

THE SOCIAL CONTEXT OF ECONOMIC CHANGE:
AN INDONESIAN CASE STUDY

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Note: Dr. Geertz holds an appointment as a Research Assistant in the Center for International Studies. The writing of this paper has been made possible by a grant from the Ellis L. Phillips Foundation.

Dr. Geertz was one of a team of researchers supported by the Ford Foundation to carry out a community study in Central Java in 1952-1954. This is a preliminary working paper concerned with recent economic and social change in a Central Javanese town. Criticisms will be welcome.

Center for International Studies
Massachusetts Institute of Technology
Cambridge 39, Massachusetts
July 1956

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INTRODUCTION

The analysis of the problem of the economic development of the so-called "underdeveloped" countries is hampered by the lack of concrete and detailed case material dealing simultaneously with both the economic and noneconomic factors in social change over a given period of time in specific localities within these countries. If realistic plans for development are to be devised, such case material would seem to be of first importance. Without it, aggregative and statistical approaches are likely to lack meaning, and paper planning unrelated to the exigencies of local conditions likely to proliferate. A study made by the author, in company with six other anthropologists and sociologists, of a Central Javanese town-village complex in 1953-54 has provided some useful case material of this sort.¹ As the town, which I shall call Modjokuto, was founded only around the turn of the century, and the general area settled only fifty years before that, and as it was for about

¹The field work period ran from May 1953 until September 1954, with a two month gap in July and August of 1953. The project was under the sponsorship of the Center for International Studies of the Massachusetts Institute of Technology. A full description of the town, prepared by the entire project, is in the process of publication. As will be obvious from the following, I am deeply indebted to my fellow members of the project both for much of my data and many of my interpretations, though they, of course, may not agree with all of the latter. Particularly, Mr. Robert Jay and Mr. Donald Fagg have contributed both informally, through personal conversations, and formally, through their as yet unpublished reports, to the lines of thought developed in this paper. A much abbreviated version of this paper was presented at the meetings of the Society for Applied Anthropology in Cambridge, May 1956.

twenty years a kind of arena of contact between Dutch managed plantation agriculture and Javanese run peasant agriculture, small trade, and small manufacture, it provides a fairly self-contained unit for study which yet has implications beyond itself.

In the following, I shall try first to describe this region as it now exists in both its rural and urban aspects. Then I shall trace the development of the rural sector, where attention will be focused on the special nature of the interaction of plantation and peasant agriculture in the area and on the results of this interaction so far as the Javanese social structure and economy is concerned. A similar tracing will then be presented for the urban sector. In this connection, I shall discuss the economic and social development of three originally somewhat distinctive subgroups--civil servants, traders, and proletarianized or semi-proletarianized "workers"--and conclude with a discussion of contemporary, post-revolutionary social and economic patterns. In a final section I shall discuss some implications of the case material for future economic growth in Indonesia, especially in respect to the possible role of commercial agriculture in such growth. As a whole, the paper is an attempt to present the problem of economic development in broadly social and cultural terms, to deal with economic and noneconomic factors within the same general frame of reference.

THE SETTING

Modjokuto is the name of a town, a subdistrict and a district. The town is the seat of government for both the subdistrict and the district, and is an important commercial center for the whole area. The subdistrict is about thirty square miles in extent and includes within it eighteen "village clusters," while the district is about seventy-five square miles and consists of five subdistricts, including that of Modjokuto itself. The regional capital for Modjokuto is located in a small city some fifteen miles to the west and the provincial capital at Surabaya, the large eastern Java seaport, about one hundred miles to the north and slightly east. I shall, in the following analysis, be concerned primarily with the town and the subdistrict; only secondarily and rather generally with the district as a whole.

As the town lies at the southeastern edge of the Brantas River valley--the river itself passing through the regional capital--there is within the district a good deal of variation in landscape type and, consequently, of modes of land use. To the east of town the land breaks rather quickly into foothills which lead, ultimately, to a group of large, active volcanoes (the last serious eruption was in 1951; earlier ones occurred in 1901 and 1919). Southward, the country, though only somewhat broken, is either forested or increasingly dry and unirrigable. Thus, although there are some rice fields on all sides of the town, it is to the northwest that the

most highly fertile (fertilized both by the river and the volcanoes), irrigable, rice bowl land lies.

In the high mountain areas there is some rice, grown in narrowed terraces built on remarkably steep slopes, but the most characteristic crops are the more cool climate vegetables--cabbages, squashes, even some potatoes. Though some of these vegetable crops flow through Modjokuto on their way elsewhere, the bulk of them do not, so that the importance of this area for the town is, relatively speaking, small. On the drier, slightly elevated land to the south, Dutch private enterprise had a quite extensive plantation system--sugar, coffee, rubber, sisal, tapioca--before the war. During the war, squatters were invited on to the land by the Japanese occupation government. The migrants, most of whom came from outside the Modjokuto area, were given small parcels of the plantation land to farm in the native dry-land manner (i.e., a non-rice crop in the wet season, fallow in the dry), and have remained in place since the war, despite some governmental attempts to remove them. On the rice bowl land, where most of the population is settled, one finds, of course, the labor-intensive, flooded-field, double-crop agriculture characteristic of Java more or less generally, and of Central Java particularly.

A land use map of the subdistrict shows very large, continuous blocks of residential land surrounded on all sides--at least in the rice bowl area--by terraced fields. The residential blocks do not, with one or two exceptions in the case of small blocks, represent single villages but as many as six or seven (more commonly three or four)

contiguous ones. Each residential village has at least one border opening on to terraced land, which land belongs to that village out to the point where it meets similar land belonging to a village in either its own or another settlement block. An individual village is, therefore, composed of part of a residential block and an immediately contiguous block of rice fields; boundaries within both the residential and rice field blocks are almost always conceptual rather than natural, though they are usually marked with a road or a small irrigation ditch. This system, as well as some other prominent features of the general socio-ecological pattern² shortly to be discussed, is diagrammed in the following idealized sketch (it is not a true map) of the subdistrict area: (See Diagram 1, page 6.)

The town of Modjokuto is, so to speak, wedged into this village pattern. There is no political unit which may be called the town and so the distinctly urban pattern is centered in one village (also called Modjokuto), but spills over at the edges into the immediately contiguous villages--much as, say, New York City spills over into Connecticut and New Jersey--making them consequently, half urban and half rural. The over-all pattern is, then, one of a small, agglomerate urban nucleus (inner circle on Diagram 1) consisting of government administrative offices, a commercial group made up of Chinese and Javanese traders, artisans and small manufacturers, and an urban proletariat; a band of semi-urban villages

²"Ecology" here in the somewhat broad and inexact sense of the distribution of social units in space, as studied by the so-called "social ecologists." See Firey, W., Land Use in Central Boston, Cambridge (Mass.), 1947.

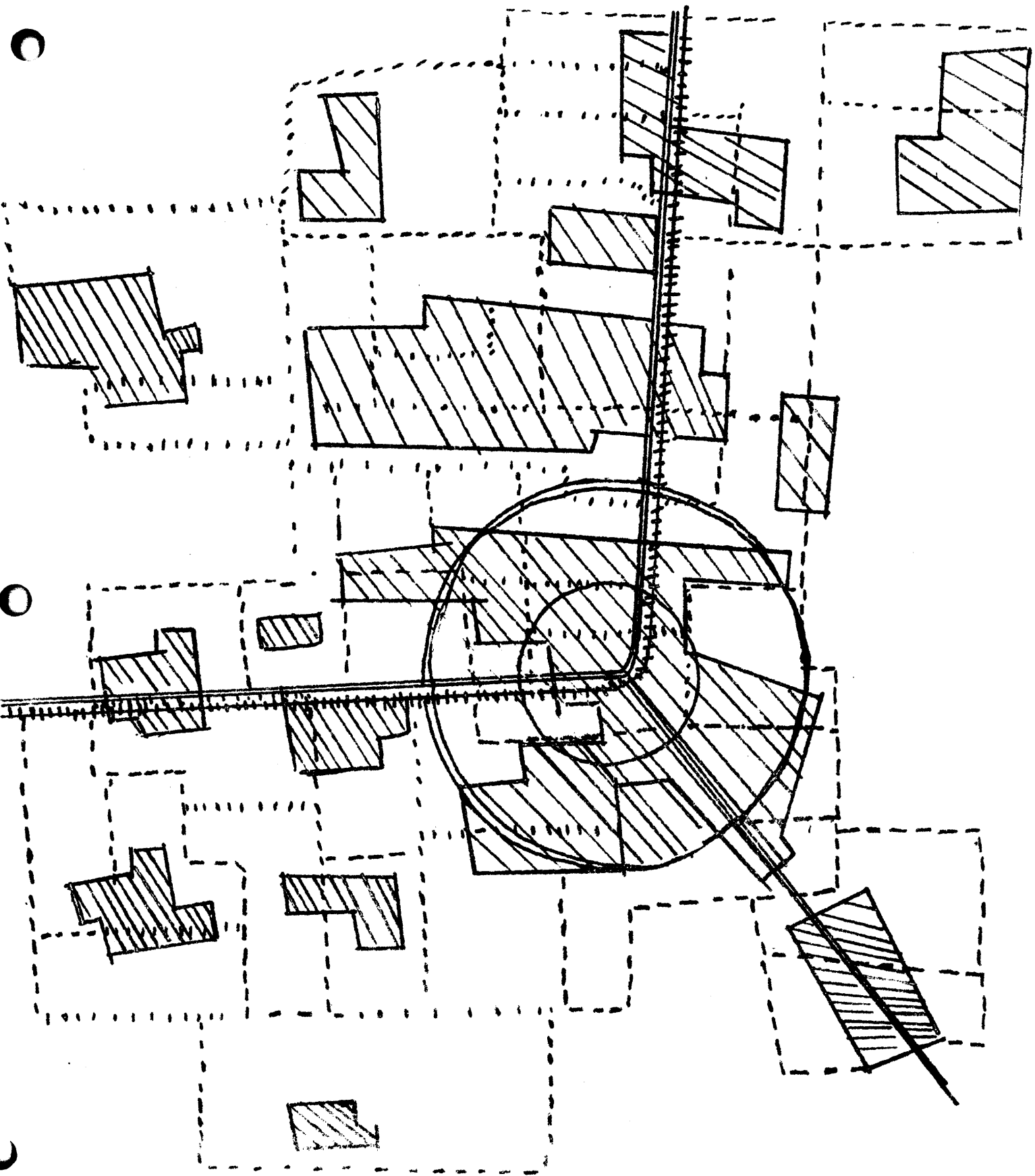


DIAGRAM 1

immediately surrounding this nucleus, part of their territory actually falling within it (outer circle on Diagram 1); and surrounding them a more clearly rural--though in no way genuinely independent or self-sufficient--band of villages or village clusters. Beyond these, one begins to move into the sphere of influence of another town in which the pattern is repeated in reverse order. The pure circularity of the pattern is, of course, somewhat disrupted by Modjokuto's position at the edge of the rice plain: to the south and east, settlements are both smaller and less regularly distributed.

There is, however, another complicating factor in the relation between political organization and ecological pattern. Dutch interest in administrative simplicity succeeded, in the years before the war, in reducing the number of village officials by joining several contiguous villages into one administrative unit--which may be called a "village cluster"--under a single locally chosen headman (these units may be seen on Diagram 2, below).³ Thus four or five villages are usually politically fused, following a common headman, clerk, religious official, and so forth. A special "village head" still remains, however, land ownership is still organized on a village basis, and each village maintains a separate shrine, so that the sense of village solidarity--as opposed to village-cluster solidarity--remains strong, the more so the greater the distance from

³For a full description of village organization in the Modjokuto area, see Jay, R. "Local Government in Rural Central Java," The Far Eastern Quarterly, Vol. XV, No. 2, February 1956, pp. 215-227.

town. As noted above there are eighteen village clusters in the subdistrict, and these comprise seventy-nine separate villages.

These various ecological communities--villages, village-clusters, town--are tied together by a transport network consisting of three elements: paved highways, a small steam-tram railroad line, and unpaved country roads (the latter do not appear on the diagram). The town itself is focused around a fork in the highway: from Modjokuto one paved road runs off westward to the regional capital, one proceeds toward the mountains to the east, and one cuts directly northward through the center of the rice bowl area to join the main central Java trunk highway (Djokdjakarta to Surabaya) at the next district capital some twenty-five miles northward. The train runs from the regional capital through Modjokuto town (where its main station and repair shop is located) to the main railroad line which parallels the above mentioned trunk highway. The dirt roads spread out perpendicularly from the three highways in long and, for the most part, straight lines. The transport grid is, thus, a fairly regular and quite extensive one: any point in the subdistrict is reachable from the town by bicycle at any time of the year in an hour or two.

1. The Rural Pattern

The village residential land is more or less evenly squared off by this generally rectangular, unpaved street grid. (As can be seen from Diagram 1, the larger settlement blocks show a marked tendency to cluster near the arterial highways.) Small, single

family houses--mostly of bamboo, sometimes of concrete--are arranged side by side one-deep along these streets, surrounded on three sides by a garden and on the fourth by a cleared front yard. The settlement pattern is, thus, also rectangular and linear within the residential blocks--a pattern emphasized by the wide-spread custom of erecting continuous whitewashed brick walls on either side of the arrow-straight streets, broken only by open gateways to each house-yard--rather than organized around any kind of center: political (the village headman lives wherever his house happens to be), religious (the village shrines are accidently distributed), or economic (with a few unimportant exceptions, there are no village markets). Population is very heavy: the more or less clearly rural population is about 65,000 within an area (the subdistrict, excluding the town) of about twenty-nine square miles, giving an over-all density of over 2,000 per square mile and, as about 40 per cent of the land is residential, settlement concentrations run upwards of 5,000 per square mile. Thus, the wet-rice village or village cluster presents a picture of a series of nuclear family residential units⁴ crowded closely together in parallel double rows (i.e., on either side of the streets), running sometimes as much as two miles in length. In such a context, effective primary group, personal relationship are commonly confined among neighbors a half-dozen or so houses apart--such neighborhood

⁴In a sampling of 153 households from four separate villages, Jay found 75 per cent of the households consisted either of father, mother, and children, or a single parent and children. See Jay, "Village Life in Modjokuto," (forth coming joint report of Java field team, Center for International Studies, MIT).

groupings often focusing around small coffee shops--or to kin living in the general area.⁵

The checkerboard appearance of the landscape is further strengthened by the hundreds of straight shot irrigation canals and by the rice terraces themselves, most of which are only about six or seven hundred square yards in area and which are bordered by foot-wide mud dams. In the terraces the peasants plant rice in the wet season (November through April) and either corn, soya beans, onions, peppers, peanuts, or sweet potatoes in the dry, usually a combination of several of these. Land is owned on a nuclear family basis and is quite fractionated, average holdings running slightly under two acres and larger holdings being extremely rare.⁶ The fields are worked either by the owner or by a tenant, either cash or share crop, commonly the latter, the tenant's share ranging from 1/3 to 1/2 of the harvest depending on the quality of the land, the nature of the social relationships between tenant and owner, and the amount of capital contributed by each. The method of cultivation is very labor intensive and is carried on by both men and women (men plough and hoe, women plant and harvest). The combination of high labor inputs, low capitalization

⁵Kinship is reckoned bilaterally and there are no supra-familial corporate kin groups. Relations further out than second cousin rarely have any real importance in an individual's life, and even within this range physical distance or urbanization may reduce the significance of kin ties.

⁶The largest holding in the subdistrict is about 85 acres, the second largest is half that. These larger holdings are themselves fragmented into two and three acre parcels, each parcel worked separately by share tenants.

(aside from irrigation systems), and great land fractionation has led to a relatively rigidified productive pattern with limited flexibility in adapting to market conditions. Most of the crop is sold, even a large share of the paddy crop, milled rice often having to be bought back in the market when stores run short. Dry crops are commonly bought up by Javanese agents of Chinese dealers (or sometimes by the dealers themselves), while rice is sold either to the Government in large amounts or in small ones to local food stores.

A labor-intensive agriculture plus a high and growing population means that the primary economic problem for the peasant is to get land and labor together in the right amounts at the right time. As a result, village social structure typically consists of an integration of political, religious, and economic activities within a traditionalized distribution of land rights on the one hand and rights over labor on the other. The land side of the equation is expressed in the gogol system of land tenure. In this system, a set of villagers--the so-called "kernel" villagers--are seen as descendants of the man or men who originally cleared and settled the village. Each of these villagers--more properly, each of these families, for the basic social unit is the nuclear family, not the individual--has a small unit of land (usually under two acres) over which he has life-long use rights. These rights are inalienable, though they are inheritable by one's own children, and they cannot be subdivided. If a nuclear villager dies without heirs, commits a crime, or leaves the village, the land is redistributed to a waiting

candidate by a meeting of all the nuclear land holders. The candidates are men who own house land but do not own shares in the nuclear rice land (no person may own two shares), and the man who has been candidate the longest is given the land. As the village leaders have extra land rights, called bengkok, as perquisites of their offices, a "natural" class ranking tends to form around the gogol tenure system. At the top are the village leaders; after them the nuclear villagers, or "full citizens," who have shares in the village rice land; beneath them the candidates (called "half citizens") who own only house land; and at the bottom are those who own nothing and board with others.

The labor exchange system is also an explicit one, involving different sorts of patterns appropriate to different economic and social contexts. Share tenancies and subtenancies of various sorts; reciprocal labor exchange patterns; share work in particular tasks (e.g., harvesting); dependent laborers supported within a household; group work in which a set of households "pitch in" to help one particular household (e.g., in house building)--all these play a part. And, further, there is a close integration between these labor patterns and the land tenure-political status patterns just described:

The next step for each household is to organize its labor resources. A variety of forms of labor relations are in use, each having particular characteristics of expense and entailed obligation. The household must decide what forms to exploit in terms of its cash and social resources. Other factors are included in the decision, especially the factor of social prestige. Each labor relationship has its aspect of social

status which each family must take into account, depending upon its social position and social ambitions. The factor of labor availability is also involved in the decisions connected with acquiring and exploiting land rights, so that these two problems become somewhat circular in their solutions.⁷

The village religious system reflects this social structure fairly precisely. The central ritual form is a sacred meal given by one household in their home for the male heads of anywhere from five to fifteen households in the immediate neighborhood, no nearer household being ignored in favor of one farther away. These sacred meals are given on various calendrical holidays, at the main transition points in the life cycle, at different stages in the crop round, and for various special purposes such as illness, bad dreams, and so forth, and they symbolize the solidarity of the neighborhood group as a territorial unification of a set of otherwise independent and distinct households. Once a year a village-wide feast of this sort is held, to which each household contributes a packet of cooked food and receives a similar packet from the general accumulation, symbolizing for the village the same sort of particular integration. There are no village cluster rituals.

This picture of village social structure is an ideal-typical model stressing the more traditional aspects of rural life and as such is, to a certain degree, false to the facts in Modjokuto. The growth of private property, monetization, and urbanization, to say nothing of the increased landlessness resulting from the rising population, has significantly blurred the edges of the

⁷Jay, "Village Life" op. cit., (preliminary draft). Jay presents a thorough description of rural labor relations and land right patterns in the Modjokuto area.

underlying pattern. For example, in the Modjokuto subdistrict, 76 per cent of the wet rice land is owned as simple, freely alienable private property, 15 per cent is in gogol, and 9 per cent is in bèngkok, so that only about a quarter of the wet land is, strictly speaking, "communal."⁸ Yet these figures also give a somewhat false view of the situation, for there is a strong feeling against alienation of even privately-owned land to people not resident in the village. Even in what was perhaps the most suburban village the amount of wet rice land held by outsiders was only about 10 per cent of the total, and most of that was owned in very small lots by townspeople rather than by really distant absentee landlords. Thus the gogol-bèngkok system is only the most explicit and most concretely specified expression of a general attitude toward land tenure (and, more broadly, toward the proper character of community life as a whole), an attitude which plays an important, if partially attenuated, role in the peasant's treatment of even nominally "private property." A similar line of argument could be developed for the relation between traditional labor patterns and wage work,

⁸With the exception of a small amount of dry land set aside as bèngkok, all residential and unirrigated cultivable land is privately owned and seems always to have been so. The Modjokuto "communal land" percentages are somewhat lower than those for all Java where 76 per cent of all Javanese landholdings (dry or irrigated) is individual, 18 per cent gogol, 5 per cent bèngkok. Hollinger, W. "The Indonesian Economy: The Food Crops Sector," Quantitative Studies 2, Indonesia; unpublished manuscript, Center for International Studies, MIT.

the latter being by now widespread in the area.

Thus, though the traditional village social structure has been strained and weakened by the kinds of developments we usually associate with increasing urbanization, it has far from been destroyed by them. It has, in fact, proved remarkable capable of absorbing a very dense population without developing a sharp class segregation of haves and have-nots. Rather than a concentration of land holdings and a disenfranchized proletariat, there has occurred a fractionization of both the land tenure and labor rights side of the equation so that the structure can contain more people: thus several villages in the Modjokuto area recently doubled their number of nuclear citizens by halving the holdings of each citizen; thus complicated tenancy, subtenancy, renting and subrenting patterns have developed which allow a greater number of people to claim a small portion of agricultural output from a single piece of land.⁹ Such a social structure, its agricultural base growing more and more labor intensive, holds an increasing number of people on the land through a pattern I have called elsewhere "shared poverty," a kind of supersaturated solution of land and people sustained at a level of living only slightly above subsistence.¹⁰

⁹The pattern of equal inheritance of private property is also, of course, a structural factor of major importance in this connection. The absence of a primogeniture pattern, or even of male inheritance, allows a very great number of people to find some sort of a landed base within the rural society.

¹⁰See Geertz, C., "Religious Belief and Economic Behavior in a Central Javanese Town: Some Preliminary Considerations," Economic Development and Cultural Change, Vol. IV, No. 2, 1956, pp. 134-158. Hollinger ("Food Crops . . .," op. cit.) notes that this pattern seems to have held for the whole of the modern period: "Has Indonesia's

Equally interesting is the spatial variation in the gogol-bèngkok tenure pattern, which we may take as the most readily observable index of the traditional village social structure, throughout the subdistrict. Not only does the per cent of land under gogol-bèngkok tenure vary from 62 per cent in one village cluster to 7 per cent in another, but the strength of the tenure pattern within any village cluster is directly correlated with the per cent of the total cultivated land in that cluster which is irrigated. That is to say, village clusters in which wet rice cultivation plays a proportionately larger role are those in which the traditional gogol-bèngkok land pattern also plays a proportionately larger role. Diagram 2 shows this general distribution, with the clusters ranked in these terms. The heavily shaded clusters (1 to 6) are areas having a relatively high pro-

economy been unable to get its development program "off the runway" by a constant pressure of population upon available food producing resources? Has there been a secular reduction in per capita consumption of food? In reviewing the historical record [for Java and Madura only] one is struck equally by the rapid increase in population and pari passu, the expansion of food output. . . . In his basic study: The Food Consumption of the Native Inhabitants of Java and Madura, Dr. M. P. A. Scheltema comes to the conclusion that 'if, now, the average amounts that (without deducting seed) were available for use per head of the people are passed in review, it will be obvious at once that there is no question involved of a continuous rise or fall in the amount [Scheltema's italics]'. . . . Taking all the historical evidence into consideration, we conclude that per capita food consumption has been maintained throughout the period of rapid population increase, but it has never risen above a minimal level. This is succinctly put by the Dutch economist, J. B. D. Derksen: "Irrigation projects, government controls of food supplies and other measures have succeeded in combating famines, but not in raising the real food consumption per capita over the last century."

portion of their fields in gogol-bèngkok tenure, and a relatively low percentage of unirrigated fields. In the unshaded clusters (15-18), the reverse is true: low percentages of land in gogol-bèngkok tenure, high percentages of cultivated land unirrigated. The other, dotted, clusters (7-14) lie in between: less of their land is in gogol-bèngkok than in the rice bowl area, but less of their land is dry than in the dry areas.¹¹

This distribution of land use and social structure is an outcome of the interaction of three separable factors over the whole period of Modjokuto's history since its settlement in the mid-nineteenth century: the geography of the area, the temporal order in which it was settled, and the specific historical events which have occurred there. From the point of view of geography, the distribution reflects the position of Modjokuto at the edge of the rice plain, the rice culture thinning out as you move toward the high mountains eastward and the old plantation areas southward, the Brantas River rice basin thrusting into the area from the northwest. Differences in land use are then in part simple reflections in differences in the adequacy of the water supply. From the point of view of migration, the distribution

¹¹The map was drawn by ranking the clusters, first in terms of the per cent of field land privately owned (i.e., not in gogol-bèngkok tenure), second in terms of the per cent of unirrigated field land (the rank order correlation between the two rankings, r , is .77). The heavily shaded areas, then represent clusters in which less than 75 per cent of the land is privately owned (i.e., more than a quarter is in gogol-bèngkok) and less than 10 per cent is unirrigated. The unshaded areas represent clusters in which more than 80 per cent of the land is privately owned, but more than 35 per cent is unirrigated. The intermediate areas show more variation, but in them more than 75 per cent of the land is privately owned, while less than 35 per cent is dry.

to river

wet rice land
(Brantas River basin)

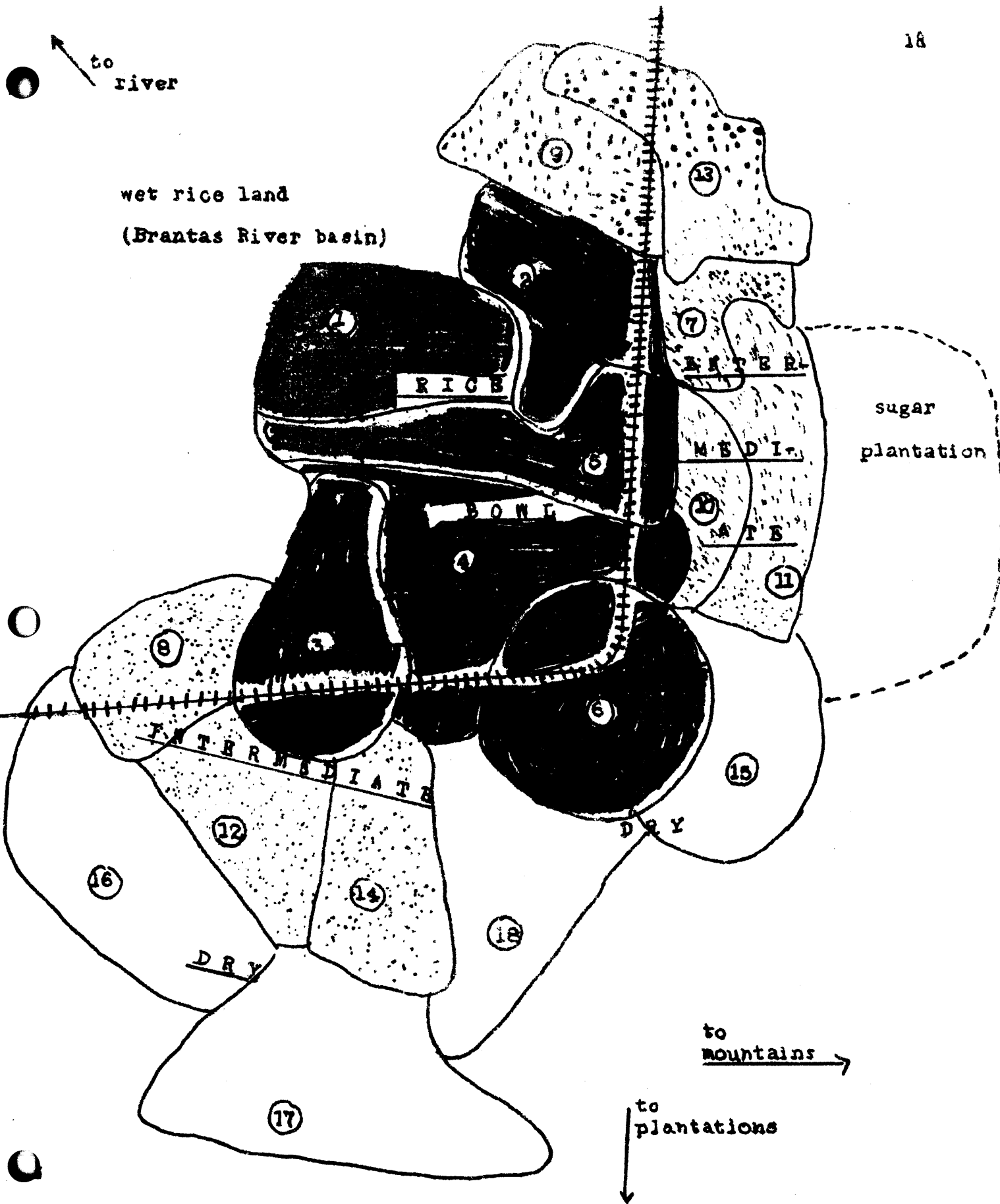


DIAGRAM 2

reflects the order in which the area was settled, the rice areas generally being cleared and cultivated earlier than the drier ones. Fairly large groups of people settled the rice bowl villages more or less at one fell swoop, each such group thus being the original gogols, or nuclear villagers, while the later settlement of the drier areas came as population pressure forced people individually, or family by family, farther and farther away from the river, intra-regional migration in this direction continuing up until fairly recently. But that these factors have not in themselves been more than partially determining is apparent from the fact that prior to the first decades of this century, the heavily shaded clusters were rather more like the dry areas are today, at least insofar as the land use is concerned, than like the heavy rice areas they have since become. The contemporary predominance of wet rice in these clusters is, therefore, in part a result of the concrete history of the area, of the cultural, social, and economic contact between the Javanese peasant and Dutch plantation manager.

2. The Urban Pattern

The town is another problem altogether. In the first place it is not, as is the village, a single more or less homogeneous social structure, the elements of which tend to repeat themselves, like a wallpaper design (fraying off at the edges) throughout the whole countryside. Rather, it is a social composite, an only partially organized coincidence of separate social structures, the most important of which are the government bureaucracy, the market network, and a

somewhat revised version of the village system. These elements have shaped the growth of the town since its beginning (it was founded in the latter half of the 19th century): the placing of a branch office of the colonial bureaucracy there turned the village into an embryonic town in the first place; the booming plantations and the secondary stimulus from them to native and Chinese trade turned it into a prosperous commercial cross-roads; and the transformation of village people living there into townsmen--a transformation which is still going on--provided it with the final element of urbanization, a reserve army of underemployed. The town has thus been the meeting ground of peasant, trader, and bureaucrat for over seventy-five years, but even today the relations between the three are complex and only partially defined, and Modjokuto, though in area (about two square miles) the size of a New England town, a Southern country seat, or a Midwestern Main Street town, has more the social formlessness and heterogeneity of a small American city. It also has something of the population: about 22,000, of whom 1,900 are Chinese, a handful Arabs, Indians, Eurasians, or natives of other islands of Indonesia.

There are two business districts in the town, one at the north end and one at the south, with the Government offices in between them, strung out from the cross-roads along the road which runs to the regency capital. The southern business section is both more Chinese-dominated and more town oriented, while the northern, though still containing many Chinese stores, has a greater Javanese element, and it is here that the market is located. For the most part the Chinese stores sell general hardware, clothing, furniture, jewelery, certain "luxury"

foods and other goods not produced locally (as well, of course, as some which are); and, as mentioned, the Chinese also play the major middleman role in the dry season cash crop economy, transporting the bulk of them to Surabaja by truck. They also mill the local rice under Government contract, engage in some manufacture, and even in a certain amount of service trade. So far as possible, they remain aloof from the Javanese community in other than commercial matters. Internally they are tightly organized in terms of the distinction between those Chinese born in Indonesia and those who were born in China and immigrated to Indonesia (the latter being more aggressive economically and generally dominant), in terms of their dialect group (Hakka, Hokkien, etc.), in terms of extended kinship reckonings, and, to some extent, in terms of the Kuomintang-Communist distinction. Relations with the Javanese--particularly with urbanized Javanese who regard the Chinese as having a stranglehold on the economy--tend to be tense, and several Chinese were murdered in Modjokuto during the Revolution.

As for the market (which in a physical sense, is a set of sheds and platforms, spaces being rented out to sellers by the Government), almost every sort of consumption good is sold there, usually on a very small scale and on a very thin profit margin. The trading pattern is a very individuated one, the traders--all of whom are Javanese and almost all of whom are full professionals--only rarely combining into super-individual commercial enterprises. Many traders sell outside of the physical market, travelling to the villages, the squatter areas, or the mountains, or setting up small shops

around town. There are a few fairly developed stores owned by Javanese in both the northern and southern business sections, but their volume and range of activities, in the face of Chinese competition and a shortage of capital, is not great. There are also some Javanese manufacturing enterprises--both of the putting-out and small factory type--in cigarettes, lumbermaking, food processing, garment making, and so forth, but they tend to be rather small and more or less unmechanized. And there are also a great many independent small craftsmen--carpenters, tailors, etc.--scattered around town. In general, one can say that the Javanese sector of Modjokuto business life is centered on intra-local trade, the Chinese around inter-local. There is, of course, some overlap, but, as we shall see, rather less than there once was.

The government offices and the schools form the "bureaucracy" element in the urban social structure.¹² The white-collar, salaried employees of these institutions--clerks, draughtsmen, administrators, nurses, teachers, and so forth--comprise the social elite of the town. They tend to dominate the private economic, political, charitable, and educational organizations which have particularly proliferated

¹²In addition to the district and subdistrict headquarters, the Government offices included an irrigation service, an agricultural extension station and experimental farm, a pawnshop, a fishery, an office of religious affairs, a public works bureau, a poorhouse, a post office, a slaughter house, a telephone service, an electric power company, a state police headquarters, a market administration office, a public schools office, an army school, a hospital, and the head offices of the railroad. There are Government schools in the town (there are usually two or three in each village cluster, too), as well as several private ones. There is also a large private hospital built by a Dutch plantation company before the war.

since the war. They set the style-of-life models for the society generally. And they are, as a group, more-status conscious, more educated, more concerned with a Javanese variety of Hindu-Buddhist mysticism (though, as almost all Javanese, they are professed Moslems), as well as more Dutch-influenced than the mass of the people. As for the third element, the displaced peasants (or descendants of peasants displaced earlier), they fit into the general urban structure as best they can--they may become independent craftsmen, marginal traders, or manual workers either for the Chinese or in the Government services, or they may merely remain more or less unemployed, living off relatives or output from a small share in village land to which they still have rights.

The settlement pattern of the town tends to reflect the general looseness of the relations between these major groups. The Chinese live in their stores, almost all of which are along the two main streets. The more successful urbanites--mostly officials and traders--live along the other streets in stone houses, more or less at random, though there are at least two somewhat distinctive neighborhoods: the most desirable location for a teacher or Government official is along the main road to the regency capital beyond the point where the Government offices end; and many of the richer traders who are also pious Moslems tend to live along the street which runs from the market past the mosque.¹³ As for the lower classes, they tend to

¹³The tendency, rather less marked today than before the war, for the more puristic Moslem element in the population to dominate the native trading sector is in part a result of the central role Islam played in

live not along the streets at all, but within the blocks the grid outlines in enclosed settlements the Indonesians call kampongs.

The kampong type of settlement is characteristic of town and city life everywhere in Java and is, in fact, something of a reinterpretation of the village pattern in terms of the denser, more heterogeneous, less organically integrated urban environment. In the kampong pattern the whole block is owned by one or two people---quite commonly, but not necessarily, one of the people in the stone houses facing the street. The small bamboo houses, of the same sort common in villages, are placed about haphazardly in crowded profusion on this block, often with very little space between them, there being no gardens in the town, except around a few of the larger stone houses. These bamboo houses are usually owned by the occupants, though they are sometimes rented, also. Figures for people who own but the house or who rent both house and land are, consequently, an excellent index of urbanization, as can be seen from the following totals for four kampongs in the center of town, for a "neighborhood" in a sub-urban village, and for a "neighborhood" in a rural village:¹⁴

	<u>own house and land</u>		<u>own house, rent land</u>		<u>rent both</u>	
	no.	per cent	no.	per cent	no.	per cent
urban (four <u>kampongs</u>)	27	10.5	120	60.4	100	39.4
sub-urban	22	68.9	7	21.9	3	9.2
rural	58	95.8	3	4.2	0	0

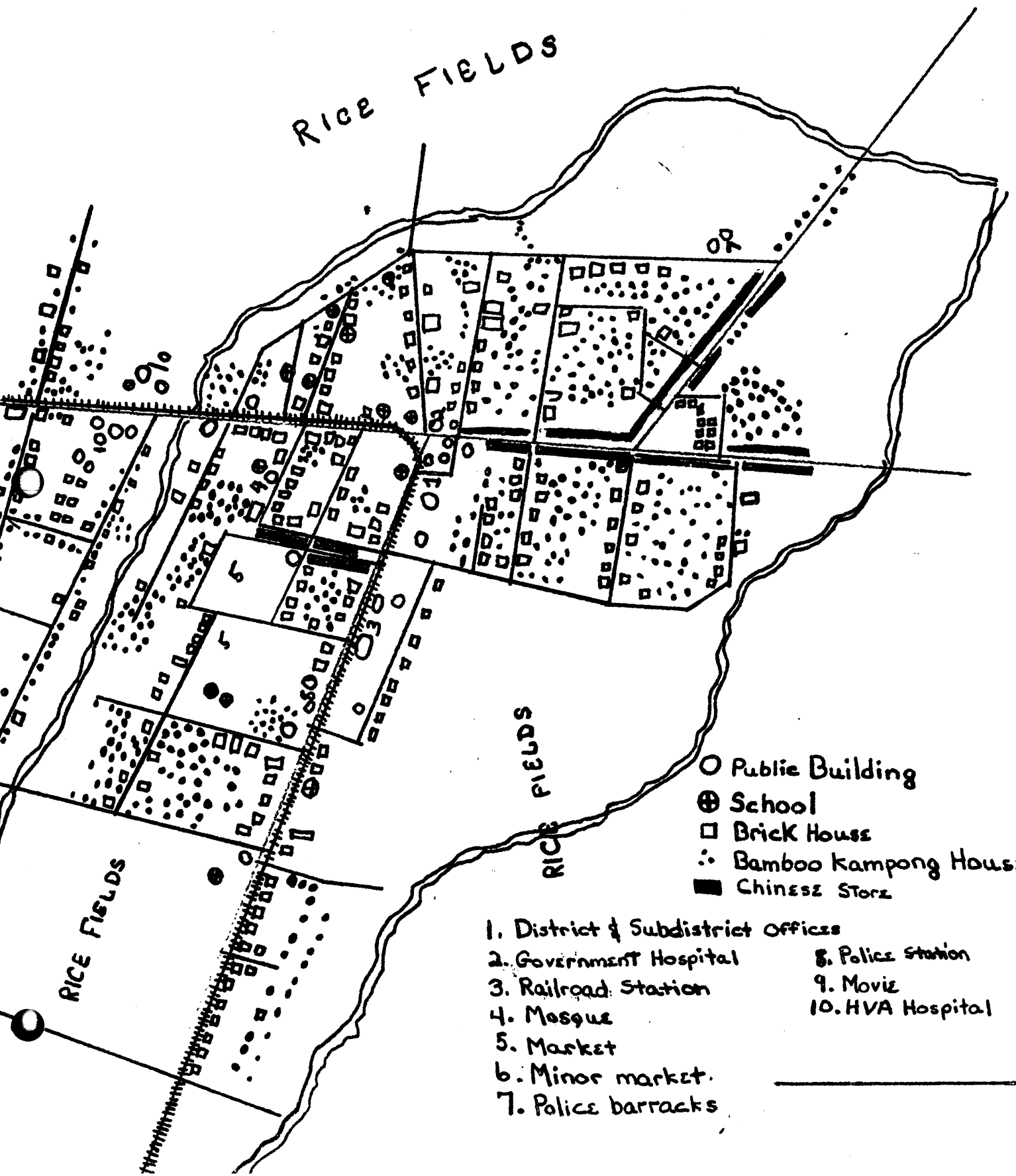
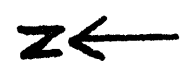
the expansion of trade along Java's north coast in the 15th and 16th centuries. See Geertz, C., "The Development of the Javanese Economy: A Socio-Cultural Approach," unpublished manuscript, Center for International Studies, MIT.

¹⁴I am indebted to Mr. Robert Jay for rural figures.

The kampong, in part at any rate, represents an urban reinterpretation of village life (the term kampong itself is, however, in some parts of Indonesia, used to refer to rural neighborhoods as well as urban). It is here that the exchange feast-giving pattern which is the center of village religious life remains the strongest, though in the absence of the demands for economic cooperation enforced by village agriculture such feasts tend to be more symbols of vague kampong solidarity or lack thereof--of a relatively (but not absolutely) substanceless "neighborliness."¹⁵ The atomization of social life has often gone further there. It is in the kampong areas especially that you find the usual signs of social disorganization: thievery, prostitution, gambling, and drinking (though due to the general Javanese sobriety, and the high cost of liquor, there is surprisingly little of this latter). But it is also in the kampongs that you find attempts to rework rural patterns into more flexible modes of living, and the growth of a distinctly urban, "lower class" culture. This general discussion of the socio-ecological pattern of the town is summed up in the following sketch (which, again, is not a true map). (See Diagram 3, page 26.)

¹⁵Around the mosque, behind the houses of the better-off pious Moslem traders, poorer people of similar religious intensity, also commonly traders or craftsmen, live in a kampong, the so-called kauman or "Moslem quarter." Here the pattern of life is similar to that in other kampongs except the feasting pattern is weaker and atomization somewhat less due to the strong in-group feeling of these people, and, perhaps, to the peculiar adaptability of Islam to just this sort of urban living.

1/2 mile



- Public Building
- ⊕ School
- Brick House
- ∴ Bamboo Kampong Houses
- Chinese Store

1. District & Subdistrict Offices
2. Government Hospital
3. Railroad Station
4. Mosque
5. Market
6. Minor market.
7. Police barracks
8. Police station
9. Movie
10. HVA Hospital

RURAL DEVELOPMENT

After the Diponegoro War (1825-1830) and the Culture System (1830-1870)¹⁶ severely disturbed the Central Javanese agrarian economy, migration eastward increased, a movement which was further encouraged by the Indies Government which was interested in developing the still sparsely settled region south and east of Surabaya. Migrants from the north coast area (Kudus, Demak, Gresik, the so-called "Pasisir"), from the Central Java principalities (i.e., the Jogjakarta-Surakarta "Mataram" region), and from the other areas of East Java already somewhat settled (Madiun, Kediri, Modjokagung, Telungagung) began to come into the Modjokuto area, clearing off the forest in the rice plain and forming villages. Modjokuto was thus something of a frontier area, although settlements in many parts of East Java trace back to pre-colonial times. As a result, it had a looser sort of socio-economic structure than was common in the already heavily populated regions of Central Java, out of which so many of the settlers had come and where the classic Javanese

¹⁶ The Culture System was an oppressive but remarkably productive forced cultivation scheme in which peasants were obliged to grow commercial crops for the Colonial Government on 2/5 of their land in lieu of money taxes. For a description of this system, see Furnivall, J.S., Netherlands India, Cambridge (England) and New York, 1944, pp. 108 ff. The Diponegoro War was a fairly extensive rebellion against Dutch rule in Central Java led by a prince of the Jogjakarta court. See van der Kroef, J.M., "Diponegoro, Progenitor of Indonesian Nationalism," Far Eastern Quarterly, August 1949, pp. 429-450.

civilization was centered. Wet rice cultivation took up a rather smaller proportion of the land in Modjokuto than in Central Java, while dry fields and grazing land took up a rather larger proportion. And this ecological pattern--still characteristic of Madura and parts of Java farther east--was a more open, flexible mode of adaptation, seemingly capable of development in any one of several directions. However, after a brief period of expansion when it seemed possible that rather distinctive--for Java--social, cultural, and ecological patterns were in the process of developing, patterns which might have led to a more dynamic sort of society, the economic history of the rural area is one of a progressive rigidification toward the typically Central Javanese modes of land use, social organization, and cultural outlook, a replication, with some differences, of the essentially static village society of the principalities.

Besides the cultural traditions the settlers brought with them when they moved into the area, there was, after the turn of the century, another force shaping the development of Modjokuto--the plantation system. The plantation system introduced "capitalistic" (i.e., capital-intensive) forms of economic organization into the area, reshaped traditional patterns of land use, and markedly altered the distribution of income within the native society. All of these, it turned out, were but temporary effects, for, as we have seen,

the plantation system has, by now, for all intents and purposes disappeared from the area. But they were crucial nonetheless, not only because important traces of them remain, but because they demonstrate that the interaction between "Western" patterns of economic activity and "Eastern" ones is not always so simply destructive and disruptive of indigenous social and economic organization as it has so commonly been described as being, but is in some ways often reconstructive as well; and that, in fact, the anti-developmental elements may more often be due to the social context within which the interaction of the two sectors takes place. Even under the admittedly exploitative, race-structured, export-oriented, and, in the long run, completely unworkable colonial setup, the plantations came close to building a new sort of rural society in

Modjokuto, and only the great depression, the inertia of the indigenous system, and, most crucially, the inner contradictions of imperialism seem to have prevented them from doing so. The "only" here may seem incongruous, but the point, as we shall see, is that although the final effect of the plantations on the Modjokuto area must be judged to have been negative from the point of view of both welfare and material progress, the causes for this are not primarily economic, but social and cultural.

1. The Growth of the Plantations: The Boom Period

The first plantation in the area (it was in sugar) was set up in 1879 on the basis of a seventy-five year lease of Government-owned "waste" (i.e., unsettled) land. By 1875, there were five or six more under way--in coffee, cassava, tea, and sisal (ultimately a little rubber was tried, too)--and, by 1925, at the height of the expansion, there were ten sugar mills, three tapioca mills, and two sisal mills spotted around the countryside within a twenty mile radius of the town. Within approximately the same radius there were about 20,000 acres of long-lease land, 2,000 acres of it lying just at the edge of the subdistrict.¹⁷

But, even more important from the point of view of its effect

¹⁷Actually, one company, Handels Vereenigen Amsterdam (HVA), dominated the scene around Modjokuto and these figures are all for its activities only and are, therefore, a shade conservative in terms of the whole picture, for there were one or two factories and small plantations in the area belonging to other companies. The figures for HVA were given to me orally by the present representative of the company in the area.

on native life, the sugar mills, which could not grow their crop very efficiently on the dry lands to the south, rented about 2,500 acres a year of the best subdistrict rice land from the village peasants for cane growing. The system--essentially a readaptation of the Culture System method to a system of nominally private enterprise--was for the mills to contract leases through the village chiefs with whole villages for a twenty-one and one-half year period. Each eighteen months (the growing period for sugar plus four months) a different one-third of each village rice land was surrendered to the company, the remainder being left to the peasants to till as they wished.¹⁸ As there are about 10,000 acres of rice land in the subdistrict, the sugar concerns were renting, again around 1925, somewhere around 25 per cent of the wet rice land each year. If one compares this figure to the Java-wide average of 6 per cent a year,¹⁹ it becomes clear that Modjokuto before the war can properly be referred to as a "sugar area."

Some idea of the general size of the expansion, as well as of the collapse following it, can be gathered from the following figures for the railroad--which by 1925 had seven branch lines

¹⁸In the Modjokuto area the mills (four of which were directly involved so far as the subdistrict was concerned) as often rented one-half as one-third of a village's land for a year, though strictly speaking this was illegal. For an excellent general description of commercial sugar cultivation in Java before the war, see van der Kolff, G. H. "An Economic Case Study: Sugar and Welfare In Java," in Ruopp, P., (Ed.), Approaches to Community Development, The Hague and Bandung, 1953, pp. 188-206.

¹⁹Ibid.

running off to the various mills, 28 woodburning locomotives, and ran seven trains a day in either direction along the main line and three or four along each of the branches:²⁰

	<u>Freight (metric tons)</u>	<u>Passengers</u>
1900	8,000	650,000
1915	300,000	1,600,000
1929	330,000	1,750,000
1934	20,000	650,000

A similar picture is given by the average yearly rents per bau (one bau equals 1.77 acres) paid by the plantations to the peasants.²¹

1913	f1. 37.87	100
1920	68.13	156
1924	74.74	200

Plantation wages show the same general pattern, but with the peak in 1920, which, as the first year of "normalacy" after the war was the boom year of boom years: from 1919-1928, excluding 1920, the export sugar price fluctuated between f1.14 and f1.28 a quintal,

²⁰Encyclopaedie Van Nederlandsche-Indie (tweede druk), s'Gravenhage and Leiden, 1921-1939, Vol. 4, p. 84, and Vol. 8, p. 1809. The 1900 figures are actually derived from unbroken down totals for railroad activity for all of Java by assuming a constant percentage of the total for the Modjokuto line, a procedure which, if anything, would be likely to lead to a too generous estimate and so de-emphasize the expansion.

²¹Verslag van den Economischen Toestand der Inlandsche Bevolking, 1924, s'Gravenhage, 1926, p. 149. Indexes calculated. If we use the 2,500 acre a year figure given above, this comes to about f1.50,000 paid out to landholders in the subdistrict in 1913, vs. about f1.100,000 in 1924. The totals for the whole regency (twenty-one subdistricts) are a million and a half million. (Ibid.)

but in 1920 it was fl.53.²² The total indexes for payments to unskilled labor in this period are as follows:²³

	<u>Sugar</u>		<u>Non-Sugar</u>
	piece work	day wages	day wages
1913	100	100	100
1920	154	183	162
1924	119	149	143

Prices in the area rose too, of course:²⁴

	unmilled rice	milled rice	maize	cassava	peanuts
1913	100	100	100	100	100
1919	329	276	200	225	266
1924	154	180	200	144	156

	soyabean	coconuts	oxen	caribau
1913	100	100(1918)	100	100
1920	186	180	339	266
1924	143	130	170	118

From these last three sets of statistics--rent, wages and prices--the study of the regency in 1924 from which they are taken draws three conclusions which, more or less, sum up the direct effect on the Javanese population of this short burst of development:

²²Encyclopaedie van Nederlandsche-Indie, op. cit., Vol. 6, p. 884.

²³Verslag van den Economischen Toestand. . . , op. cit., p. 151.

²⁴Ibid., p. 148 and 149. Indexes calculated from quoted prices. Maize is both the secondary staple and an important cash crop. Cassava is a tertiary staple and a cash crop. Peanuts, soyabeans, and coconuts are largely cash crops. Oxen are used for transport purposes as well as ploughing, caravau only for the latter.

1. Manual laborers in 1924 were in a poorer position than they had been in 1913, and especially than they had been around 1920.

2. Small landholders who could not make a complete living out of their land were even less well off, particularly in the poor harvest years of 1921 and 1922.

3. The larger landholders were gaining in welfare, although their gains were tempered by the poor harvest years of 1921 and 1922.²⁵

The plantation economy stimulated a change toward larger holdings and toward the proletarianization of marginal peasants. As the Dutch sugar managers contracted both land for renting and seasonal labor through the village chiefs,²⁶ this group tended to benefit differentially from the expansion of commercial agriculture and to have their political position strengthened as well. Other individuals, somewhat well off to begin with, benefited in similar ways, for the mills often lent money to favored Javanese to buy up land on the condition that it would then be rented to the mill on the mill's terms. In some cases, they actually bought the land outright--and illegally, for there was a law against the alienation of Javanese lands--through Javanese front-men, most commonly, members of their own permanent staff--clerks, draughtsmen, etc.--or Javanese Government officials. Also, although planting was carried out by a seasonal work force organized under permanent foremen, sugar grown

²⁵ Ibid., p. 152.

²⁶ And later through village-cluster chiefs. The Government's administrative reform of village organization was, apparently, in part stimulated by the interests of the mills in having fewer Javanese with whom they must treat.

on peasant land was often harvested under contract by somewhat more prosperous peasants. These peasants were given oxen by the mills as an advance and hired their own day laborers, transporting the cane to the railroad either by oxcart or along the small trolleys--also pulled by the oxen--the mills laid out every few miles or so among the village rice fields. Such contracting was evidently quite profitable for these agrarian entrepreneurs and, as village chiefs usually gave out these contracts, it was quite profitable for them too.

There grew up, consequently, something of a larger landholders' class,²⁷ made up of village chiefs and other well-to-do peasants. Both of these had a tendency, as a matter of fact, to be members of the puristic Moslem element of the rural population, their increasing economic strength being supported by Islamic consecration of thrift, by rural religious schools vaguely reminiscent of European monasteries in their emphasis on the spiritual virtues of agricultural labor, and by the motivation to save enough money to go on the pilgrimage to Mecca.²⁸ These large land-

²⁷The largest landholdings in the subdistrict seem to have been about 120 acres and there were several of these as well as many only somewhat smaller ones. In the next district northwest--i.e., toward the Brantas River--a few men seem to have had holdings as large as 200 acres or so. Holdings were also, informants claim, rather more continuous in extension than they are today.

²⁸For the prewar dominance in this area of more orthodox Moslem village chiefs, see Jay, "Local Government . . .," op. cit. For a general discussion of religious variation and economic factors in Modjokuto, see Geertz, C., "Religious Belief . . .," op. cit. As for the pilgrimage, its immediate effect was, of course, as a drain on capital into consumption expenditure; but its most important effect

holders--often intermarried--in addition to being labor hirers and harvest contractors were, commonly, "money lenders" as well, though they most often lent in the form of consumption goods--sugar, rice, textiles--at, of course, increasingly exorbitant interest rates.²⁹

With factory credit or personal savings some of them bought agricultural equipment--oxen, ploughs, hoes--which they resold, lent, or rented to small peasants or their tenants, and a few traded in the dry land cash crops which were coming increasingly to be cultivated at this time, selling them to the town Chinese. They even tended, in several cases, to develop a new settlement pattern, moving out from the solidly settled village block to live in isolated and (relatively speaking) palatial splendor in the middle of their fields.

Here we would seem to have--ignoring for the moment the racial caste and "plural economy" elements involved in the colonial nature of the organization of this whole pattern--a collection of some of the same elements which accompanied development in England in the 16th and 17th centuries: rising prices, a moderate decline in

seems to have been to give certain aggressive peasants a religious-economic goal toward which they could direct their lives and so build up more complex and systematic patterns of economic behavior. The large consumption expenditure was offset, in development terms, by the growth of more "rational" forms of economic organization and ethic which that expenditure slowed but did not reverse. Not all large landholders were, however, pious Moslems, in any case.

²⁹The fact that rents and wages were, for the most part, in money, meant that the sector of the population most able to handle money effectively gained at the expense of the less able. Though sometimes this meant the small peasant falling into the hands of the Chinese or Arab money lenders, it often meant, at this period, his falling into those of the Javanese money lender. It was only after the depression that the Chinese lenders were largely without important Javanese competition.

real wages, higher rents, increasing technical efficiency,³⁰ consolidation of landholdings and enclosures (i.e., of the so-called waste-land), and at least the beginning of a genuine rural "middle class" of slightly larger landholders.³¹

As in England, the structure of the economy was changing so as to bring the size of the agricultural productive unit more into line with the abilities of the rural farmer to manage resources, to come to terms with the limited divisibilities of capital and organization as factors of production, and so make freehold agriculture more a "businesslike" and less a "subsistence" proposition. There are altogether crucial differences between the two developments;³² but the point is that, for a brief

³⁰ Mostly (but not entirely) on the plantation side. The pre-war sugar industry in Java was probably the most efficient in the world. In 1834 mean sugar output was 13 quintal per hectare; in 1857 it was 40 quintal per hectare; in 1923, 111; in 1924, 118 (Cuba in 1924: 52 quintal per hectare, and supposedly Javanese sugar was much superior in quality). This increase was mainly due to the great amount of scientific research--most particularly in the experimental station at Pasuruan--improved irrigation system, less waste in milling (from 1917 to 1930 wastage dropped from 9 per cent to 5.3 per cent; Encyclopedie van Nederlands Indie, op. cit., Vol. 6, p. 884), and progress in labor supervision. Gerritzen, J., De Welvaart van Indie, Haarlem, 1926, pp. 22-47. The same author--admittedly something of an apologist for the sugar industry--calculated on the average in 1923-24 the cash output of a hectare of wet-rice land in "native" crops (rice and dry season planting) was about fl. 170, in sugar fl. 1860.

³¹ See Nef, J.U., "The Progress of Technology and the Growth of Large Scale Industry in Great Britain, 1540-1640"; Nef, J.U., "Prices and Industrial Capitalism in France and England, 1540-1640"; and Tawney, R.H., "The Rise of the Gentry, 1558-1640," all in Carus-Wilson, E.M., (Ed.), Essays in Economic History, London, 1954, pp. 88-107; 108-134; 172-214.

³² Not the least notable of which is that the growth of medium sized land holdings in England took place both from a process of leveling down the large nobility holdings and "leveling up" small, intensively worked peasant holdings, so that "the upper ranges of English society came to resemble less a chain of high peaks than an undulating table land" (Tawney, op. cit.); while, due to the virtual absence of a landed aristocracy in the Modjokuto area, only the second, leveling up, process was of importance.

period, the plantation system threatened to force a complete re-organization of the Javanese peasant economy (and, beyond it, the Javanese social structure) in the Modjokuto area. That it did not succeed in doing so was primarily due to three facts: (1) the boom was short lived and collapsed almost entirely; (2) the form in which the plantation pattern impinged on the indigenous subsistence pattern tended to mitigate its transformative effects; and (3) the indigenous pattern was deeply rooted and had been further strengthened by colonial agricultural and administrative policies in the 19th century, most particularly by the culture system.³³

2. Plantation Policy and the Peasant Economy

The depression was as severe in the East Indies as anywhere else in the world, and the collapse of the international sugar market sent the plantations skidding down an incline from which--despite some desperate efforts in the late thirties--they never really recovered.³⁴ The first reaction to falling prices by the industry was to maintain production almost constant so that by 1933 on-hand sugar stocks were about seventeen times as large as they had been in 1930, while exports had fallen about a half by volume,

³³For a review of this period in terms of economic development, see Geertz, "The Development of the Javanese Economy . . .," op. cit.

³⁴The main cause of the sugar collapse was the disintegration of the international "free" market: "The free sugar market has become continually smaller, as one country after another--the United States, Great Britain, British India, Japan--closed their frontiers or made competition impossible through measures of imperial preference. . . . The so-called free market for sugar could be estimated at only two and a half million tons per year in 1935; and on this market Java, Cuba,

three quarters by value.³⁵ After this date, radical cutbacks in production occurred, the 1934 production being about a fifth of that in 1930-1931. Just before the war a small recovery took place, production returning to about half the 1930-1931 level by volume, a third by value, but this had only a very marginal effect in the Modjokuto area.³⁶ Since the war, the role of sugar in Indonesian exports has remained very low, though it shows signs of improving, while internal consumption has risen sharply.³⁷

But the other, less purely economic, aspects of the problem, those concerned with the special nature of the interaction between

Peru, San Domingo, Czechoslovakia, Poland, Hungary, and other countries competed with a collective offer of 3.2 million tons. Moreover, among them were competitors who had a protected and extremely remunerative home market for a large part of their output and could therefore offer their surplus product on the free market at a loss." Boeke, J. H., Economics and Economic Policy of Dual Societies, as Exemplified by Indonesia, New York, 1953, p. 245-246.

³⁵Furnivall, op. cit., p. 437; Boeke, op. cit., p. 247.

³⁶Boeke, op. cit., p. 247.

Up until the late thirties over 80 per cent of sugar production was exported vs. only about 25 per cent in 1953. Kraal, A., "Indonesia and Sugar," Berita Mapié, Vol. III, No. 4, 1954, pp. 20-23. The change by value of Indonesia's three leading exports from 1900 to 1940 (sugar no longer being a leading export by the latter date) was as follows:

	1900	1925	1932	1937	1940
Sugar	29%	22%	18%	5%	6%
Rubber	6	32	18	33	38
Oil	1	11	8	16	19

Ibid.

commercial and subsistence agriculture in the Modjokuto area, are even more interesting from a theoretical point of view, for they suggest that certain social and cultural factors were confining the impact of "capitalist" organization of agriculture on the traditional village economy along very circumscribed lines and might (or might not) have continued to do so even had world commodity prices remained stable. They suggest, also that theories which impute an intrinsic economic antagonism between "capitalist" and "pre-capitalist" forms of productive organization tending to drive the two further apart and to lead to exploitation of the second by the first (unless benevolent government intervenes to isolate the two sectors from one another) may be in need of revision.³⁸

From both sides, the Javanese and the Dutch, there were strong social and cultural forces acting against the changes "capitalistic" organization of production was tending to stimulate. On the Javanese side, the main conservative force was, of course, the village tradition of Central Java which the peasants would naturally tend to replicate in Modjokuto if the social and ecological conditions within which they found themselves were capable of supporting it. On the Dutch

³⁸For this kind of theory, see Boeke, op. cit. Admittedly, it is not always clear whether Boeke regards the clash between "East" and "West" as primarily cultural or economic (or even racial), and as he takes the relativistic view that "every social system has its own economic theory," to that there is a "primitive economics" for pre-capitalist societies, a "capitalist economics" for a capitalist society and a "dualistic economics" for the interaction of the two (Ibid., p. 4), perhaps for him economic and cultural contact are the same thing. The argument here is that they are not; that capitalism and pre-capitalism as economic forms may meet under a wide range of cultural contexts with an equally wide range of outcomes.

side, the conservative force--aside from prejudices about the inherent laziness, stupidity, and childishness of the Javanese--was the central desire of all imperialist enterprises: the wish to bring a people's products into the world economy, but not the people themselves, to have one's economic cake and eat it too by producing "capitalist" goods with "pre-capitalist" workers on "pre-capitalist" land.³⁹ As a result, the sugar plantations aimed at an inherently self-contradictory goal: they needed to keep Javanese society flexible enough so that its land and labor could be employed toward the production of goods saleable on international markets, and yet they needed also to keep it rigid enough to prevent it changing in a "capitalist" direction, which would raise their wage and rent costs. Thus at the same time their more purely economic activities were producing the structural changes I describe above, their political and social policies were tending to recreate in Modjokuto the conditions under which the traditional Central Javanese village system would persist and grow stronger.

The plantations' re-enforcement of the traditional village way of life took three forms: (1) by restricting their interests, so far

³⁹To sum up, it is pretty clear that imperialism is above all a process--and, to some degree, a policy--which aims at developing complementary relations between high industrial technique in one land and fertile soils in another. These relations are pre-capitalist relations; they are also capitalist relations. Not all the Marxist teachings apply to all the facts, but many of them open the eyes of colonial historians to things which they ought to have seen before." Pares, Richard, "The Economic Factors in the History of the Empire," Carus-Wilson, *op. cit.*, pp. 416-438. It should be clear that I use "capitalist" merely in the narrowly economic (and perhaps somewhat Pickwickian) sense of a form of productive organization which tends to be increasingly capital intensive, not in any political or broadly social sense--the Soviet Union is capitalist in these terms.

as peasant owned land was concerned, to sugar, which demands a highly irrigated environment similar to that of rice, and confining other sorts of commercial cultivation to unsettled "waste area," they reproduced in Modjokuto the sort of ecological setting characteristic of Central Java where the traditional village patterns of adaptation were centered; (2) by attempting to control the processes of production all the way down to the raw material level, the plantations hindered the development of a class of a class of independent agricultural entrepreneurs with a predominately "developmental" rather than a "circular flow" orientation;⁴⁰ and (3) by keeping their labor force maximally seasonal, their wages low, and

⁴⁰It is then not that habit or custom or non-economic ways of thinking cause a hopeless difference between individuals of different classes, times or cultures, and that for example the "economics" of the stock exchange would be inapplicable say to the peasants of today or the craftsmen of the middle ages. On the contrary the same theoretical picture in its broadest contour lines fits the individuals of quite different cultures, whatever their degree of intelligence and of economic rationality and we can depend on it that the peasant sells his calf as cunningly and egotistically as the stock exchange member his portfolio of shares. But this holds good only where precedents without number have formed conduct through decades and, in fundamentals, through hundreds and thousands of years, and have eliminated unadaptive behavior Therefore in describing the circular flow one must treat combinations of means of productions (the production-functions) as data, like natural possibilities and admit only small variations at the margins, such as every individual can accomplish by adapting himself to changes in his economic environment, without materially deviating from familiar lines. Therefore, too, the carrying out of new combinations is a special function and the privilege of a type of people who are much less numerous than all those who have the "objective" possibility of doing it. Therefore, finally, entrepreneurs are of a special type, and their behavior a special problem the motive power of a great number of significant phenomena." Schumpeter, J., The Theory of Economic Development: An Inquiry Into Profits, Capital, Interest and the Business Cycle, Cambridge (Mass.), 1949, pp. 80-81.

preventing mobility for Javanese upward through the ranks of their organization, the plantations encouraged the formation of a very large partial proletariat composed of worker-peasants who were neither wholly on the "pre-capitalist" nor wholly on the "capitalist" side of the dual economy, but who moved uneasily back and forth between the two in response to the movement of sugar prices. All three of these factors, as a matter of fact, are commonly cited by admirers of the Dutch colonial system in Java as humane policies in defense of native welfare in the face of capitalist exploitation. But I think further consideration will show their welfare effects to be in any case rather short-run ones, while their longer run effects are (or were) to maintain--or, considering the relatively low pre-plantation population of the Modjokuto area, one might even say "create"--the status quo: Western capitalist enterprise with Eastern pre-capitalist land and labor, the latter largely enclosed in a traditional structure.

Sugar is, in a tropical wet-rice country, an almost ideal commercial crop because its environmental demands so closely approximate those of rice, particularly in the fact that an increase in the intensitivity of irrigation is in both cases a paramount technical prerequisite to increased productivity. This being the case, the plantations' decision to grow sugar on peasant land, and so make a large investment in improved irrigation facilities, was almost necessarily a decision to increase the native production of rice. As I indicated earlier, the whole of the Modjokuto area

up until shortly after the turn of the century was characterized both by a relatively low population density and a low "rice terrace density": i.e., terraces were interspersed with large expanses of unirrigated (and, in this early period, for the most part uncultivated) land, rather like the more southern and eastern villages in the area today. With the rather sudden increase in capital investment in improved irrigation facilities after 1900, that part of the subdistrict toward the river closed up into the highly populated, thickly terraced, intensively worked country-side it has since become:

The initial units of settlement [in the Modjokuto rice basin] were hamlets, scattered about with considerable areas of uncultivated land lying between. This land was drawn upon for grazing land and for new fields and home sites. The growth of a centralized interconnected irrigation system more than anything else served to crystallize the boundaries between field and residential land. As population rose, more and more land was converted to irrigated land, grazing land was eliminated, and the local hamlets expanded into the lands left open by the irrigation systems. . . . By at least 1920, and probably a good deal earlier, these boundaries had become stabilized and the expanding population became restricted to non-irrigable land for new house sites.⁴¹

The heavy emphasis on irrigation at the expense of other kinds of capital improvement in agriculture--e.g., those concerned with stimulating a medium scale mixed farming pattern of wet and dry crop cultivation plus animal husbandry--encouraged the development in Modjokuto of the classical Central Javanese pattern by recreating

⁴¹Jay, "Village Life . . . ," op. cit. Of the seven village clusters which lie predominantly to the northwest of the railroad (see Diagram 2), two now have about three acres of unirrigated field land, the other five have none. From 1905 to 1930 the population in the Modjokuto District grew slightly less than half again as fast as the Javanese population generally, due mainly to immigration into the area (see below, p. 78).

the environment to which it is adaptive. By utilizing native-owned land in a monocultural manner and reserving diversification of capital intensive commercial agriculture to "waste" land where peasant living patterns were not directly involved,⁴² the plantation companies encouraged an essentially anti-developmental, self-defeating form of land use on the part of the Javanese. It was (and is) anti-developmental despite--particularly after the disappearance of the plantations--the great diversification of native crops, because it implied a steady increase in labor intensification (and so of population density) up to some high and probably still unreached limit and a maintenance of the largely uncaptialized (except for irrigation), two and a half to five acre "Lilliputian" farm characteristic of so much of Java.⁴³ Like the Culture System before them, which they so much resembled, the sugar plantations brought on a rise in population and in food production which so nearly

⁴²Such diversification, in contrast to colonial enterprises in many other countries, was highly developed on the Dutch plantations around Modjokuto, not a single one of which was simply monocultural.

⁴³The apt term "Lilliputian" is from Tergast, G., "Improving the Economic Foundation of Peasant Agriculture on Java and Madoera (Indonesia)," unpublished manuscript on file at Center for International Studies, MIT: "Study of the Bases of the Indonesian farm as it now appears to us and of the possibility of improvement of its production leads to the conclusion that increase of the area of these farms is the primary requirement if this agriculture is to remain in a position to completely fulfill the food needs of Indonesia for a long time to come. In that case the improved production of the farms will perceptibly strengthen the economic preparedness of the peasantry and especially create the possibility for a substantial improvement of the average diet." In an interesting, if somewhat academic, calculation Tergast claims that about doubling the size of the average present farm (1.5 hectares to 3 hectares) could lead to a gross value increase in per hectare output from about 20 to 65 per cent depending on the quality of the land.

matched one another that pre-capital income was probably virtually constant. In the long run, such a pattern is obviously self-defeating:

On densely populated Java the rice production could not keep step [after the turn of the century] with the increase in population. Increasing cultivation of other foodstuffs in rotation with rice and on dry lands has met the rising need for food. Around 1900 the amount of annual per capita quantity available was about 110 kg rice, 20 kg tubers and 3 kg pulses. Around 1940 this had changed to 85 kg rice, 40 kg maize, 180 kg tubers and about 10 kg pulses. Expressed in calories there was little change between 1900 and 1940; the daily menu per capita has been kept on a level somewhat lower than 2,000 calories. That Java, in spite of the heavy population increase and the small possibility of expanding the cultivated area, has been in a position to maintain the calorie level of the diet is due principally to the intensification of rotation on rice fields and more intensive use of the dry lands. Use of the rice fields was about 105% in 1950 . . . [while] around 1940 this double use amounted to approximately 140%. [The drop, due to the war, was only temporary; double cropping now is probably higher than prewar.] Study of further possibilities in this direction in the years just before the war showed a further increase to nearly 185% can take place through the most effective utilization of all available irrigation potentialities, the use of fertilizer where possible, and through accurately worked out crop rotation schemes. On the basis of this it was further theoretically calculated that the total food production could be sufficient to support a Java population of about 60 million at nearly the norm of the present low menu. Had disturbing factors not intervened (war, Japanese occupation, political turbulence, starvation, dwindling medical care) the population would have reached that size around 1958. Presumably the "food-ceiling" will now be reached 10 to 15 years later.⁴⁴

⁴⁴Ibid. Actually, of course, the fact that sugar occupied nearly one-half the land meant that food had to be imported during the boom period: husked rice imports from 1915 to 1930 tended to center around .55 million metric tons, dropped to .36 million in 1935 and to .06 million in 1940 (Dobbv, E., Southeast Asia, London, 1950, p. 356). It also ought to be noted that Tergast's dietary calculations ignore the role of fruits which, mostly grown in house gardens, are an important element in the Javanese diet; though it is doubtful that production of them has done more than keep pace with the population growth either. A similar comment might be made in respect to chickens, goats, and, to a lesser extent, cattle. Thus, though Tergast is certainly correct about the direction in which things are moving, his estimate of daily caloric intake is probably somewhat low.

The close and careful control over the actual growing of cane upon which the mills insisted also had a stultifying effect on the peasant economy. Up until the latter half of the nineteenth century, the sugar mills in Java bought a large percentage of their cane from independent peasant cultivators. But with the increasing yields per acre made possible by more scientific methods, they introduced the system of land renting and direct supervision of the cultivation of the primary crop already described, a system fully developed by the time Modjokuto appeared on the scene. The undeniably improved efficiency of this sort of vertical integration (at least in narrowly technical terms) was gained at the cost of a tendency to reduce the landowning peasants' role to that of a passive rentier living mindlessly off the proceeds of his sugar rents. The planning of land utilization became the business of the plantations, destroying peasant initiative: "in place of peasant ingeniousness came a new coolie submissiveness."⁴⁵ Even the peasant's initiative in planning that third or half of his land not at the moment in sugar was interfered with, for the companies often paid premiums to peasants who would keep the land, or some part of it, fallow in the off period. Such a system is not likely to produce what Van der Kolff rightly regards as one of Java's greatest needs: a "virile yeomanry."⁴⁶ Rather, it would seem

⁴⁵Van der Kolff, *op. cit.*, p. 195. Van der Kolff, of course, is speaking about the effects of the sugar industry generally in Java, not Modjokuto particularly.

⁴⁶Ibid.

likely to produce an effete gentry whose increased incomes were drained off into luxury consumptions. And from reports of the fine furnishings, fancy clothes and elaborate houses some of the sugar parvenus provided themselves with, this is what, in part, occurred.

Only in part, however. That the rentier reaction was not the only one, not even--perhaps--the dominant one, is indicated not only by the growing cultivation, despite premiums and all, of non-rice crops on the terraces in the dry monsoon, but also by the increasing interest of peasants in growing their own cane, an interest which, in time, became a nationalist rallying point. Plantation and Government policy opposed this development strenuously and in 1920 a law was enacted forbidding the purchase of free-hold cane by the mills.⁴⁷ Even so, the spontaneous Javanese interest in independent sugar cultivation nearly doubled the value of free-hold cane from 1926 to 1928,⁴⁸ most of the output going to Javanese-run mills producing crude sugar on a small scale for Javanese consumption. Thus, there is evidence that, given a free hand, a certain sector of the new landholding "middle class" would have reacted to the stimulus provided by the sugar mills with an entrepreneurial rather than a rentier pattern of economic behavior. In fact, a more open system would have tended to select the

⁴⁷Ibid., p. 199.

⁴⁸Encyclopedie Van Nederlands Indie, op. cit., Vol. 6, p. 885. The per cent of total Indies cane output this change involved was .66 per cent in 1926, 1.03 per cent in 1928, so the small holders were gaining not only absolutely but relatively too. The average yields for peasant cane per hectare in the Mojokuto area in 1929 was almost exactly half that of cane grown by the factories. Ibid., pp. 884-885.

frugal, shrewdly calculating and economically imaginative sort of "yeoman" out for success rather than the coupon clipping sort of "country gentleman" the renting system favored.⁴⁹

The mills' defense of their vertical integration policy was, of course, the necessity for minimum costs. But, in light of the statistics quoted above on the comparative efficiency of the Javanese and Cuban sugar industries before the war, this was, no doubt, an excessively cautious approach; markedly increased buying of native cane by the plantations without serious loss of market position was clearly possible, especially if it were coupled with some investment in Javanese training in cane cultivation. The Government also defended the lease system as being protective of Javanese interests, on the basis of a "dualistic" policy segregating the Western and Javanese sectors of the economy, but, as Van der Kolff has argued, this hyper-conservative

⁴⁹The more extensive cultivation of land not at the moment in the hands of the mills either in "private sugar" or in dry crops seems to have been especially prominent in connection with the rural monastery-like Moslem schools I mentioned earlier, where, though capitalization was not much increased, a more flexible use of labor--i.e., the young students at the schools who commonly worked for their board in the fields of their teachers or of rich local supporters of the local school--was often possible. On the other hand, members of the less Moslem element of the population tended to imitate the style-of-life of the aristocratic civil servants of the towns when they became prosperous, a more gracious but less dynamic pattern. For changes in traditional labor relations patterns introduced by Moslem schools in a much more rural area of Java, see Van der Kolff, G. H., The Historical Development of the Labor Relationship in a Remote Corner of Java as They Apply to the Cultivation of Rice, New York, 1937. For the role of student labor in such schools in the early part of this century, see Hugronje, C. Snouck, "Brieven van een Medono-Pensioen," in his Verspreide Geschriften, Bonn and Leipzig, 1924, esp. pp. 177-181.

policy prevented the "passive" and "Eastern" Javanese from seizing the opportunities for economic change (and thus disproving the theory on which the policy was grounded) without really offering them any more effective protection against the dangers of the "dynamic West":

To some people it may seem best that peasant cane cultivation was not stimulated, as that would have meant involving the peasants in the risk of falling prices. But the plantation system and its method of response to the world depression of the thirties did not by any means leave the peasants unaffected. The total wages paid by the sugar industry to peasants fell drastically, and many long term leases of peasant-owned land were cancelled, so that actually the people were affected very directly. On the other hand, a middle class of Javanese farmers, a yeomanry accustomed to looking after itself and taking its own risks, would have been able to withstand the shock of the world depression far better than the people as they were, actually an impoverished, dependent proletariat. . . . The standard system of land lease, accepted as the only basis for the sugar industry was no less open to abuse [than the free-holding alternative]. . . . But the [colonial] administration did not want to take upon itself the task of supervising the buying of peasant cane; it did not want any such close relationship between the Javanese and Dutch branches of the industry. and so, by outlawing all buying of peasant cane, it also sacrificed those special cases in which the relationship that had been built up was more satisfactory than in other areas, because the peasants were economically stronger and the two parties therefore more nearly equal.⁵⁰

Having hampered the growth both of a larger scale, more efficient farm unit as well as of a more self-reliant, aggressive farm manager to run it, both of which their economic activities were in fact tending to stimulate in spite of their policies, the plantations also followed a labor policy which hampered the growth of a permanent proletariat. By keeping their work force maximally seasonal,⁵¹ the Dutch

⁵⁰Ibid., p. 199.

⁵¹Furnivall (op. cit., p. 317) reports that "before the crisis of 1929," the overall ratio of seasonal workers to permanent employees in the East Indian sugar industry was about 12 to 1, the permanent employees, including, evidently, the Dutch and Eurasian managerial

prevented the formation of a "professional" working class wholly within the "capitalist" sector of the dual economy, avoiding, only in part, agitation by such workers for better treatment as workers rather than as colonial dependents. Further, the "spectroscopic" organization of the sugar industry (pure caucasoids in the managerial roles, pure mongoloids in the unskilled roles and mixed Eurasians in between) prevented the cleverer and more energetic Javanese from important advances upward through the industry, so dampening permanent motivations to activities outside of subsistence agriculture.⁵² The pattern of shifting the land rented, so as to rent only one-third or one-half of any single peasant's land in any one year had a similar effect, for it allowed marginal peasants to hang on much longer as part-time cultivators, thus weakening the pressures on the mills to raise wages, to stabilize their labor force or to finance relief measures for unemployed workers, who, it was argued, could always go back to the land. By keeping the marginal peasant with one foot in the rice terrace and one in the sugar mill, the Dutch managers were able to keep the Javanese worker's share of the returns from the increasing productivity of the

staff. A certain amount of seasonality is, of course, inherent in the sugar industry, especially in relation to harvesting, yet that this seasonal element was stressed beyond the inherent economic necessity for it seems almost certain when it is considered that since the war seasonality has been radically reduced--actually, probably too much reduced, leading to a sharp increase in the mills' fixed costs--wages raised, and capital costs increased, and at least some of the mills have still been able to operate. Krall, op. cit.

⁵²There was some mobility, of course: a few Javanese became permanently employed foremen of work groups, a few others factory technicians, draughtsmen, and so forth, and their anti-traditional impact upon Javanese society has been significant. But as they are mostly urban types, they are more properly treated below in the section on town development.

sugar industry minimal and their own profits maximal, profits which, of course, were--except for a few small Government programs--not re-invested in Javanese industry, not even very much in Dutch-owned East-Indian industry, and only marginally provided any effective demand for Javanese production. Again, one can point to the depression as proof of the wisdom of the half-peasant half-worker policy, but Van der Kolff's argument can be applied here too: a "professional" worker with some self-confidence would probably have been able to face the depression more resourcefully, if only by agitation against the Colonial Government for relief (as the rail workers, who were fully proletarianized, actually did), than a peasant returning meekly to a marginal living on the land.⁵³

In sum, the policies of the plantation companies had an anti-developmental effect upon the Javanese agrarian economy in the Bodjokuto area, and these policies were not implicit in the capital intensive form of operation the companies followed, but were, in fact, rather in opposition to the more stimulating effect that form of operation was tending to have on the peasant economy--they were intended to dampen rather than enhance the intrinsically transformative effects of capitalist economic organization on a traditional structure. Mono-culture,

⁵³For an interesting discussion of the contrast in Dutch plantation policies in Sumatra where labor was short and in Java where land was, see Van Gelderen, J., "Western Enterprises and the Density of Population in the Netherlands Indies," in Schrieke, B. (ed.), The Effect of Western Influence on Native Civilizations in the Malay Archipelago, Batavia, 1929, pp. 85-102. For an excellent analysis of the relation between low wages, seasonality, racial discrimination, and semi-traditionalization of the labor force in colonial countries, see Moore, W. E., Industrialism and Labor, Social Aspects of Economic Development, esp. Chap. V.

vertical integration and a prodigal labor policy are not simply logical correlates of capital intensive agriculture, but are the results of a peculiar form of socio-cultural contact which may legitimately, and without name-calling, be termed "imperialist," or "colonial," for it so organizes production as to maximize shares in the returns to increasing productivity to one segment of the industry--in this case, the foreign managers.⁵⁴ These policies were not simply "economically rational"--except from the point of view of the managers, and then only, as the event proved, in the short run--but were a result of viewing the economy from the vantage point of one small sub-class within the whole society rather than from the point of view of the entire ecological community. More explicitly, by considering their enterprise as essentially parts of the Dutch economy rather than of the Indonesian, the plantation managers distorted the whole pattern of economic growth in the Medjokuto area, and turned plantation agriculture away from its more fitting role as a way-station on the road to full industrialization to one of enforced economic conservatism.

The "dualistic policy" of segregating the Javanese social structure from the effects of Western enterprise was, then, not so much a result

⁵⁴The share in (all-Indonesia) domestic personal income (i.e., ignoring Government export income and corporate income accruing abroad) of the Dutch rose from 11.1 per cent in 1922 to 15.1 per cent in 1933; while the Javanese share fell from 82 per cent to 73.8 per cent. Meek, P., Unpublished Ph.D. thesis on postwar economic policy in Indonesia. Meek also reports that prewar per capita income of the Dutch population in Indonesia was four times that of American per capita income, and that Indonesian per capita income rose 4 per cent from 1922 to 1923, despite their worsening relative position.

of the obstacles presented to social change by a high and growing population, great labor intensification, and a lack of "capitalist spirit," as it was one of the primary factors involved in the progressive strengthening of these admittedly formidable obstacles. It has been a combination of a traditional social structure able to distend so as to absorb a much increased personnel without unmanageable internal strain; a form of intensive, near horticultural agriculture on excellent, well-irrigated soils which could almost indefinitely provide at least a slight marginal return for an added unit of labor; and a form of commercial agriculture which shoved a larger percentage of its costs off on to the village economy without allowing that economy to share more than minimally in the increased returns, which has produced the present rigid, overcrowded, undynamic situation. Not, of course, that the sugar plantations caused the population rise--forms of economic production and population are, at least in the short run, fairly independent of one another and result from constellations of different variables: the former from market conditions, technological change and the like; the latter from changes in reproductive behavior, hygiene and the like.⁵⁵ It is merely that, given the rising population (which has in fact, been partly caused by Dutch-introduced health measures, more rapid inter-regional adjustments to famine due to Dutch-improved communications and transportation, and to the pax Nederlandica),

⁵⁵See Davis, K., The Population of India and Pakistan, Princeton, 1951, p. 205. Of course, in the long run, economic trends have a crucial effect on population and vice versa.

the sugar plantations, which were the chief dynamic factors in the situation, followed a mode of operation which led not to a turn toward self-sustaining development, but to stasis on a "higher" level. Before the development of the sugar industry in the Modjokuto area, a fairly stable equilibrium between a relatively low (for Java) though growing population and a relatively low (also for Java) level of agricultural production in the absence of irrigation improvements, and a very high labor intensivity seems to have existed. The sugar industries with their "native welfare" policy made possible, in about thirty years, the establishment of a new equilibrium with a much higher population, probably the same per capita income, and little increase in peasant capital (aside from irrigation facilities), a pattern of socio-economic change, Boke, himself the chief apologist for "dualism," has aptly called "static or stationary expansion."⁵⁶

⁵⁶op. cit., p. 174. Similar considerations apply to what is clearly one of the most admirable welfare measures of the Dutch period: the Agrarian Law of 1870 which forbade the alienation of Indonesian lands to non-Indonesians; for this measure was perhaps the keystone in perpetuating the traditional village structure more or less unchanged. The undeniable welfare effects of the tradition-conserving Dutch colonial policies ought not to be denied, nor the genuine idealism of many of the Colonial officials who fought for them overlooked; but it is somewhat disingenuous not to note the role they served in the less attractive elements of imperialism or to justify the Dutch pattern by comparison to even more exploitative practices elsewhere. One can imagine (or, in other colonies, see in being) much worse results from Western impact than those which occurred in Java: complete and sudden disorganization of rural life; a great growth of large-scale absentee, even foreign, landlordism; overwhelming rural indebtedness; slave labor practices, and so forth. But though "static" expansion of the rural social structure is no doubt preferable to a complete disorganization of it which destroys the peasant's ability and will to do other than resign himself to his fate, this does not gainsay the fact that a progressive structural evolution of Javanese peasant society toward a more effective pattern of living would have been preferable to both of them. The argument here is not against a "native welfare" policy as such, not

True, the Javanese population was already high and growing in Central Java (where the Culture System, which in the mid-nineteenth century turned most of cultivated Java into one great plantation, had already raised the equilibrium point without changing the essential structure of the economy),⁵⁷ but had the plantations chosen to emphasize in their policies the transformative, anti-traditional element implicit in their more capital intensive form of operation--the tendency to strengthen larger landholders, more aggressive and creative farmers, and more self-reliant workers--the rising population might have led to a situation of steadily rising per capita income, of sus-

even against many of the measures which were introduced--without them the situation would have deteriorated entirely--but against a failure to recognize that, since these measures were combined with a certain pattern of relationship between the capitalist and pre-capitalist sectors of the economy, they were, as welfare measures, self-defeating, or, at best, "merely" ameliorative in the pejorative sense of the word: they enabled an ultimately unworkable situation to persist and grow basically worse for a longer time.

⁵⁷"The reasons for this concentration of people [in the Central Javanese Principalities] are complicated and manifold. No one reason is significant on its own. Propitious climate, constantly rejuvenated basic volcanic soils and extensive irrigable lowlands suiting rice, provide the physical basis. Long association with Western methods and interest has led to a remarkable interlocking of subsistence and cash crops, combining Oriental and Western techniques which have here achieved some sort of balance. Java has had an exceptionally prolonged period of social security coupled with increasing communal assurances of major irrigation and drainage systems. The Culture System, short-lived though it was, proved to be an incentive to population increase, because it placed on the community a pressure to obtain extra hands, so that towards the end of the Culture System period population was increasing at the fantastic rate of 33 per cent per decade." Dobby, op. cit.

tained growth.⁵⁸ A set of policies--including welfare policies to aid and protect the inevitable victims of social change--which viewed the Modjokuto region as an ecological whole and which had attempted to diversify production, stimulate a peasant "middle class" of "yeomen" owning ten to fifty acres apiece, and to build a much smaller, more stable, more highly trained labor force, and which had re-invested some of the profits from commercial agriculture in local industry to absorb the natural increase in population, might have brought into existence patterns of land use, social structure and cultural outlook much more hopeful for future growth than those it did. As it was, the rural economy neither reformed nor grew--unless one can say that a balloon grows when it is filled with air.

Again, it might be argued that without a stable international commodity market an export sugar industry is perhaps a rather frail base on which to attempt to raise a new economy, and, as long as the development was more or less doomed from the beginning, it was just as well that the Javanese were isolated from it, for a little development, which leaves people stranded in the middle of a structural transition, unable to go backwards or forwards, can be a dangerous

⁵⁸ Whatever relief the migration into Modjokuto offered the population problem in Central Java was, of course, only temporary at best, for the space cleared was soon filled up by the high natural increase. For an argument similar to mine concerning the transmigration of Javanese to Sumatra before the war--i.e., that the Javanese pattern of land use and social organization was re-created and so the population problem was re-created too, see Pelzer, J., Pioneer Settlement in the Asiatic Tropics, American Geographical Society, 1945.

thing. The counter-argument is, of course, that this is just what happened anyway--it was impossible to "protect" the Javanese entirely and partial protection merely led to the rigidification and "closing up" of the peasant system I have traced, thus reducing the capacity of the indigenous social structure to respond to another, more stable stimulus at a later time. The only way really to protect the peasants against "capitalism" would have been never to have planted any sugar in the first place. Secondly, development does not have to take place all at once, and permanent gains may be secured even within fairly short bursts of expansion. In fact, what is remarkable in the present case is not how little the Javanese responded to the stimulus of Western enterprise, but, in spite of all the obstacles put in their way, how much. In short, the dualistic policy seems merely to have gained for the rural Javanese the worst of two possible worlds: an over-driven traditional social structure, swollen with partially proletarianized peasants.

3. The Post-Plantation Economy

The cutback in sugar production in the middle thirties gave rise, for a short but rather hectic period, to a sharp conflict between the rentier and the entrepreneurial elements within the group of rural landlords made prosperous by the land-renting system. Having decided to cut production drastically, the mills were naturally anxious to cancel the twenty-one and one-half year leases they had contracted with the peasants. Again, they attempted to do this through the village chiefs, certain favored members of their permanent Javanese staffs,

and--although in theory the Government bureaucracy was supposed to be neutral in disputes between the mills and the peasants--the Javanese civil servants. The civil servants and those village chiefs who saw their increased boom-period income to be a result of their willingness to act as agents of the mills, attempted to frighten the peasants into selling their contracts to themselves, the civil servants and the village chiefs, for very low prices, the contracts then being cancelled for a slightly larger settlement from the mills. As this was shortly after the time when several nationalist agitators (some, but not all of them, communists) had been arrested and shipped to a concentration camp in New Guinea, this attempted coercion was largely successful, especially with the smaller peasants. But some of the larger landholders who were less in awe of the Government, who did not choose to identify their own interests with those of the mills, and who saw their sugar incomes as capital rather than as commissions for services rendered, fought back, initially trying to force the mills simply to honor the contracts; later, when this was clearly impossible, attempting to gain larger settlements.⁵⁹ Some members of this group also bought up contracts from some of the smaller, more easily intimidated peasants and the struggle between the civil servants and (some) village chiefs trying to push contract settlement prices down and the more aggressive landholders--some of whom were also village chiefs--attempt-

⁵⁹Sarekat Islam, the Moslem nationalist organization, seems to have played a particularly prominent role in opposing the sugar companies, or their agents, and representing the better-off peasants.

ing to push them up, became quite intense, and gave rise to a bitterness of which traces are still to be found in Modjokuto. But, although in the end some of the more recalcitrant peasants did get somewhat higher settlements, the mills managed, on the whole, to liquidate their fixed obligations to the peasantry rather cheaply.

This brief period of contract liquidations was, in a sense, the would-be rural middle class' last stand--both in its gentry and yeomanry aspects; the general weakening of its position which took place at this period turned out to be a prelude to its more or less total eclipse. The closing of the mills removed the main sources both of agricultural credit and of wage payments to rural workers, drying up the village money supply, while, at the same time, somewhere between a third and a half of the total subdistrict land was released from commercial exploitation; a combination of circumstances certain to produce almost irresistible pressures toward intensification of traditional village patterns of economic activity. The claims of a half-proletarianized peasantry, no longer able to buy a significant part of its subsistence in the open market, for a more direct share in village output could hardly be resisted by the larger landholders in the absence of access either to capital or to export crop markets. The outcome, aided by the equal inheritance pattern, by traditional notions of kinship and neighborhood obligation, and by the whole complex of values stressing the interdependence of village members, was a fractionization of land holdings, an increasingly intensive use of labor and ramification of share tenancy patterns. The Moslem schools weakened and, with one or two exceptions, disappeared;

the independent homesteads in the midst of the rice fields were abandoned; and the economic power of the village chiefs began to decline. The Central Javanese village pattern now became firmly entrenched in Modjokuto.

The virtual disappearance of sugar as a cash crop sharply intensified the emphasis on dry season crops as sources of money income--onions, soya, peanuts, corn, cassava--for these not only needed rather little processing before consumption, but also could be effectively cultivated with relatively little capital, on small plots of land with high labor inputs. What little capital was needed for seeds and simple farm tools was increasingly provided by the Chinese, many of whom moved out to the villages to live, usually but one or two to a village, most of these villagers being but agents of the wealthier town Chinese.⁶⁰ In the villages where Islam was stronger, some of the relatively wealthy pilgrims who had managed to maintain something of their economic position continued to compete with the Chinese as dry crop traders for a while, and a few still do so today; but with their greater know-how, larger capital supply and more extensive commercial organization the Chinese ultimately gained a position of semi-monopsonistic control in the dry crop economy, enabling them to press peasant incomes toward the minimum. Taking advantage of the money scarcity the plantations'

⁶⁰The number of Chinese in the District tripled between 1905 and 1920, grew by 2/3 between 1920 and 1930 (for figures, see below, p.78). Before 1915 there were Government restrictions on Chinese travel and residence which tended to keep them concentrated in the north coast areas.

collapse had brought about, the Chinese even gained financial control over a good part of the rice supplies. Thus the depression not only destroyed the export sugar economy and strengthened the village system, but also delivered the shrunken commercial sector more completely into the hands of the Chinese. Increased free-hold crop cultivation did not lead either to development or even to a much higher level of welfare--as some of those who opposed the plantation system and argued for a reconstruction of a purely peasant economy assumed that it would--for the rigidification of economic structure prevented the Javanese from obtaining the full advantages of their own market production. Where the Dutch had reaped most of the benefits of higher productivity in sugar, the Chinese now reaped the benefits of higher productivity in dry season crops:

Finally, it must be noted that the increasing volume of export crops grown by the Indonesian population during the last decades of Dutch rule did not mean a proportional increase in the welfare of the Indonesian peasant. A substantial part of the value of these exports went to Chinese--and to a lesser extent to Arab--entrepreneurs, who absorbed a major share of the prices earned by these commodities. Because of their credit relationship with the indebted Indonesian grower, they could purchase his products at considerably under the local market price.⁶¹

This general solidification of rural life continued into the Japanese period when the almost total absence of imports and the occupation Government's institution of very severe restrictions on internal trade and travel pushed the village economy toward the extremes of self-sufficiency. Having disrupted the normal network of domestic

⁶¹Kahin, G. McT., Nationalism and Revolution in Indonesia, Ithaca, 1952, p. 22.

trade, the Japanese were obliged to confiscate rice (i.e., to force the peasants to sell it to them at very low prices) in order to feed both their own personnel and the Javanese urban population. A certain amount of forced labor was conscripted and used both to replace imports (notably textiles and, in other regions, pottery) and for Japanese "export" (i.e., military) purposes. Children were made to plant castor oil plants by the sides of the roads; many civil servants, urban traders and their wives were set to work in the rice fields near town; a number of young men were taken into the Japanese-controlled Javanese army or set off to slave labor projects as far away as Thailand; and village women were obliged to weave clothing at Government looms set up by the Japanese in the houses of some of the village chiefs.⁶² To supply the looms there was even something of an effort--not entirely unsuccessful--to grow cotton, and small home industries in cigarettes (with Japanese-introduced hand-run machines), cigarette lighters and other small consumption "necessary luxuries" were stimulated. There was even some attempt to introduce sericulture, but most Javanese found the worms repulsive.

⁶²These looms were Japanese-made and instruction in how to use them was given by a Japanese official who went from one village chief's to the next to check on the work, give advice, and so forth. The output of the looms was small and of poor quality, but, in light of the very severe textile shortage, eagerly enough consumed. A few private weaving industries of the cottage sort were begun, again evidently by the larger, more Moslem, landholders and with Japanese technical aid. There were also a couple of forced-labor kapok factories near town in which village women worked.

In short, Japanese policy was aimed at making the Javanese village as self-sufficient as possible so that it would not prove any drain on the Japanese war effort.⁶³ By stimulating handicrafts and restricting trade the village could be pushed back toward an almost pre-modern state of autarky, while food surpluses could be pried from the villages by political means. A certain amount of unskilled labor could also be pried loose for direct military purposes, but no serious attempts to invest in the Javanese economy in the hopes of future contributions to Japanese power seem to have been either made or contemplated. Not only did the Japanese not have the capital to spare for investment, but evidently they were obliged even to consume capital in their war effort: the essential nature of Japanese policy in Modjokuto seems to be well symbolized in the fact that they tore up all the railroad lines (and trolleys) in the area, except for the main one, to use for scrap. The Japanese aim was not development--even in their own interests-- but in immediate and direct exploitation coupled with as little civil commotion as possible, and for this a policy of enforced economic regression was, or seemed to be, most suitable.

Thus, although there were some technical improvements in this period, it was in general a time of a return to a subsistence economy and, consequently, of a sharp fall in the standard of living, evidently somewhat greater in the town than in the villages, for the farmers at

⁶³ It should be remarked, too, that the Japanese ruled Indonesia with a very much smaller staff than the Dutch had. In the town of Modjokuto, there seems to have been not a single resident Japanese-- they all worked out of the regency capital.

least had their own crops to consume. The Japanese "traditionalization" policy was apparent too in their treatment of the old Dutch plantation towns south of town. For a short period they attempted to run the plantations, particularly those in coffee and rubber (the cultivation of the latter in the Modjokuto area having begun, on a small scale, only just before the war), but in the absence of capital and executive personnel they soon found this impossible and so uprooted the rubber trees and coffee bushes and invited the squatters on to the land to grow corn and cassava. At first, the squatters seem to have been taken mostly from the Modjokuto area and holdings were fairly large, fifteen or twenty acres; but, as time passed, the Japanese brought in more and more peasants from the Madiun-Ngandjuk-Ponorogo area to the west until holdings averaged the usual two acres.⁶⁴ Thus did the village pattern spread to the plantation lands and just about the last vestige of the pre-war capital intensive agriculture disappear. (The Japanese seem to have made almost no effort to do anything with the sugar mills; later, in the Revolution, the Javanese burned most of them down as part of their scorched earth policy.)

The last years of the Japanese occupation witnessed the appearance of a tremendous inflation which continued into the Republican period⁶⁵

⁶⁴As the land is unirrigable and so cultivable for only about seven months of the year, the smaller holdings are not large enough for a family to subsist from. As a result, many people in these areas supplement their income in petty trade, wage work or, especially, in extensive cutting of wood from the forests (much of it illegally), a practice which has led to a tremendous destruction of tree cover with consequent flooding in the past few years.

⁶⁵The Revolution began in 1945, ended in 1949. For a review of this period for Indonesia as a whole, see Kahin, op. cit.

providing a barrier to the re-establishment of an effective trading network. Modjokuto was in Republican territory up until the second Dutch "aggression" in July 1947, and attempts were made by the Jogjakarta Government to control inflation through Government distribution of imported goods and certain foodstuffs; but, in general, these efforts met with only limited success. In the middle of 1947 the Dutch launched their second attack upon the Republic. They occupied all the towns of eastern Java, including Modjokuto, but they never managed to control the rural areas very effectively. At this period a great exodus from the town occurred as large numbers of urbanites fled to the countryside. (Most people seem to have had a relative or close friend who would take them in, it being in any case a period of heightened solidarity among the Indonesians.) After a while--the Dutch occupation lasted about a year--a few people not directly connected with the Revolutionary Government drifted back into town, but many remained in the villages, from which attacks were launched now and then on the Dutch in the town. As a result, the rural and urban sectors of Modjokuto were, for a time, almost totally segregated from one another and the village economy was once again necessarily almost entirely subsistence rather than commercial in its orientation.

After independence and the departure of the Dutch there was a brief flurry of cooperative economic activity of one sort or another, sustained by the enthusiasm the struggle for freedom had stimulated. Moslem groups organized some cooperative sugar and tobacco growing and set up a large rice mill; Communist-dominated peasant unions gained control in the old plantation areas and organized Javanese resistance to the return of these

areas to the Dutch companies which still held legal claims to them.⁶⁶ Various organizations set up warehouses and crop credit plans to enable the peasants to hold their crops off the market more easily and so avoid debt and stabilize prices. But most of these attempts at more ambitious economic organization failed after a time, though many of the organizations are still present as primarily political institutions agitating for various sorts of Central Government policies, not limiting themselves particularly to those concerned with agriculture.

In any case, the years since the decline of the sugar industry have seen a fall in the capitalization of agriculture in the area, a drop in the cash value of agricultural output, a continuing rise in population, a steady decline in the marginal productivity of labor, an increased intensification and diversification of cultivation, and, perhaps, decreasing fertility of land.⁶⁷ Sugar as the predominant commercial element has been replaced by a whole series of crops which vary in their degree of commercial importance. In general, one can group the crops Modjokuto peasants grow into three main categories, in terms of the increasing amount of capital cost involved in their

⁶⁶ Under the provisions of the armistice agreement, return of these lands to the Dutch companies was agreed upon, contingent upon the companies' reaching agreements with the squatters on compensation for their displacement, which the companies have not been able to do. A few of the plantations which were not given over to squatters have begun to operate again on a smaller scale, but many of the seventy-five year leases are running out and the Republican Government will not renew them.

⁶⁷ I am not certain whether this latter is occurring or not, and, in any case, the great degree of crop rotation, the excellent irrigation, and the volcanic renewal tend to slow it down.

cultivation: 1) rice-corn; sweet potato; 2) cassava, soya-beans, peanuts, onions, etc.; 3) sugar, tobacco, etc.⁶⁸

Rice and corn are the staples, corn playing a much greater role in

⁶⁸The following are the local Ministry of Agriculture figures for land use in the subdistrict. They must, however, be treated with extreme caution, not to say skepticism, for not only is the method of their collection so extraordinarily haphazard as to make serious errors of estimate almost certain, but certain systematic biases (e.g., the peasant's deep-grained tendency to under-report the more important commercial crops for fear of taxation, etc.) distort them as well. The totals for rice are probably roughly accurate, so that the over-all percentage of land in non-rice crops is also roughly accurate as well; but the proportions among these latter should not be taken too seriously. The figures for onions and cassava, especially, seem dubious, the percentage of the former perhaps being as much as four or five times as high as reported, the true percentage of the latter probably being notably smaller than reported. The figures for sugar and sweet potatoes are, probably, more or less accurate. The total acreage cropped, with these figures, is about 2 1/2 times the total acreage of cultivable land and is almost certainly too high (or the figures for the cultivable land--12,639 acres in 1953, excluding, as do the figures below, house gardens--too low):

	1950		1951		1952	
	acres planted	% of total	acres planted	% of total	acres planted	% of total
rice	7,500	31	9,000	33	8,750	28
corn	6,325	26	6,750	25	10,600	34.3
cassava	3,325	14	3,925	14.3	4,375	15
peanuts	2,125	9.5	2,250	8.5	1,125	3.6
soya	2,810	11.5	2,870	11	3,560	11.4
sweet potato	875	4	970	4	1,375	4.4
onions	525	2	650	2.4	400	1.3
sugar	535	2	500	1.8	610	2
	<u>24,020</u>		<u>26,915</u>		<u>31,155</u>	

this rather dry climate than it does farther west.⁶⁹ In general, about 55-65 per cent of the land seems to be in rice or corn throughout most of the subdistrict, with rice very dominant in the northwest rice plain area (see Diagram 2),⁷⁰ and corn very dominant in the dry southern and eastern areas. (Intermediate villages probably show a more even balance, as well as a smaller total percentage of land in these two crops.) As a result, the northwest is a surplus rice area, the south and southeast a surplus corn area. Corn also plays a larger role in the diet than it does in the less dry parts of Java (and its role is increasing, in line with the enforced shift away from rice noted by Tergast above), so that northerners replace part of the rice in their diet with the supplementary corn they grow, while southerners must sell

⁶⁹Dobby (op. cit., p. 229) divides Java into four land use zones: a western one in which over 55 per cent of the cultivated land is in rice; a more diversified one, but with still a very large rice element, in the center and northcenter of the island; an eastern one where over 25 per cent of the land is in corn; and a southeastern one in which over 20 per cent of the cultivated land is in root crops. The Modjokuto area falls just within the limits of the last two zones; it is marginal both to the more rice-dominated central area and to the root and corn areas to the south and east. The general relation between the Modjokuto pattern of land use and that of Java as a whole can be seen by comparing Hollinger's figures ("Food Crops...", op. cit.); I have calculated 1950-52 percentage averages from his gross figures, which come, incidentally, from the same unreliable source--the Ministry of Agriculture--as my own) of rice to non-rice cultivation on the island as a whole to my figures for Modjokuto:

	<u>Java</u>	<u>Modjokuto</u>
rice	51%	32%
non-rice	49	68

⁷⁰In the neighborhood in the very heart of the rice plain area studied intensively by Jay (op. cit.), about 40 per cent of the land was in rice, 18 per cent in corn over the year.

a great part of their corn to buy at least some rice. The result is that although rice and corn are basic consumption crops, both of them come into the market in great part--corn grown in the northwest and rice in the southeast being, to some degree, the exceptions--a tendency further stimulated by other cash needs of the peasantry. As for sweet potato, of which rather little is grown in any case, it is, in this area, almost entirely a subsistence crop, farmers only rarely planting more than they can consume themselves.

Cassava--perhaps the Javanese' most popular symbol for poverty--is something of a special case. With an ability to grow on very poor land, a very small need for water, and a high yield (but a low nutritional content) it tends to be both a subsistence crop and a cash crop. As a subsistence crop it tends to substitute for corn at the margin on both the consumption (in a crude, sun-dried but unmilled form) and production sides, even though it involves somewhat higher capital costs. As it is a nine month crop, it displaces rice if it is cultivated in irrigated terraces; consequently, it is grown almost entirely on dry land (usually the poorer in fertility) or in house gardens. But as cassava is also the basis for tapioca, a finely milled flour, it may be grown fairly extensively for export or domestic consumption, either by small holders or large plantations with attached tapioca mills.

Soya beans, peanuts and onions are more purely cash crops, very little of the output being directly consumed by the producers.⁷¹ In

⁷¹Such minor crops as peppers, cucumbers, string beans, etc., usually cultivated in very small patches or along the edges of the terraces, also more or less belong in this group.

the dry south they may be grown in the wet monsoon on land not in rice, corn or cassava; in the more irrigated north they are mostly grown in the dry season, though peasants with slightly larger landholdings may plant one or two of these crops on part of their land in the wet season rather than rice.⁷² In the "intermediate" areas, which have both more dry land than in the rice bowl villages and better land and more abundant water supplies than the southern dry villages, both practices may be followed, leading to a somewhat greater role for these crops and a consequently higher standard of living in these areas. In any case, these crops are the most purely commercial element in the land use patterns of the great majority of the peasants in the area today and great interest is shown in them.

Cultivation of sugar, tobacco and other crops demanding noticeably higher capital inputs is at the moment fairly quiescent in the area. Only about sixty acres or so of tobacco is now grown in the subdistrict, mostly on an experimental basis in some of the "intermediate" village clusters. Several such experiments have been attempted, with indifferent success, by cooperative peasant organizations of one sort or another over the past few years and interest in such attempts is still lively. Agricultural cooperatives have tended to fail due to a lack of financial probity on the part of the participants, but cooperative planting of both sugar and tobacco has proved successful in a few places so that revived markets for such efforts

⁷²In the very wet areas rice may be grown in both the wet and dry seasons, but this monocultural double cropping is limited.

might strengthen cooperative activities. The five hundred or so acres of free-hold sugar planted in the subdistrict are not of any great importance in the total picture, in any case.⁷³

One somewhat, but not entirely, positive factor is that the Chinese hold over the agricultural economy is much lessened since the war. Almost all the Chinese now live in the town where they fled for protection during the Revolution, when many rural Chinese were massacred, and so they operate in the villages more and more through Javanese agents. Though this has had the effect of bringing more individual villagers into the trading network and increasing the peasant's share in the crop price (the "terms of trade" between town and country have, in general, shifted heavily in favor of the latter since before the war), it also means that commercial financing of peasant agriculture tends to take place on a smaller scale. The absence of the Dutch to enforce contracts between the two ethnic groups, the disappearance of opportunities for oppressive money lending, and the general political insecurity of the post-war period have, perhaps, contributed to the same end as have unstable economic conditions generally.

From one point of view, of course, one can hardly regret that the Chinese stranglehold on the peasant has been weakened, no more than one can regret that the Dutch has; but if the Chinese or Dutchman is

⁷³The large sugar plantation established on land directly rented from the Government lying at the eastern edge of the subdistrict (see Diagram 2) has come back into operation since the end of the war, but on a much reduced scale. Pre-war, about 2,250 acres of sugar were planted there each year, but leases to all but about 500 acres of this land have expired (and the last 500 run out in 1957), the Republican Government refusing to renew them. The mill on this plantation, heavily damaged during the war, has not been reopened.

not to provide his admittedly very "expensive" capital, someone else must or a movement toward subsistence and a lower level of living is inevitable. The Government has made some attempts to offer credit to replace that of the Chinese, but as yet these efforts have been necessarily rather limited, most of them offering very short-term "seasonal" loans at an interest rate so high as to make their use for developmental purposes more or less impossible. As for private rural credit, the fractionization of landholdings means it is virtually non-existent, except on the same short-term, "pay-me-next-week" basis. Some of the more aggressive peasants may manage to save a little, but accumulation is painfully slow and one misguess on the market or one crop misfortune may wipe it all out.

In sum, though the Modjokuto peasantry is probably somewhat better off today than before the war, there does not seem, at the moment, to be any marked tendency toward a secular increase in per capita income. The few peasants who have a little more land--five acres instead of two acres--may plant a somewhat higher percentage of their land in the soya-bean group of labor-intensive cash crops. Some of the intermediate villages where the traditional system is less strong but the land still excellent may also emphasize the more commercial crops to a somewhat greater degree, as may some of the more puristic Moslem villages. The same individuals and groups also tend to employ wage labor and supervise it carefully, rather than to share-tenant their land, and a few of them even try some new techniques--more careful planting, fertilizer, etc. But a continuing increase either in capitalization or scope of managerial organization seems unlikely in light of the great inflexibility now

only in factor inputs but in the social structure generally; at least so long as no new elements are added to the situation. The cash crops, the slightly larger landholders, the employment of wage work are distinct and important elements of flexibility, elements upon which it might be possible to build a growth economy; but against the background of a very high and still growing population, a very labor-intensive technology and a marked shortage of capital, they seem weak dynamic factors, quite easily contained, in the absence of outside stimulation, within a generally static situation.

URBAN DEVELOPMENT

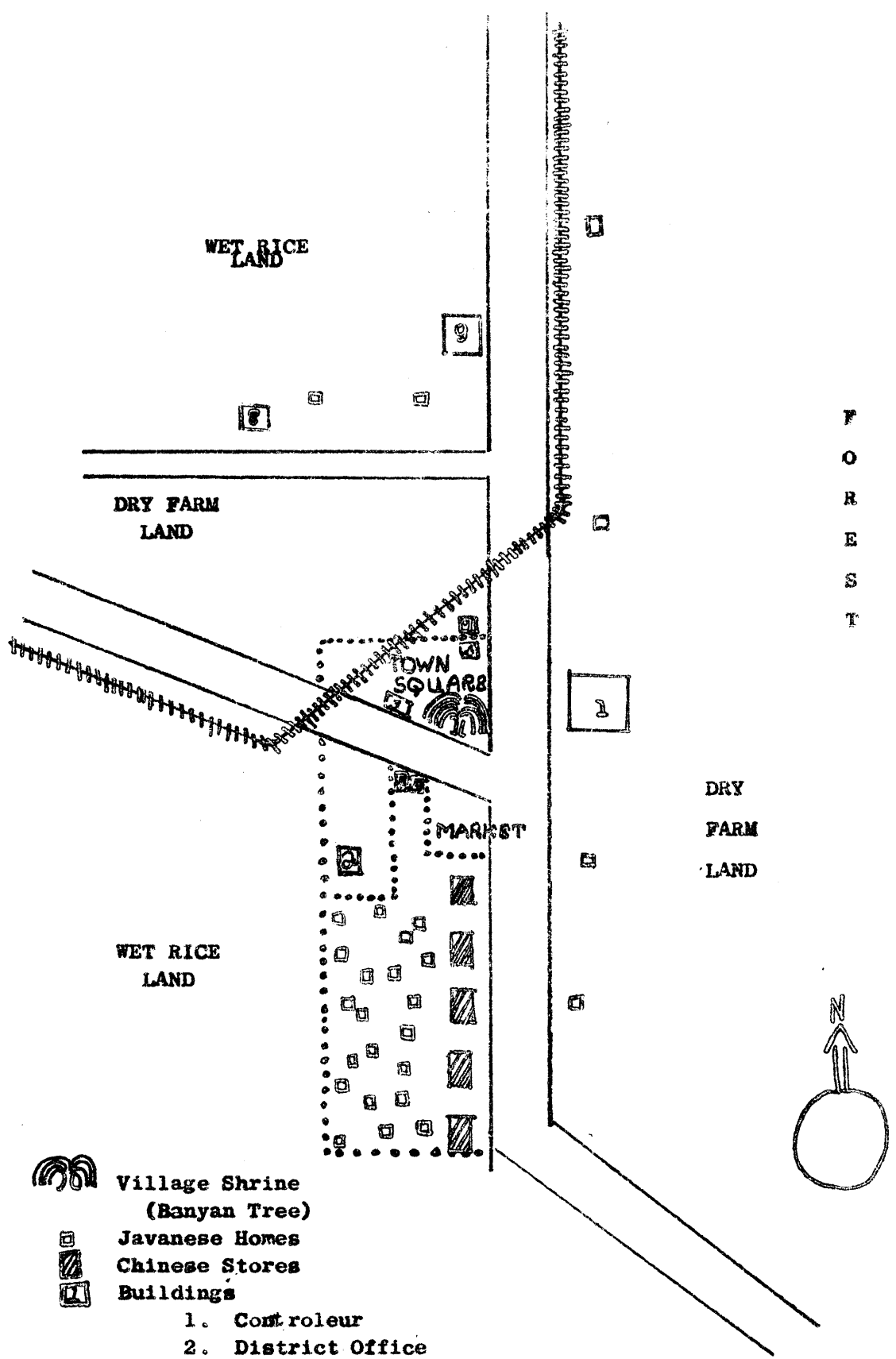
Even as late as 1890, the town was still but little more than a crossroads in the wilderness. In the Modjokuto area the land tended, naturally, to be settled from the river outward, so that the town, lying at the edge of the basin, lagged in development somewhat behind the villages in the rice plain and there does not, in fact, seem ever to have been a very large village on the site. Sometime before the turn of the century the Colonial Government established a District Office (the Subdistrict Office came rather later) and an office of a Dutch official called a Controleur,⁷⁴


⁷⁴ The Controleur ("inspector") was a sort of "trouble shooter" for the Dutch wing of the dualistic Colonial bureaucracy. Originally (from 1818) an overseer of the government-owned coffee plantations, he later became the most directly responsible official in the regulation of forced cultivation under the Culture System. When the Culture System was abolished, the Controleur became part of the regular civil service (as its lowest European rank), but outside the normal administrative hierarchy and charged with little more than keeping his ear to the ground and cultivating the "natives." "Thus the rough coffee-sergeant of the [Dutch East India] Company became by gradual evolution the pivot on which the Dutch administrative system turned, a liason officer between East and West; and this, despite the growth of office work and other recent changes is still [I.e., pre-war] his character." Furnivall, *op. cit.*, p. 194. The Modjokuto Controleur had for his territory not only the Modjokuto district, but the next contiguous one to the northwest as well. There was also for a short while an Assistant Resident, the next official up in the Dutch hierarchy, in Modjokuto; but he seems to have been mainly concerned with the plantations and played no important role in the town's life, except perhaps for the fact that Javanese driving horse-carts by his residence were obliged to dismount and walk by.

at the highway intersection, to serve the growing plantation network which the Dutch were beginning to build up in the area.

The District Office and the Controleur's Office having been established (along with a depot for the Government opium and salt monopolies), a few Chinese, encouraged by the assurance of Government protection opened small stores along the main road, a small Javanese market-place began to operate, and a bamboo mosque was built. The railroad was laid down (from 1897 to 1899),⁷⁵ a school for Dutch children living on the plantations erected, as well as one for Javanese children, and a few village people, stimulated by the Government's offer of free land, began to clear the forest and build rice terraces (though some were, no doubt, already farming in the general area before the District Office appeared). Even a Government clinic was set up. Thus, an old informant drew the following sketch map of the town as he remembered it from his childhood around 1910:


⁷⁵ Encyclopaedie van Nederlandsche Indie, op. cit., Vol. 4, p. 81.




 Village Shrine
(Banyan Tree)

 Javanese Homes

 Chinese Stores

 Buildings

1. Controleur
2. District Office
3. Dutch School
4. Javanese School
5. Government Opium and Salt Warehouse
6. Railroad Station
7. Village Chief
8. Mosque
9. Clinic

 Main Settlement

From this map, one can see that the major elements of the town were already present around the turn of the century. At the center, facing the town square and village shrine were the Government offices; behind the offices lay the village area, already beginning to be organized in the kampong pattern we have seen to be characteristic of urban settlement; and to one side of the offices and kampong were the market and a few Chinese stores. The further growth of the town has, so far as the Javanese are concerned, consequently been somewhat dialectical in form: it has consisted, on the one hand, of a somewhat independent growth in each of these three basic social structural elements--bureaucracy, village and market--and, on the other, of their progressive integration with one another into an over-arching urban structure in which their distinctiveness has tended to disappear. By the same token, the Dutch and Chinese have progressively fit less easily into town life as the Javanese sector of it has grown more solid, at least vis-à-vis non-Indonesians. In the Dutch case, this problem was eventually solved by their virtual elimination from the scene; in the Chinese case, it has led, though there has recently been some outward migration, simply to increasing tension between themselves and the Javanese. The population figures for both the district and the subdistrict (the town not being an official political unit, there are no separate records for it) during the period of Modjokuto's growth reflect the general pattern of this rather peculiar sort of urbanization:

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⁷⁶The 1905 figures are from the Encyclopedie van Nederlandsche Indie, op. cit., Vol. 3, p. 312. The 1920 figures are from Volkstelling, 1920,

District

	Javanese			Chinese and Other Foreign Asiatics			Dutch		
	total	% avg. annual increase	% of total	total	% annual increase	% of total	total	annual %/in- crease	% total
1905	115,000	---	98.9	800	---	.7	450	---	.4
1920	150,381	1.7	98.3	1,837	5.7	1.2	722	3.0	.5
1930	184,267	2.0	97.9	3,022	4.9	1.6	916	2.4	.5
1953	248,625	1.3	98.95	2,548	-.7	1.0	117	-2.8	.05

Subdistrict

	Javanese			Chinese and Other Foreign Asiatics			Dutch		
	total	% avg. annual increase	% of district Javanese	total	% annual increase	% of district Chinese	total	% annual increase	% of dis- trict Dutch
1920	50,373	---	33	1,195	---	65	334	---	46
1930	59,767	1.8	32	1,175	5	59	380	1.4	41
1953	85,206	1.5	34	2,034	.66	80	19	-4.1	16

Deel III, Batavia, 1922, pp. 110-111. The 1930 figures are from Volkstelling, 1930, Deel III, Batavia, 1934, p. 114. The 1953 figures come from the subdistrict office in Modjokuto. The "foreign Asiatics" are relatively few and include some Arabs, Indians and, around 1920 and 1930, a few Japanese. Almost all Eurasians are included in the Dutch totals. The rates, percent of total, and percent of district figures are calculated. According to figures from the local office of the Ministry of Health (which include Chinese and Javanese together), the crude birth rate for the regency in 1953 was 28 per 1000, the crude death rate 15.2 per 1000, giving a rate of natural increase of 12.8 per 1000. The figures for births are, most likely, somewhat low, the actual rate being perhaps as high as 30. Crude rates are, of course, poor measures; but the data are not good enough for the calculation of more refined ones. Overall average crude rates for Java and Madura for the decade 1931-41 were: births, 27.4; deaths, 18.1; natural increase 9.3. Metcalf, J., The Agricultural Economy of Indonesia, Agricultural Monograph, 15, U.S. Department of Agriculture, Washington, D. C., p. 98.

The relatively even growth of Javanese population, slowing down slightly in recent years but still managing to double in a little less than half a century, reflects the pre-war importance of migration to the area.⁷⁷ If we take the percentage of district population lying within the subdistrict as rather vaguely indicative of urbanization--because there are, with one or two small exceptions, no towns in the other subdistricts, while the town of Modjokuto has about a quarter of the subdistrict population--there is very little sign of a markedly more rapid increase in urban than rural Javanese population, for subdistrict population runs constant around a third of district. It is possible, of course, that rural-urban proportions within the subdistrict have markedly changed (say, becoming more urban), while the other subdistricts have remained constant, or changed in the opposite direction, in proportion to the whole district. But this conjecture assumed a differential susceptibility to urbanization within and without the subdistrict for which there seems to be little evidence; though a small percentage change toward greater subdistrict urbanization has probably occurred, particularly since the war.

If this admittedly rather weak argument for the constancy of the rural/urban ratio be accepted, it strengthens two other hypotheses which seem to me valid on "intuitive" grounds. First, what urban migration has occurred has not been so much from the Modjokuto countryside to Modjokuto town, as from both town and countryside to the larger cities: Jogjakarta, Surakarta, Surabaja, Malang, Semarang, Bandung, Djakarta.

⁷⁷ From 1905 to 1930 Modjokuto district population (Javanese) was growing at the rate of 1.8% per year, Java-wide population at the rate of 1.3% (the latter figure calculated from Furnivall, *op. cit.*, p. 317).

Second, the plantations' policy of minimizing proletarianization also minimized dislocation of the population distribution: most sugar workers and plantation laborers were not removed from their predominantly rural residential context by their participation in commercial agriculture. It is impossible, of course, to be certain, but it seems likely that this pattern is more or less general for Java: population growth in this century has led not to a markedly greater percentage of the population in the towns and smaller cities, but to a more or less equal distension of both village and town social structures to hold the large increase, the absolutely unabsorbable surplus from both draining off to the larger cities, which have had a spectacularly disproportionate growth.⁷⁸ In any case, this seems to have been the pattern in Modjokuto.

For the Chinese it has been clearly otherwise. Not only has their "urban-subdistrict" population proportion been consistently much higher--between 60% and 80%--but its changes indicate something of their vicissitudes: the decrease in 1930 evidently reflects the greater movement into the villages; the sharp post-war rise, their return to the town after the terrors of the Revolution. The overall rapid increase of the Chinese in the pre-war period, reaching a peak in the

⁷⁸ Wertheim notes concerning the 1920-1930 period in Java that "the smaller the town, the slower the rate of growth," towns with a population above 100,000 increasing particularly rapidly, the total number of inhabitants of such towns doubling within a period of 10 to 20 years. "This development in the size of towns continued after 1930--very probably at a considerably increased pace." Wertheim, W. F. Effects of Western Civilization on Indonesian Society, New York, 1950, p. 44. For the disproportionate growth of cities throughout Southeast Asia, see Ginsburg, M., "The Great City in Southeast Asia," American Journal of Sociology, Vol. 60, No. 5, 1955, p. 455-462.

twenties, and the almost total cessation of that growth in the post-war period speaks for itself: in commercial terms the town seems to have reached a plateau; perhaps, as the Chinese high rate of natural increase has presumably not changed, even a decline.

As for the Dutch population, the interesting thing, aside from their rapid (but not so rapid as the Chinese) increase pre-war and their rapid post-war decline, is how "rural" they have been--though, of course, they lived not in the villages but in segregated compounds on the plantations and around the mills. The plantations and mills were, neither of them, even administratively centered in the town, but rather in the countryside surrounding it, so that the town was not, for the Dutch, a place either of residence or of work, but a temporary meeting point for intermittent political, commercial or recreational purposes.

In fact, in the earliest phases of the town's development this "hollowness" was a characteristic feature of its social topography, not only so far as the Dutch were concerned, but from the point of view of the bureaucratic and market elements as well. Most civil servants were (and the higher ones still are) shifted quite frequently from one post to another--usually about once every two or three years. Their ties with any one town were thus likely to be weak and transient. Similarly, in this early period many of the most important Javanese traders were not actual residents of Modjokuto but were travelling peddlers moving from one market to another, their home bases commonly being in the north coast area or the principalities. A trader would journey to the Modjokuto area, remain a few days, weeks or months,

travelling around the local market cycle,⁷⁹ and then he would return to his home for a while.

Thus both the trading group and the civil servant group tended, in large part, to be regional, "inter-urban" communities rather than local, "intra-urban" communities, their members often having closer ties with people in other nearby towns in the same group as themselves than with people in other groups in their town. Both had, too, quite separate and distinctive styles-of-life, more or less homogeneous over most of the Javanese culture area, so that individuals could move from one town to another and easily find a place in the new (sub-) community; something quite a bit more difficult for a peasant with inherited land rights in a single village. In addition, the Chinese were also rather more horizontally than vertically integrated. Though they were more or less stable in residence, their relations with Chinese in other towns--especially the regional capital and in Surabaya--were much closer than with the local non-Chinese population. As for the "lower class" Javanese living around the highway intersection or in the kampung area, most of them were, in this earlier period, still peasants--Modjokuto, a town for the Dutch, the Chinese, the traders and the bureaucrats, was still largely a village for them, proletarianization having only barely begun, Modjokuto at this time was a true cross-roads--a Government service station, a market place, and a peasant

⁷⁹ Many Javanese towns, particularly smaller ones, join with other towns in the same area in a market cycle, each of the towns holding a market on a different day of the five-day market week. This pattern is much less prevalent now than it once was, all but the smallest towns now holding a market every day, as does Modjokuto.

settlement; but as yet no true community.

Departing from this point, the process of urbanization as it took place around the Modjokuto highway intersection involved, on the one hand, the expansion of the Javanese bureaucracy and increased Dutch influence on the members of it; the at least temporary emergence of a Javanese middle class, and intensified Chinese commercial activity; and a transformation of the peasantry settled there into townsmen, of village dwellers into kampong dwellers. On the other hand, it involved-- but only for the Javanese--more intimate relationships among these various elements and a movement toward locally based, "vertical," rather than regionally based, "horizontal" forms of social integration, a dissolution of the semi-segregated inter-urban community into a more unified intra-urban community. The process was one, in a sense, of "filling up" the originally "hollow" town.

In other terms--those made popular by Furnivall⁸⁰--the urbanization process was one of replacing an essentially "plural" society (one made up of a set of socially segregated subgroups sharing only the narrowest and most provisional of cultural consensuses) by a rather more unitary one. The Dutch and Chinese, too diverse and too foreign to be included in the new integration (both from their own point of view and from that of the Indonesians) were in the one case ejected and in the other increasingly more grudgingly tolerated as a discriminate minority. But in casting off the Dutch and constricting the Chinese, the Indonesians necessarily also rid themselves of the economically dynamic

⁸⁰Op. cit.

influences these groups provided--on whatever unjust terms--their economy and society, leading to a slowing down, at least in Modjokuto, of the process of urban development itself, a tendency toward economic stagnation. As a result, the primary post-war economic problem has turned out to be that of developing within the Indonesian population itself the kind of dynamism provided by Dutch managerial talent and Chinese commercial skill in the pre-war period.

1. The Bureaucracy Sector: The Development of the Civil Servant Elite

The traditional culture of the bureaucracy derives from the Hinduistic court culture of the inland Javanese kingdoms. When the Dutch, in the seventeenth and eighteenth centuries, established sovereignty over the East Indies, they detached the administrative staffs of these kingdoms from royal control and transformed them into a unified, appointive civil service. This civil service became, then, the chosen instrument of a dualistic form of Colonial administration. Asserting the principle of "like over like," the Dutch ruled the mass of the people through the medium of a small class of Javanese bureaucrats who were, at the same time, the representatives of the indigenous, literate aristocracy. This aristocracy, or literati, was, in addition, almost entirely urban--or, as I have said, inter-urban--and, particularly after 1750, largely unlanded, its members depending for their support almost entirely upon their salaries. Their culture, following that of the courts at Jogjakarta and Surakarta in Central Java, was built around a very intense concern for status; for smooth, constrained, hyper-polite behavior; for a rather Buddhistic mysticism; and for a refined art, especially of music, dance and (puppet show) drama.

It was more or less uniform throughout the whole Central Javanese culture area, the main variations within it being not so much areally linked as hierarchically: people lower down in the bureaucracy following a less refined version of it than those higher up.

The establishment of a District Office at Modjokuto thus meant an establishment there of this aristocracy and culture as well. In this Office and in all the local Government offices before about 1915, the influence of the literati culture was all pervasive: it was a small replica of the court, with the District Officer as king. Status differences were subtly but firmly marked by dress, speech style, deference gesture--by a refined and explicit code of manners. Relationships between superior and inferior were paternalistic and personalistic, and the staff as a whole held themselves aloof from the masses they were nominally governing, dealing with the peasantry largely through the village chiefs. Similarly, the staff had relatively little contact with the Dutch at this period, for at most only the District Officer had much to do with them, and he often only through the agency of the Regent, the highest Javanese official, stationed fifteen miles away.

As a general group, the civil servants were highly endogamous, marriages tending to follow status lines rather closely even within the group, so that Modjokuto literati families usually would have kin ties with families of comparable status in several other towns. They resided in large houses set, amid gardens or orchards, along the main roads and streets of the town, and they were usually surrounded by a retinue of servants and dependents, many of whom often lived in small

houses in an attached kampong to the rear.⁸¹ Add the cultivation of the dance and the shadow play, and the interest in mystical literature and practice, and the picture of this essentially gentry style of life is fairly complete. The traditional Javanese name for this group, and for the individual gentlemen who make it up, is prijaji, and it is still used for them, though, as we shall see, much about them has changed since the beginning of this century.

These changes had their beginnings in the period of plantation prosperity from about 1915 to about 1930, when the Dutch influence on the town in general, and on the prijaji in particular, grew very much stronger, and when the economic life of the town became much more active. The most immediate effect on the town of the rather sudden growth of the Dutch population in the Modjokuto area was the appearance of a large number of "service" organizations specifically designed to cater to European trade, many of them run by Dutchmen or Eurasians: individual Dutchmen set up a hotel, a dairy, a slaughterhouse, and a drugstore, all directly oriented to the European market; while various Chinese started bakeries, set up taxi services and increased their imports of beer and Dutch gin. In 1920 the railroad moved its headquarters to Modjokuto, bringing with it a Dutch staff of twenty-two (seventeen of them Eurasians); around the same time, HVA built its hospital--still one of the finest in East Java--which, though headed by an Indonesian doctor, had a large staff of Dutch nurses; and, of course, the Dutch elementary school, taught by Dutch teachers, expanded.

Finally, and perhaps most typically, there was the kamar bola, or "ballroom." The kamar bola, which was owned by HVA, was a large,

⁸¹ High Javanese officials, such as the District Officer, the Assistant District officer, and the Pawnshop Director (the latter two later arrivals) lived, then as now, in houses attached to their offices. Dutch officials such as the Controleur, and later, the railroad Director, followed the same pattern.

wooden frame building, in which each Saturday night a dance was held. Evidently, the great majority of Dutch in the area attended this dance almost every week, and it seems to have been one of those social affairs typical of Europeans in the tropics in the years before the war: an elaborate, boisterous and pathetically deliberate attempt to recreate the pleasures of home-country "high society" in an environment in which almost all of the normal correlates of such "society", save wealth, were absent. What the Javanese seem to remember most about it today, outside of the fact that only the Dutch (or, in a few instances, the very highest prijajis--the two doctors and the District Officer) could attend, is the drunken exuberance of it all, something not characteristic of Javanese celebrations, which are rather restrained. In any case, the kamar bola, like the hospital, the school, the dairy and the drugstore, is symbolic of the role of the Dutch in the town during this period of rapidly rising profits: they moved in and out of it fairly regularly for medical, education or recreational purposes, but the major concern of most of them lay on the plantations and the mills and their contact with the indigenous urban community was minimal. ⁸²

Nevertheless, the influence of the Dutch group on the aristocracy increased steadily, eventually shattering its unity and partially transforming its culture. In the first place, some of the highest officials

⁸² The railroad, hospital, etc., did, of course, increase the number of Dutch people resident in the town, but these mainly lived in special compounds of whitewashed stone bungalows which were set up around the railroad station (the head of the line built a particularly commanding house in the middle of the town square, which was later burned down in the Revolution), behind the hospital, and at the Western edge of town, the latter mainly occupied by retired Dutch officials and plantation managers.

had partial entree into Dutch social life, particularly as some of the Dutch also began to patronize "Indian" art, cooking, dress and so forth; and those officials who did not have such entree nevertheless began to imitate the externals of Dutch life--replaced their porticced houses with concrete bungalows, hung bad romantic landscapes on their walls, and subscribed to Dutch magazines. In the second place, and even more important, I think, the expanding Dutch enterprises, particularly the mills, created a new set of occupations--accountants, sugar technicians, recording clerks, draughtsmen, etc.--the holders of which challenged the exclusive status perquisites of the civil servants. These new white collar workers, it is true, were also predominantly chosen from the prijaji class, but because these jobs demanded more training in rather narrower technical skills than the more diffuse bureaucratic occupations, they tended necessarily to be rather more open to talents. In Modjokuto, in any case, a sharp distinction and a good deal of animosity soon developed between the two groups, and a young prijaji increasingly found himself forced to choose between much higher status and much lower pay in the bureaucracy and much lower status and much higher pay in the mills. And, though the bureaucrats resisted the claims of the mill technicians to equal status quite vigorously, the tendency for the bureaucracy itself to become something of an appendage of the mills rubbed a good deal of the traditional cultural shine off them as well.

Thus, as the mills had an anti-traditional effect on the rural social structure, so too they had one on the urban, and most directly (but, as we shall see, far from exclusively) on the customary elite.

The effect they had can best be summarized by saying that they tended to change the prijaji group from a literati to an intelligentsia. According to Redfield, who has systematized these terms,⁸³ the literati, of whom the Chinese Mandarins are a good example, are characterized by a high concern for the preservation of the indigenous sophisticated tradition; they are the protectors and interpreters of the art, religion and manners of the inherited pattern of aristocratic life. The intelligentsia, of whom the Russian intellectuals of the 19th century are an example, are, on the other hand, primarily the mediators of an intrusive civilization to their own society. They are cultural middlemen, marginal to both their own culture and to a foreign one they interpret to their fellows, and, as such, they play a crucial role in cultural change. The emergence of an intelligentsia in Modjokuto meant, then, the emergence of a group who were increasingly skilled in following Dutch patterns of behavior and who increasingly based their claim to political and social ascendancy on this achieved skill rather than on their inherited class position. Different groups within the prijaji elite travelled further along the road to intelligentsia than did others, lower bureaucrats and mill technicians generally going rather further toward the adoption of European patterns than did the middle and upper bureaucrats, who tended to cling more to the old ways. Even among the most "modernist" groups, however, the traditional prijaji style-of-life continued as a strong component in their culture; and even among the most "conservative" groups something of the new, less

⁸³ Redfield, R., The Primitive World and Its Transformations, Ithaca, 1953.

traditional orientation appeared.

That the sugar boom stimulated the growth of the intelligentsia or "modernist" element in the elite at the expense of the literati or "conservative" element is, therefore, clear. The expansion of the mills--as well as of the railroad, the (at that time privately owned) electric company, etc.--not only increased the number of Javanese technicians, clerks and accountants employed in non-bureaucratic posts, but it also stimulated the growth of the bureaucracy and thus of the number of lower civil servants. Around the original District Office (supplemented now by the Subdistrict Office), which was still the center of court-like traditionalism, grew up the secondary, and generally more technical, Government offices--irrigation, public works and the like. The diffuse, almost paternalistic, administrative functions of the District and Subdistrict Offices became increasingly supplemented by the technically specific functions of the secondary "public utilities" offices, so that even within the bureaucracy itself the literati-intelligentsia split occurred.⁸⁴ As both the mill technicians and the lower civil servants tended to be more permanent in residence than the higher bureaucrats, this transformation of the homogeneous elite into one with a "conservative" and "modernist" wing represents at the same time the appearance of a dominant urban class which could at last genuinely be said to be a

⁸⁴ For a discussion of the specificity-diffuseness distinction, as well as of the achievement-ascription distinction mentioned above, see Parsons, T., The Social System, Glencoe, Ill., 1951, pp. 63-66.

locally-based one. Ambitious, but their ambitions limited by racial barriers to advancement; Western educated, but their educational opportunities carefully rationed by the Dutch, highly articulate, but their freedom to agitate progressively curtailed by the nervous Colonial Administration, the members of the modernist wing came to play an increasingly important role in Modjokuto life, emerging finally into almost undisputed pre-eminence in the revolutionary and post-revolutionary periods.

All through the period of rising nationalism in the twenties and thirties, this split between conservatives and modernists intensified, becoming increasingly political in character, in terms of a distinction between those who wished to gain self-government through cooperation with the Colonial Government and those who wished to gain it through more or less open opposition to that Government, the two camps generally being called "co-" (i.e., cooperator) and "non-co-." In the depression, the antagonism between the two groups became quite heated, as the suddenly unemployed intelligentsia became even more dissatisfied with the status quo. Unlike the unskilled seasonal workers, this small group of technicians had been fully drawn into the orbit of the "capitalist" side of the "dual economy," and, with their high wages (for a Javanese), they prospered with it. With the destruction of this relatively privileged economic position, the restlessness already induced in them by the racial bar to advancement to managerial positions within the capitalist sector was further intensified. Cut off, both from the traditional opportunities within the government

bureaucracy⁸⁵ and from the new opportunities which had appeared in the capitalist sector of the economy during the boom, their attitude toward the entire colonial structure grew definitely ugly.

The Dutch attempted--in the short run, more or less successfully--to counter this increasing explicit criticism of their right to rule by a sharp repression of radical intelligentsia nationalism and, subsequent to this, by a discreet stimulation of conservative literati nationalism, so strengthening the hand of the more traditional, less dissatisfied element. After the Communist disturbances of 1925 and 1926, which did not spread to Modjokuto, the Dutch arrested not only the local Communist leaders (most of whom were railroad workers), but several non-cooperating nationalists as well, exiling them to New Guinea, an act which, particularly as several of these men were arrested while attending a large public meeting in the motion picture theatre, impressed the local population that the Dutch meant business and dampened the radical fervor, or at least drove it underground. After the depression brought the welfare party to the fore within the Colonial Government--that is those Dutch officials who urged a more

⁸⁵Which was, of course, itself contracting. Salaries fell 25% from 1929 to 1934, total Government expenditures from fl. 515.7 million to fl. 337 million, almost all hiring of new officials ceased and many older ones were pensioned off. Furnivall, *op. cit.*, p. 443. It would be incorrect, however, to make nationalism a simple result of the depression: on the contrary, it got its primary stimulus in the boom, which also helped to finance it. The movement itself began on the national scene around 1912, the first serious disturbances coming with a series of Communist strikes and uprisings in 1925-26, while the founding, by Ir. Sukarno, present President of the Republic, of Partai Nasionalis Indonesia in 1927 marks the appearance of non-cooperative intelligentsia nationalism in a definitive form. There was no chapter of this last organization in pre-war Modjokuto (or of the Communist Party either), but, up until it was banned in 1930, several prominent local prijaji were members of the branch in the regency capital. For the history of the nationalist movement, see Kahin, *op. cit.*

"ethical" policy, as they termed it, toward the Indonesian population --the other aspect of the policy, the encouragement of moderate, evolutionary nationalism, became more prominent. In Modjokuto, this partial shift in policy was reflected in the florescence of the prijaji benevolent organization called Parindra.

Parindra, which was formed in 1925 as a fusion between two earlier moderate nationalist organizations, Budi Utomo and Partai Bangsa Indonesia, was a cooperative political organization, having representatives in the East Indies Parliament the Dutch had set up in Batavia, but its main activities were of a more broadly philanthropic nature. The organization was divided into two sub-sections, Parindra proper, consisting entirely of prijaji (with a membership of about fifty Modjokuto) and a peasant organization, consisting of villagers but administered by members of Parindra proper. The tone of this organization was one of self-uplift and noblesse oblige, but evidently it was quite effective. Parindra proper set up savings and consumer cooperatives among its members, founded a private junior high school (there were no public high schools in Modjokuto),⁸⁶ and attempted to ameliorate such growing urban evils as prostitution, gambling and Chinese money lending. The peasant section built large warehouses to store peasant rice under the "padi bank" plan, disseminated agricultural information, sold seeds cheaply, and so forth. Dutch officials evidently gave a good deal of guidance to this group, pro-

⁸⁶ This school, still present in Modjokuto, was actually set up by a separate, entirely local organization, also still extant, but its membership was more or less identical with Parindra's.

viding it with plans for the co-operatives and peasant programs, "gently" suggesting new activities and the like. In any case, it is clear that by this time the whole center of gravity had shifted toward the intelligentsia pole, and even the more traditionalistic found it necessary to adopt more Western forms.

The destruction of Dutch power in the Japanese occupation and Japanese support, particularly toward the end of their period of rule, of the intelligentsia's revolutionary aims, changed the split between the "co-" and "non-co" groups into a chasm, a chasm between those who remained loyal to the Dutch as they attempted to re-impose their rule on Indonesia, and those who joined, and led, the Republic in its successful effort to prevent the return of the Dutch to power. During the year the Dutch occupied Modjokuto, they maintained a staff of native civil servants, largely drawn from the conservative element of the prijaji group; while in the villages, scattered staffs of Republican intelligentsia directed the guerilla warfare of the rebels against the Dutch positions in the towns. In light of this direct opposition, it is remarkable how relatively easily relations between the two wings of the elite were re-established after the war; but we shall deal with the postwar period below.

2. The Market Sector: The Development of the Trading Groups

Speaking generally, four different groups have played a role in the growth of Modjokuto's market-taking "market" in the broad sense to include the whole network of trade relations. In order of ascending importance, they are: 1) a small group of luxury textile traders selling the world-famous batik cloth; 2) a group of originally semi-

professional village or very small-scale town traders, many of them women, selling almost entirely intra-locally; 3) a group of fully professionalized, originally itinerant, traders selling cheaper textiles, cigarettes, hardware, leather goods, prepared foods, etc., imported into the area from other parts of Java, and 4) the Chinese, selling all these sorts of goods plus those imported from abroad. The process of development has consisted, on the one hand, of a consolidation of the three originally more or less separate Javanese groups into a single, somewhat over-complex distributive network; and, on the other hand, of an increasing tension between all of these groups and the Chinese, whom the Javanese, now become Indonesians, would like to exclude from commercial life altogether.

The earliest batik traders were almost all from the principalities of Central Java where this industry has always been concentrated.⁸⁷ Because of the close historical connection between batik-making and the high culture of the courts, the style-of-life of these traders, of whom there were only a few in any case, tended to approach that of the civil servant prijajis. Often, in fact, the batik traders were wives of civil servants who supplemented their husbands' meagre salaries in the one sort of business the gentry ethic regarded as at least marginally permissible. In the days before the sugar prosperity, the larger court-city traders travelled periodically to Modjokuto and other towns in the area, distributing stocks of batik (which was, at that time, worn only by upper class, urban women) to local agents in the prijaji group, who, for the most part, sold them privately and discretely in their

⁸⁷ About 50% of the whole batik industry before the war was located in Jogjakarta, Surakarta and Pekalongan (the last actually a north coast town). Sitsen, P., Industrial Development in the

homes. After the beginning of the sugar prosperity period, batik trading became more professionalized, moved more and more into the market, and--block printing replacing hand work and an increasing number of non-prijaji coming to wear batik--the court-culture element in this trade weakened. Today, though clear traces of its aristocratic origins remain, batik is, for the most part, but one slightly more refined trade-good among others, and the luxury textile traders have become more closely integrated into the over-all market network.

The second group, the petty intra-local traders, were also often women: wives of peasants, of part-time small craftsmen, manufacturers and so forth. They dealt in locally produced handicrafts, cottage-industry goods, small foodstuffs, products from house gardens and the like, which they sold locally, mostly in the villages. In the earlier period such traders were both mostly part time, and, relatively speaking, few in number. They dealt on a very small scale, often travelling several miles to sell a few cents worth of fruit, a container of coconut oil, or a single woven basket, barter no doubt playing a much greater role than it does today. This was, thus, a trade which was fairly closely tied in with the traditional village economy, being more or less supplementary to agriculture. As the more commercial aspects of that economy--cottage industry and intensive

Netherlands Indies, Bulletin 2 of the Netherlands and Netherlands Indies Council of the Institute of Pacific Relations (n.d.), p. 21. Batik is a resist-dye method of textile manufacture employing wax as the resist; originally all done by hand it is now almost wholly manufactured by a semi-mechanized block-printing method.

compound cultivation--were perhaps not so highly developed in the Modjokuto areas as in some others (whether there was ever a significant degree of village specialization is unclear), due to the relatively light land pressure, this trade was probably never very large. In any case, the growth of the sugar economy tended to weaken it severely, turning the villages toward a wider, urban-centered economy (from which they had never been wholly isolated), and replacing local handicrafts with foreign imports and with domestic goods produced on a larger scale in central and northern Java.

But, up until the depression and the war, the most important and most highly developed group of Javanese traders was neither the semi-aristocratic batik dealers nor the small-scale local peddlers, but the itinerant, inter-local traders who travelled to Modjokuto from other parts of Java, from whence they brought Javanese-made goods into the area. The great majority of these peripatetic traders came from the north coast regions--Kudus, Demak, Tuban, Gresik and Surabaya, as well as from Madura and Bawean (the latter a small island in the Java Sea, about 75 miles due north of Gresik), where a fully professionalized native commercial tradition had been in existence since the period of Islamization in the fifteenth and sixteenth centuries and probably before,⁸⁸ and where a growth of Javanese-controlled small industries--in dried fish, hand-rolled cigarettes, leather tanning, cheaper textiles, soap and so forth--had taken place in the first

⁸⁸For a general review of the history of trade in Indonesia, see van Leur, J. C., Indonesian Trade and Society, The Hague and Bandung, 1955.

decades of this century. Stimulated by this Javanese commercial and industrial development on the one end, and by the increasing Javanese purchasing power on the other, this group slowly built up an effective Javanese-controlled inter-regional trade network that linked Modjokuto to the island's more economically advanced north coast. It was this group which, along with the Chinese, first tied the Modjokuto market firmly into the Java-wide market.

From the cultural point of view, almost all of these early inter-regional traders were strong, pious Moslems whose ascetic, restless style of life differed sharply in tone from that of both the settled peasants and the refined literati civil servants who were their contemporaries. Frugal, tireless, shrewdly calculating, they moved out from their home bases--where, commonly, their father or older brother owned a store or a small factory--with stocks of cigarettes, textiles, leather goods, small hardware or dried fish (they tended to be specialised as to area: the cigarette trade centered in Kudus, the fish trade in Gresik, etc.), peddling them bit by bit through the various interior towns. As they generally modeled their behavior after that of the Arabs, who were also small itinerant traders, as well as highly Islamicised,⁸⁹ their whole culture had a sort of Levantine tinge to it, and this attachment to Islam earned them the name of santri,

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Almost all the Arabs in Indonesia are from the Hadramaut, immigration increasing particularly rapidly after 1860. They are, nearly without exception, all small scale retail traders or money lenders and are entirely confined to the cities and towns. Their pre-war influence on the professional native trading class was extraordinarily strong, but it has lessened greatly since the rise of Indonesian nationalism which has tended to exclude them as the Chinese and Dutch are excluded.

properly, Moslem koranic student, a name also applied to the more Moslem element in the rural population mentioned earlier.

But, whatever the cultural contrasts between trader, peasant and civil servant, the urban santri style of life was basically as traditionalistic as that of either of these other two groups. Focused around the daily prayers and the mass prayer on Friday in the mosque, and around the pilgrimage, the Islamic law and the koranic scholar (and including a good deal of Sufistic mysticism as well), it was a kind of self-contained minority culture particularly well adapted to a mobile, commercial existence. The sort of trading pattern it supported and regulated, however, was, as I have said, one which had been present in Java in about the same form for hundreds of years and which was as constrained by a crystallized tradition as the customary modes of agriculture or of political administration. There was a distinct difference in ethos between the santris and the rest of the Javanese community--from whom they tended to remain spatially and socially isolated--but it was not one of a less stabilized pattern of life in the former than in the latter: for the santri, the Javanese variant of Islamic culture contained his commercial activities within a relatively static form in the same way as the literati status etiquette contained the prijaji's administrative methods, and as the village tradition of the peasantry contained the settled cultivator's agricultural practices.

The fourth market group, the Chinese, was at this time still small, and it too was fairly traditionalized. Mostly it was composed of Chinese born in the Netherlands Indies rather than in China, usually for several generations back--i.e., they were peranakans rather than recently migrant singkèhs. The peranakans ran small retail stores, leased certain monopolies

from the Government (e.g., the Government pawnshop was in the early days of Modjokuto leased to a Chinese), lent money, sold opium, managed gambling dens and built rice mills and warehouses. In contrast to the singkèhs, who began to come in increasing strength to Modjokuto in the boom period, the peranakans were a static group, with a well-defined--though not necessarily wholly secure--position in the "plural" society, a position which had developed over the course of several centuries from the days when Chinese rented whole villages to rule and exploit from the East India Company, or when they leased a whole range of functional monopolies--salt and opium distribution, toll roads, slaughter houses, Javanese markets--from the Company's Culture System successors. Their economic activity, like that of the santris, thus lay along well-developed, stabilized lines, and their culture was a curious amalgam of Javanese aristocratic patterns with Chinese Mandarin patterns, so that they have often been said to be both more Javanese than the singkèhs and more Chinese. Meijer has well described the ethos of this group:

Through their intensive contact with the population, the Peranakan Chinese learned everything about the society of their customers. They behaved, as a whole, as expected from well-to-do members of that society and took on the social obligations accruing from such a position, including presents at ceremonies, etc. Still, though living in that society, they already remained observers and never actually became members. This was a mutual reaction; the Javanese did not want them, nor did they on the whole wish to merge into the mass of the Javanese. The fact that there was much Javanese blood in their veins and that they lived among the people made them thoroughly acquainted with all the customs and sentiments, but their Javanese women became Chinese and were loosened from their own milieu . . . It is true they were different from the Singkèhs and did not feel like a foreign element in Indonesia, but they did not feel part of the native population either. They felt themselves a different element, but definitely belonging to the country. They looked down on the coarse Singkèhs as much as the latter

looked down on the effeminate peranakans, who took life easy and became comfortably well off. Peranakan women dressed in Javanese clothes, even though the men later took Chinese wives (when there became more of them). But the Chinese-Javanese clothes are only Javanese in style; the colors are loud and the patterns are those of Chinese pottery. The peranakans made Indonesian music on Chinese instruments with the Chinese gamma, they imitated the [Javanese shadow play] with Chinese puppets, and even their food was a synthesis of Javanese and Chinese dishes. Still, their attitude up to and around 1900 towards China was mostly one of piety and aesthetic appreciation. Their attitude towards the Javanese was one of subdued superiority. They avoided the arrogance of the Europeans, were smooth and courteous with the wealthy and influential, while in their ways with their inferiors they developed the same manners as the native aristocracy. In this way they created a form of life in harmony with their curious position.⁹⁰

Again, the rise and fall of the plantations brought on a period of detraditionalization of the market groups, or, more accurately, of a transformation of their traditions. The increased purchasing power created both by the population rise and the Dutch enterprises led to a rapid increase in the permanent population of both groups. More singkèhs began to come into the Chinese community, leading to a more energetic development there, while the santri traders began to return less and less often to their home bases in the north, settling down as Modjokuto residents, though in neighborhoods which still were segregated as to place of origin. Although some of the batik traders also eventually settled permanently in Modjokuto, and some of the village-

⁹⁰ Meijer, M. J., "The Chinese in Indonesia," unpublished manuscript at The Center for International Studies, M.I.T. The difference between peranakan and singkèh, it should be clear, is not simply the difference between Javanese-born and Chinese-born Chinese in the narrowest sense. Real peranakans almost always have lines going back within Java several generations, often much further, while a man may have been born in Indonesia and still be accounted a singkèh if his father was an immigrant: "Naturally all peranakans were originally singkèhs, but formerly communications between China and Indonesia were not so well developed, hence their alienation from their home country. The modern immigrant consequently is a different man and remains more

type peddlers (especially those living around the developing town), whose position had in great part been undermined by the increasing volume of imported trade goods, managed to make the transition and become local appendages of the inter-regional network the larger traders were building up, the santri group nevertheless maintained clear commercial leadership through the whole of the boom period. In such a manner, a Javanese market, with a primary tie to Java's north coast region and secondary ties to the principalities and throughout the local area was formed, became increasingly consolidated and, until the depression, was remarkably successful in defending a significant share of the trade sector against Chinese encroachment.

The santri groups, as I have said, remained, even after they became permanently based in Modjokuto, spatially (i.e., by neighborhood) and socially segregated as to region of origin, each group tending to specialize in certain kinds of trade. The Kudus and Bawean groups were the most active, selling mostly cigarettes and textiles, while the traders from Gresik and Madura played secondary roles as peddlers of spices and certain kinds of prepared foods used as "side dishes" in the Javanese diet (shrimp chips, soya cake, etc.), as well as small hardware of various sorts. The Bawean group was focused in a very large store, set up during the first world war in the western end of the Kauman (the almost purely santri neighborhood surrounding the

Chinese than his predecessor by a few decades, and the same is true for his children; the process of alienation from China and of assimilation to Indonesia is slower and less intensive than before." Ibid.

mosque) by two brothers; while the Kudus group, which also boasted several fairly large stores, was centered in a very tightly organized trade association, also founded in the war period.

The Bawean store had a clerical staff of four--like the great majority of traders, the two brothers were illiterate except for an ability to chant the Koran from Arabic characters--as well as over thirty santri traders tied to it on a semi-permanent basis. The brothers bought their cloth directly from the Surabaja Chinese, paying their bills there, it is said, but twice a year. The cloth was then wholesaled on credit to the sub-contracting traders who carried it, usually by means of ox-carts and oxen provided by the brothers, to various markets lying within a thirty mile radius of Modjokuto. The clerical staff collected the store's share of the proceeds from the traders, being careful not to allow any single trader to fall too far into debt. The two brothers were thus the ranking merchants in the Bawean groups, and to an extent, in the urban santri community generally. In 1929, at the height of their success, they sought to symbolize both their business leadership and their Moslem piety (both had already made the pilgrimage to Mecca) by financing the replacement of the town's old, ramshackled bamboo mosque by a spacious new concrete and tile building; which building still stands in Modjokuto as a, by now somewhat ironic, monument to their mercantile achievements.

The Kudus group operated in a similar manner, but on a slightly smaller scale. Though there were several Kudus stores of the Bawean sort, one of which was highly developed enough to employ a Chinese

bookkeeper, the usual method followed by Kudus traders was for anywhere from three to a half dozen of them to rent a cart or two together each day to carry their produce to market.⁹¹ The trade organization, which included a select forty of the hundred or so Kudus traders (non-Kudus people could not belong), provided strong commercial leadership for the whole sub-community, and its head, also a pilgrim, was the sub-community's most important leader politically and religiously as well as economically. Rather than selling only bulk cloth as the Bawean people, Kudus people tended to prefer to put out cloth to semi-independent tailors--also from Kudus--who produced ready-made pants, shirts, underwear and so forth, which the larger traders then hawked in the various markets. Cigarettes were either imported from Kudus or, as time went on, contracted for locally on a putting out basis as well. The Madurese and Gresik communities followed a pattern similar to that of the Bawean and Kudus groups, but, in their case, the scale was much reduced. Between all the various groups there was a good deal of acrimonious competition, commercial jealousy and mutual disrespect based on regional pride, at the same time as there was an over-arching religious unity which set them all off from the rest of the Modjokuto community.

Thus there developed in the prosperity period a fairly highly organized, yet simply patterned, regional distributive network center-

⁹¹ They bought their goods, sometimes cooperatively, sometimes through another middleman trader, in Surabaja, the regency capital, or from local Chinese. The expansion of the transport network, particularly the railroad, of course, played a central enabling role in this whole commercial florescence.

ing on the town of Modjokuto. The goods, paid for ultimately with sugar, came into the area through a relatively small number of outlets, both Javanese and Chinese. From there they were distributed to the different small town markets in the area (including, of course, that of Modjokuto itself), by means of the medium-sized traders moving around the various circuits. Though the medium-sized traders commonly had a few satellite traders of their own in each market, most of them local people, the number of these was limited and consequently the number of sellers in each market was, relatively speaking, small. Nor was there very much travelling to the villages themselves to sell--the peasants, usually somewhat awed by the traders and so fairly easily deceived, had to come into town on market day to buy their textiles and small luxuries. This was a set, then, of fully professionalized traders (the whole pattern was, of course, completely monetized), operating on a scale sufficient to allow them to accumulate capital, which, given their highly developed "this-worldly asceticism," they rather rapidly did.

Further, capital came into this group from another direction: the larger rural landlords, many of them themselves santris, only of the rural variety. Bawean, Kudus, Gresik and Madurese immigrants, a great number of whom had come into the town without wives, began to marry daughters of local santri peasants; the same peasants, anxious to keep their holdings intact in face of the equal inheritance custom, sent some of their excess sons into trade, either setting them up independently or offering them as satellites to established traders;

and, as some of them began to buy goods in the market for resale to their less self-confident, and less wealthy, villagers, they became part-time traders themselves. Thus, the two wings of the santri community, the rural and urban, began to draw closer together, and, in part, the second began to be financed by the first. In part, too, it was financed by the Chinese, but increasingly by the more aggressive singkàhs rather than the more conservative peranakans, and increasingly by Chinese in larger towns than Modjokuta, the local Chinese population being, to a degree short-circuited.

The first phases of this "middle class" expansion were predominantly commercial, rather than industrial; or, insofar as they were industrial, the industry of the trader-centered, putting-out cottage industry pattern in which village handicraft skills were brought, often under rather extreme conditions of worker exploitation, into the inter-regional market.⁹³ Further, within the commercial sector, the expansion was concerned with those less risky commodities--textiles, cigarettes and leather--which, relatively speaking, show a continuous input curve so far as capital investment is concerned, rather than those--hardware,

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For a discussion of the relations between handicraft, cottage industry and small factory manufacture in Indonesia, see Sitsen, op. cit., and the same author's "De Kleine Nijverheid in Inheemsche Sfeer en Hare Expansie-mogelijkheden op Java," DJAWA, Jaargang XVII, 1937, pp. 137-200. Sitsen indicated the better position of the worker in the small, usually town-located, factories, at least from an economic point of view, by stating that wages in the latter were about three times those in the former ("Kleine Nijverheid..."), per year, in 1934. Boeke (op. cit., p. 186) reports that before the war 70 per cent of the final price in the village weaving industry, and 50 per cent of that in the village furniture industry remained in the hands of the wholesale collectors.

furniture, processed foods and, increasingly at this time, dry season cash crops--in which the curve is somewhat discontinuous or "lumpy." One can increase (or decrease) one's inventory, and one's sales volume, of cloth or handmade cigarettes almost piece by piece; which means both that market changes are relatively easier to adjust to and that the difference between a small textile seller and a large one is merely one of degree. This is not true for such an item as hardware. The difference between small sellers and large ones in this sort of trade is one of kind: one is either a fairly large scale operator with a very diverse inventory to start with or a small tin-pot and lantern peddler forever. It is both harder to adjust to market changes and extremely difficult to go step by step from the small scale peddler roles to the large scale "retailer" roles, because there is more of a quantum "jump" involved. This is at least one reason why the Gresik and Madurese food and hardware peddlers stayed so much smaller than the Bawean and Kudus textile and cigarette sellers (a few of the Gresik fish dealers did, in fact grow fairly large) despite their equal energy and commercial skills. The traditional santri mode of business--as well as their resources--was much more adapted to the latter than to the former.

Nevertheless, toward the end of the prosperity period--after about 1925--there was a beginning of a turn toward santri investment both in small factory industry centered in the town and the more "difficult" retail sectors. The Kudus people began to organize their semi-independent tailors into small garment industries: instead of working in their homes, on their own machines (if they had machines;

more often they worked by hand), and by their own individual methods, they worked in the entrepreneur's home, on his machines and followed patterns he laid out for them. A similar shift occurred in cigarette manufacture, where the putting out system began to give way to the manufacturer pattern and "imports" from the Kudus area decreased. Small food processing industries, small sugar mills, small furniture shops and lumber mills, small charcoal and cloth dye manufacturers increased in number--even a small cooperative textile mill appeared. One or two hardware "general stores," rivalling those of the Chinese, sprung up, and Javanese trading in the increasingly important dry crops was expanding in scale. At this period, though the Chinese were still quite clearly the stronger group, the santris were beginning to give them a run for their money, and it seemed as though they were beginning to make the transition from their traditionalized cloth and cigarettes petty-trade and cottage-industry economy toward a more diversified and capitalized commercial and small-scale industrial economy. As the rise of the sugar plantations gave birth to an embryonic, if ultimately stillborn, rural gentry (or yeomanry), and to a new urban intelligentsia political elite, so too it stimulated the appearance of a more entrepreneurial middle class--still weak, but showing important signs of vigor.

As in the prijaji, it was at this point that nationalism began to grow strong among the santris, and again the movement tended to split along the lines of the literati-intelligentsia distinction. The literati

element, commonly called the "conservative" or "old-fashioned" wing, was led by a coalition of the rural koranic teachers and larger Moslem landholders mentioned earlier, and the more traditionalized traders in cloth, cigarettes, etc.; while the intelligentsia element, called by the Javanese the "modern" wing, was led by a coalition of the leaders of the santri bureaucracy--the mosque official families⁹⁴--some (but not all) of the "new entrepreneurs" just described and, in the earlier stages, certain elements among the highly urbanized Arabs. The latter group was heavily influenced by the ideas of the reformist scholars in the intellectual centers of the Moslem world--Cairo and Mecca--and tended to be almost entirely urban, while the former group had a very large rural following.

The main organizations involved were Sarekat Islam, Muhammadiyah and Nahdatul Ulama. Sarekat Islam, a political party, was set up in Modjokuto in 1914, after having been founded nationally two years earlier in Jogjakarta, partly as a response to Chinese competition, partly as a response to the growing dissatisfaction with Dutch rule. In its earliest phases, though it was dominantly santri, Sarekat Islam included people from other groups, because it was the only mass nationalist organization then operating. But following a narrowly unsuccessful attempt by the Communists to capture control of the organization in 1921, almost all of the non-santris left and the party

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The staff of the mosques, Moslem courts, and marriage and divorce offices tended to occupy a somewhat marginal position between the civil bureaucracy and the santri trading community, for they were Government officials dealing with largely Islamic concerns. They tended to be intermarried throughout the whole regency, and formed a kind

was much weakened and reduced in size. When Dutch pressure on non-cooperative groups such as Sarekat Islam increased, Muhammadiyah, a charitable organization rather than a political party, grew stronger. But its vigorous Islamic reform doctrines, stressing hard work, education and morality, and opposing ritualism, syncretism and scholasticism, stimulated great antagonism among the more conservative rural koranic teachers and the old fashioned traders, many of whom banded together into Nahdatul Ulama, an anti-modernist, non-political organization with a very large membership, especially in the countryside (Muhammadiyah remained small and wholly urban). Thus by about 1930 three santri nationalist organizations had appeared on the scene: a non-cooperative political party; an enthusiastically modernist social organization; and a less dynamic, but larger, conservative group.

These three groups engaged in various kinds of charitable activities, agitated for a certain amount of political and economic reform, and, perhaps most important of all, set up Western-type schools in an attempt to readjust Islam to the modern world. Traditionally, most santris (the mosque-family group being the major exception) avoided the Dutch and court-culture influenced "native schools" set up by the Government like the plague--only children of civil servants (including higher

of santri aristocracy, though they were not always accepted as such by the other santri groups. With their half-civil-servant, half-trader outlook, their greater education, and their self-conscious Islamic piety, they played an especially important role in the development of Indonesian nationalism among the santris.

mosque officials) and, in those days, Chinese,⁹⁵ attended them--prefer-
ring to send their children to the rural Moslem semi-monastic schools
scattered around the countryside, where they learned to chant Arabic
but not to comprehend it. The introduction of Western-type schools
(originally by the "modernists") with classes in science, history,
business arithmetic, etc., was thus both a clear symptom and a crucial
support of the increasing importance of the santri intelligentsia. Once
again the expanding Dutch plantations were capitalizing, if entirely
involuntarily, the rise of Indonesian nationalism.⁹⁶

All during the period of high sugar prices, then, the process
of development and consolidation of the market sector continued, so that
by the end of the period, around 1930, the previously "hollow" town had
taken on a fairly defined form, as sketchily and somewhat over-simply
outlined in the following diagrams

⁹⁵ Except in the larger cities, Chinese in the earlier part of the
century attended Javanese or Dutch schools. With the increasing importance
of the less Javanized singkèhs, the increasing influence of Chinese
nationalism after the Kuomintang revolution in 1911, and the increasing
solidarity of the Indonesian community vis-à-vis non-Indonesians, all
stimulated the growth of a Chinese school movement. Today all Modjokuto
Chinese attend privately-run Chinese schools.

⁹⁶ For a detailed history of the development of santri nationalism
and Islamic reform in Modjokuto, see Geertz, C., "Religion in Modjokuto,"
(forthcoming report).

HVA
HOSPITAL
NEIGHBORHOOD

MOSQUE ADMINISTRATOR
NEIGHBORHOOD
KAULMAN
BAWEAN NEIGHBORHOOD ● Mosque

DUTCH + HIGH NATIVE
CIVIL SERVANT
NEIGHBORHOOD

GOVERNMENT
OFFICES

SECONDARY
URBAN
NEIGHBORHOOD

ORIGINAL
URBAN
SETTLEMENT

CHINESE
NEIGHBORHOOD

MADURESE
NEIGHBORHOOD

GRESIK
NEIGHBORHOOD

KUDUS-DEMARK NEIGHBORHOOD

MARKET

HVA
HOSPITAL
NEIGHBORHOOD

MOSQUE ADMINISTRATOR
NEIGHBORHOOD
KAUMAN
BAWEAN NEIGHBORHOOD • MOSQUE

DUTCH + HIGH NATIVE
CIVIL SERVANT
NEIGHBORHOOD

GOVERNMENT
OFFICES

SECONDARY
URBAN
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ORIGINAL
URBAN
SETTLEMENT

CHINESE
NEIGHBORHOOD

MADURESE
NEIGHBORHOOD

GRESIK
NEIGHBORHOOD

KUDUS-DEMARK NEIGHBORHOOD

MARKET

Comparing this diagram with diagram four showing the town around 1910, it will be seen that the market has been moved about an eighth of a mile southward, tending to pull the town with it somewhat in that direction. Around it are grouped most of the predominantly trader neighborhoods, including the Chinese, the one exception being the Bawean settlement which is located in the western end of the Kauman, where most of the Arabs also lived (although a few also had their homes up in the Gresik-Madura area). In the eastern end of the Kauman resided the mosque administrator, his family, and several dependents. The original urban settlement and what I have called the "secondary"--though only in time--urban neighborhood were main centers of settlement from the emerging proletariat, including the smaller local traders, of whom more later. The Government offices were expanding, the area so designated actually also including the railroad headquarters and the homes of some of the more important Dutch railroad managers as well as of the controleur, as earlier. The other centers of Dutch and prijaji population are shown on the peripheries: the town's fanciest neighborhood of retired Dutch officials and higher civil servants--also often retired--on the west, which has been mentioned several times before; and the group of Dutch nurses and Javanese clerks, pharmacists, midwives, etc.--many of them Christians--surrounding the HVA hospital (some lower-class employees of the hospital--gardeners, launderers, etc.--also lived in this area). All these areas were in no way bounded quarters and, except for the Kauman, were not so pure in composition as the

diagram might lead one to think. But they were distinct, the Javanese had names for most of them (which they sometimes still apply), and they were much more definite in their outlines than they are today when the bases of urban organization have somewhat shifted.

The growth of santri business life was, as might be expected, badly, almost mortally, damaged by the depression (though, as among the prijaji, political activity was, if anything, intensified). Although the Bawean store carried on until the war (it has now disappeared altogether, as has the Kudus trade organization) and many of the other Javanese enterprises managed to hang on as well, the back of the whole Javanese mercantile development was broken in the crash. The Chinese now took over for fair—not only the more capitalized trades such as hardware and passenger transport, but even such traditional santri commercial strongholds as cigarettes and textiles fell in large part into Chinese hands. But the Chinese hands involved were not, for the most part, those of the traditional peranakans, but of the aggressive singkèhs who had been steadily increasing in number and strength throughout the whole prosperity period and who now took the commanding position within the commercial community they still maintain, squeezing out the traditional element among both the Chinese and the Javanese. As the singkèhs took over the buying of dry season crops in the rural sector, so they also took over the greater part of the retail, wholesale and small factory sector of urban life; where there had previously been several groups, of whom the Chinese were admittedly clearly the strongest, competing for income shares within the market sector, now the singkèhs

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began to loom over all the others.

Another depression-induced occurrence undermined the santri commercial position. Those of the plantation workers, Dutch servants and others released from European employment who did not wish, or were not able, to return to the villages, moved into the market economy as marginal, semi-professional traders, squeezing the bigger traders and cutting in on their profit margins. Petty traders travelling to the villages increased in number, the larger stores weakened and disappeared (a few of the bigger traders moved back in despair to Kudus or Bawean), and the social and cultural (and residential) distinctions between the trading group and the rest of the population blurred. The Modjokuto market, as most other markets in the area, became a daily affair with hundreds of small sellers passing goods from hand to hand, each taking a small share of the returns to the distribution function. Three Japanese stores, selling cheap Japan-made "five-and-dime" type goods appeared, and the selling of such goods by the Javanese, on a very small scale, increased. It was about this time, too, that the Colonial Government built the new, much larger market at the north end of town. Not only market sheds and platforms, but a complex of small shops

97 Of course, the singkehs, were affected by the depression too, but with more resources and more resourcefulness, they could ride it out better. As "foreign" rather than "native" orientals, they had certain legal advantages in addition: old Modjokuto traders still speak with extreme bitterness of the fact that the Chinese stores could declare bankruptcy where the Javanese could not. As a result, in the generally declining economy the Chinese in general, and the singkehs in particular, improved their relative position, even though their absolute position was, as that of everyone else, worsening.

surrounding the market were built as a kind of "WPA project" to provide employment and to support the Javanese market as a refuge for the destitute (the Chinese occupied most of the shops however). Similarly, a return to a certain amount of cottage industry, and even handicraft, appeared, and the small factories tended to shatter once more into the putting out pattern, often, now, with the Chinese as engrosser (total production of such items as hand-rolled cigarettes and, in other parts of Java, textiles and pottery actually tended to increase due to the decline in imports).⁹⁸ Thus, the whole pattern altered markedly, and in place of a relatively simple distributive network there now appeared an extraordinarily complex one. The market, like the village, was forced to complicate and distend its structure to absorb some of the excess labor force released by the plantations; the slack left by the decline of the "capitalist" side of the dual economy was taken up by an involution of the "pre-capitalist" side.

⁹⁸The Dutch Government increased its activities in the stimulation of small industry during this period, but evidently more as a "dualistic" relief measure than a developmental one. Though they evidently had a certain amount of success in certain parts of Java, their program does not seem to have been of much importance in the Modjokuto area, perhaps due to the severity of the depression in the sugar areas. Sitsen ("Kleine Nijverheid...", op. cit.) reports in a rather approximate survey that the regency in which Modjokuto exists had about 13% of its population spending at least part of its time in small factories, cottage industries, or handicrafts against an average for the whole island of about 24%. For a rather positively biased description of the Dutch efforts in small industries, see Sitsen, Industrial Development, op. cit.

This general trend continued into the Javanese period.⁹⁹ Selling within the market itself was much restricted, for the Japanese would confiscate almost anything of value sold openly. Thus, what little textile existed, what little rice slipped on to the free market, what little leather was available, tended to get traded surreptitiously by individual traders--i.e., any townsman who could get his hands on some goods by means of which he could pry food out of the peasants--travelling to the villages. In fact, the role of women in the market increased--though, as noted, they had always been of importance--because the Japanese were less likely to disturb them than men were, and because in the straightened economic conditions women had to contribute more than housekeeping to the family fortunes. Also, as the peasant was comparatively in the strong position, so far as the Javanese community was concerned, his skill in trading increased markedly, cutting middlemen margins to the bone.

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The Dutch Government left Modjokuto on a Saturday evening. The Japanese arrived the following Sunday morning, but merely marched through on their way to the regency capital, hailed by the population which at that time regarded them as liberators. On Sunday afternoon, during the interregnum, a great ransacking of the Chinese stores took place, in which both townsmen and villagers participated. Though there were rumors that a Chinese-Javanese race riot was about to start, it never materialized and the violence was limited to a rather thorough looting. For a few hours there was widespread social disorganization, but the Japanese soon returned and stabilized the situation, even managing to get the Javanese to return at least part of the stolen merchandise.

The Japanese restriction of larger scale trading activities aided, somewhat paradoxically, the same development. The Chinese being almost entirely forbidden to travel, a Javanese who could wheedle a travel permit and a requisition to transport a certain amount of trade goods was, relatively speaking, in an excellent position. As such people were commonly not traders by occupation, but civil servants, policemen, Japanese agents of one sort or another, or such specially placed people as railroad workers, the market apparatus became even less professionally staffed. Thus, though the Japanese reduced trade to a minimum, they still, obviously enough, increased the spread of the "trading spirit," of the concept of making a profit through commerce, through the whole urban society. All townsmen, their standard of living much depressed, seem to have spent most of their time thinking of how they might get hold of a few bolts of cloth or a trade permit, by means of which they could improve their lot.

The inflation at the end of the Japanese period and the beginning of the Republican period had the same effect, only more so.¹⁰⁰ Trade became freer and goods somewhat more plentiful, but prices skyrocketed.¹⁰¹

¹⁰⁰ During the Dutch occupation of the town, Modjokuto's market disappeared almost completely, and a market was set up to replace it in the northernmost village-cluster of the sub-district (number nine in diagram two). Most of the santri political leaders were, like the prijaji political leaders, living in the villages during this time, directing the Republican struggle.

¹⁰¹ The price of rice in the chief market-centers of Republican-controlled Java averaged 1.66 rupiah per kilogram in August, 1947; 17.50 in August, 1948. Kahin, op. cit., p. 252.

Living on a fixed wage as a worker or a civil servant became, consequently, almost impossible; and for a brief period it seemed as if the whole urban society had become one large, high velocity market, everyone from Regent to coolie trying to earn a living out of speculative trade. Government controls and monetary policies moderated the inflation somewhat after a while, and most of the non-traders returned to their normal occupations. But the changes the depression, the occupation and the revolutionary period had induced were not completely reversed. Compared to the twenties and early thirties there are now many more Javanese traders in the market (and many more of them are women); very few of these traders operate on even a moderately large scale (and none on a really large one); a lot more selling goes on outside the market proper, and the traveling market circuit pattern has nearly disappeared; the traders are not so predominantly santri, and almost all of them are local residents; and the village people are much cleverer buyers on the average so that, competition having increased, profit margins for traders are much smaller.

3. The Kampong Sector: The Development of a Landless Working Class

The growth of a genuine proletariat in Modjokuto has been a process of transforming village dwellers into kampong dwellers, kampongs being the off-the-street neighborhoods I described earlier. This transformation has had three major aspects. In the first place there has been the emergence of a new occupational structure which allowed and encouraged people to move off the land and into non-agricultural work. Second, there has been the atomization of the traditional forms of village

social life within the kampongs as the agricultural basis of community integration disappeared, and, coincident with this atomization, the emergence of new forms of social organization to combat it. Third, there has been a dissolution of village political structure and a re-orientation toward urban political leadership which is as yet incomplete. In brief, it has been a period of re-adaptation, not simply of disintegration--as urbanization is so often described. That the transition to urbanism seems, for the moment, to be stuck halfway, with resulting social disorganization is, as we shall see, not because there has been too much urbanization, but too little; because the collapse of the sugar and plantation industry arrested in mid-passage, or at least markedly slowed, the building of a truly urbanized society.

As I have indicated earlier, at least two major cultural traditions are discernible among the peasants living on the land around Modjokuto: one which tends to emphasize the more Islamic elements in the native Javanese religious syncretism of animism, Hinduism and Islam; the second of which tends to have a more balanced emphasis on all three elements, and in fact to somewhat play down the Islamic element. Essentially, the two traditions are very similar to one another: both rest on the territorial organization of nuclear families in terms of customary land and labor relationships I described earlier; both are connected with the same sort of political, class and kinship organization; both, as a matter of fact, tend to have more animism in their religious beliefs than either Hinduism or Islam and in both the ritual feast of neighbors plays a central role. Yet they do represent variant traditions, are thought

of as such, and are given names by the peasants themselves: santri and abangan.

Santri is, again, the Islamic variant, but there are great differences, even today when they have drawn somewhat closer together, between rural and urban santris; and many of the former are, in world outlook and general temper, more like their abangan opposite numbers than like urban santris. These are two rural traditions: the Islamic one mainly derivative from the north Java rice growing areas where Islam has always been stronger since its original spread through the archipelago as part of a great trade expansion in the fifteenth and sixteenth centuries; the latter, abangan, one being mainly derivative from the Central Javanese "principality" rice growing areas, where Hinduism was stronger, Islam weaker.¹⁰² The fact that Modjokuto received migrants from both these areas led to the rural population having a large number of both santris and abangans, though even today there is a strong tendency for them to be segregated from one another as to village, or at least as to neighborhood.¹⁰³ In any case, it was from these two variant rural traditions that the urbanization of a small part of the Modjokuto peasantry departed, and the distinctions between the two kinds of men, the santri and the abangan, has persisted, though in a somewhat different form, in the town context.

¹⁰² For a description of the growth of the santri and abangan traditions in Java, see Geertz, C., "The Development...", op. cit.

¹⁰³ For a discussion of the central importance and emotional intensity of the abangan-santri split in Modjokuto villages today, see Jay, R., "Local Government...", op. cit.

In the early, pre-expansion period, then, the peasants living on the land in the immediate area of the town may be presumed to have been following one or the other (or both) of these two variant traditions. The earliest development of the urban bureaucracy and of the market of itinerant traders growing up around them most likely left them fairly undisturbed, though we have seen that by 1910 a genuine kampong form of settlement had appeared. However that may be, the prosperity period brought with it important changes, perhaps the most notable of which was the production of new occupations which neither the larger traders nor the bureaucrats would be likely to wish to fill. Actually not all of the occupations were really new. Some--like carpenter, bricklayer or blacksmith--were old crafts, well lodged as part-time specialities in the village tradition; but their transformation into full urban occupations was new. Others--such as chauffeur, bicycle repairman or railroad machinist--were simple additions. With the appearance and growth of such non-agrarian occupations, the proletarianization of the local peasantry began.¹⁰⁴

These new and remodeled occupations ranged from the more or less completely unskilled to the relatively highly skilled. At the unskilled end of the continuum were servants to the Dutch (cooks, gardeners, launderers, etc.), plantation workers (though, as we have seen, rather

¹⁰⁴Actually, the Modjokuto proletariat was partly, perhaps even predominantly, formed not by proletarianization of local peasants, but by migration of partially urbanized "lower class" people from older towns to the immediate south and west. This is in part a result of Modjokuto's late development, in part a result of the fact I mentioned earlier, that small town and countryside tend to grow in population at about the same rate.

few of these actually lived in the town), and coolies for the Chinese, the railroad or the more technical Government offices (such as public works, irrigation, etc.). Under semi-skilled could be included chauffeurs, coffee-shop and restaurant operators, entertainers, railroad conductors, track workers and ticket sellers, and the few, but increasing number, of small, fully professionalized, local traders. As for the skilled workers, tailors, carpenters, bricklayers, barbers, butchers, blacksmiths and railroad machinists could be mentioned, and, somewhat later, bicycle repairmen and watchmakers. All these people formed an emerging class of working men, increasingly free of any direct tie to agriculture and increasingly coming to see themselves no longer as villagers but as townsmen.

The railroad workers, who were the most proletarianized, formed something of the elite of this group.¹⁰⁵ Salaried, more or less permanently employed, commonly technically skilled, they had come, as working men, further into the capitalist side of the "dual" economic system than had most of the other groups. At the upper edges, they merged into the bottom of the group of sugar accountants, draughtsmen and technicians I discussed in connection with the development of the intelligentsia, but in general the mass of them tended to fall on the "blue collar" rather than the "white collar" side of the line. As a result, it was among the railroad workers that both trade unionism and Communism arose (together) as important social movements. The un-

¹⁰⁵The total number of people employed around 1925 on the railroad was about 500, according to the estimate of the present chief of the repair section.

skilled workers' interest in trade unionism was dampened by their tendency to remain half-peasant, that of the artisans by their individualism and their lack of permanent salaried status; but among the rail workers, it flourished. Or it did up until 1926, when a general strike on the central trunk railroad (which failed but narrowly to spread to the Modjokuto line), instigated by the Communists as a prelude to a nationwide armed insurrection which never quite came off, led to a sharp crackdown by the Dutch on union activities. The local Communist rail union leader, a machinist, was arrested and exiled to a concentration camp in New Guinea, and the back of the local trade union movement was broken. Unlike the civil servant and trader cases, no moderate group arose to replace the suppressed radical one (the Indonesian trade union movement is still heavily Communist-dominated), with the result that the still small working class faced the depression without much in the way of leadership or organization.

Parallel with the growth in the number of workers, artisans and small traders fully disengaged from the agricultural sector, came a change in the form of social relationships among families living in the kampongs. On the one hand, with the need for flexible mobilization of land and labor in connection with wet rice farming removed, the basis for the village pattern of familistic interdependence was removed also. The ritual feast, or slametan, now became not so much a symbol of obligations to engage in land or labor exchanges, but of a more general, less specific "neighborliness." The secular elements which tend to be associated with it--gambling

in particular--became rather more important than the religious elements, and the atmosphere became more one of a party than a ceremony.

On the other hand, as the sense of economic unity within the kampong lessened due to the fact that each man made his own living in his own way more or less independently from how his neighbors made theirs, ideological factors, stimulated by the rise of nationalism, began to play a more important role in social organization than territorial ones. Especially the distinction between santri and abangan came to play a central role. No longer was it merely a matter of more or less tolerable emphases within a generally similar religious system, within which the two variants tended, in any case, to be spatially separated from one another: now it was a matter of deep-going differences in political, social and ethical orientation.

The "working class" santris followed the leadership of the santri traders, the abangans either that of the intelligentsia or of the labor union leaders, and an ideological gulf grew up between the two. Where in the village system a set of neighbors formed a solidary group as over and against another set of neighbors, a village over and against another village, there was in the town a shift in the basis of social integration from geographical to ideological. Now, the solidary unit was not a set of contiguous families, but a set of people with similar religio-political viewpoints. Thus, a territorially oriented ritual such as the neighborhood feast tended more and more to act in a disintegrative rather than an integrative fashion, to exacerbate rather than moderate interpersonal

and inter-group conflicts, because it forced together people who were territorially contiguous but ideologically heterogeneous, and so lent a symbolic heightening to conflict. Slametans now came to be often marked by anxious discussions about different interpretations and the legitimacy of the various Islamic and non-Islamic symbols, by a tendency to invite farther neighbors of the same politico-religious position at the expense of nearer ones of different position, and even by conflicts over the importance, value and correct manner of performance of the ritual itself. The terms abangan and santri had now come to stand for two alternative adaptations to urban society, and rituals originally designed to integrate rural society now were hastening its demise.

As the general rural social structure disintegrated in the kampongs, so did the village political structure in the town.¹⁰⁶ Originally, Modjokuto as a village (or, rather, a village-cluster) had a form of government similar to that of nearly every other village-cluster in Java. Headed by a village-cluster chief, who was assisted by a clerk and various other petty functionaries (offices were for life, and had a tendency to be semi-hereditary though nominally elective), it was tightly tied in, through the bengkok officials'-fields described earlier, with the land-labor based organization of rural life. As population rose and urban society differentiated, pulling, ultimately, even the local "village" population into it, the village governmental structure became progressively

¹⁰⁶ For a thorough description of the decline and present state of village organization in Modjokuto, see Fagg, D., "The Sociography of Modjokuto," (forthcoming report).

outmoded and unable to cope with the emerging problems of political order, until today it is but a shell of its former self:

The village-cluster administration of the town of Modjokuto was obviously degenerate--inadequate first without expansion and a revised remuneration system in any case to handle the problem of sheer magnitudes, number of people, but also in a more fundamental qualitative sense inadequate not only to fulfill the "normal" functions of the traditional village-cluster, but to cope with the much more evolved and complex phenomena of the town-village. In a sense, of course, and a very real existential sense, the form had been adapted to changed and changing conditions, but the adaptation was in a regressive direction, avoiding problems and demands of greater competence, shrinking in services, and withdrawing from participation in or control over the scope of the whole pluralistic community, of which it was theoretically at least the territorial custodian and the most immediate ring of protection.¹⁰⁷

This degeneracy is the outcome of the general urbanization process I have been tracing. In the first traditionalistic stages of the town's growth (i.e., before about 1915), when the three major groups--villagers, itinerant traders and civil servants--were still fairly segregated from one another, there were also three different forms of political organization extant, side by side, with only vague and sporadic relations among them. The prijaji looked, naturally, to the District Officer for local leadership, in broadly cultural as well as narrowly political terms, and beyond him to the Regent for regional leadership. For the prijaji, the political order was hierarchical: it consisted of a set of ranked bureaucrats; and to this political order the peasants and traders were largely residual. Village government was something to be dealt with paternalistically and at arm's length through periodic formalized meetings with its leaders; while the market sector needed only very general govern-

¹⁰⁷ Ibid.

ing at best, for it was largely self-regulated. For their part, the Javanese itinerant traders (and the Chinese sedentary ones) provided their own leadership and attempted to avoid intimate dealings with the Central Government as much as possible. The urban santris tended to be apolitical in that their own internal "ethnic," commercial and religious organization also acted as their (rather weak) political organization, so that, for example, the most prosperous Kudus or Bawean merchants would treat with the bureaucracy on behalf of the Kudus and Bawean sub-community in the few unavoidable situations where that proved necessary. Political leadership was thus rather a secondary outcome, almost an afterthought, of commercial and religious leadership, rather than a primary factor in itself. In short, the local political community was fragmented: the peasants followed, as peasants in the more rural villages, their local village government; the prijajis looked toward the upper levels of their self-contained status hierarchy for leadership; and the urban santris (and Chinese) looked to their richer and more important members to take over whatever political functions needed to be fulfilled, as rather secondary responsibilities attendant upon their generally ascendant role in the sub-community.

After the sugar boom got underway, the "hollow" town began to fill up and this loose and ill-defined political arrangement became steadily inadequate; with the growth of a "vertically" organized local urban society, the need for a new sort of political structure grew also. The village structure, the one genuinely locally based political apparatus,

could not readjust to meet this new need for several reasons. In the first place, the bangkok official-lands method of payment was entirely inadequate to finance the kind of government a developed town demands. The underpaid village officials were,¹⁰⁸ consequently, progressively forced to depend either on embezzlement and various forms of the squeeze or on acting as agents for unpopular Dutch policies in order to gain a livelihood.¹⁰⁹ In the second place, the town boundaries progressively failed to coincide with the boundaries of the village-cluster within which it grew up. Thus, the village-clusters contiguous with the town, those I have referred to as sub-urban, contain among them probably a quarter of the genuinely urban population. In these villages the degeneration of village structure has not gone so far. Rather what appears is the tendency for the village-cluster to be split between its rural and urban ends with the actual governmental apparatus tending to remain in the more rural hands, simply because the urban element has relatively little interest in it.

The third reason for the decline of the village political structure is simply that the changing pattern of social life has made it technically obsolete. Public works, police functions and the like can no longer be carried out simply on a communal basis, by rotating the work among the village members in turn, for such a system rests on the broad identity of interest which inevitably exists in a community where almost everyone is a peasant. Not only are the tasks of government more demanding--

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Fagg, ibid., estimates that in 1953 the income from official land provided at best about 3% of the annual income needed by the village clerk to support his slightly larger than average family.

109 In the mid-twenties, for example, the village chief took over the job of conscripting workers to work on the Dutch tobacco plantations in Sumatra. Though the commission was strictly speaking a private one and

the roads must be better kept, the policing more efficient--but the number of tasks increase: sewage, vehicle registration and business licensing have little importance in a rural context. As the old government functions grown more complex slip out of the village chief's hands, and new ones appear outside of his control, the importance of village political structure declines and a general apathy towards it appears, even among the kampong dwellers. Many of Modjokuto's "working class" would be hard put today to tell you even the name of their village chief--who, symbolically enough, happens to be an invalid.

As a result of the failure of the village structure to re-adapt to the changing situation, the role of the town government increasingly came to be filled by the District and Subdistrict Officers and their staff. The more settled traders, the greater number of non-agricultural manual workers, and the expanded white collar class all began to look upon them as a kind of "mayor" and "vice-mayor" of the town, bypassing the authority of the village chief. Though the District and Subdistrict Officers maintained, and still maintain, their roles as heads of the entire district and subdistrict, they spent more and more time acting as symbolic and administrative heads for the town itself. Thus the decay of the rural political structure is another measure of the growth of a true town; for in place of the three different governments of the

the employment theoretically voluntary on the part of the workers, the deceptions, extra-legal pressures and other excesses involved in the whole process soon disgraced the village government in the eyes of the entire community.

early days, there has grown up a single over-arching government, in the form of the District and Subdistrict Offices, to which all classes of the community can look for leadership. The Chinese, of course, remain on the outside of this emergent unification looking in, still maintaining the old pattern of a self-contained sub-community dealing with the reigning powers through a few chosen intermediaries.

Nevertheless, even today the transition to a fully urban form of government is only half completed: the District Officer is still split between his district and town roles, and the obsolete village chief continues to function in a very inadequate way. The same sort of "incompleteness" is observable also in the kampongs where the old rural values and patterns of social life exist side by side (and often in conflict) with a more clearly urban set of values and behaviors. With the collapse of the boom the immediate possibilities for a continuing growth and differentiation of the occupational structure collapsed, too. Certain occupations--those connected most directly with the Dutch--tended to disappear almost altogether; while those which remained were flooded, in much the same way as the market was, by the suddenly unemployed seeking some sort of economic base. Soon there were--and this pattern persists--twice as many carpenters, tailors, bricklayers and coffee-shop keepers as the town needed, particularly with the fall in demand. The few craftsmen who had begun to make some sort of progress toward a more stable, larger scale pattern of operation were drowned in a great sea of price-cutting competitors. The railroad workers were

mostly kept on through the depression (but at much reduced wages), with a result that they too became markedly underemployed; though they remained in a relatively better position than the rest of the working class. In place of a rising proletariat--often unconscionably exploited, it is true, but at least beginning to fight back to resist exploitation--came a group of semi-idle, semi-urban poor sitting around in the kampongs (or the coffee shops--which doubled, after dark, as houses of assignation) looking to catch whatever work they could get as opportunities sporadically appeared.

In the Japanese period urban life, as has already been stressed, further slowed down; but one important political innovation occurred. The Japanese introduced a form of political organization by number of households, in consonance with their own political tradition,¹¹⁰ to supplement the strictly territorial organization of the Javanese village. As in Japan, some twenty to thirty households were grouped into the lowest political unit with an elected head (there were about 100 in town) and these units were further grouped into a number (in this case, five) of larger groups, whose heads, elected by the heads of the smaller groups, acted as a general governing board, along with the traditional village officials. So far as the Japanese were concerned, the purpose of this re-organization, aside from demonstrating what they took to be the over-

¹¹⁰ For the Japanese pattern, see Embree, J., Suye Mura: A Japanese Village, London, 1946; especially Chapter II. For this pattern in Modjokuto, see Faggo, op. cit.

whelming superiority of Japanese social institutions to Javanese, was to make their repressive policies more effective, particularly those concerned with labor drafting. But for the lower class urban Javanese it fulfilled a more permanent function: it stabilized the half-rural, half-urban pattern of town life. In the rural villages, where the territorial form of organization was strong, the household-group innovation had relatively little importance and has by now virtually disappeared; but in the town where simple territoriality was much weakened, and yet a fully corporate municipal form of government had not yet emerged, it played, and to a degree still does play, a more useful role.

The twenty-household group system added a new piece of governmental machinery to the urban village structure which aided it in carrying out its reduced functions in a somewhat more effective manner. When the Japanese hold on this new apparatus was relaxed, it was, in slightly different form, incorporated into the village government, which, though still corrupt, inefficient and inflexible was able to serve a little more adequately that part of the town community which was still not far enough along toward a completely urban status to be able to deal directly with the District or Subdistrict Office. These marginal urbanites (marginal, too, to the village pattern), whose number was rapidly increased by the depression and the Japanese occupation, looked to this combined

¹¹¹ Again, during the Revolution, most of the people fled to the villages. The Dutch appointed a puppet village chief in the town, but he seems to have been largely functionless except as an appendage of the Dutch military government. After the Revolution he was immediately displaced.

Javanese-Japanese governmental structure to provide what few political services they needed.¹¹² The town political administration, like its social structure generally, was split in two: those people--civil servants, better-off traders, more fully employed workers--who found a firm footing in the new urban system, depended more and more on the District Office for local governmental leadership, which, as yet, was still not entirely adequate to give it, for it was still organized to administer the district as a whole; while those who, so to speak, were half in the urban system and half in the village system, relied on the weakened town village government. The progress toward municipalization, as the progress toward a more differentiated occupational system and a less territorially structured kampong pattern seemed, at least for the moment, somewhat arrested. The town was under-urbanized, its workers under-employed, and its citizens under-governed. But, with the post-war period, new attempts are being made to set the process of social and economic growth going again under a more favorable political atmosphere than colonialism provided; and it is the post-war period to which we now turn.

4. The Postwar Period

When the Revolution ended and sovereignty over the archipelago was transferred from the Netherlands East Indies to the Republic of Indonesia (on December 27, 1949), almost every road-bridge in the Modjokuto area

¹¹² For example, though the villages now all elect their village leaders directly by universal suffrage, the town village officials are elected by the heads of the twenty-household groups (who, of course, are

had been destroyed, almost all the sugar mills and many other important buildings had been burned to the ground, there was a very serious inflationary problem, there was a tremendous shortage of trained personnel of all kinds, there was a great mass of armed and somewhat overwrought youth to be demobilized and readjusted to a more normal pattern of existence, there were feelings of bitterness between Republicans and Federalists (i.e., those loyal to the Dutch regime) and between Chinese and Javanese as a result of the events of the war period, and almost every family in the area had had their life in some way deeply and directly disturbed by the Japanese period and the Revolution. That, in face of problems such as these, a stable pattern of life and orderly processes of economic and political activity had been re-established within two years and real beginnings made in attacking the awesome social problems which face the new Indonesia, is certainly the final argument in the debate as to whether the Indonesians are capable of self-government, and dramatic evidence of what a sense of being free and self-determined can mean to a people, what role the feeling of self-respect and the conviction of the existence of real possibilities for progress can play in social and cultural change. Since

themselves elected, though rather haphazardly). Fagg, *op. cit.*, reports that of the 87 heads of household groups now active, only four were civil servants or teachers, nine were peasants, six were Chinese (who served for the sake of formality only) and four were larger traders; the other sixty-four being the sort of "marginal" urbanite to whom I am referring: small coffee-shop owners, petty artisans, small traders, unemployed, etc.

independence, a somewhat different pattern of socio-cultural organization has appeared which is, in essence, an outcome of processes of social and cultural change initiated in the Colonial period which were sharply accelerated after the political barriers to their expression, barriers they themselves helped to undermine, were removed. Among these processes can be included: 1) the replacement of geographical bases of social integration by ideological ones; 2) the dissolution of "horizontal" in local ties into "vertical" intra-local ones; 3) a markedly increased emphasis on the school as a central social institution; 4) a great increase in the importance of political parties and private sodalities loosely associated with them as forms of social organization; and, 5) the growth of an involuted, over-complex social structure. There has been on the one hand the development of social institutions and cultural orientation more suitable to balanced growth. At exactly the point at which sustained, progressive social change, undistorted by Colonial exploitation and adapted to the Indonesian culture and environment, seems at long last possible, the danger of economic stagnation has become a real threat to the success of the Indonesian effort after national renaissance.

The development of a highly generalized ideology as the basis of social organization is, of course, of the essence of nationalism; in pathological forms the intensity of belief seems to increase with the abstractness of expression to the point where maximum emotional commitment is fused with minimum specificity of meaningful content. But the excesses of nationalism need not blind one to the role it may play in less

destructive forms of social change, for by freeing cultural patterns from overly concrete, narrowly specified social contexts it may universalize them to the point where they are better able to meet the demands of a less stable, less predictable, more rapidly changing social situation. Though it cannot be denied that for some Indonesians nationalism seems to consist of passionate commitments to empty slogans borrowed from foreign sources, it has for many, certainly for the great majority of Modjokuto residents, a definite content which derives from their own cultural traditions, a content which is a re-adaptation and generalization of beliefs and values from their own past to fit a more fluid present. This process of widening out older cultural patterns to include broader ranges of social experience has been, and will no doubt continue to be, crucial in the organization and direction of social change in Modjokuto. The transformation of the santri, abangan and prijaji traditions into "modern" universalistic ideologies has provided the symbolic framework within which social reorganization is taking place.

As I have tried to show, in the earliest phases of Modjokuto's development, abangan, rural santri, urban santri and prijaji were four at least somewhat different world-views, value-orientations and styles-of-life--cultural traditions institutionalized in certain specific and relatively readily discriminable social groups. There was a close and intimate connection between socially inherited patterns of belief, expression and evaluation on the one hand, and forms of social behavior--occupational, political, status--on the other. Both means and ends were, to a fairly high degree, fixed by prescriptions from the past, a pattern we commonly

call traditionalistic. I have also tried to show how after 1910 or 1915 this traditionalism began to dissolve: goals were more generally defined, means were more freely chosen in terms of their intrinsic suitability in gaining the ends sought. The various cultural patterns (particularly, but not exclusively, in the town) less narrowly concrete and carefully detailed rules for behavior and more general, vaguely formulated "way-of-life" guides to social action.

I use "way-of-life," taking my cue from phrases such as "The American Way of Life," "The Catholic Way of Life," "The Southern Way of Life," rather than simply "ideology" or "religion" for these patterns in order to indicate their comprehensiveness: they are broadly inclusive, but loosely and abstractly stated notions of the desirable way to behave, feel and think, including within them religious, political and even economic ideologies. In post-revolutionary Modjokuto, these "way-of-life" patterns are the primary lines of cultural demarcation within the society: they determine the individual's major social reference groups on the next level down after the nation state. A man is an Indonesian (or a Javanese) first, but secondly he is a santri, an abangan or a prijaji. And though santris still show a tendency to be businessmen or richer peasants, abangans to be peasants or "blue collar" workers, and prijaji to be "white collar" employees, and so consequently to vary somewhat in their outlooks in these terms, the social structural lines are not nearly so sharp as they once were--mobility within the stratification system has progressively blurred the neat correlation between social position and cultural orientation. Today, the individual Modjokuto

citizen's status is determined by a set of factors--occupation, wealth, family, place of residence, religion, education, taste--which are no longer so highly inter-correlated; and to tie such discrete social statuses together into larger "secondary group" units, ideological "way-of-life" affiliations have proved to be of increasing importance.

To be more specific, the following diagram shows, in a rather summary way, how way-of-life affiliations have adapted themselves to the growth of the locally focused urbanization I have been tracing:

URBANIZATION

		Fully Urban(elite)	Semi-urban	Rural
W A Y O F L I F E	abangan	-intelligentsia -literati -priajajized abangans	-abangan village elite -kampong abangan	-village abangan
	santri	-traditional santri -priajajized santri	-santri village elite -kampong santri	-village santri

Diagram 5

This diagram shows the basic internal line of cultural cleavage to be that between santri and abangan, between those who take as their main pattern of way-of-life orientation, a set of beliefs, values and expressive symbols based primarily on Islamic doctrine and law and those who take the more Hinduistic (i.e., Indian) element in Javanese tradition (along with pre-Islamic, pre-Hindu animistic elements), a pattern some times called "Javaneseism" (kedjawen) because of its emphasis on supposedly indigenous, pre-Islamic traditions. I have included the old prijaji groups -- the literati and the intelligentsia--among the elite of the abangan group, but have noted also, through barbarisms such as "priajajized abangan" and "priajajized santri" how their world-view, ethic and style-of-life shows a strong tendency to spread, albeit somewhat diluted, among the leadership groups generally, mainly because this pattern is the one traditional to the ruling class in Java. The elites, of which I have listed five, and which I will

describe shortly, then bid against one another for support among the rank and file in their own generalized ideological camp, but not outside of it: for all intents and purposes, no kampong or village santris follow urban abangan leadership, and vice versa. Consequently, the intelligensia, the prijaized abangans and the literati tend to bid against one another for abangan followership; the prijaized and traditional santris for the santri followership, which are, evidently, more or less equal in size.

But to understand the present pattern of social integration in Modjokuto, another emergent phenomenon must be understood: the aliran. Aliran, an Indonesian generally) consists of a political party surrounded by a set of sodalities formally or informally linked to it. The four parties are: the Nationalist Party (Parti Nasionalis Indonesia, or PNI), the Communist Party (Partai Komunis Indonesia, or PKI), the "modernist" Moslem Party (Masjumi), and the "conservative" Moslem Party, sometimes rather loosely translated as the Moslem Teachers' League (Nadahtul Ulama or NU).¹¹³ With the parties as a nucleus, the aliran then is a cluster of nationalist organizations--women's clubs, youth groups, boy scouts, charitable societies, cooperatives, lending societies, private schools, athletic clubs, religious organizations, labor and peasant unions, art groups, trade organizations etc.--sharing a similar ideological "direction" or standpoint. As such, the political party with organizational appendages is not the functionally specific sort of social organization the American political party tends to be, but a broadly diffuse structure which acts to group large masses of people into a generalised social

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In the general election, held in _____ of 1955, PNI and Masjumi each gained _____ seats, NU gained _____, and PKI _____. All other parties turned out to be minor.

category. As the shift from a territorial basis of social integration to an ideological, way-of-life one progresses, the political parties--the aliran--become the major groups both of reference and membership for an increasing number of people: after a Mojokuto citizen says he is an Indonesian and a santri, he next is quite likely to say that he belongs to, or favors, Masjumi or NU.

As should be fairly apparent, two of the four parties--PNI and PKI--are on the abangan side of the way-of-life distinction, two--Masjumi and NU--on the santri. In fact, the correlation between the various alirang and the dites is fairly, though not entirely, clear cut. PNI, the Nationalist party, tends naturally to be intelligentsia dominated, the intelligentsia being, it will be remembered, the group of civil servants, teachers and higher technicians heavily influenced by Dutch culture, but still maintaining something of the old gentry prijaji style-of-life and world-view. The general emphases in this group are on a vigorous nationalism and anti-colonialism, the construction of a new "white-collar" culture based on a fusion of Western techniques and modes of organization and traditional Javanese values, particularly those centering around etiquette, art and mysticism, and a rather loose and Javanized interpretation of the requirements of Islam.

The more conservative literati tend either to belong to PNI as a right-wing element, to splinter parties emphasizing old Javanese court-culture, or to withdraw from modern politics entirely as uncouth and under the control of illbred elements. Here the emphasis is, as before the war, Noblesse oblige, the right man in the right place, and a strong interest in maintaining the cultural traditions of the principalities,

often combined with a rather dim view of the present state of society as compared to the past. PKI, the Communist party, is led by a coalition of (mostly lower level) intelligentsia, many of them quite young, and what I have called "prijaized abangans," by which I mean the more fully employed workers--in the railroad, the hospital, in the public works department, etc.--who have ascended into leadership positions and consequently tended, to a degree, to adopt the culture patterns of the elite. The general color of this group is well-known from elsewhere: intense marxist radicalism and anti-Westernism plus an unshakeable affection for the Soviet Union and the New China; a high degree of secularism and, in this case, vigorous anti-Islamism, and a single minded devotion to the interests of the party.

On the santri side, the more traditional santris--mainly traders and businessmen, plus larger peasants and koranic scholars from the countryside--tend to be in NU, the conservative group, which has shifted since the war from a charitable organization to a political party; the more modernist, "prijaized" reform santris tend to be in Masjumi (led, in Kodjokuto, by the leaders of Muhammadiyah, which still exists as a theoretically separate "non-political" organization)--though there are exceptions in both directions. NU is largely, at least in the Kodjokuto area, a party of the conservative Moslem "literati" or "clerical" element--the rural scholars, teachers and pilgrims who still play an important role in santri village life. As a result, they are largely concerned with the maintenance of Islamic law, at least among their own group, and hopefully throughout the whole society. Like the prijaji literati, they are not entirely un-ambivalent

about the modernizing trends in contemporary Indonesia, and tend to be suspicious of what they take to be secularist influences. Finally, Masjumi is led by the old reformist leaders, moslem intellectuals and the like, who tend to be both more urbanized and more adapted to the new patterns of elite culture than the NU leaders. Again, they are interested in construction of a "white collar" style of life fusing Western techniques and Eastern values, though in this case the values are not Hinduistic, but Islamic. With their trading and small business background they tend to place more emphasis on independence and less on authority than groups which are more intimately connected with the bureaucracy, such as the PNI intelligentsia. With NU they share a bitter anti-communism.

The manner and extent to which the parties and their linked sadalites penetrate into various parts of the social structure of course varies widely: only among the fully urban elites is direct participation very highly developed. Among them, however, the intensity and degree of participation is quite astounding; the number of committee meetings, conventions, demonstrations, charity drives, celebrations and other such "modern" activities seems too great as to take up most of this group's free time. If there is not a school board meeting, there is a holiday celebration to be organized; if the women's club is not holding a charity bazaar, the labor union is meeting to discuss the latest Government policies concerning railroad pensions. The velocity of activity is extraordinarily high, and as this group is, relatively speaking, small, the burden on them is rather great.

From diagram five, it will be seen that the leader-follower relationships radiating from the urban elites are two pronged, and that the village elites play a central connecting role in the matrix. Perhaps this is more generally and simply diagramed as follows, for a given aliran:

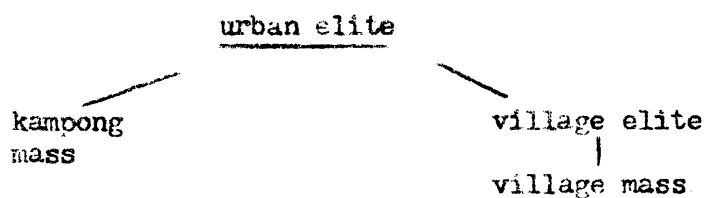


Diagram 6

The kampong group, the half-urbanized group I discussed in the section on proletarianization, form the body of the town chapters of the various parties and sodalities, but, with a few exceptions, they do not occupy leadership positions (to a degree, this statement is tautological, for one of the indices suggesting full urbanization is membership in an elite). The semi-urbanism of the village elite is somewhat different: rather than a submerged group, this is, within its own context, a dominant one--its contact with urban patterns comes from its role as intermediary between town and village. The composition of this group differs somewhat between the two ideological camps: for the santris it tends to consist of koranic scholars, local religious officials, traders and village chiefs who happen to be santri (as noted earlier, the tendency for residential segregation of santri and abangan in the more rural regions is rather marked); for the abangan group it is composed of non-santri village chiefs and traders, local peasant leaders, mystical religious teachers or curers, and so

forth. Thus, the village elite, which increasingly attempts to copy town styles of life, is the crucial link between urban leadership and rural followership, and as about three-quarters of Modjokuto sub-district population is in the villages, theirs is an altogether crucial role. As for the mass of the peasants, their understanding of the details of political life is necessarily rather limited, but perhaps a majority consider themselves--especially now that they have experienced a general election--at least "sympathetic" to one or another of the four major aliran: PNI, PKI, Masjumi, or NU. Some unreconstructed peasants (as well as some kampong dwellers) remain uninterested, clinging to traditional forms of existence, and are slightly referred to by the more "progressive" as masa bođoa, roughly: "I leave it to you" (i.e., to a leader: "I don't care; do what you will with me," etc.)

Thus the continuum from rural to urban is in part also a continuum from a more territorial basis of social organization to a more ideological, from an apolitical, traditionalistic, localist type of outlook to an hyper-political, rationalistic, nationalist type of outlook, and the tendency is toward a greater and greater penetration of the ideological aliran element into the village town structure. One of the chief mechanisms for this penetration is universal education; the school not only aids individuals to move into the more urbanized, ideologized ranks, but moves the whole society in that direction. The school is the primary socializing mechanism for the new Indonesian society,¹¹⁴

¹¹⁴The number of students in the Government schools in Indonesia went from about 2 million in 1939/40 to slightly over 6 million in 1954/55, about 98% of the students being in the elementary schools in the first period, about 95% in the second. Meek, op. cit. In Modjokuto town the number of Government schools increased from three in 1940 to nine in 1954, and elementary schools have been founded in most villages. Inclusion of figures for the private schools, if accurate ones were available, would make this change even more striking.

the major means of recruitment for social and political leadership, and for intelligent, literate followership as well. The more generalised, universalized way-of-life orientations, the political party-sodality alirans within them, and the school are, consequently, all of a piece-- they represent a new form of socio-cultural organization toward which Modjokuto has been moving for most of this century and toward which it is continuing to move at a very accelerated rate.

And this new form of socio-cultural organization is locally centered: the town, once a conglomerate of separate communities in but transient contact with one another, a complex of self-contained racial, religious, and occupational groups--Chinese, Dutch, prijaji bureaucrats, santri traders and local peasants--come together but tangentially for commercial or governmental purposes, has now begun to take on a definite form, begun to become a civic unit rather than a way-station, a local capital rather than a mere outpost of central government. The aliran comprise, now, a set of social structures through which local leadership over the rural-urban community as a whole (ignoring for the moment, the Chinese) can be exerted. Increasingly, the District (and Subdistrict) office has become less of a simple agency for centralized control and more of a pivot around which the various party elites compete for power. The town, and to a lesser but increasing extent the villages around it, are coming to be governed through a process of shifting coalitions between local political leaders, serving as members of various sorts of committees, governing boards and informal planning groups. The District Officer (and, to a

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For a description of this sort of political activity in Modjokuto, see Fagg, op. cit.

degree, the village chiefs) becomes less a "little king" governing his own special territory, but more a skilled, and often sorely pressed, broker between the various articulate--highly articulate--elites. Modjokuto, town and country, is coming to be governed by a set of competing pressure groups, no one of which--at least for the moment--can be called clearly dominant, no one of which--at least for the moment--be ignored.¹¹⁶

Yet, as already stressed, this process of social reconstruction is somewhat incomplete. The homogenization of the society which has necessitated the removal of the Dutch¹¹⁷ and an increasingly tense and untrusting relation between Indonesians and Chinese, has also brought on a serious threat of economic stagnation--there are some positive counter-signs--with an attendant waste of human energy and natural

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This growth of a "vertical," locally-based pattern of political organization should not be taken to mean that Modjokuto has become a self-sufficient, autarkic unit, separated from the society generally. On the contrary, the construction of a local political unit has meant not a weakening of ties to the larger cities, and, particularly, to Djakarta the capital, but a transformation of them. The alirans are, after all, Indonesia-wide organizations and follow policies determined by their central governing boards, inevitably located in Djakarta. Further, representatives from local Modjokuto alirans attend national conventions, serve on regency governing councils (the so-called Dewan Perkawilan Rakjat, "The People's Representative Council") and may even move up in the party hierarchy. In fact, the tendency is still to over-centralize, to reserve all important policy decisions, both within the Government proper and within all the parties, to Djakarta, leaving insufficient room for local autonomy. Overcentralization is often considered to be a cry of Sumatran and Maccassarese minorities against Javanese domination from Djakarta; but it is a regional Javanese complaint too.

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Between 1946 and 1954, net 140,000 Dutch left Indonesia, leaving 63,000 at the end of 1954. Meek, op.cit.

resources in a whole range of over-complicated and inefficient administrative, commercial and agricultural activities. I have already traced the development of what I have called an "involuting" social structure in the rural and commercial sectors: a great flood of people on the land and in the market in the absence of any structural reform in the productive or distributive process making for increased per capita output or increased efficiency, as a kind of marking time in a situation where time, given the population growth, is perhaps the greatest shortage. A similar process could be shown for the bureaucracy which has at least quadrupled in size since the pre-war period, to say nothing of the tremendous increase in the number of unproductive students.¹¹⁸ As the other pre-war trends, this one too, a less optimistic one, has intensified in the period of independency: the danger of the Indonesian economy--judging from Modjokuto--becoming one vast feather-bed supporting an increasing number of under-employed workers at a declining level of living is a real one.¹¹⁹ In the pre-war

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How big the bureaucracy is depends on whom you are going to count as belonging to it. If you just take employees in the Central Government apparatus, the change is from about 150,000 in 1940 to about 570,000 in 1953. If the army and temporary workers are included, the shift is from about 250,000 to nearly a million. If village officials are included, the Government staff is 2,800,000 against 600,000 pre-war. Meek, op. cit. Of course, the students are really a capital investment in literacy, intelligence and anti-traditionalism, and so presumably a positive factor from a developmental point of view. Yet the fact that the number of students in non-technical junior high-schools has increased nine-fold, the number in technical ones six; that in senior highs, the proportions are ten and two-and-one-half; and the contrast would again be even sharper if private schools were included (ibid), leads to at least a question as to the marginal productivity of this investment.

119 The director of the railroad in Modjokuto--now an Indonesian--complained to me in 1953 that while his volume of activity was down 3/5 over the pre-war period, his staff was down less than 1/5, so that he had just about twice as many people than he figured he needed. He was, however, unable to fire anyone due to labor union pressures. As a result morale is low (workers also complained to me about the under-employment), operation inefficient, and costs high.

period, the Dutch provided managerial leadership and the Chinese provided commercial skills, and both provided capital; if the first are to be excluded and the second to be limited in their influence, the functions they fulfilled, being crucial ones, must now be fulfilled in some alternative manner if the popular dynamism released by the Revolution is not to be dissipated in rhetoric, political machinations and paper planning.

Stagnation is not a new experience to Indonesia, but what is new is that the mass of the population having joined the "revolution of rising expectations" will no longer put up with it--if the present pluralistic system of competing political parties, or alirans, in a republican context cannot produce a rising standard of living for the people as a whole, it is almost a certainty that some highly authoritarian group will be given an opportunity to see what it can do. Further, the possibilities, at least for Java, for "static expansion" are now all used up--it is no longer possible for the country's elite to grow in wealth while its mass grows in number,¹²⁰ at least in the absence of a police state. The Dutch used up just about all the possibilities of skinning the cream off of Javanese population growth--of keeping a growing mass locked out of participation in the returns to increasing productivity while using their land and labor essential elements in the productive process--and the new Indonesian elite is in the somewhat unfortunate position of finally coming to power almost exactly at the point where the effects of past distortion of the economic structure, in fact of the whole society, are finally coming home to roost.

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For this phrase, see Furnivall, op.cit. p. 404.

In short, the process of urban reconstruction, like the process of rural reform, seems to have, for the moment, paused as the economic stimulus for it has weakened. The growing together of worker, trader and civil servant into a single community is still only partial--the town remains, to a degree, even in the Javanese sector, a semi-rural, semi-traditional conglomerate of separate groups whose mutual relations are tenuous and ill-defined. The political reforms, stimulated initially by the impact of Western society on Indonesia, which came to their fulfillment in the Revolution need now to be followed by economic reforms if they are not to disappear into some sort of totalitarianism, both more efficient and more ruthless, a fact many Indonesian leaders seem to recognize when they say their Revolution is not yet finished. It has often been noted, to put the problem in another way, that labor as a factor of production is underemployed in countries such as Indonesia; but what has less often been pointed out is that organization is too. The immediate problem in Indonesia--or at least in Java--is not that of creating entrepreneurial motivation but in seeing that those people who for one reason or another already have it get access to resources in sufficient quantity to allow their economic creativity some free play, and the tendency for the unit of operation to shrink to lilliputian forms in agriculture, trade, administration, etc. means that that element of the population which might take economic leadership, which might risk failure and insecurity for the possibility of achievement, is hemmed in on all sides by a great mass of people interested primarily in maintaining their place in the "circular flow." Having created a rationalized politico-social apparatus more amenable to balanced economic growth than old traditional forms were, there is

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now a pressing need to give it something to do besides feed on itself, to engage it in genuine problems arising in an economically dynamic society.

In any case, one of the central questions, perhaps the central question raised by Indonesian independence seems to be: how can a more productive pattern of economic activity be introduced into the social structure in a manner which will both stimulate and sustain the cultural and political renaissance already underway in Indonesia and provide a rising standard of living for Indonesians as a whole. In a final section, I would like to comment briefly on this point--at least so far as concerns Mojokuto--in the light of the pattern of rural-urban development I have been tracing.

CONCLUSION: SOME IMPLICATIONS FOR REGIONAL ECONOMIC DEVELOPMENT

In any discussion of the future development of the Modjokuto region, and of many other regions of Java as well, the role of commercial, "capitalist" agriculture must most certainly be a central concern. One naturally asks at the outset of such a discussion: how much of the pre-war result of the contact of plantation agriculture and village life was inherent in capital-intensive agriculture as such, and how much was a product of the political context in which the contact occurred? Is a more beneficent role in the process of social change for plantation agriculture possible under altered political conditions, or is plantation agriculture an inherently "native-welfare" form of economic activity? Is "the chasm which yawns between pre-capitalism and high capitalism"¹²¹ only widened by the penetration of "high capitalism" into the agricultural sphere, or might the chasm, real enough be narrowed by such a penetration? These are difficult questions, but perhaps some lead toward answering them can be gained from our review of estate agriculture in pre-war Modjokuto.

We have seen the effect of the plantations, the sugar enterprises, particularly, to have been ambivalent. On the one hand they tended to lead to sharp changes in the indigenous social and economic structure, on the other hand to stereotype that structure in the face of a high and rising population. Of the two effects, the former is perhaps the more interesting, if only because, less obvious, it has been less emphasized. The sugar enterprises, despite all the attempts to mitigate their impact, stimulated changes toward a larger farm unit, and at

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Boeke, op.cit., p. 121.

least partly, toward a "yeoman" farm manager; toward an aggressive, rationalistic, urban "intelligentsia" elite; toward a more highly developed, professionally staffed, yet simply organized, distributive system, with even some turn toward small-scale industrialization; and toward the formation of a self-reliant "working man" proletariat. Thus, capital-intensive (at least relative to Javanese forms of organization) enterprise had a kind of "multiplier effect" on the whole regional economy and social structure--a "rational," using rational in Weber's sense,¹²² form of economic organization tended to rationalize the traditionalistic Javanese economy too, pulling more and more people across (or half-way across) the pre-capitalist/capitalist "chasm." The contact between "East" and "West" was here not wholly destructive but in some sense at least partially creative and reconstructive.¹²³

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See Weber, M. The Theory of Social and Economic Organization, New York, 1947, pp. 158 ff.

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Compare a recent anthropological statement on acculturation: "Acculturation, is, however, neither a passive nor a colorless absorption. It is a culture-producing as well as a culture-receiving process. Acculturation, particularly when not forced, is essentially creative. It is a productive process even though in consequence there may be a decrease in the number and variety of pre-existent elements. Abandonment or voluntary loss is compensated for in some other area of culture; and to the extent that an introduced element may serve as an alternative to an indigenous one, there is actually a gain in number and variety.... These considerations suggest that the conjunction of differences in culture contact provides a kind of catalyst for cultural creativity. Much has been made of the melancholy process of cultural disintegration, often with the implicit value assumption on the part of the anthropologist that the older aboriginal patterns are good and what emerges in the contact situation is bad. Comparative study which is also sensitive to the generation of new and qualitatively different patterns may add significantly to our knowledge of cultural transformation and growth." Broom, L. et al. "Acculturation: An Exploratory Formulation," American Anthropologist, Vol. 56, no. 6, 1956, pp. 973-1000.

This "multiplier effect" of capital intensive forms of economic activity is worth more study. The sugar industries seem to have tended to strengthen those elements within the whole Javanese population which possessed the "creative urge, the tenacity, the concentration on the economic result and the power of organization. . . which characterize the true pioneer," which Boeke holds, incorrectly, to be almost absent among Indonesians.¹²⁴ By providing an environment in which these traits would prove "selective" in the evolutionary sense, it brought individuals of whom they were, in fact, characteristic, to the fore, at the expense of the less creative, tenacious and calculating. This suggests that capital-intensive industry, rather than having an intrinsically stereotyping or disorganizing effect on traditional life, may, at least under certain conditions, have an "igniting" effect, may initiate a chain reaction of rationalizing reform through the whole society.¹²⁵ It suggests that there may be a tendency for a capitalist industry introduced into a traditionalist social structure to ramify

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op.cit., p. 212. On the consumption side, Boeke similarly greatly underestimates the elasticity of Indonesian wants, ibid., p.40

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See, in this connection, the interesting criticism of the recent emphasis by economists on the need for capital economizing industries in under-developed countries by Albert O. Hirschman, "Economics and Investment Planning: Reflections Based on Experience in Colombia," in Investment Criteria and Economic Growth, Millikan, M. (ed.), Cambridge, (Mass)., pp. 35-54.

in its effects throughout that structure so as to stimulate individuals at various stages of economic rationalization in their own terms, to move them a few steps further along the road to less traditionalized economic behavior from whatever point they may already have reached. And it suggests that the indigenous population ought not to be seen as one lump mass, simply characterized by its absence of dynamism and its inability to throw off the "shackles" of tradition, but a complex, already differentiated aggregate which an external stimulus will not cause to respond as a simple unity, but which will show a wide range of reactions depending upon the patterns of social, cultural and personality traits within it.

A capital-intensive form of economic organization creates, in short, an internal economic frontier within which those in the society with the mentality of a "true pioneer" can gain some opportunity to exercise their abilities. But it is not simply an individual matter: though individual variation in tastes and temperaments play an important part in the whole process, the various socio-cultural groups, as I have tried to indicate, tend to react differentially in terms of their historical development and the intrinsic nature of the social position and cultural orientation. The variation in value standards, world-view, and style-of-life between the more Moslem and less Moslem elements of the population, between the townsman and the villager, between the elite and the mass, between the trader, the civil servant, the coolie and the peasant, may all play a role. Those with the cultural background, the social status, the psychological motivation and the inherent ability to

take advantage of the technical and administrative opportunities offered by the new form of organization will tend to do so; those who are more able to take advantage of commercial opportunities it offers will also tend to do so; more aggressive peasants "get ahead," so do the more aggressive among the landless, the first as larger-scale farmers, the latter as workers. Thus, the impact of capital intensive technology on a traditional soci-cultural structure (there is a reverse impact too, but that is too complex a problem to treat with here), tends to press it toward change along the lines set down for it by its own internal form of organization, to stimulate an intrinsic pattern of growth away from traditionalism.

But this is not a "hidden hand" doctrine: if the injection of capitalist organization into traditionalist social structure in a laissez faire manner simply rewarded the industrious apprentice and punished the idle one more or less automatically, the problem of economic development of underdeveloped countries would certainly be much simplified, and the prognosis for such countries very optimistic indeed. There are, however, not only the problems concerned with introducing a new technology in a manner so that it becomes directly engaged in the traditional structure, interlocked with it so that the latter cannot simply fail to respond at all; ¹²⁶ or those concerned with

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For a description of an attempt to introduce a capital intensive element into a traditional Indonesian social structure which failed because, among other reasons, the indigenous population more or less refused to have much to do with it despite its supposedly "obvious" advantages to them, see Ormeling's discussion of the "Sekon Project," in Timor, in: Ormeling, F.J. The Timor Problem, Djakarta and Groningen, 1955, p. 218 ff.

the tendency for minority groups--not always managerial ones--with special power in the capitalist sector to distort the pattern of growth in their own short-run interest (which it would be highly naive to expect simply to disappear with the disappearance of colonialism); but also there are those concerned with the inhibiting and maling tendencies within the traditional structures themselves. These inhibiting tendencies cannot be simply dismissed as "obstructions," for they are attempts by the population to maintain a meaningful and spiritually satisfying pattern of human existence in the midst of social change. Balanced growth is an extraordinarily delicate thing, balancing not only economic sectors off against one another, but balancing the material gains of increasing per capita productivity off against the psychological and cultural strains of social change. A smooth pattern of economic growth which allows the people who are caught up in it to maintain their personal identities, to shift from peasant to worker, from trader to small industrialist, from aristocrat to modern administrator and not destroy the spiritual bases of their personal existence at the same time, is a very difficult thing to achieve, one certainly far from having been achieved in the West. Though the intrusion of capital-intensive industry can provide the "motor," the "dynamo" for such a smooth pattern of change, it cannot provide the regulation, the directive force, for it. That must come from within the culture itself, and if industrialization deprives the Indonesians of the power to control their own destinies and live lives which have meaning for them it will not be worth the candle,

their contemporary impoverished state to the contrary notwithstanding. All of which means that the really crucial factors in planning for a genuinely balanced growth in which "capitalist" patterns of economic organization are to play an important propulsive role are: 1) the strength and specific nature of the intrusive stimulus; 2) the structure and content of the local society; and, 3) the exact manner in which the former is introduced into the latter.

What, then, does all this mean in terms of the (only hypothetical or paradigmatic) problem at hand: the possible role of a revived sugar industry in Modjokuto? We have seen that the margin for rapid population growth without either deep-going structural change or severe social strain and disorganization in the peasant sector has been, more or less, "used up" by the Dutch sugar industries in the pre-war period. By adding mechanically improved irrigation systems, the Dutch companies made possible the balloon-like distention of the traditional social structure I have traced; but it seems certain that with much more distention the balloon, for all its elasticity, will surely burst.¹²⁷

The dualistic policy of enforced stagnation, or "static expansion," for the peasantry is thus a short range one which has run its course--the

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Improvement of Javanese agriculture in its present state of organization through agricultural extension programs--better choice of seeds, more fertilizer, etc.--as well as through extension of modern irrigation to drier areas of East Java, could probably, add significantly to this elasticity in the absence of important structural change, and so postpone the day of reckoning a little longer. Though such a policy may have its justifications as a time-buying process, it ought to be realized,

combination of plain living and high thinking on the part of the mass and high living and plain thinking on the part of the elite is no longer even possible, at least in Java. The building up of commercial agriculture in the Modjokuto area, now that the population density has reached nearly 2,500 per square mile (in the thickly settled rice plain area), faces a much more inflexible situation than it did when the density was lower.

In essence, the problem is this: capital-intensive agriculture will increase productivity per worker, but it will also reduce the number of workers needed (in some cases, it might even reduce output per acre, due to its more extensive manner of cultivation, although with increased experimentation in mechanized tropical agriculture this would probably cease to be true, at least for many crops). As a result, the Modjokuto economy seems caught in what seems to be a widely typical dilemma in underdeveloped countries: a choice between a pattern yielding (relatively) higher per capita income and higher unemployment (capital-intensive agriculture) or one yielding (relatively) lower per capita income and lower unemployment (Lilliputain agriculture).

as such, and it ought to be realized, too, that if the very expensive time thus purchased is not used with maximum efficiency in initiating development--i.e., changing the pattern of agriculture and of peasant life, stimulating industry, building a simplified distributive network, etc.--one has only deepened the problem. Such improvement, combined with developmental changes in agricultural organization, etc., are, of course, much to be desired, but, in fact, many of them are more likely to follow than to precede such organizational change.

If commercial agriculture and larger peasant holdings are to be introduced, what is to become of the "excess" population? As Boeke has well remarked, with half the degree of mechanization of American farms, ten per cent of Egypt's farmers could do the work now done, but this would leave ninety per cent of the population starving.¹²⁸ Along similar lines, there is the food problem and the business cycle problem: commercial agriculture, even if of food products such as sugar, as an adaptation to the principal of comparative advantage, inevitably means food imports (at least on a regional basis); similarly, producing for an export market (even if only regionally), puts one at the mercy of the business cycle, which in primary production is notoriously wide-swinging. Thus, the Modjokuto Javanese seem to have their choice of two equally unpalatable, and in the long run unworkable, alternatives: a continuation of the present, unfluctuating, descent of lilliputian agriculture to the point where the maximum number of people are being carried, ant-like, on the land, or an increase in productive efficiency at the cost of instability, dependence on external sources of food, and the kind of radical maldistribution of income of the type Boeke postulates for a "developed" Egypt.

The question seems to be, then, can commercial agriculture of a capital intensive sort be so brought into conjunction with labor-intensive peasant agriculture, so that the productivity gains of the former may be had without the severe socio-economic dislocations it

¹²⁸ Boeke, J.H., "Population Increase," in Eastern and Western World, S. Hofstra (ed.), The Hague and Bang dan, 1953, pp. 69-84.

seems to imply. Paradoxically, this is, of course, exactly what we have been saying the pre-war Dutch concerns did: their irrigation-improving, land-renting, labor-wasting, race-segregating system of cultivation combined "capitalist" profits with (relative) rural stability. Is, then, our persistent criticism of their anti-developmental implications unwarranted? Is the dualistic policy, after all, the best one? I think that the problem here is that there are two kinds of "dualism": a policy which treats the capitalist and pre-capitalist sectors of the society differentially in order permanently to stabilize their relations to one another, so that "never the twain shall meet," is quite a different thing from a policy which treats the various sectors of the society differentially in order to insure orderly social and economic change, which, in fact, attempts to use the anti-traditional elements in capitalist organization as an instrument of social change, to effect a steady, continuous and moderately rapid transition to more efficient patterns of economic organization throughout the whole society. Where the first policy tries to dampen the chain reaction toward economic transformation a capital-intensive industry introduced into a traditional structure necessarily generates, to isolate indigenous patterns from diffused ones in the name of "native welfare," the second tries to control this chain reaction, to adjust the impact of capitalism to the local social structure's capacity to adjust to it creatively. It is in this second, and far more difficult, sort of "dualistic" or "pluralistic" policy, one intended not to maintain the dualism or pluralism, but to abolish it, lies, I think, Modjokuto's main hope.

But the term "plantation agriculture," taken as a simple whole, conceals several elements which need to be distinguished before one can talk meaningfully about its possible role in Modjokuto's future. Following Pim, we might distinguish three main stages in the supply of any agricultural product to a distant consumer: the actual cultivation of the plant, its processing, and its marketing (including transportation), noting that "at each of these stages the rival systems of plantation and peasant production have relative advantages and disadvantages."¹²⁹ In the pre-war period, the vertical integration policies of the plantation companies kept these three stages under unified, European, control,¹³⁰ a policy which, as we have emphasized, maximizes the contrast between capitalist and pre-capitalist spheres of activity. Consequently one might ask whether dissolution of the tight bond between cultivation, processing and marketing might not make for a more workable relationship between peasant and commercial agriculture. Particularly in the matter of cultivation it has long been argued, both by the Indonesians themselves, and by the more perceptive of Dutch scholars,¹³¹ that a

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Pim, A., Colonial Agricultural Production, London, New York and Toronto, 1946, p. 9.

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The Javanese sugar industry has proceeded through three main stages of marketing consolidation. From a system of independent planters, it changed, around 1900, to a system of large holding-companies (of which HVA, originally but an import-export trading concern, is good example), and in the depression of the thirties a central sales organization--NIVAS--for the whole industry was set up and continued to function.

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van der Kolff, op.cit.

division of labor in which peasant organizations--cooperatives, unions and so forth--were mainly responsible for cultivation and sugar companies for processing would lead to a healthier situation.

The question involved in such a re-organization, is, of course: how far must production and efficiency fall? If free-hold cane cultivation is combined with highly capitalized milling will the low output and poor quality of the former make the latter unable to justify its high fixed costs? Largely, this depends on whether the technical skills of cultivation heretofore associated with the mills can be transferred to the peasantry, or, in the short run, that a mode of cooperation between mills and peasants organized in supra-familial cooperatives, unions, and the like can be worked out which will allow the skills and capital of the sugar technicians to be effectively applied to the land of the peasants without reducing the latter to simply passive pawns in the process. If democratic peasant unions can gain control over larger tracts of land and work out relations with the sugar industry which are mutually profitable to both groups, it is possible that the cost-cutting advantages of scientific management and capital intensification might be effectively combined with present freedom and progress. Perhaps even in the best of cases, however, some loss of productive efficiency over the pre-war situation is inevitable, but that situation was an abnormal one in the sense that it permitted a rather greater domination of economic interests over social ones than is possible in a free society; and in the balance against a more

active "yeoman-like" role of the peasant in the sugar producing process, the loss is small enough:

Any application of a system of farmer-factory division of labor will make necessary a less intensive method of cultivation than that used under the old plantations system. To many who have put the dogma of intensification on a pedestal as an ideal to be worshipped, this is a disagreeable thought. But the dogma of intensification must be recognized as nothing more than a dogma. The pre-war aim of the sugar industry was a maximum of return on investments, and even the social environment could be moulded to this aim. In such a situation intensive cultivation seemed to be the best solution. But today all is changed. If the sugar industry is to survive at all, it must be based on a dual principle, the financial interest of the share holders and the social interests of the people. It must fit itself to the social environment rather than moulding that to its own will; it must recognize the people as an end in themselves, rather than a means of greater productivity, and foster their productive energy as a national Indonesian interest.¹³²

That all this is not mere utopian fantasy, is evidenced by the fact that just this sort of development has begun to occur, as yet not to any important degree in Modjokuto itself, but in the next two or three subdistricts to the northwest of it--i.e., those lying along either side of the river. It was in this area, the heart of the river basin, that the plantations' pre-war land renting was concentrated; here, the peasants were even further pulled into the capitalist side of the dual economy than they were in Modjokuto, which, given its geographical position, was actually somewhat marginal to the development. Not only were land holdings larger and contracts maintained longer in the face of the crash (and the partial recovery in the later thirties more significant), but the embryonic larger landholders class of this area was able to go farther along the road toward the freehold sugar

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Ibid.

alternative than in Modjokuto. Here, then, is proof of Van der Kolff's dictum that those peasants who were most closely involved in the capitalist sector were best able to ride out the depression because they could take advantage of what income earning possibilities continued to exist. In any case, the post-war reconstruction of several Dutch sugar factories in this area under markedly changed political conditions has led to a small florescence of freehold commercial agriculture.

At least three sorts of program, of varying degrees of conservatism in terms of the prewar pattern, are in operation in these river-side villages. In the most conservative case, a Moslem peasant organization rents land from its members which it then rents in turn (for single growing period leases) to the sugar mills. Thus, the organization acts as a go-between for the peasants, the actual peasant participation is only slightly greater than before the war. In a somewhat less conservative case, the sugar is grown by the richer peasants, a few of whom have as much as a hundred and fifty acres of land, under the supervision of the mills working through a Government sponsored (and regulated) peasant cooperative. The cooperative makes the price contract with the mills, gets an advance, is responsible for delivery and attempts to insure quality, partly by permitting the sugar managers to advise the peasants, inspect the cane in the fields and so forth. The third pattern represents something of an atypical case.¹³³ Before

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I am indebted to Mr. Jay for the details of this case.

the war a Chinese owned a larger tract of land in this riverine area which, after the war, was divided up (i.e., was squatted on, the squatting later being legitimized by the Government which compensated the Chinese) among a number of landless sugar workers from the one "waste-land" sugar plantation in the area, already mentioned as bordering Modjokuto subdistrict on the east. These proletarianized squatters, most of them young men, were tightly organized by a Communist dominated peasant union and so were able to farm the land collectively in large units in sugar. Each man contributed a portion of his land to a larger collective sugar farm (if a man's plot lay within the sugar farm area and he didn't wish to contribute he was given land elsewhere in exchange). The peasants then worked the land and received wages (i.e., a share of the sugar output) according to land plus labor they contributed to the common pool. As, for obvious political reasons, relations between the mills and this group were rather poor, the sugar managers had almost no role here except as purchasers of the cane (if they did not wish to buy it they were obligated by Government edict to mill it for the peasants at a fixed commission, the latter then marketing the refined sugar themselves). As the first sugar crop in this plan was just coming in as we left the field, it was not clear how this program would work out. In any case, there is no need to pronounce one of these plans to be necessarily "better" in absolute terms than the other: the three plans are, in fact, attuned to three different types of adjustment of the peasantry

to commercial operation. What is important is the direction in which they are moving: toward a collective bargaining type of relation between peasant and sugar manager.¹³⁴

Of course, the possibility of such a collective bargaining relation between the factory and the peasant being workable depends on changes in the traditional patterns of "doing business" on both sides which are radical enough so as not to encourage undue optimism. On the factory side, it entails an abandonment of the "spectroscopic" labor policy, a progressive modification of the dominant role of the Dutch in the enterprises, and a much restricted sphere of arbitrary action

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The increase of free hold cane is evidently fairly general, though still small by pre-war standards: "the very rapid increase in planted area of indigenous cane has been a phenomenon of the period under discussion. In 1952 this covered an area roughly 20,000 hectares--16,500 of them being in East Java, 3,000 in Central Java and 500 in West Java. The indigenous mills have inadequate capacity for such planted area. Consequently, indigenous producers increasingly disposed of their cane to the sugar company factories. In 1951 the sugar factories re-inbursed the small holder sugar producer by giving him half the sugar processed from his cane. In 1952 this was replaced by a straight money payment. The gross proceeds thus obtained by the small holder amounted to more than would have been obtained had the cane been worked by the indigenous mill or had paddy been grown on the land devoted to indigenous cane production. About 140,000 tons of sugar was processed from the cane raised by small holders in indigenous mills, while about 22,000 tons of the sugar produced from factories by small holders, Hollinger, W. "The Indonesian Economy: The Export Crops Sector," Quantitative Studies 7, Indonesia, unpublished. Center for International Studies, MIT.

on the part of management generally. On the Indonesian side it demands not only at least a partial dampening of the more xenophobic aspects of nationalism, but also--and even more important--the emergence of honest and skilled local leadership. Cooperatives--of which Modjokuto peasants tend to be rather wary due to unhappy experiences with embezzling treasurers in the past--can obviously rather easily become mere fronts for the old pattern of operation whose main purpose is to enrich their heads as agents of the sugar companies, much as many village chiefs were enriched before the war. The emergence of a new pattern also rests on the possibility of self-restraint both on the part of peasant organizations and on the part of labor unions representing the necessarily more permanent work force of the mills, a realization that ultimately worker and peasant sugar income rests on the productivity of the industry, and not simply on how far management can be squeezed.¹³⁵ Aside from the problem of keeping wages and rents low enough to be able to pay for capital and managerial direction, if sugar proceeds are to be used for developmental purposes, all profits must not be allowed

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Kraal (op.cit.) reports that post war wage, rent and capital costs have risen to the point where profitable operation of the mills is imperiled, the high costs in part being due to unrealistic labor and peasant union policies. But he notes the situation is improving and remarks in conclusion: "If the industry, the authorities and the trade unions, conscious of their common interests in the continued existence of the sugar industry, could achieve a cooperation which will give the industry a chance, there are many important improvements to be obtained, and there can be a possibility of new factories being established, which operate so efficiently as to ensure a return on the capital invested by exporting all production." He also notes the possibility of a significant extension of domestic sales, even at present prices.

to fall entirely into the hands of the minority of the population directly engaged in the industry. The contemporary dominance of leaders with ulterior political motivations in Indonesian labor unions, of course, threatens to block development of any sort under the present, "petty social democrat" regime.

Despite the admittedly great obstacles in the face of a revival of the sugar industry, however, there are also some new positive factors which did not exist before the war in anything like their present strength. The ideology-political party sort of social organization I have noted as becoming stronger in Modjokuto obviously permits more flexible relations between the more "developed" and "underdeveloped" sectors of the society than the traditional, rather compartmentalized, system did--allows educated, urban Indonesians to provide more effective leadership for the peasantry and the workers. As such it reduces the gap between the two sides of the dual economy, allowing a more even transition between them. The tendency for the political parties, labor unions, women's groups and the like to abandon their nominally specific functions for a diffuse "syndicalist" type of general agitation is perhaps their major weakness, but in a more dynamic economy they might come to fulfill more important, if more circumscribed, regulatory functions. Also, the eagerness for constructive social change awakened by nationalism which now tends to get expended in speeches, resolutions and political intrigue might find a more specific and concrete application if a growth economy appeared as a

reality rather than continuing to exist but as an ideal. In contemporary Indonesia the immediate need is for projects which are actually on the ground and in operation, rather than for broadly sketched plans for the development of the entire economy, so that the intrinsic ability of the society and its people to develop if given half a chance will be provided with some opportunity to operate. And for this the sugar industry, though less glamorous than new dams or steel plants, seems, if only because it already exists, of some value.¹³⁶

Nevertheless, this is not a brief for the sugar industry. Whether or not, and how far, the sugar industry can or ought to be revived depends on a whole host of economic and other factors--demand, market organization, comparative costs, possibilities and political practicabilities of food imports, etc.--which I do not wish to prejudge here. It is possible that Indonesians are better off without sugar industry than they would be with it, even under ideal conditions. I have used it merely as a paradigmatic example of a type of industry processing primary products which seems to me to have an important role to play in

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In this connection see the comments on "overall vs. sector planning" and "biases in the determination of high-priority areas" in Hirschman, op. cit. It is also difficult, whatever its effects, to glibly write off as hopeless an industry which between 1928 and 1931 absorbed a capital investment of \$318 and provided, even at oppressive rates, 10 percent of the total income of the Javanese population through rents and wages. Metzalf, op. cit., p. 63.

the development of the Indonesian economy. Like generals planning for the last war, "underdeveloped economists" have a tendency to plan for the last industrial revolution. Sugar is not, by far, the only processing industry which can be developed on the basis of crops cultivable in Javanese terraces and gardens: soya beans, coconuts, palm oil, kapok, tobacco, coffee, cacao fibres of various sorts, and many other crops offer possibilities (not all of them, of course, in the Modjokuto environment) for such industries, particularly if more capital can be invested in scientific studies of tropical agriculture and of technological methods to process the output. Whether it be soft drinks (the development of this industry, largely by the Chinese, which is something of a natural in tropical environment, is providing one of the expanding post-war domestic markets for sugar) candy bars, cigarettes, soap, soya-bean cake or kapok-stuffed pillows, a non-exploitative integration between an advanced technology and Javanese primary production in agriculture is not without possible significance for future growth of the Indonesian economy.¹³⁷

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A good example--and merely an example--of the possibilities in a combination of improved processing and cultivation is in copra. An untended tree yields barely 20 nuts a year, a well-fertilized, well-selected tree planted at regular intervals can produce up to 100 nuts. Further, drying in the sun takes five days, and depends on near continuous sunshine for this period. Kiln drying takes only 24 hours, but leaves a smoky odor on the copra which reduces its value (Metcalf, op.cit., p. 68). Thus an improvement of both coconut tree cultivation, perhaps in cooperatively organized house gardens, plus improved technology for kiln drying could, assuming decent market conditions, add a good deal to Indonesian national income.

The general model being offered, to summarize in more abstract terms, is one in which an at least relatively capital intensive industry is introduced into a relatively traditionalist (but changing) social structure to provide a "motor" for development. For such a capitalist "motor" an industry resting on the processing and scientifically managed cultivation of tropical plants seems well suited. It can be light, small and decentralized; it can be fitted carefully to local condition; and it provides less of a discontinuity in living patterns for the Indonesians who participate in it, while still capable of offering a genuine "entering wedge" in the process of industrialization. Even more important, perhaps, is the effect such an industry may have on independent small industry and trade and on the pattern of land use and agriculture in the region. By providing a market for local produce, such an industry can reward those who prove capable of responding to it, either collectively or individually: a viable cooperative movement in Java, for example, will never be based, as has so often been suggested, simply on the supposedly (and in great part mythical) "communal" character of the Javanese village, but only on the fact that coops prove to pay in actual operation. Similar considerations apply to the growth of larger landholders and yeoman farmers.

Hirschman has, in fact, argued that such industries have such potential stimulative powers in respect to local agricultural enterprise, that is sometimes even wise to initiate them on the basis of imported raw materials.¹³⁸ In the earliest stages manufacture in an underdeveloped

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Op.cit.

country starts out as an isolated, daring venture in what is held to be a hostile environment, even, I might add, if the entrepreneur involved is the Government. Because the local agricultural product is likely to lack the quality and uniformity necessary for industrial operations and its supply is likely to be unreliable or insufficient, the usual tendency is to engage in the kind of vertical integration we have traced in sugar cultivation in order to regulate the supply of raw materials. If a dependable foreign source of supply is available, Hirshman points out, it offers an alternative solution to the problem which avoids the difficulties involved in adapting and expanding domestic primary production for industrial operations simultaneously with the setting up of the industry. Whether Hirshman's pessimism concerning raising the quality of local agricultural raw materials at the same time as their processing and marketing is entirely justified or not--and was his experience with Javanese rather than Colombian peasants, perhaps he would be more optimistic--his argument about the stimulating effects of the sort of secondary industry which can afford a market for agricultural production on a rural economy is well taken: the leverage effect of such an industry upon a pre-capitalist economy and a traditionalist society has been quite marked, as we have seen in the case of the pre-war Javanese sugar industry in Modjokuto. Secondary production which is closely related to primary production can serve as an excellent point of access for transferred capital to the whole economy.

Similarly, such an industry can indirectly stimulate local trade and small, shop-type industry. It does this not only by increasing local purchasing power but by providing capital in the form of wages (of more specialized workers) and the prices of the crops it buys, as well as by offering sub-contracting markets to smaller, less capitalized industries. The largest industry in Modjokuto today is a slightly mechanized box factory which sells its entire output to a Dutch beer concern in Surabaya, employs a hundred or more workers, and has attached to it a half dozen or so smaller sub-contractors making boxes by hand in shops or even a putting-out basis. Thus, although aid (foreign, governmental or whatever) spread things among many small industries in an "industrial extension" fashion, can be useful, the concentration of capital, at least to a degree, in one fairly capital-intensive shop may ultimately have a more stimulative effect by providing external economies to small-scale, spontaneously established, local industry. Many of the economists concerned with developing a labor-absorbing technology, a legitimate concern insofar as it would lead to improvements in small-shop manufacture as a transitional measure, often seem to ignore the fact that such a technology largely exists for a whole range of handicraft or improved handicraft processes-- from cigarettes to textiles to building materials--even in such a country as Java where small scale manufacturing seems never to have been as lively as Japan, China or other countries of Southeast Asia such as Indo-China; a technology which will be increasingly applied

if it becomes profitable to do so. A well-planned capital-intensive industry which provides remunerative markets for a wide variety of local talents can lead, if properly planned, to a stimulation of secondary small-industry labor intensive activities with known techniques or home designed improvements on known techniques, as well as better organized distributive activities, on the part of the local population.¹³⁹

If such a complex of medium industry processing locally grown crops, local small factories and stores of various degrees of capitalization and complexity of organization, peasant cooperatives and/or larger peasant holdings can be brought into existence, the problem of the discontinuity of production coefficients--the fact that capital-intensive industrialization raised output at the cost of employment--will at least partly be solved, because there will be, much as in Japan, a whole range of productive process with coefficients at various points along a near-continuous scale: the mechanized crop-processing industry at one end, with relatively high capital and low labor inputs; the remaining lilliputian farms at the other, with the reverse pattern. As the industrialization of Indonesia proceeds one would expect

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As inputs for the larger industries these labor-intensive shops may also provide complementary economies for it, a factor evidently of central importance in Japanese economic development: "...large enterprises were necessary to full-scale industrialization...But these enterprises were made possible and derived much of their utility, from less dramatic but more pervasive changes in traditional Javanese economic life... These small firms employed comparatively simple techniques of production and small investments of capital, but were integrated increasingly within a framework of large-scale marketing, transportation, and finance... Japan's progress in industrialization owes much to her comparative success in combining large and small enterprise in intricate patterns of cooperation..." Lockwood, William, The Economic Development of Japan, Growth and Structural Change, 1869-1938 (Princeton, 1954), pp. 192, 193; quoted in Levine, Solomon, "Management and Industrial Relations in Postwar Japan, FAR EASTERN QUARTERLY Vol. XV, No. 1., 1955, pp. 57-76.

to see a shift of the whole continuum slowly, and so far as possible smoothly, toward the more capital-intensive end. Thus the crop-processing industry is seen as the point of leverage around which the whole development of an area such as Modjokuto, in its first phases at least can revolve; a concrete mechanism for turning the local economy away from a self-defeating pattern of a slow "descent" into ever increased labor intensification toward a slow "ascent" into an ever increased capital intensification. What is needed, or envisioned as needed, is not a "take-off point" from which the economy will leap suddenly into the modern world, but rather a reversal of the direction of economic change so that time will be working with, rather than against, the Indonesians.

Again, all of this will not happen automatically and without planning, nor does it imply that all attention must be given to the dynamic capital intensive elements in the pattern at the expense of aid to the less dynamic small industries or to "subsistence" agriculture, nor at the expense of welfare aids to protect those suffering from the effects of social change. If anything, planning such a pattern of change needs to be even more detailed, for it demands not only a careful and concrete assessment of specifically proposed industries from the technological and economic point of view--so that factories are not built which have no markets or technological processes introduced which

will not work or are overly refined¹⁴⁰ --but an equally detailed assessment of the specific local situation in order to determine how a proposed project might best be fitted into the given, on-going socio-cultural system, and what specific effects it seems likely to have there.

Further, it would be idle--worse than idle, fraudulent--to pretend that a developing economy will not raise social, ethical and economic problems as serious as those the Javanese now face, that the distortions and injustices industrialization has brought elsewhere can be entirely avoided in Java. The possibilities of unemployment and social disorganization due to people being ejected from traditional structures before new ones can absorb them; the dangers of indebtedness, labor sweating and urban slums; the impoverishment of cultural life by economic forces--all the ills industrialism is heir to--will need to be faced and, it is to be hoped, dealt with. Development will not mean an escape from problems and will not bring utopia any more than it has in the West, but will merely replace old problems with new ones supposedly less overwhelming. Indonesia has, in any case, little choice--the movement

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"The term 'poor planning,' so often heard in Colombia, is never used in reference to the apportionment of total investment funds among the principal sectors of the economy; it rather designates a highway that has been built where there is no traffic, an irrigation scheme in an area with adequate rainfall, etc., etc. 'Good planning' means simply to have studied and prepared thoroughly a given project, i.e., to have ascertained whether it corresponds to a real need, where proper engineering and market studies have been made, whether full financing has been assured so that it will not remain half completed for years, and whether alternative ways of fulfilling the same need have been explored and rejected for good reasons." Hirschman, *op. cit.* The problem of the organization of demand, a central problem in the economic development of underdeveloped areas has purposely not been treated in this paper, which has concentrated on the productive side.

away from traditional forms of life has been proceeding for at least most of this century, and having begun the transition to industrialism, or having it begun for them, the Indonesians must simply go through with it and hope that the second half of this century, now that they are free, will prove better than the first, when they were not. They cannot turn back.