INTERNATIONAL RESEARCH PROGRAMME

CHANGING LABOUR RELATIONS IN ASIA

WORKING PAPERS ON ASIAN LABOUR

Peter Boomgaard

Labour in Java in the 1930s

Labour in Java in the 1930s

Peter Boomgaard

KITLV, Leiden

Introduction

Labour history does not seem to be a very popular topic among historians or other social scientists interested in Indonesia. This is not a recent phenomenon. I think it is fair to say that over the last 50 years the number of interesting monographs on this topic were negligible, while even articles were scarce.

I see two reasons for this state of affairs. In the first place the study of labour and labour relations has always had a somewhat leftist flavour. One can imagine that Indonesians living under the New Order may have been hesitant to take upon themselves the study of such a potentially contentious topic. Non-Indonesians may have been discouraged by possible problems with research visa. In the second place, there was no heroic past, full of belligerent trade unions and notorious strikes that could have appealed to those in search of a 'sexy' research topic. Clearly, the history of labour is not to be identified with the history of the labour movement, but nonetheless I am prepared to argue that the absence of a strong movement is a disincentive to potential students of labour history.

But some work has been done on this topic after all. More than ten years ago, John Ingleson published his by now well-known study, entitled *In Search of Justice; Workers and Unions in Colonial Java, 1908-1926*. As is evident from the title, the study does not cover the 1930s. Here, again, one could say that the book ends with the onset of the dullest phase of the Indonesian labour movement before the War in the Pacific.

So even within the badly studied field of labour and labour relations in Indonesia - and I will restrict myself almost entirely to Java - the 1930s has received less than its fair share of scholarly attention.

As this paper had to be written at short notice, I cannot be expected to do much more than suggest a few lines of enquiry. On occasion, though, I will suggest some answers.

My line of argument is roughly as follows. It is generally held that in Indonesia, and in Java in particular, the 1930s were a quiet period in terms of political and social confrontations. There were hardly any uprisings going beyond strictly localised small-scale unrest. Now, as we all know, a lack of unrest can have all sorts of explanations. Lack of unrest does not imply lack of grievances or the absence of a deteriorating standard of living. So this lack of unrest as such is not much of an index for dissatisfaction, and we will have to look for other ways to find out how the standard of living developed in the 1930s.

Of course, political repression and/or a weak labour movement can also cause a lack of unrest, so both factors will have to be scrutinised.

Finally, I will look at a number of changes in labour relations and other shifts in labour patterns that were brought about by the Depression of the 1930s. Some of these changes were of a structural nature, while other ones had a more temporary character. Where possible, I will attempt to compare the early 1930s with the late 1990s.

The labour movement and its enemies

> "The last twenty years of Dutch rule were marked by repressive policies against all nationalist parties and all labour unions, irrespective of ideology or tactics. Neither

activity was ever declared illegal as such but restrictive colonial laws prevented urban leaders creating durable linkages with the kampungs or the rural areas. In a society where there was an oversupply of urban labour, maintained by a constant influx from the rural areas, where strike breaking was encouraged by the colonial rulers and where the instruments of government repression were firmly on the side of management, the strike weapon became a blunt instrument."

This was, according to John Ingleson, the situation in Java after c.1925. The year 1923 had seen the largest strike in the colonial period, namely the great railway workers strike of May. At the peak of it there were 10,000 strikers, or roughly one-fifth of the total Indonesian workforce of the railway and tram companies. This strike came shortly after the second largest one, namely the pawnshop workers strike of January and February 1922.

These two strikes had been caused partly by the deteriorating real wage levels after the downturn dating from the middle of 1921. The years between the end of the First World War in 1918 and the 1921 slump, had also been a good period in terms of strikes, and even better in terms of the outcome of these strikes. During this period of rising prices and export volumes, employers were easily persuaded to improve labour relations, and the fledgling labour movement used these years of prosperity to flex its muscles. Although it seems that good statistics covering all branches of the economy are not available for these years, figures on strikes in one of the biggest branches, the sugar industry, suggest that 1920 was a top year regarding number of strikes, strikers, and labour days lost owing to strikes.[1]

After the railway strike of 1923 the inclination to strike among Indonesians dropped considerably, although I am not in a position to illustrate this with figures. Ingleson seems to attribute this to the infamous article 161 bis, which 'banned not only incitement to strike but also support or encouragement to strikers' (Ingleson 1986, 242-3), and to the fact that even strong trade unions, such as those of the pawnshops and the railways, were not successful. "If strikes in these industries could be easily and ruthlessly crushed there was little hope for workers elsewhere." (Ingleson 1986, 255)

For those among us who expect a positive relationship between strikes and the business cycle, unsuccessful strikes after an economic downturn do not seem to be a typical colonial Indonesian phenomenon. Neither are fewer strikes nor falling trade union membership once the lesson has been learned that strikes during a recession are seldom a success.

However, what seems to be typical for colonial Indonesia is that neither the frequency of strikes nor the numbers of trade union members seem to have picked up when the trade cycle did likewise, during the second half of the 1920s. This was probably related to the political climate of that period, as the colonial state clamped down on all activities deemed subversive.

Repression was already considerable during the previous years, but the events of November 1926 in Banten (West Java) and in January 1927 in Silungkang (Sumatra's West Coast), made the Dutch even more jittery than usual. I am referring to two communist inspired uprisings that led to the Communist Party, the PKI, being outlawed, and to the arrest of some 13,000 radical political leaders. Slightly under half of them were jailed or sent

1. Ingleson 1986, 170-99, 211, 224-6, 239-42, 255, 324-5.

to internment camps. In 1927 the Nationalist Party, PNI, was forbidden as well, while a number of its leaders, among whom Sukarno, were arrested and sentenced. At the eve of the Crisis of 1929 the leaders of a radical trade union, established in Surabaya in 1928, were arrested when their political leanings became clear. According to Petrus Blumberger this was the end of red trade unionism in pre-war colonial Indonesia.[2]

It is clear that in such a climate trade unions with radical inclinations could hardly be expected to thrive. It is also obvious that this was not a propitious climate for strikes either, although I have not seen figures to back this claim.

Nevertheless, it seems that the number of trade unions and the number of trade union members increased. At least, that is the impression conveyed by the figures published by the Central Bureau of Statistics since 1926. Obviously, this growth was entirely due to co-operative and non-radical unions, for a large part consisting of government employees.[3] In 1926, the number of trade unions was mentioned as 54. After a slight dip in 1927, the number increased annually until it reached 126 in 1932. Membership increased as well, namely from slightly more than 20,000 in 1926 to over 110,000 in 1931.

However, membership started to drop one year earlier than the number of unions, namely in 1932. As the number of members is probably a better indicator for optimism or despondency of labourers than the number of unions, I am inclined to conclude that the optimism, reflected in the growth of the membership since 1926 had been sustained until 1931, but turned into pessimism from 1932 onward.[4]

The number of trade union members reached a trough in 1936, and then started to climb again slowly, until, in 1940, it had reached the level of 1931 almost exactly. In other words, in terms of trade union membership Indonesian labour behaved very much as did labour in many other countries. They left the unions in droves after a downturn of the trade cycle, and started to flock back when the business cycles picked up again.

I am not aware of the existence of statistics on strikes prior to 1929, apart from the ones mentioned above, that were restricted to the sugar industry around 1920. The figures that were collected by the Central Bureau of Statistics from 1929 onwards confirm the intuitive notion that Indonesian labour in the 1930s was not very rebellious.[5]

The number of people that went on strike in 1929, at least in so far they did not escape registration, was 1,232. Compared to the more than 25,000 labourers in the sugar sector who went on strike in 1920, this was clearly a very modest number, The following two years, 1930 and 1931, the numbers dropped even further, namely to 75 and 158 respectively. Oddly enough, the number of people who went on strike in 1932, 1933, and 1934 stood at the same level as in 1929, with a peak of 1,568 labourers in 1933. This was

2. Petrus Blumberger 1935, 92-3, 99, 110-1, 152, 156-7.
3. Data for the earlier years in *Statistisch Jaaroverzicht*, and the remainder in *Indisch Verslag*. For the late 1920s see also Poeze 1982, lxxxiii-lxxxv; Poeze 1983, xxxiv-xxxix; Slotemaker de Bruïne 1931, 289-331. It is not always possible to distinguish the European and the Indonesian members, but it is clear that the latter predominate, at least in later years.
4. See also Poeze 1988, xlvi-liv; Poeze 1994, lvii-lxv.
5. Figures were taken from *Statistisch Jaaroverzicht* and *Indisch Verslag*.

marginally higher than the figure of 1929, although we must remember that we are still talking about very small numbers in comparison to 1920.

After another dip in 1935, when only 203 people were registered as strikers, the number of people on strike climbed back to former levels, with record figures in 1939 and 1940, namely 1,628 and 2,115 respectively.

I will not bore the audience by going into detail about the number of strikes per year (as opposed to the number of strikers). Suffice it to say that the data is rather similar, apart from the fact that 1936 was a year of a very low number of strikes, namely six, whereas the number of people on strike was not low. The low number of strikes reflects the lowest number of trade union members during the Depression, reached in that year (1936), better than the number of people on strike.

In both cases (number of strikes and number of people on strike) it is somewhat amazing to find relatively high numbers between 1932 and 1934. One wonders whether this had anything to do with the famous or infamous mutiny on the man-of-war *De Zeven Provinciën* (The Seven Provinces) (see e.g. Petrus Blumberger 1935, 160).

However, these slight fluctuations aside, the figures seem to confirm the generally held notion of a low level of labour unrest in the 1930s. There is clearly a link between this lack of unrest, and the attempts by the Dutch colonial state, already mentioned above, to stamp out all forms of resistance. The repression in existence prior to the Crisis of 1929 was even stepped up after that date (Petrus Blumberger 1935, 174-201), and in that light it is nothing short of miraculous that there were still strikes at all.

Finally a few words on duration. Although there are figures on days lost by strikes for all years between 1929 and 1940, only the ones dating from the years 1929 to 1934 can be used. After 1934, the Central Bureau of Statistics changed the way they calculated the number of days lost owing to strikes, and I am not sure what the new figures are supposed to mean.

Looking at the figures for the first six years of the Depression, we may conclude that most strikes did not last longer than two days on average. Only in 1929, when, as we shall see, the Crisis had not really reached Indonesia yet, we find almost six days lost per worker owing to strikes. As this was the last more or less normal year for a long time to come, we may perhaps interpret the relatively long duration of the strikes in this year as a sign that the workers were willing and able to go quite some time without wages, expecting a victory in return. With the onset of the Depression such hopes were dashed, and the short duration of strikes from 1930 onward seems to suggest that they had turned into token actions.

Standard of living

For obvious reasons the Depression of the 1930s started according to most observers with the Wall Street crash of 24 October 1929 and usually people are referring to the Crisis of 1929. There is something to be said for this conventional way of establishing the onset of

the Depression, but it has its drawbacks as well, particularly regarding Indonesia.[6]

In the first place export earnings in current prices had been dropping since 1925, largely because prices of all tropical primary products showed a decreasing trend.

Secondly, in terms of volume, exports can be said to have reached a high plateau in 1928, where they remained until 1930, and the first drop in exports in real terms occurred in 1931.

Nevertheless, it is true that 1929 was a rather bad year in Indonesia, but that was unrelated to the Crisis. It was a year of widespread crop failures and forest fires, caused by a drought, just as happened in 1997! In fact, it could be argued that the first two years of what is usually called the Great Depression, showed by and large the same effect in Indonesia as any other severe weather anomaly, such as the one of 1925/6. Then, in 1931, it became clear that this was more than an ordinary slump. Most indicators continued to drop in 1932 and 1933, until the bottom was reached in 1934. The first signs of recovery were visible in 1935, but some variables did not recover until 1936 or even 1937. In a number of important cases, pre-Crisis levels were reached between 1935 and 1938.

In the scholarly writings about the Depression in Indonesia, produced between the period itself and the 1970s, the opinion predominated that it was a very bleak period indeed. Some scholars argued, or at least suggested, that most tropical areas had been hit worse than the West, largely because the terms of trade moved against the primary producers, a category to which all tropical countries, Indonesia included, belonged.

However, since the early 1980s, a number of writers have argued that the Depression may not have been a period of unremitted gloom in all areas, for all social strata, and in all branches of the economy. And, I am inclined to add, the drop in real income per capita, expressed as a percentage, was probably lower than in many Western countries.

To start with the last point: in the Netherlands, national income per capita in real terms, expressed as an index, dropped from 100 as the average figure for the years 1927 to 1929 to 83 in 1934, or a loss of 17%. In Java real income per capita dropped by 7.5% during the same period. Indonesia as a whole did slightly worse, namely a 10% drop, but still not as bad as the performance of the Netherlands.

This may come as a surprise to those who have read about dropping exports, falling wages, returning migrants, and high rates of unemployment and indebtedness.

However, although all these factors played a role, there were some mitigating circumstances. One can distinguish two broad categories, namely factors that contributed to higher income levels of the indigenous population, and factors that helped to keep expenditure low.

What, in the first place, certainly contributed to income levels was the fact that many peasant-cultivators were quite successful in shifting their labour from export crops to food crops, particularly rice. This guaranteed a basic income, namely the bare minimum needed to survive, to large numbers of rural people. In the second place people ‘diversified’ into other economic activities. In the third and last place the growth of the industrial sector should be mentioned. Part of this growth was small-scale, cottage or workshop production of very cheap commodities, largely made from local materials, another part was large-scale

6. Most data in this section was taken from Boomgaard 1998. For a fairly comprehensive list of references to the 1930s Depression in Indonesia, see the bibliography of that paper.

Western and Japanese enterprise, willing to invest in countries with low wages, where, moreover, tariff and non-tariff barriers had been raised.

Turning now to those things that helped to curb expenditure, the first factor to be mentioned is that people were apparently willing and able to reduce unnecessary outlays, such as the use of opium. In the second place, cheap imports from other parts of Asia, notably Japan but also British India, should be mentioned. The most important item in this respect was Japanese textile. Thirdly, and finally, we observe an enormous increase in the cultivation and consumption of roots and tubers (sweet potato, cassava), which enabled those who had to balance their household budget to get the same amount of calories as before, but at a lower price.

All in all, therefore, although the Depression in Java was probably a bad time for many people, the negative factors did not hit everyone equally hard. Those Javanese who were employed by the government or by Western enterprise and who kept their jobs were actually doing better in terms of real income. This was also true for some of the better-off Javanese landholders, merchants, and village officials, and Chinese and Arab moneylenders and gold-dealers. However, given the export of gold and the drop in the numbers of pilgrims, part of the richer Javanese had to sell their savings and curb their expenditure. Many dwarfholders were more at risk than the average smallholder, but it was in all probability the group of *kuli rupa rupa,* unskilled labourers without permanent employment, who faced the gravest difficulties during the early years of the Depression.

On balance, it is clear that many people faced hardship during these years, but it seems to be an exaggeration to regard the Depression as a period of great suffering of the Indonesian, particularly Javanese, population. In so far as suffering did occur, as certainly was the case locally, the Depression was often not the cause of the problems, though probably an exacerbating factor.

Long and short term changes in labour relations

What may have been one of the most important structural changes in the 1930s as regards labour relations, is also one of the least well documented. I am referring to land-owning peasants who lost their holdings. This is what almost certainly happened during the depression of the 1880s, it happened again during the 1930s, and it may be expected to happen during the late 1990s as well.[7] It means that large numbers of largely self-employed peasants are turned into labourers, who, in the end, often will have to leave their villages or even their island, joining the army of temporary or permanent migrants.

Another shift that could be witnessed in the 1930s was, as I mentioned above, increased employment in the industrial sector. This was partly based on foreign investment, attracted by cheap labour and tariff barriers. Capital flows dried up between 1942 and 1966, and industrialisation was therefore temporarily halted. Under the New Order government,

7. On the increase of the proportion of landless agriculturists during the last quarter of the 19th century, see Boomgaard 1991, 34. On the whole, the Depression of the 1880s in Java is badly researched.

however, this shift between sectors was resumed, and what happened in the 1930s can, therefore, be seen as the prelude to structural change.

It can also be argued that the sugar sector, the most important segment of Java's plantation economy prior to the Depression, lost much of its dominance during the 1930s and never regained its importance. This should be regarded as a structural shift as well. Moreover, it enabled many peasants to expand the area under food crops.

One of the most interesting temporary changes to be observed during the 1930s was that monetisation, a long-term process that by 1929 had reached a rather high level, was all of a sudden reversed. Barter took the place of selling and buying for cash, wages were no longer paid in cash but in kind, or mutual help took the place of wage-labour. Some compulsory services that had been converted into cash payments were turned into labour services again (e.g. Kolff 1936, 42-61). As this happened during a period of deflation, when money, therefore, was getting more expensive and scarce, it is not to be expected that this would take place on the same scale during a period of inflation, such as the present one.

There are also suggestions from the same period that, with a more abundant supply of labour than before, male labour was in a number of cases taking the place of female labour, while the value of female labour in comparison to male labour dropped (Kolff 1936, 52-3). It may be assumed that this was also a temporary change.

Concluding remarks

The fact that 'law and order' were hardly disturbed in Java in the 1930s was no doubt related to the repressive climate created by the Dutch colonial state. However, that labour unrest remained at very low levels could also have been influenced by another factor, namely that the standard of living did not deteriorate as much as some scholars have assumed.

Due to a number of structural changes, such as the growth of the industrial sector and the demise of the sugar plantation sector, the Javanese economy did better than many contemporary observers had deemed possible.

What, on the other hand, these observers may have underestimated is the disappearance of many dwarfholders as landowners. What the smallholders regained to the detriment of the plantations, namely their right to grow what they wanted when it suited them, was at the same time lost by the dwarfholders who became the farmhands of the smallholders.

References

- Boomgaard, P., 1991, 'The non-agricultural side of an agricultural economy; Java, 1500-1900', in P. Alexander, P. Boomgaard & B. White (eds.), *In the shadow of agriculture; Non-farm activities in the Javanese economy, past and present*. Amsterdam: Royal Tropical Institute, pp. 14-40
- Boomgaard, P., 1998, 'Weathering the Storm; Development of Real Income during the Depression of the 1930s in Indonesia, particularly Java', paper written for the EUROSEAS Conference in Hamburg
- *Indisch Verslag. II, Statistisch Jaaroverzicht van Nederlandsch-Indië*. Batavia: Landsdrukkerij (published annually for the years 1930-1940)
- Ingleson, J., 1986, *In Search of Justice; Workers and Unions in Colonial Java, 1908-1926*. Singapore, etc.: Oxford University Press
- Kolff, G.H. van der, [1936], *The Historical Development of the Labour Relationship in a Remote Corner of Java as they apply to the Cultivation of Rice*. [New York]: National Council for the Netherlands and the Netherlands Indies of the Institute of Pacific Relations
- Petrus Blumberger, J.Th., 1935, *De Communistische beweging in Nederlandsch-Indië*. Haarlem: Tjeenk Willink [2nd, revised edition; 1st ed. 1928]
- Poeze, H., 1982, *Politiek-Politioneele Overzichten van Nederlandsch-Indië; Bronnenpublikatie. Deel I 1927-1928*. The Hague: Nijhoff
- Poeze, H., 1983, *Politiek-Politioneele Overzichten van Nederlandsch-Indië; Bronnenpublikatie. Deel II 1929-1930*. Dordrecht: Foris
- Poeze, H., 1988, *Politiek-Politioneele Overzichten van Nederlandsch-Indië; Bronnenpublikatie. Deel IV 1931-1934*. Dordrecht: Foris
- Poeze, H., 1994, *Politiek-Politioneele Overzichten van Nederlandsch-Indië; Bronnenpublikatie. Deel IV 1935-1941*. Leiden: KITLV Uitgeverij
- Slotemaker de Bruïne, J.R., 1931, *Vakbeweging in Nederland en Nederlandsch Indië*. Zutphen: Ruys
- *Statistisch Jaaroverzicht voor* [later*: van*] *Nederlandsch-Indië*. N.pl.: Statistisch Kantoor van het Departement van Landbouw, Nijverheid en Handel [later: Centraal Kantoor voor de Statistiek in Nederlandsch-Indië; Departement van Landbouw, Nijverheid en Handel] (published annually for the years 1922-1929).