economy in the Netherlands East Indies and the two phenomena of exploitation and dependency, which have commonly been associated with colonial regimes since long before the achievement of independence. In this thesis, we will be looking only at one small part of the plantation economy, the Vorstenlands tobacco industry; but it does, in microcosm, throw light on the two issues of exploitation and dependency more generally. For the high profits made by the Dutch companies do raise questions about the means of "exploitation" of labour (or other resources in the production process) which lay behind those very high profit levels. And the fact that in the early years of the plantation system there, the peasants were bound to provide unpaid labour services under the apanage system does bring up some of the questions raised by Dobb about the transition from feudal or quasi feudal forms of involuntary servitude to wage labour. On matter of dependency, we will see that the tobacco industry was very severely hurt by the 1930s Depression and the subsequent collapse of tobacco exports in the 1940s; yet not as severely as the sugar industry, significantly. And the post-1930s decline in the tobacco industry in the Principalities has not had nearly such far-reaching effects on the socio-economic life of the region as a crude form of dependency theory might lead us to expect, for other forms of economic activity have developed, which have provided both jobs and incomes for peasants in the region.

4. Previous Writings on the Plantation Economy

The Indies plantation economy has attracted the attention of various social scientists and historians who have studied various aspects of this very distinctive sector of the Indonesian colonial social system. Studies by social scientists such as Allen and Donnithorne (1968), and Barlow (1984), have tried to compare between the development of plantations in Indonesia and Malaya. Others such as Thee Kian-wie (1977), Pelzer (1978), Stoler (1985) and O'Malley (1977) have written extensively on the development of Indonesia's most remarkable plantation region in East Sumatra during the colonial period. The sugar plantations of Java have been described briefly by Allen and Donnithorne *(loc.cit.)* and Geertz *(loc.cit.)* as well as Elson *(loc.cit.)*, Knight *(loc.cit.)* and Fernando *(loc.cit.)* in respect of particular regions, although no comprehensive history of this important industry has yet been attempted.

The study by Allen and Donnithorne *(loc.cit.)* conducted in the early 1950s, is one of the most valuable contributions to the history of western enterprises in Indonesia and Malaya. Its purpose was to investigate the course of western enterprise in several widely contrasting environments so as to show the reasons for their success, the diversity of methods, organizations and policies of western firms, their varying achievements and the differences in their economic relations with the Asian people among whom they operated. One of their most interesting conclusions was that the flexibility and adaptability of these firms to changing market conditions, made possible by their strong capital backing, had been a major factor in their success. Barlow *(loc.cit.)* made a similar study of the rubber industries of the two countries thirty years later, much influenced by Boeke's concept of dualism. He tried to examine also the role of the smallholding sector in rubber export agriculture taking into account various economic, social, and political factors which have affected the very different patterns of develop-

ment of the two sectors of the rubber industry in Indonesia and Malaya, showing the complexity of the responses of each to differing market circumstances and technological changes from time to time.

The major study on the contribution of the plantation economy to regional development has been that of Thee Kian-wie *(loc.cit.)* on the tobacco, rubber and palm-oil industry of East Sumatra. These were all a very distinctive type of plantation, large-scale and very capital intensive, operating in a socio-economic environment with relatively abundant land easily available, but a shortage of labour, which had to be imported. The cheap-labour policy and land occupation restrictions practiced by the Dutch planters in this region prevented the emergence of peasant production of export crops. The dualism inherent in the East Sumatra plantation system, both technological and social, was much sharper than it was in the sugar areas in Java. The Kian-wie found that the gap between the strong estate rubber industry and the weak peasant sector of the regional economy got steadily wider, since the estates were able to expand their land holdings and to improve their technology while the peasants were not involved in any significant departure from traditional techniques of cultivation.

Pelzer's *(loc.cit.)* work on East Sumatra gives the fullest account of the development of the agrarian relationship between plantations and local communities.[19] The importance of social structure and traditional technology in the response of the peasantry in this region to changing opportunities have been the major issues in Pelzer's studies since 1940. The course of development of plantation agriculture in this area has also been depicted by Geertz (In Pelzer, 1982: vii-xi) as follows:

"...Nowhere else in Indonesia, not even Central Java, did plantation agriculture develop so extensively, so resourcefully, so profitably, or so destructively.

This theme was the focus of Pelzer's two books, Planter and Peasant, and Planters Against Peasants, In the first of these books, Pelzer (1978) traces the development of the East Sumatran plantation system during the colonial period, while the second, (1982) unfinished at the time of his death, was originally designed to carry the story to the end of the colonial-era plantation economy. Pelzer described various changes that occurred during the period studied of which one aspect of the story was never resolved: land use. Seventy-five years of the most intense agrarian modernization produced in East Sumatra one of the classic agrarian conflicts of modern times: determined enclosers of land vs. defiant squatters.

In the Principalities of Java, agrarian conflict did not become such a significant issue as it was in East Sumatra during the colonial period for two reasons. First, the population pressure which was relatively high in the mid-19th century compelled the peasants to practice intensive- agriculture, while in East Sumatra where the population was still scarce slash-and-burn agriculture was still practiced. The peasants of this region were allowed to use the plantations to grow their own food crop under the jaluran system. This system was needed by the plantations because a 9-year cycle of crop rotation had been found to be the optimal mode of utilizing the soil of that area to produce the highest quality tobacco. It meant also that the local peasants could be allowed to grow food crops on it, using their traditional slash-and-burn techniques. Second, the peasants in the Principalities had their land allotted on a fixed basis, namely one-third of a bouw from either apanage landholders or Dutch planters. The peasants in East Sumatra, on the other hand, were basically independent peasants and in order to obtain a piece of agricultural land usually they had to put great effort into cutting down trees in the jungle. Any opportunity to occupy a portion of land, such as during Japanese occupation, meant a lot to them. Population pressure in the Principalities gave rise to increase the share-cropping between the peasants and landless labourers. The greater the population pressure the more complicated the share-cropping arrangement became. Basically there has been a high degree of elasticity in the peasant communities in the Principalities as in Java generally, in coping with the problem of population increase over the period. Geertz used the term "shared poverty" for this ultimately self-defeating process. In East Sumatra, the land-use restrictions during the Dutch colonial period, which no longer applied during the Japanese occupation and

independence struggle, tempted the local peasants to take advantage the situation by occupying the estate lands. This was not the case in the Principalities, because the land used for growing tobacco was the peasant's land; the only estate land to be occupied illegally was plantation office compound destroyed during the revolution. And whereas the jaluran-system was implemented by the tobacco companies in East Sumatra, in the Principalities the companies allowed the peasants to grow rice on the land allotted to them; and after the 1917 Agrarian Reorganisation, the companies permitted the peasants to grow rice crops after the tobacco crop on the so-called paddy-kongsen land. In order to meet the food needs for the labourers in East Sumatra, the planters there either imported rice from abroad or grew rice on a portion of their own lands. In this respect, the planters in the Principalities followed a very different policy, by putting the burden on the peasants in the tobacco areas. These various elements in each situation made the nature of the relationship between the labourers and the companies in East Sumatra, like the huge Vereenigde Deli Maatschappij (VDM), very different from that of the Principalities, such as NV. Klatensche Cultuurmaatschappij, or NV.KCM.

A recent study by Ann Stoler (1985), an anthropologist, has rtried to depict the labour relations and conditions of employment, proletarianisation of labour force in the East Sumatran cultuurgebied (plantation region) which was very different from those prevailing in Java.[23] Her analysis basically followed a Marxist framework and put great emphasis on the fundamental socio-economic cleavages underlying the process of proletarinization occuring in East Sumatra. (She stated that there were disparities between the apparent and real conditions of the labour force's proletarian versus peasant expectations, interests, and status. This disparity grew out of the very process of commoditization and was an integral component of the strategies behind the incentives for immigration, the policies of labour recruitment and control. The industry's attempts to establish a "normal" labour market similar to that prevailing in Java was at the heart of the various labour settlement schemes proposed throughout the prewar period. These programs were based on allocating a less than minimum agricultural subsistence base for the labouring population, one adequate to provide for their reproduction when push came to shove but far below what would allow workers to become independent of estate employment. Ibid., p. 207). Here again, the pattern in Java was very different.

The major recent studies of plantations in Java are those by Fasseur, Elson, Fernando and Knight on the Cultivation System and the sugar industry, mostly in its early years. (Very little attention has yet been given to the various bergcultures in Java, coffee, tea, rubber, tobacco, etc, which had a big impact on the opening up of the Oosthoek of East Java). The most important feature of these writings is that they tend to contradict the old idea that "the cultivation system was simply a new burden laid on the Javanese people, in addition to the land rent, without any recompense worth mentioning being given for the work done" (Fasseur, 1986: 150). Fasseur *(Ibid:* 151) has emphasized the important contribution made by the crop payments (plantloon) to the purchasing power of some areas and the total volume of money in circulation under the Cultivation System - even though this was also associated with a system of compulsory cultivation - for there is a lot of evidence that in certain parts of Java, at least, the system "did increase the level of prosperity, albeit not without an important increase in the labour burden laid upon the Javanese population." This radical reinterpretation of the socio-economic impact of the plantation crops, especially sugar, under the Cultivation System compels us to reconsider the old assumption that their effect was purely exploitative and oppressive. But this does not mean that the social impact of these crops was always beneficial to the local people for in the later years many regions become highly dependent on them and "locked in" to their requirement, for land and labour, in later decades, especially in years of Depression. Most importantly, Elson and Knight have shown how the rural elite of the richer peasants and the pamong desa were able to benefit from the roles they played as intermediaries and labour contractors between the Dutch planters and the village people. In this respect, their analysis of the socio-

economic dynamics of the sugar industry differs in some fundamental ways from that of Clifford Geertz in Agricultural Involution with its emphasis on "shared poverty" and the levelling effect of the sugar industry. Yet Geertz was surely right in drawing our attention to the need to analyse the impact of different crops on the social organization and development of different regions through the demands they made upon the land and labour of various groups in society.

In regard to the Principalities, there are three studies of the region which provide background information on various aspects of the socio-economic conditions there, including the impact of the Dutch plantations, before and during the struggle for independence. The well-known study of Yogyakarta by Selo Soemardjan (1962) has a valuable chapter on the sugar industry, in addition to his analysis of the changing class structure and political relationships resulting from the transition from a feudal-colonial society to kemerdekaan. In a very fairly balanced assessment of the contribution of the sugar plantations, he shows that while they did open the way for thousands of landless Javanese to earn a cash income, they were seen as "unmercifully" oppressive and exploitative by most of the people of Yogya because of the grossly unequal character of the relationship between the big, highly-capitalized plantation companies, backed constantly by Dutch local officials in colonial times, and the thousands of poor and relatively defenceless peasants. Although the plantations lost that political backing after independence, they were still resented for the link they represented with colonial rule. Soemardjan's study does not say much about Surakarta Residency (Karesidenan), where the political conditions were rather different, as Sujatno (1982) shows in his thesis on development there during the revolution, including the 1946 "Social Revolution". This study has only a little to say about the pre-war plantation economy of that region and does not suggest any very direct link between the presence of the plantations and the radicalism of much Surakarta politics in 1945-50, except (indirectly) concerning the 1948 strike in the Delanggu jute factory. It is possible that the Dutch plantations had a more disruptive effect on local society in Surakarta than in Yogyakarta (and may also have contributed to the unpopularity of the Sunan, in contrast to the great popularity of the Sultan of Yogyakarta in 1945-46). O'Malley has given us a very valuable account of the main political movements in Yogyakarta in the 1930s, and at the same time provided a lot of useful information on the impact of the Depression on Yogyakarta.

5. The Sources in the Study of Socio-economic History

The study on socio-economic history, especially agrarian or plantation history, requires us to use various kinds of sources. As far as the data-collecting stage was concerned, archival materials provided most of the data on the development of the private plantation, such as tobacco companies, operating in various regions, such as in Surakarta, from the earlier period in the 1850s to their takeover by Indonesian government in 1957. On the basis of that material, it has been possible to reconstruct the history of the Dutch tobacco plantations. The primary sources on latter period, such as in the 1950s, from the Dutch side consisted of material come from various government and private agencies; these differed in nature, including the archives of several private companies, journalists reports, letters from private bankers to the Governor General, all of which had special purposes and features of their own. Consequently, the value of the information they contained for the purpose of the study had to be assessed critically.

From the Indonesian side, the only written materials available were a few letters and documents of the Sunan, but they do not tell us much about the conditions of the peasantry because they expressed the belief that he held the ultimate power over the land and all living creatures on it. In this regard, the information contained in the traditional records mainly consisted of documents on the distribution of land located in rural areas to the Royal officials or Royal family members, and other information on socio-cultural matters. Fortunately, there are also some letters and reports on the situation in the rural areas written by Dutch planters working on rented land in particular region, such as in Klaten Regency (de Kat Angelino,

1929). These Dutch reports, therefore, complemented the official documents of the Sunan in this regard. Moreover, the reports of various 'enlightened' or progressive Dutch government personnel, such as G.P. Jonquiere (1870), a controlleur assigned to Surakarta, gave a more balanced picture of local conditions than did the reports from officials who often presented a very negative view of Javanese society.

The sources on the plantation economy of the earlier period available are also quite numerous. The reports from the local managing agencies of private companies operating in Java to their headquarter in the Netherlands also revealed various aspects of the development of the policies of the Dutch government in Java in their efforts to obtain agricultural commodities for sale in the international market. Secondary sources were also helpful for the purpose of finding out what was really happening with regard to the implementation of government policies in the field. A special report on labour policies, especially the employment of women and children was published by the Department of Economics in 1930 was particularly valuable. But these materials also needed to be supplemented by other sources of information about local conditions. Unfortunately, little written information could be found, although it was possible to obtain verbal accounts of conditions in the late colonial era from various persons still living in the region. These included a retired manager of a tobacco company who started his career in 1921 as an assistant in the Tobacco Research Station, the retired tobacco company owner, several retired overseers or mandurs who had been working in the tobacco companies since the mid 1930s, and peasants who had been working in the tobacco fields or fermentation sheds as children in the early 1930s. Their stories enabled us to get first-hand accounts of various aspects of the cultivation of cash-crops, especially about the working conditions of the peasants. They were used as informants which interviewed individually at times when they were not busy. In a few cases, several peasants were interviewed simultanously so that a checking and rechecking process among themselves occurred. In short, the use of primary sources from the Dutch archives, coupled with the secondary sources supplemented by oral sources from the locality itself enabled the author to reconstruct a reasonably balanced account of the development of cigar tobacco cultivation and its impact on the society and economy of the peasants in Surakarta. At the end of the colonial era, NV-KCM (and various other large Dutch plantation companies) played a dominant role in the Vorstenlands tobacco industry and in the social economy of many districts in Klaten. My aim was to discover how they achieved that economic strength. It soon became clear that in the 1860-70s there were many small Dutch plantation enterprises in the Principalities experimenting with tobacco and sugar cultivation for the export market and that a process of consolidation and specialization in particular crops occurred in the following decades, especially in the 1880s, in which only the strongest and most efficient companies were able to survive. In order to find the explanation in this process, I sought information on their control of land and labour, the sources of capital and technology available to them and their relationships with the rulers and local officials in the Principalities, and with the Dutch authorities, also about the cost structures of these companies and the profit levels they achieved (which must have had relevance to their sources of capital and bank credit). This led me towards an investigation of the sort of factors mentioned by Dobb and Laclau about conditions of employment and the repsective bargaining strengths of the companies and the local populations, both the peasants and the authorities, in any negotiations about land and labour, or as Mandle puts it "what goes on inside society".

For this purpose, we had to make use of both historical sources in the Indonesia and Dutch archives and, as far as we could still find them, the recollection of people still living in particular area studied who have experienced some parts of these development over the last fifty years or so.

The Tentative Factors Relevance to be Covered in the Forthcoming Study We could start by looking at the variables or factors which might be relevance to the study such as the question of how the poverty commonly associated with the plantation system emerged as an inherent element in Javanese society toward the end of the colonial era, along with the course of development of

Indonesian history from 1800 through the first half of 20th century. According to a Marxist analysis, the issue of poverty should best be approached by looking at the changes in the means of production and / or the changes in class relations over that period. These are certainly important questions to be investigated, although in this case the answer do not entirely conform to a conventional Marxist model. Some of the questions could be risen at the forthcoming study are the following:

1. Who actually controlled the means of production in Java in 1800 and the 1920s respectively and how might we explain the changes observable ? The tentative answer is that in the 1800s, it was not the Dutch who held the right to control the land and labour available in Java, although they were, in some parts of the island, able to use them for their own purposes, namely to cultivate cash-crops for sale on the international market. The Preanger system was one of the example. In some parts of Java, but excluding the Principalities, the land was occupied and tilled by the peasants. They owned the land in communal basis while the traditional rulers supervized and protected them in return for the right to extract a portion of the produce as compensation. In the Principalities, the means of production belonged to the Sunan and Sultan, because traditionally he was the owner of the land and all living creatures on it. In the 1920s, however, a substantial change occurred when an reorganization of the agrarian structure occurred which profoundly the modern sector. By the 1920-30, the peasants held stronger rights to their means of production which had previously been controlled by the Sunan, as the result of the Agrarian Reorganization, whereas the Sunan was no longer the ultimate owner of the land but merely a symbol of traditional authority. On the other hand, the Dutch now controlled the most important sectors, the plantations and the other modern capital-intensive parts of the economy.

2. Were there significant changes in class relations ? As far as the peasantry in the Principalities were concerned, the answer to this question must be that there were. Prior to the Reorganization, the peasants in the Principalities were treated as mere creatures who were not inseperable from land they cultivated which could be transferred at the will of the ruler as the ultimate owner. In this situation, the relationship between the peasants and the traditional rulers or between the peasants with the Dutch companies who rented the land in most cases was both complex and highly oppressive. This relationship of labor bondage gradually changed after several resistance movements occurred in the cash-crop growing areas on a broader scale at the beginning of the 20th century. This change was part and parcle of the implementation of the more liberal government policies in the colony. A further step was taken by the government in urging the Sunan to implement the Agrarian Reorganization which gave a stronger status to the peasants and consequently enhanced their position in their dealings with both the Dutch and the traditional rulers. Moreover, the Dutch plantatiom companies came to exercise a far greater degree of control over land and labour by the end of the colonial era (even though they did not actually own the land, but merely rented it) because their economic and political power had increased so greatly by then.

3. Was the plantation sector strictly separated from the subsistence sector as suggested by Boeke? From the beginning, the cultivation of cash-crops like coffee was never carried out in the form of plantation in Java. It was traditionally grown by peasant families on the orders of the ruler. The Dutch retained the system and expanded it for their own purposes. A similar situation occurred in the cultivation of other cash-crops such as sugar-cane and tobacco. These crops had an intimate relationship with subsistence crops. The plantation companies which were located and operated in rural areas rented the peasants'land and employed the peasants who lived in the neighbouring villages. Boeke's theory may have been true in the case of plantation rubber in Sumatra in which the plantation sector was an enclave strictly separated from the lands of smallholder cultivators (karet rakyat), but does not fit the facts so well in the case of many Javanese plantation crops, particularly the more complex land- and labour-relationships that applied in the Vorstenlands tobacco industry.

4. Was self-sufficiency of food supply in the cash-crop growing areas more secure

than in non cash-crop growing regions ? In the 19th century, the planters who rented the land in the Principalities were able to use all the land and labour available on it. In many cases, the food crop production in the plantation areas was not sufficient to support the needs of the community, due to the fact that the time and labour of the peasants was mainly required for the cultivation of the cash-crops. This situation was aggravated by the small and irregular payments given by the companies. After the Agrarian Reorganization in 1918, when the paddy kongsen system became institutionalized, the food supply for the peasant families was relatively secure.

5. Was the solidarity or cohesiveness of the village community eroded by the development of the plantation sector? The use of the time and labour of the peasants on the plantation land and the increasing reliance of the peasants on the plantations to sustain their livelihood meant that many of the peasants had no time to cultivate their own land with food crops. This situation opened up opportunities for the growing class of landless laborers to find jobs as sharecroppers. Thus it seems that the new economic opportunities created by the plantation sector were able to provide some means of livelihood to many peasants' families and that they were able to create jobs for some members of the lower layers of the society, namely the landless laborers. This meant that the cohesiveness of the society was not as severely damaged as we might have expected.

6. Did the plantation system enhance the village economy, or did it just add new burdens to be shouldered by the peasants ? The evidence suggests that it may have done both. Even the Cultivation System injected a good deal of cash in to the rural areas through the crop payments that accompanied compulsory cultivation services and other wage labour. These cash payments, however small they may have been, must have had some affect on the amount of money circulating in the cash-crop-growing regions, which consequently enhanced the purchasing power of the society. At the same time, the labour requirements created by the plantation appear to have been very onerous at some times and places, as we shall see in relation to the tobacco industry in Klaten in the 1920s.

7. What effects did the plantation economy have on the status of women ? It is true that the employment opportunities created by the cash crop industry absorbed a great deal of female labour in the tobacco-growing villages. The women, then, no longer had the status of a mere housewife, but they were able to contribute substantial amounts of earnings to support the economy of their families.

8. What factors affected the development of the plantation company ? The demand for agricultural commodities on the international market motivated the managing agencies to reorganize the tobacco companies in such a way that effiency became the primary consideration in all their operations. High quality produce could only be obtained by working under thorough and strict management. Among the other factors to be taken into account in the cultivation process was the fact that the scale of operations should also be as large as possible and consequently the capital needed had to be obtained from selling stock, instead of merely relying on personal wealth. All of this could only be managed by the kind of efficient and sophisticated management that emerged in the 1880s after a period of crisis.

6. Conclusion

I initially hoped I would be able to throw some light on the overall impact of the tobacco industry on the Klaten society in general over the last 60-70 years of the colonial era. But that proved impossible to do in a systematic way because of the difficulty in disentangling the impact of the tobacco industry from that of sugar industry which was much more extensive and had much more profound effects on the society. It is even difficult to draw any distinctions between the tobacco growing districts and sugar growing districts, for there were no very significant differences between them. But although I have not been able to focus on the social changes taking place in Klaten society which clearly attributable to the tobacco industry (or to the Dutch plantations in general), I have tried to look at the ways in which we can discern certain particular impacts of the industry on the local society.

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