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The “Culture System” in Dutch Indonesia 1830–1870: How Rawls’s Original Position Ethics were Violated

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Abstract
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This paper examines the ramifications of two aspects of the Culture System and the policies that allowed its administration. The first of these is the segregation of education and access to higher-level employment on the grounds of race. The second is the monopoly of transportation and trade held by the NHM (Nederlandsche Handel-Maatschappij) during this period. This paper measures these two aspects of the Culture System against the moral standards required by John Rawls’ “original position” argument, and finds them to be lacking.

Keywords
John Rawls, Original Position, Indonesia, Culture System, Dutch East India Company, Accounting

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ABSTRACT

The “Culture System” was enforced in Java and other parts of Indonesia by the Dutch colonial government between 1830 and 1870. Under this system, Indonesian farmers were forced to put aside part of their land and labour for growing cash crops such as sugar, coffee, indigo, tobacco and pepper, so that they could pay their land tax to the Dutch.

This paper examines the ramifications of two aspects of the Culture System and the policies that allowed its administration. The first of these is the segregation of education and access to higher-level employment on the grounds of race. The second is the monopoly of transportation and trade held by the NHM (Nederlandsche Handel-Maatschappij) during this period. This paper measures these two aspects of the Culture System against the moral standards required by John Rawls’ “original position” argument, and finds them to be lacking.

John Rawls’ “original position” and the “Veil of ignorance”

Amongst the various ideas of distributive justice, John Rawls’ is perhaps the most reliant on concepts of fairness as being crucial to justice (Velasquez, 2002: 118). According to Rawls (1971: 65–75), conflicts regarding justice should be settled according to the decisions that a group of rational people would make given that they were unaware of what characteristics they themselves posses. That is to say, these rational persons would be in the “original position”. The original position is a mythical place were one would be fully rational, but not yet born into the world, and so unaware of one’s race, gender, social class, level of education, health or year of birth. One would in fact, be behind a “veil of ignorance” about one’s own particular circumstances, so more likely to make moral choices that would advantage people in general, rather than oneself in particular. Rawls argues that if one made moral decisions about justice from this original position, one would have the best chance of making decisions that upheld Kantian ideals of reversibility and universalisability, and thereby approach justice in one’s decisions.

Rawls thought that rational people in the original position would choose ideas that conformed to “primary social goods” (Shaw and Barry, 2004: 117). These primary social goods included not only how income and wealth would be distributed, but also how “rights, liberties, opportunities, status and self respect” would be divided. Rawls felt that people in the original position (not knowing what group they would be consigned to themselves at birth) would choose not to gamble with their future by having too much inequality because of the very real probability that they themselves might end up one of the rulees rather than the rulers.

The rules that Rawls felt would be chosen by rational people behind the veil of ignorance are as follows:

1. each person has an equal right to the most extensive basic liberties compatible with similar liberties for all, and

2. social and economic inequalities are arranged so that they are both
   a. to the greatest benefit to the least advantaged persons, and
   b. attached to offices and positions open to all under conditions of fair equality of opportunity (Velasquez, 2002: 117).
In case of conflicts, Rule 1 was to take precedence over Rule 2, and Part b should take precedence over Part a. Given this brief introduction to Rawls, let us now move to the Culture System in nineteenth century Indonesia.

The Political and Economic Landscape

Indonesia is an archipelago that consists of 17,508 islands spread between the Indian Ocean and the Pacific Ocean (Department of [Indonesian] Internal Affairs, 2005). Prior to the colonial era, the archipelago consisted of many kingdoms spread through the entire territory. Indonesia had a tangled history of trading, influence and colonisation, which functions as a background to the political, economic and social context of 1830.

By this date, Indonesia had been influenced by at least four colonial empires: Portugal, the Netherlands, France and Britain. Of these, the Dutch influence is generally considered the most significant (Sutherland, 1979).

According to Ricklefs (2001: 150), during the period from 1812 to 1825 Java had several problems. The colonial masters interfered in local Indonesian court affairs and were involved in corruption and intrigue. The Europeans and Chinese obtained and controlled land leases for the sugar, coffee, indigo and pepper plantations in central Java from Javanese aristocrats in need of funds. The effect was to obligate these farmers to pay government taxes, which forced them to turn to moneylenders, who were mostly Chinese.

Governors Daendels and Raffles were the originators of a colonial revolution that set out to reform or destroy indigenous institutions, which the previous Portuguese and Dutch colonial administrations had tended to adapt to their own interest rather than to dismantle (Ricklefs, 2001: 150).

Governors Raffles and Daendels did not have enough time to fully implement their ideas, because in 1814 the British Government handed back the East Indies to the Dutch. In 1816 the Dutch Commissioners-General arrived in Java to take over the archipelago, and appointed Van der Capellen as Governor General for Batavia (modern-day Jakarta) from 1818 to 1824 (Penders, 1977: 6). Van Der Capellen put into effect a new policy to end the abuses of the private leasing of land, and abolished it. However, this only made the Javanese aristocrats who had paid the lease fee in advance to the European and Chinese leaseholders suffer (Ricklefs, 2001: 151). The pressure led to rebellion, which spread throughout Central and East Java, resulting in the Java War. The Dutch were eventually successful (although financially ruined) in this conflict.

The 1830s was a time of confusion and convoluted politics and policies. A variety of European and Asian influences had streamed through and around Indonesia and unrest was in the air. Indonesia was “living in interesting times”.

The Culture System 1830–1870

By 1830 the Dutch controlled the whole island of Java (Ricklefs, 2001). The Java War had cost the lives of about 8,000 European soldiers, and at least 200,000 Javanese lives, both military and civilian. The war also created a financial burden for the Dutch government. To deal with the situation, it sought to make the colony generate a profit and contribute to the mother country. A proposal came from General Johannes van den Bosch, who proposed a new cultivation system, which is also sometimes called the “Culture System”. The Dutch King approved the proposal of van den Bosch and appointed him to implement the proposal. Van den Bosch departed for the colony in July 1829 with two million guilders in cash and two million in credit (Penders, 1977: 7), and arrived in Java in January 1830 to conduct his task as governor until 1833 (Ricklefs, 2001: 156).

Soon after arrival in Java, van den Bosch started to implement the Culture System, in which the Javanese villages owed a land tax to the Dutch government, which was normally about 40 per cent of the main crop (Ricklefs, 2001: 156). The villages had to pay the land tax in cash to the government, but in order to do so, they were forced to cultivate export commodities such as coffee, sugar, indigo and spices, and sell these commodities to the Nederlandsche Handel-Maatchaappij (NHM or Netherlands Trading Company) for a low, fixed price. The NHM was set up in 1824 and was heavily invested in by the Dutch King. The company monopolised trading and transport the product to European markets as well as acted as a banker to the Dutch government (Penders, 1977: 7).
The success of van den Bosch in ruling the colony in financial terms was startling. The colony went from deficit to surplus by more than 832.4 million guilders between 1831 and 1877 (Penders, 1977: 7). The implementation of Culture System was not without problems, however. Many letters indicated opposition to the implementation of the system. Van den Bosch wrote of the effects of the Culture System in 1836 (cited in Penders, 1977: 21–24):

If it depended on us to make the Javanese happy, then no sacrifice would appear to me to be too large, but all our philanthropic dreams have only led them into popular risings and wars. Hundreds of thousands of people in Java have been slaughtered because we wanted to make them happy in accordance with our knowledge. A sound knowledge of Javanese character, economic life, and views is required before any good can be done in this respect, and I feel that I should advise Your Excellency to change as little as possible in the existing situation. They [the Javanese] cannot be protected enough against the Europeans and Chinese. It is not their chiefs, who are so often given a bad name but to whom the Javanese nevertheless remain faithful with unbreakable loyalty, who suppress them — at least not in their opinion — but the bloodsuckers I have just named, who, if not checked, torture them. Their activities should be carefully watched.

News of the situation in the archipelago only reached Holland after the mid 1840s. According to Penders (1977: 31), Baron van Hoevell, a minister of the Dutch Reformed Church, was one of the most prominent colonial reformers. He had been involved in a demonstration in Batavia and had petitioned for freedom of the press, the establishment of secondary schools in the colony, and representation of the Indies in the Dutch parliament. A budget study by J.H. Boeke in 1886 and 1888 showed evidence of how the people in the archipelago were suffering (Penders, 1977: 50–52). Another criticism came from Eduard Douwes Dekker, a former colonial official in his great novel *Max Havelaar*, published in 1860, where he used pseudonym ‘Multatuli’, which means ‘I have suffered a great deal’. Penders (1977: 32) described the effect of the novel:

...*Max Havelaar*, in which the inhumanity and immorality of colonial rule in Indies were vividly portrayed. *Max Havelaar* caused a public outcry in the Netherlands that greatly aided the final onslaught on the Culture System by the Liberals... The forced cultivation of some crops was quickly abolished...

This criticism led to the end of the forced cultivation systems, which were progressively abolished from 1862. The Culture System had largely fallen into abeyance by 1870 (Penders, 1977: 32).

**The Culture System and Rawls's Ethical Analysis**

This paper will bring a Rawlsian ethical perspective to two aspects of the Culture System. First, certain aspects of the Culture System were inculcated with a particular social and educational technology, which the Dutch used to back up the Culture System. This system does not stand up to Rawlsian analysis. Second, the monopolistic aspects of the Culture System did not distribute benefits and burdens in a way that Rawls would have found just.

Why Rawls? John Rawls provides a reasonably comprehensive theory balancing political and economic equality; a concept of minimal standards of living; ideas of need and effort and, particularly, of justice. Rawls provides actual rules to be applied in judging behaviour or circumstances and a comprehensive (and reasonably comprehensible) system of morality that can be applied to specific contemporary or historic situations Velasquez, 2002: 116-117). The authors are not, of course, suggesting that the owners of the Dutch East India Company in the seventeenth century had any mind to apply a twentieth century philosopher’s ideas to their actions in the east. Such an idea is ridiculous. What we are suggesting, however, is that John Rawls, because of his particularly colour-blind, time-blind and class-blind analysis of the way in which the benefits and burdens of society should be shared, provides us with particularly useful tool with which to look back in history and reflect upon power relations of the past.

The Culture System brought to the local economies of the Indonesian Archipelago certain influences that had not previously been nearly so prominent. The first of these influences concerns the way the products desired by the Dutch (generally cash crops such as indigo, coffee, sugar, tobacco and spices) were mandated to be grown, instead of what the Indonesians actually ate (generally, rice). Thus the Indonesians’ crops and
lands were quantified and measured in a reasonably formal manner in order to meet Dutch taxation requirements. The other major factor concerns the way that the European rationality led to commoditisation of the Indonesian archipelago by the Dutch in terms of the various crops that the empire demanded of the islands. In other words, the Spice Islands came to be seen as a source of commodities, rather than as societies.

According to van der Eng (2004: 775), the Java War of 1825–1830 left the Dutch East Indies Colonial Government in dire financial straits. Governor Van den Bosch was mindful of this when he established the Culture System in 1830. Under the early part of the Culture System (van der Eng, 2004) rural villages were required to plant a maximum of one-fifth of their land to produce cash crops and to provide labour for this land for a maximum of one-fifth of the year (66 days). The intellectual and social technology by which this system was implemented is noteworthy. The Dutch worked primarily through the local rulers (bupati and camat), leaving them to determine the size of land to be devoted to cash crops, which crops to plant and what labour and land to use. Governor Van den Bosch was not naïve about the subtlety of the power relations between the Dutch and the Indonesians:

The Netherlands holds these regions [Indonesia] as tribute. And whatever the size of the territory ceded contractually [by the native people] to [the Dutch], the people remain separate from us and they are subjected to European rule. Thus the relationship between the government and the people is determined by the power the former exercises and the physical and intellectual means it has at its disposal to assert and reinforce this authority (Van den Bosch, 1833: 8–9, cited in Sukoharsono, 1995: 8).

The success of the Culture System (at least financially, from the Dutch perspective) is captured in this report from Governor Van den Bosch in 1833:

The budget deficit, which for the last half-century has made the colony a financial burden to the mother country, has been transformed into a considerable surplus. In 1832, more than five million and in 1833, more than ten million guilders have been remitted (to Holland)... and by the end of 1834 it can be safely assumed that a total of twenty-eight to thirty million guilders will have been transferred... The production of coffee, sugar and indigo has been expanded greatly because of the introduction of the new cultivation system (Van den Bosch, 1833: 15, cited in Sukoharsono, 1995: 9).

Apart from the debts associated with the Java War, another strong push towards the Culture System was exercised by Dutch business interests (van der Eng, 2004). King Willem I was the largest shareholder in the Nederlandsche Handel-Maatschappij (NHM), which was set up in 1824, and held a monopoly on the transport of the produce of the Culture System (coffee, indigo, tobacco and spices). This company needed the Culture System to ensure its business success.

The outcome of these influences was that (in Foucauldian terms) the Indonesian indigenous people were much more “governable persons” by the demise of the Culture System around 1870 than they had been at its commencement around 1830. Bush and Maltby points out the ramifications of this change:

...colonial taxation was not simply a fiscal measure ensuring revenue and balanced books. It was conceptualised as a moralising force, transforming the primitive and barbaric into good, industrious and governable colonial subjects. This is where Foucauldian concepts of governance and discipline are relevant (Bush and Maltby, 2004: 7).

McKinlay and Starkey (1998) emphasised that the philosopher Michel Foucault understood that the disciplinary power necessary to turn humans into “governable persons” was often most efficiently exercised by administrative rules (“normalising gazes”) and (often unwritten) codes of what constituted acceptable — and unacceptable — behaviour.

Various authors have explored the colonial experience in terms of Foucauldian analysis. For example, Bush and Maltby (2004: 7), in their study of British Colonial taxation in Africa, pointed out that by the mere
acts of counting, knowing and quantifying inherent in taxation, “Africans were bound into modernity and deep cultural change”.

Sukoharsono (1995: 4) argued that, in Foucauldian terms, calculation and accounting imposed by the Dutch on Indonesia brought surveillance, discipline and power, and was intimately related to the power exercised by the Colonists over the colonised.

Bush and Maltby (2004) also emphasised that with quantification and accounting come the ability to transform “the native” (in the case of their study, the colonised African) into “economic man”:

An important theme in critical histories of accounting is its role in creating the “governable person” or “economic man”… Accounting achieves this by providing techniques for monitoring behaviour, and hence a basis either for rewards or sanctions. The discipline produced by accounting is originally imposed externally by the overseer, but it is claimed that it may eventually be internalised, so that the individual is not merely coerced by accounting-based regulations, but actively seeks to become more efficient and accountable (Bush and Maltby, 2004: 8).

The added emphasis that the European Culture System put on measurement, quantification and accounting, as well as the colonial hierarchies imposed on Indonesia during this period, could be interpreted as a form of Foucauldian “surveillance power” (Macintosh, 1995: 225).

Gorz (1988) also commented on the link between the emphasis on calculation and a particular frame of mind:

Counting and calculating is then the quintessential form of reifying rationalisation. It posits the quantity of work per unit of product in itself, regardless of the lived experience of that work… My activities will be decided as a function of a calculation, without my preferences being taken into account (Gorz, 1988: 109).

The influence of the Culture System in Indonesia went well beyond providing markets for the Dutch Empire and helping them to meet the debts incurred in fighting the Java War. Culture, attitudes and influence are subtle, and often internal things. The state of mind necessary to be a “governable person” and a useful servant of the Dutch Empire was pursued in Indonesia by many social and intellectual technologies, some of which we have touched on in this article.

The Social and Educational Technology Enabling the Culture System

What makes a “good worker”? The consensus in much accounting and organisational literature is that “good workers” are made, not born. For example, Macintosh (1995) suggests (using insights from Foucault) that far from the corporate or company lifestyle being a natural human instinct, it is learned behaviour. According to Foucault (1979), turning up to work, working efficiently for a certain number of hours in slavish devotion to corporate goals, then (briefly) going home to rest, and beginning the cycle again the next day, is a matter of discipline over instinct.

Gorz (1988) similarly discussed the need for concepts such as money, measurement and markets to be present in order for people to be willing (or forced) to abandon their freedom to the disciplined demands of the workplace:

Economic rationalisation begins with counting and calculating. So long as they are not subjected to it, human activities are free from economic rationality… But from the moment when I am no longer producing for my own consumption but for the market, everything changes. Then I need to learn to calculate: given the quality of my soil, would it be better to grow more green vegetables or potatoes?… So I will calculate, and organize my life according to this calculation on homogenous, linear time schedules, which are insensitive to the natural rhythms of life (Gorz, 1989: 109).
According to Sukoharsono and Gaffikin (1993: 13), the people of the Indonesian archipelago had little use for money before the coming of the Dutch East India Company to Java in 1609. Barter was the dominant form of trade. Money existed in a limited and diverse way in the various Indonesian regions, but without becoming the dominant form of trade and without the development of one standard currency between regions. With the Dutch, however, came not only currency, but European ideas of “good workers”, and also the subtle technologies of discipline to impose these values on the (in the view of certain Dutch colonial masters) “indolent… impulsive… emotional… unreliable” native peoples of Indonesia (cited in Philpott, 2003 from Wertheim, 1990).

This article looks at one particular case study of European (in this case, Dutch) colonial ideas and intellectual technologies on the indigenous culture of the Indonesian Archipelago. Because the history of this region is so rich and diverse, the authors have chosen to discuss one brief period of history: the Culture System, which was in place in Java from 1830–1870, in order to highlight some changes in outlook and culture that this interval brought to Indonesian society and outlook.

It is our contention that the Culture System influenced indigenous Indonesian culture and made the colonised Javanese much more open to concepts of discipline, time and money. The colonial masters also brought with them concepts of European norms and moral character as superior to that of the indigenous people. Before discussing what the Culture System was and how its influence spread, it is first necessary to look briefly at the work of John Rawls in order to understand the Culture System in Rawls’ particular moral framework.

The Bureaucratic Policy during the Dutch Colonial Period

As agents of the Dutch government, local leaders had been used for a long time as a strategy to control the colony. Sutherland (1979: 3) noted that this practice had been exercised particularly in Java since 1602, where the people used ranged from rural leaders to local princes. The Dutch instituted two classes of government official: the higher class, called BB (Binnenlandsch Bestuur, or European Civil Service) and the Pangreh Praja, as the lower. According to Sutherland (1979: 15), many BB officials were Indo-European or Eurasian, and the interaction between these two was distinctive:

Their interaction was not simply that of administration superior and inferior, but was also a continuing bargaining between elites of two races and of two cultures. Each group had its own vested interests, its own traditions and received wisdom, its own values, perceptions and prejudices (Sutherland 1979: 2).

The educational systems brought change and allowed the natives to be educated under the Dutch system, as well as to learn its language and culture. Many natives were well educated, even though this education was limited to the upper class of the local society. Therefore, the Pangreh Praja was dominated by a group of Javanese aristocrats called Priyayi as the governing elite of Java. Sutherland (1979: 31) commented thus on their behaviour:

Ideally, the native officials were benevolent dictators over the people, and each was in turn subject to the same sort of dictatorship from his superiors. The bond between superior and subordinate priyayi, like that between priyayi and people was said to be a continuation of the classic Javanese kawula–gusti (servant–lord) relationship… It was modelled on the family connection between brothers or father and son…

This system of education and bureaucratic promotion according to race or social class, rather than according to ability, seems to be a clear violation of Rawls’s moral Rule 2, both (a) and (b), that:

2. social and economic inequalities are arranged so that they are both

a. to the greatest benefit to the least advantaged persons, and

b. attached to offices and positions open to all under conditions of fair equality of opportunity (Velasquez, 2002: 117).
The Monopolistic Aspects of the Culture System and Rawls

The upshot of the low, fixed price that indigenous farmers were able to get from the NHM for their cash crops had severe effects on their wellbeing. Because the cash crops were needed (and received lower than market price) but were needed in order to pay cash land tax to the Dutch colonial government, food crops (mainly rice) were displaced by cash crops such as sugar, coffee, indigo and tobacco and pepper. This meant that there were fewer food crops available to the indigenous people. If fair market price had been received for these cash crops, the rice shortage might have been offset by imports of rice or other staple foods from elsewhere to supplement the decreased rice crop.

Under the Culture System, however, the NHM had monopoly rights, not only over buying the cash crops of the indigenous farmers at low, fixed prices (Penders, 1977: 7), but also over the shipment of such cash crops to foreign markets, and also monopoly rights over bringing food crops into Indonesia from other sources.

As generally happens with such monopoly markets (Velasquez, 2002: 235), the result was that indigenous farmers were underpaid for their cash crops and the price of imported food crops was distortedly high. The effect of this on the poorest indigenous people was predictable. In 1835 Vitalis noted that:

"Truly their situation is lamentable and really miserable. What else can one expect? On the roads as well as in the plantations one does not meet people but only walking skeletons, which drag themselves with great difficulty from one place to another, often dying in the process. The regent of Sukapura told me that some of the labourers who work in the plantations are in such a state of exhaustion that they die almost immediately after they have eaten from the food which is given to them as an advance payment for the produce to be delivered later. If I had not witnessed this myself, I would have been hesitant in reporting this… (Vitalis, cited in Penders, 1977: 24)."

Such distorted prices in basic items such as food fall unequally harshly on the poor in any society (Velasquez, 2002), because the poorest people (in this case, indigenous Indonesians) have the least discretionary spending to turn towards the purchase of food and (of course) need the same number of calories and vitamins to enjoy good health as anyone else.

Thus the monopolistic situation in Indonesia between 1830 and 1870 was in clear violation of Rawls’s second moral Rule 2a:

2. social and economic inequalities are arranged so that they are both
   a. to the greatest benefit to the least advantaged persons (Velasquez, 2002: 117).

Conclusion

The Culture System brought many social, economic and cultural changes to the Indonesian peoples of the eighteenth century. From a barter-based loose collective of kingdoms, various colonial influences brought some very European ideas and ideologies.

This paper deals specifically with the period of Dutch colonialism between 1830 and 1870, when the Culture System forced Indonesian farmers to put aside part of their land and labour for growing cash crops such as sugar, coffee, indigo and tobacco and pepper so that they could pay their land tax to the Dutch. During this period the NHM (Nederlandsche Handel-Maatschappij) company also held a monopoly over trade to and from Indonesia.

The ramifications of the Culture System were far reaching. It not only made huge profits for the Dutch government and various Dutch business interests, but, more subtly, promoted ideals of racial inequality, segregated access to education and employment on grounds not related to ability, and brought the effects of monopolistic pricing to the poorest people in the region.
On the ethical grounds laid out by John Rawls in his “original position” argument, the Culture System was unethical in these aspects of its effects on Indonesian people.

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