

THE ORIGINS OF POVERTY IN INDONESIA

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The causes of Asian poverty are usually discussed by economists, sometimes by sociologists. Historians tend to avoid the long-term sources of the problem, perhaps because of an assumption that the problem is unreal. The origins of capitalism and of the industrial revolution lie in Europe, and therefore the causes for the enormous gulf in living standards between Europe and Southern Asia in the twentieth century are also assumed to lie in Europe. The assumption behind this one-sidedness is that the dynamic of change lay in Europe while most of the rest of the world, including Indonesia, has been relatively inert and unchanging. In reality, change has been the rule of Southeast Asia as in Europe, and we must examine the pattern of this change to understand both the relative and the absolute dimensions of poverty.

INDONESIA AROUND 1600

Needless to say we have no comparative statistics for the sixteenth century, and judgements can only be made on the basis of travellers' impressions. We can assume that European and Chinese accounts which were written for readers at home tended to dwell on the things which struck them as unusual. When there is silence on an everyday aspect of life it can usually be assumed to be because the travellers found it unsurprising and similar to conditions at home.

On this basis it seems possible to surmise that Indonesians were roughly as tall and as long-lived as Europeans around 1600, and if anything rather more healthy. In the few cases where travellers find stature worth mentioning they found Indonesians of 'average' height but of unusually well-proportioned and athletic build. After eight years in eighteenth century Sumatra, Marsden 'could scarcely recollect to have seen one deformed person among the natives', and earlier reports confirm this pattern.¹ Where the age-span of Indonesians is mentioned, it tends to be in envy of their apparently better prospects than Europeans. Since the average life-span of Europeans in this period is often estimated as only twenty or thirty years, we need not assume a remarkable degree of longevity on the part of Indonesians. What we know of the medical practices of the time would help to account for their relative good health. Europeans were astonished at the array of herbal remedies, as well as massage, in treating disease, while the Asians were spared the contemporary European reliance on bleeding and a great deal of clumsy surgery. As late as the early nineteenth century, Crawford was still amazed at the absence of inflammation or infection associated with wounds - presumably because of the efficiency of herbal antiseptics.²

Still more striking is the absence of any mention of extreme poverty on the part of early visitors to the Archipelago. There are references to the relative simplicity and primitiveness of the more isolated communities, to

the large proportion of people taken to be in a condition of slavery, and to the very sparse furniture of the poorer houses. There is no evidence I have found of famine, starvation, and wretchedness, as was frequently the case in India, China, or indeed Europe at the time. No doubt the reasons for this are clear enough. Rains were relatively dependable, population pressure was very low, and if the staple rice crop did fail there were numerous alternatives to fall back upon. Only as a result of the dislocation caused by war do we see large numbers of people dying of hunger - either as captives or as refugees.

At the other end of the spectrum there was the same opulence and extravagant consumption as existed in the courts and trading centres of other parts of Asia and the Mediterranean world. This wealth derived directly or indirectly from trade. Even more strikingly than the Mediterranean, the Malay/Indonesian Archipelago was a region 'made for merchandise' - to borrow Tome Pires' description of Melaka. It lay athwart the trade routes between China and Japan on the one hand, and India and the West on the other. Moreover in the spices of the Moluccas and the pepper of Sumatra it provided the items in greatest demand in world markets. Many of its people lived on the water, by fishing and by trade; boat-building and navigation were among the most developed skills. As Pyrard noticed at the beginning of the seventeenth century, the whole region was interdependent, so that 'these people are constrained to keep up continual intercourse with one another, the one supplying what the other wants'.³ Cities such as Melaka and Aceh, and islands like Ternate and Tidore, were almost wholly dependent on imported rice, which they could well afford to pay for through their export and trading activity.

INDONESIAN MERCANTILE CITIES

In terms of their population and the extent of their trade, the cities of Indonesia appear to stand comparison with the most bustling cities of Europe in the sixteenth century. The indications are that Melaka had a population close to 100,000 around 1500, that Aceh and Brunei were at least half as large in the mid-sixteenth century, and that Aceh, Banten and Makasar were all in the region of 100,000 in the first half of the seventeenth century. In sixteenth century Europe only Paris and Naples were certainly above the level of 100,000 and many of the real centres of trade and capitalist growth, including London, Amsterdam, Genoa, and Lisbon, appear to have been smaller than 50,000 in the sixteenth century.

In terms of shipping, Ruy de Araujo's estimate that there were about 100 junks in Melaka, of which at least thirty belonged to the Sultan and the local merchants,⁴ compares favourably with the merchant fleet of Venice, for which estimates vary between about twelve and thirty-five 'large' ships, on average somewhat smaller than the 500 tons which the Asian junks reached.⁵ A century later Aceh's war fleet comprised 100 galleys, a third of which were said to be larger than any built in Europe.⁶ Of course the Malay *prahu* were far more numerous than these large ships - too numerous to be able to estimate even approximately. Even if we cannot confirm Barbosa's claim that Melaka was 'the richest seaport with the greatest number of wholesale merchants and abundance of shipping and trade ... in the whole world',⁷ it was undoubtedly in the major league. Tome Pires' figures for the value of annual imports from India alone total

approximately 600,000 cruzados.⁸ This figure must at least be doubled to reach the total annual imports of the city, or quadrupled to 2.4 million cruzados to give the total volume of trade (imports + exports). If Braudel is correct in estimating the volume of trade of Valladolid at 594,600 ducats (560,000 cruzados) in 1576, of Seville at 4.297 million ducats (4 million cruzados) in 1597, then it is clear that the trade of Melaka at the beginning of the century before inflation had begun, would have been among the biggest in the world.

The manifest size and wealth of these cities should not lead us to ignore some profound differences with the cities of Europe, or indeed China and the Middle East, however. In the first place there was no barrier between city and countryside. Few Indonesian cities had a city wall, and where they did it was essentially to enclose the inner core where the ruler and his great nobles had their courts. Cities of any consequence almost invariably became capitals in every sense of the word. There is no capacity in most Southeast Asian languages to distinguish between city and state - they are one and the same. Above all, as a consequence of this, the city could not be an autonomous world with its own liberties and responsibilities quite distinct from the countryside.

Secondly, it is not easy to draw a line between a land-owning nobility and an urban bourgeoisie. There was a great deal of upward mobility in the fifteenth and sixteenth centuries, as we see from the origins of three mighty men at the time of the Portuguese arrival. The Laksamana of Melaka and subsequently Johor was the grandson of a Palembang slave who became a favourite of Sultan Mansur of Melaka; the ruler of the flourishing city-state of Japara was the grandson of 'a working man in the islands of Laue (Pontianak) ... with very little nobility and less wealth', who made his fortune trading in Melaka until he was strong enough to establish a new city-state in Java.⁹ Similarly the leading Javanese in Melaka, Utama di Raja, said to have 6000 'slaves' and enormous wealth, had come to Melaka about fifty years earlier as a poor man 'of the lower class'.¹⁰ Yet even if the mobility of these men as 'foreign' traders in Melaka gave them a certain distance from the state, they could only retain their wealth and power over several generations by merging into the nobility of the city and holding a court function - if not by founding their own little state.

The system of dependency, generally called slavery by Europeans, was indeed at the heart of the functioning of these great cities. Land was abundant and considered to have no intrinsic value in the law codes of most Southeast Asian peoples. The climate, the insecurity, and the assumption of constant mobility, all militated against the accumulation of fixed capital in the form of buildings and furniture. It was manpower which was the key to wealth, power, and status. In Melaka, in Banten, in the Moluccas, and in the Philippines we are assured by the European sources that 'their wealth lyeth altogether in slaves', and the attention given to the position of slaves in indigenous law-codes confirms this.¹¹ In agricultural situations these dependants are better described as subjects or perhaps serfs than as slaves, since they gained their own livelihood from the land as well as having to labour for their lord. For the urban dependants who made up the bulk of the population of Melaka, Patani, Banten and Aceh, on the other hand, slavery may indeed be the correct word as long as we remember that slaves were involved in warfare, in trade on their own and their master's account, and the ownership of property including even their own slaves.

The wealth of the trading cities did not lend itself to the accumulation of either fixed or liquid capital, except in the hands of rulers or a select group of *orang kaya* (merchant aristocrats) strong enough to withstand the ruler's demands. Strong rulers put great pressure on resident traders, claiming the right to confiscate their estate at death, and sometimes even executing their wealthiest subjects in order to confiscate their property, as was reported of Sultan Mahmud of Melaka and Sultan Iskandar Muda of Aceh.¹² Except for the favoured few in the court circle, therefore, Southeast Asian traders learned to operate without large accumulations of capital. Tomé Pires explained the longer duration of Malay trading voyages than Portuguese ones with the sweeping remark that 'as they have little capital and the sailors are slaves they make their journeys long and profitable'.¹³ In Aceh it was noted in 1643 that 'the buyers of goods in quantity are only such as belong to the Custome House ... They pay not ready money for any, and he that will reimburse himself with money must sell to shopkeepers, who buy only by the corge or half-corge, so they can sell the same day in the basaar'.¹⁴ The Dutch, the English, and the Chinese quickly found that the only way to do significant trade in most areas was to advance cloth to merchants, who would return after the harvest with the equivalent amount of export produce.

We cannot and should not, therefore, proceed from the size and wealth of Indonesian trading centres to attempt to place them on some linear scale of ascent towards capitalism of the western model. The Indonesian city was of a quite different type, and we cannot say with confidence what path it was evolving along at the height of its sixteenth century prosperity.

THE DYNAMISM OF THE PRE-COLONIAL CITIES

The most important point to make here is a different one. The one critical asset the commercial emporia of this period had which their successor nations lacked lay in the nature of commercially-oriented, cosmopolitan, urban life. These cities were in touch with the most dynamic growth points of the renaissance world, and were open to new ideas from within and without.

The rapid social and cultural change represented by the Islamization of the major trading centres of the Archipelago between about 1300 and 1600 is the most spectacular demonstration of this openness. Writing, arithmetic, political analysis, and a host of literary models were borrowed from the Arabs. Paper came from China and later Europe and the system of scales and weights was much influenced by Chinese practice, while accounting methods appear to have come from India - notably Gujerat. Arabic was widely spoken and studied, and by the mid-sixteenth century Portuguese was also spoken in every major city - though Malay remained the great *lingua franca* of the region. Perhaps the most telling factor of all comes from the court chronicles and the religious literature of this period, which is constantly aware of the international dimension in a way difficult to replicate in either Europe or China of the period. In the texts emanating from the port-cities, an index of prosperity and righteous government is often taken to be the large extent of foreign trade and shipping coming to the capital.

Except in the field of herbal medicine we cannot point to items of practical knowledge or technology in which Southeast Asia gave the lead to other parts of the world. But it is clear that important discoveries in other parts of the world quickly found their way to the cities of the region. Military technology was the fastest to be borrowed because failure to do so had the most immediate disastrous consequences. From the Chinese and Gujeratis many Southeast Asian centres had learned the art of casting bronze cannon before the European advent on the scene. The Portuguese claim to have captured 3000 pieces of ordnance at Melaka in 1511, and the Spaniards 170 at Brunei in 1578, the latter being of great value to the hard-pressed Spanish in Manila.¹⁵ The casting of much larger guns was learned by the Acehnese from their diplomatic relations with Turkey in the 1560s. Sultan Selim II sent a number of master gunsmiths to Aceh in addition to soldiers and gunners. Since Turkey was at this period producing monster cannon, larger though less mobile than the European variety, it was not surprising that the cannons John Davis saw in Aceh were 'the greatest that I have ever seen'.¹⁶ In response to the European challenge, the manufacture of match-locks became very well developed in West Sumatra, Bali, Java, and Sulawesi; many cities adopted a system of stone fortress construction, and the Portuguese chain mail, lighter and more flexible than the Japanese armour previously used, was adopted by some peoples. The only example we know of early translation from European, as opposed to Arabic, writing, is not surprisingly in the area of acknowledged European expertise - firearms. A Spanish text on gunnery dating from 1563 was summarized in Makassar in 1635, and translated in full seventeen years later.¹⁷

The most striking evidence of scientific transfer from Europe comes from Karaeng Patingalloang, Chancellor of Makassar in the 1630s. Alexander de Rhodes, one of the most cultivated Europeans of his day to visit Asia, found him:

exceedingly wise and sensible, and apart from his bad religion, a very honest man. He always had books of ours in hand, especially those treating with mathematics, in which he was well versed. Indeed he had such a passion for all branches of this science that he worked at it day and night.¹⁸

He accumulated a considerable library of Portuguese and Spanish books, spoke Portuguese 'as fluently as people from Lisbon itself', and probably inspired the translations mentioned above. In 1636 Patingalloang ordered from England 'one prospectine glass, the very best that may be bought for money',¹⁹ and nine years later required from the Dutch 'various rarities, including two globes, ... a large map of the world or mappa mundi, with the description in Spanish, Portuguese or Latin'.²⁰ The Dutch obliged more promptly than the English, but after several reminders there arrived in Makassar in 1654, shortly before Patingalloang's death, a very expensive and rare Galilean telescope, to enable the court circle to catch up with European progress in astronomy. Galileo had developed his telescope only 45 years earlier, so this was keeping Makassar well up with the play.

THE EUROPEAN IMPACT

To live by trade however, was to live dangerously, at least in the altered circumstances of the seventeenth century. As long as the commercial

system flourished, Indonesians were inclined to buy new technology rather than to make guns and machinery themselves. The most prosperous port-states, moreover, were not yet oriented to the full-blooded system of warfare of the Eurasian land mass. Warfare in the Archipelago had tended to be sparing of lives, since manpower was the primary source of wealth and be safeguarded. Finally, those city-states best equipped to attract and safeguard Asian trade, by virtue of their relatively pluralistic structure where the ruler's power was held in check by a variety of powerful *Orang Kaya* dynasties, were not those best equipped to withstand a European military onslaught. These states were accustomed to asserting their suzerainty by a mixture of military and commercial pressure, but not to the siege and assault tactics of the Portuguese.

The most flourishing of these open cities was the first to fall victim to the European onslaught. Melaka fell to the Portuguese in 1511, even though the real power of the Portuguese in sixteenth century Asia bore no relation to the magnitude of this extraordinary fact. The Spanish in 1578 launched an attack on Brunei which effectively ended its role as the centre of commercial activity in Borneo and the Philippines. Southeast Asian city-states were forced to adopt more defensive postures. Some of the stronger cities, particularly those on Java's north coast, constructed stone or brick defensive walls as the Iberians themselves had done. Others, like Johor and Sulu, responded by moving their capitals further inland, from the European marauding fleets but also from the life-giving system of trade. The counter crusading spirit of sixteenth century Aceh and Japara, and the piratic raids from Sulu and Mindanao which intensified at the end of the century, were other responses to the European practice of using warfare as a means to trade. Nevertheless Iberian military and commercial power was not particularly strong, and the Indonesian trading system quickly revived and expanded in a somewhat different form. Cash-cropping for export, and the lucrative trading system based on it, continued to be attractive occupations and the basis of most wealth, even in the Moluccas where the Portuguese impact was strongest.

The Dutch in the seventeenth century were quite a different matter. The vigour and skill with which they pursued their goal of monopolizing the key Southeast Asian exports, were unprecedented. In 1601 alone, sixty-five Dutch ships sailed to the Archipelago. The following year Dutch joint-stock company, the V.O.C., with an initial capital of 6.5 million guilders and the declared aim of monopolizing the most lucrative aspects of the trade of Asia. By 1622 the Dutch Governor General in Batavia had at his disposal eighty-three ships in Asian waters, all of them the most effective of their day in combining naval warfare with trade.²¹ The most progressive capitalist cities of Europe had combined to produce a highly effective instrument to crush whatever embryonic capitalism existed in Indonesia.

The preferred tactic of the Dutch in their first decades was to make an offer to an indigenous ruler to take all his pepper or spices on condition the rival European and Asian traders were altogether excluded. The most difficult society the Dutch found to deal with was Banda, which had no ruler but rather a merchant oligarchy of *Orang Kaya*, uncomfortably similar to that of Holland. The Dutch soon despaired of bribing or

intimidating all of them into monopolistic agreements, and concluded that 'one cannot hope for anything certain from that nation unless they be once and for all brought under control by warfare'.²² Banda was conquered in a bloody battle in 1621, all of the forty-five *Orang Kaya* captured were put to death, 800 Bandanese were transported to Batavia as slaves and thousands of others were left to starve. The most 'republican' state in Southeast Asia had become the first victim of the Dutch Republic. In the Moluccas the warfare the Dutch waged with Spaniard and Muslim for control of the spice-producing centres, and the eventual ruthless suppression of all production except that which the Dutch controlled, ensured that the earlier blessing of having a crop in universal demand had, by the mid-seventeenth century, become a curse. In the end, the Moluccans had to turn their attention to pure economic survival and subsistence.

The same phenomenon of maritime commerce in Asia turning sour with the advent of aggressive European fleets, particularly the Dutch, is apparent throughout the continent. The factors are obviously complex which led Japan to close itself off from overseas trade in the 1630s, forbidding its citizens to go abroad or to build sizeable ships; which led to a steady decline of Chinese interest in the outside world during the seventeenth century; or which produced almost exactly contemporary developments in Burma and Java, where a strong, agriculturally-based, inland and isolationist dynasty arose during the early decades of the seventeenth century while the coastal, once flourishing port-states were in chaos. Without wishing to enter this very large question, it is worth noting in passing that in relation to the Indonesian experience the decision for isolationism by China and especially Japan does not look as historically disastrous as it is usually portrayed. Total isolation, if it could be achieved, at least allowed the internal economy of the country to develop in a relatively balanced fashion.

In the Archipelago it was not possible by this means to exclude the importunate Europeans. Trade was too important and too pervasive. Only Java had a large enough agricultural base to attempt to eliminate foreign trade. Elsewhere such city-states as Aceh, Banten, and Makasar had little alternative but to go on trying to beat the Dutch at their own game of naval warfare, and the contest continued until nearly the end of the seventeenth century.

The monarchs of such states had of course not proved as easy to bribe or intimidate as the Dutch might have hoped. The lesson of Jakarta was not lost on other states. The fortress which the Dutch began to build there in 1618 proved impossible for the Jakartans subsequently to dislodge. No ruler would make this mistake again. Nevertheless the system of attempting to bribe or coerce rulers to exclude all merchants but the Dutch did have the effect of encouraging an absolutist, centralized trend in the Southeast Asian states. The Sultan of Mataram believed that he could eliminate the power of potential rivals and rebels by restricting all trade to that between himself and the V.O.C. Other rulers, like Iskandar Muda of Aceh (1607-37) or Hasanuddin of Makasar (1653-69), imposed monopolies themselves on various items of export or insisted that European traders deal with them at fixed prices before going to the open market, while Sultan Abufatah of Banten (1651-83) made extensive use of English, French, Danish and Chinese merchants to conduct an extensive international trade on behalf of the crown.

The Dutch pursuit of trade by warfare obliged their opponents also to place more emphasis on military prowess. Makasar could only survive as an entrepot to the extent that its traders could fight their way through the Dutch policing fleets in the Moluccas. The great trading junks of Southeast Asia, which had amazed the Portuguese with their size (500-600 tons) and the large number of men, women, and children who lived aboard them appear to have disappeared from the seas as a result of this contest with the Dutch.²³ Presumably the risk of losing so much capital at a stroke became too great and henceforth Indonesians relied on the smaller but faster *prahu*s which seldom exceeded 150 tons.

The greater emphasis which had to be placed on artillery, heavily-armed war galleys, and foreign mercenaries, in order to remain in the contest for large-scale trade, strengthened the position of the few remaining powerful rulers in relation to their subjects. There seems little doubt that this further weakened the limited degree of private capital accumulation and of commercial activity independent of the ruler.

In any case the great commercial states did not long survive. Determined to be rid of its commercial rivals, the V.O.C. threw all its resources into a costly but successful campaign against Makasar in 1666-9, and against Banten in 1682-4. Only Aceh was able to remain as a major independent trading centre, but by 1700 its influence was much reduced, being no longer capable of directing the bulk of Sumatra's foreign trade through its port.

ISOLATION AND IMPOVERISHMENT

With these defeats, the last great defenders of indigenous trade and centres of indigenous urban life were destroyed. The message appeared to be clear that to base a state entirely on trade and cash-cropping for export was to invite ultimate destruction, either directly at Dutch hands or through the vagaries of a market now crippled by the Dutch monopoly. Already during every Dutch blockade of Banten pepper trees had to be cut down in favour of self-sufficiency in rice. The absolutist rulers of Aceh in the early seventeenth century had actually banned pepper cultivation in the central area of their kingdom, presumably in the interests of a more stable economic and political order.²⁴ The seventeenth century court chronicle of Banjarmasin seemed to express the perspective of a ruler tired of the unstable and vulnerable position in which cash-cropping placed him:

Let people nowhere in this country plant pepper, as is done in Jambi and Palembang. Perhaps those countries grow pepper for the sake of money, in order to become wealthy. There is no doubt that in the end these countries will be ruined; with much intrigue and expensive foodstuffs²⁵ ...

The same conservative chronicler warned that Banjarese should adopt all the ceremonial and manners of the Javanese court, and not imitate the dress or habits of the foreign merchants in their midst - Makasarese, Acehese, Malay or Dutch. For it was the rulers of Java who had most wholeheartedly and successfully crushed the mercantile spirit of their people. The mighty sultan Agung (1613-45), who proudly told the Dutch, 'I am a prince and a soldier, not a merchant like the other princes of

Java',²⁶ decisively shifted the locus of power by destroying or subordinating all the flourishing coastal cities, centralizing power in his own hands, and monopolizing the country's principal export - rice. Of his successor, Amangkurat I, Van Goens tells us:

He has forbidden any of his subjects to sail overseas, forcing all outsiders to come to his country for rice ... I once made bold to advise the King that he should allow his subjects to sail, to become rich, ... but was given the reply, 'My people have nothing of their own as you have, but everything of theirs comes to me, and without strong government I would not be king for a day'.²⁷

Since the rulers of Banten and Makasar had concentrated so many economic resources in their own hands, the eclipse of these states was a much greater disaster than the fall of Melaka over 150 years earlier. The Malay mercantile class in Melaka had successfully moved operations to other ports, whereas there was little left of such a class by the end of the seventeenth century. Although Aceh retained some international trade into the eighteenth century, changes occurred marked by the growing dominance of a rural elite based on rice cultivation; by the appearance of Acehese rather than Malay literature; and by the relative isolation of the city from the major world centres of intellectual and technical innovation.

By 1700 the impoverishment of Indonesia was becoming a source of difficulty even for the Dutch who had done most to bring it about. The lucrative trade in Indian and Chinese cloth had always flourished not because Indonesians were unable to produce their own cloth, but because many of them could afford to buy the foreign luxuries. At each blockade of Banten there had been a revival of indigenous cloth production. A Dutch observer of 1705 noted: 'it is nothing but poverty that is the true reason that the traffic in the finest [Coromandel] Coast and Surat cloths declines daily while by contrast their own weaving has increased more and more through the multiplication of poor people'.²⁸ The Dutch and English now had to try to force Indian cloth on a less wealthy population by discriminatory tariffs or by prohibition. The eighteenth century saw an economic gulf between Indonesians and the Europeans in their midst. We begin to find Javanese chronicles characterizing the Europeans as crude and greedy, but as a result 'they are enormously rich and live in cities like heaven'.²⁹

In reality the majority of Southeast Asians of the eighteenth and early nineteenth century were by no means poor compared to other parts of the world or to twentieth century conditions. Van den Bosch believed the poor of the Dutch cities he had studied were much worse off than Javanese peasants in 1830,³⁰ and observers of the early nineteenth century were still inclined to note the good health and abundant food supplies of Southeast Asian communities. What had happened in the seventeenth century was that Southeast Asians lost their control over trade and over the bustling international entrepôts. There were few wealthy Southeast Asians left outside the ruling courts, and these courts had either withdrawn altogether from trade (Java) or had become too weak to treat with European traders on a basis of equality.

to be the chief, the effective ruler of that area with the title of *raja*. We could replicate endlessly the following description of East Sumatran Malays in the early nineteenth century. 'The moment a Malay becomes possessed of a little money, he entertains as many attendants as he can, and is accounted rich or respectable according to the number of his followers'.³³ The other side of this phenomenon is Clifford's description of the absolute refusal of Pahang Malays to work for wages, whereas for someone they regarded as their chief they would work really hard. 'For sixty hours a stretch', for no pay at all and bringing their own food.³⁴ Those who had capital, principally Europeans, Chinese, and the indigenous aristocracy, did business on the basis of advances which in effect made the debtors their bondsmen. Even in the semi-urban manufacturing world of Surabaya, a mid-nineteenth century observer was convinced that the highly-skilled craftsmen would never become affluent because they worked only on the basis of an advance from the buyer: 'When the workman has no further debt, he considers the relationship broken, and will not work again until he feels a need again to expose himself to new debts'.³⁵ As late as 1920 the system of credit was still being learnedly defended as the only way to get Indonesians to work. 'Everyone in the Indies who has ever needed labour or supplies from the inhabitants is thoroughly conversant with this fact'.³⁶

It is not difficult to see how the Dutch Cultivation System, using obligatory unpaid labour to produce export crops, profited from this cultural preference, intensified it, and thereby ensured that Java would be the least equipped of any Southeast Asian society to cope with the introduction of modern capitalism. Onghokham has recently extended Geertz's argument that the system artificially consolidated the predominance of the aristocratic class over an economically undifferentiated mass of peasants. The Council of the Indies judged in 1865, when the system was nearing its end, that 'the Regents are the only group left in Javanese society with a high income, and it is wise of the Dutch to keep it so'.³⁷

In 1830 the Javanese aristocracy of regents had apparently rejected a Dutch offer to provide them with private lands, preferring the traditional system of exacting labour and tribute from the whole populace.³⁸ In the long run they therefore became wholly dependent upon the Dutch colonial government, and were easily transformed into a bureaucracy with no commercial interests at all. More independent princes in the outer islands continued to dabble in commerce, but they too found that reliance on patronage gave them a very weak basis from which to attempt to enter the capitalist world as either merchants or large landowners.

The Malay world found itself therefore entering the twentieth century with nothing which even remotely resembled a middle, or propertied, class. Control of the bureaucracy had to be the key to the survival of the traditional ruling classes in independent Malaysia and Indonesia, and so it has proved. The functional middle class, in an economic sense, was everywhere occupied by a foreign, predominantly Chinese element, which had minimal interaction with the value systems and political processes of the indigenous group. There is a marked contrast here with the Philippines, where inter-marriage between Chinese entrepreneurs and the indigenous landed aristocracy of the late nineteenth century produced a new dominant class much more attuned to capitalism. In Indonesia capitalism exists, but not a capitalist mentality. It seems highly unlikely that the type of economic system with which we are familiar can now solve the problems of Indonesian poverty.

The percentage of the indigenous population in urban centres must have decreased in these centuries - indeed the absolute number of city-dwellers may even have declined. In the eighteenth and nineteenth centuries the largest cities became colonial entrepôts which were culturally remote from their hinterlands, with Europeans and Chinese dominating the commercial and manufacturing sectors. Since the indigenous centres were stagnating in isolation, indigenous manufacturers remained at the level they had been in the sixteenth century. Elaborate bronze-work, silver-work, *kris* manufacture, and weaving on small inefficient looms were still being practiced in the nineteenth century in the same places and with the same methods which had been developed during the heyday of urban growth three centuries earlier. Such production was remote from developments in other parts of the world and became less and less able to compete with foreign manufacturers. The development of mechanized mass production in Lancashire, particularly, was a blow to indigenous industry. As an English merchant testified, when the British occupation of Java began in 1811, 'The natives were clothed in manufactures of their own, partly, and partly in the manufactures of British India ... in 1828, when I left Java, the natives were almost exclusively clothed in British manufactures'.³¹ Indigenous production was never improved, but pushed aside in the interests of greater trade with Europe, until it remained significant only as a quaint 'craft' serving a shrinking, largely ceremonial market. The same was true of the once-famous bronze, gold and other metal-work, typically centred in the remnants of once-great cities now isolated from the mainstream of commerce.

We would, however, distort history if we attempted to place all the historic burden of responsibility for Indonesian poverty at the feet of European trade and conquest. We have seen already that certain states chose to attempt to isolate their people from cash-cropping and commerce when this turned sour, while rulers persistently distrusted any of their subjects who became independently wealthy. Moreover, the points above do not fully explain the failure of any class of substantial merchants or capitalists to arise, at least after the seventeenth century, despite some large infusions of wealth through cash-cropping (notably about \$1m a year to the Acehese pepper industry for most of the nineteenth century).³²

We cannot ignore a persistent cultural preference for using wealth to acquire a personal following rather than an accumulation of capital for land. Historically we can explain this by the relative scarcity of labour in early Southeast Asia in comparison with other parts of Asia or Europe, and the abundance of land, which was therefore held to be of no intrinsic value. The change in these attitudes which was probably beginning to occur in the large trading cities of the fifteenth - seventeenth centuries was aborted when these cities were conquered or overtaken. Even as population pressure began to rise in the nineteenth century, therefore, the primacy of the personal bond of dependence remains marked. For the patron a dependent labour force continued to be the key to status, to power, and to comfort. For the client the insecurity of property and often of life itself disposed him to value the protection of a more powerful figure.

In my Acehese pepper-growing example, therefore, or the pepper-growing of most other Sumatrans, it was only the chief who provided the capital for new plantations. Conversely, the person who provided the capital had

NOTES

- 1 William Marsden, *The History of Sumatra*, 3rd ed., London, 1811, p.44. *De Vijf Gezantschapsreizen van Rijkslof van Coens naar het Hof van Mataram, 1648-1654*, ed. H.J. de Graaf, 's-Gravenhage, Nijhoff, 1956, p.185.
- 2 John Crawford, *History of the Indian Archipelago*, Edinburgh, Archibald Constable, 1820, I, pp.31-2.
- 3 *The Voyage of Francis Pyrard of Laval to the East Indies, the Maldives, the Moluccas and Brazil* (1619), trans. A. Gray, London, Hakluyt Society, 1888, II, p.169.
- 4 'Carta de Rui de Araujo ... a D. Afonso de Albuquerque', Malaca, 6 Fevereiro 1510, in A.B. de Sá (ed), *Documentação para a História das Missões do Padroado Português do Oriente. Insulindia*, Vol I, Lisbon, Agencia Geral do Ultramar, 1954, pp.22.
- 5 F.C. Lane, *Venice: A Maritime Republic*, Baltimore, Johns Hopkins, 1973, p.480.
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