2007

Quantification and the governable person in Indonesia 1830-1870

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Publication Details
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Keywords
Quantification, governable, person, Indonesia, 1830, 1870

Publication Details

This journal article is available at Research Online: http://ro.uow.edu.au/commpapers/1974
Quantification and the Governable Person in Indonesia 1830–1870
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Abstract
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This paper examines the ramifications of this policy and how it supported the interests of the Dutch colonial masters, but it also looks at how the policy promoted ideals of rationality, quantification and efficiency in the Indonesian archipelago.

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

Gorz (1988) similarly discussed how concepts such as money, measurement and markets need 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 organise 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 a longstanding knowledge of money, but no consistent universal currency before the coming of the Dutch East India Company in 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.

The Indonesians were great traders, and (especially through Persian, Islamic and Chinese influences, (Sukoharsono, 1995a) noted:

Although the modern economic history of Indonesia can be traced back to the early colonialism of the Dutch Company, the economic life of the mainland began much earlier. As early as the beginning of the Buddhist Kingdom of Srivijaya (the early seventh century AD), trading voyages from West to East Asia and vice-versa took place. (Sukoharsono, 1995a: 140)
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' comments recorded in the seventeenth century) "indolent... impulsive... emotional... unreliable" native peoples of Indonesia (cited in Philpott, 2003 from Wertheim, 1990).

Another aspect of European culture brought to Indonesia by the Dutch, was the harsh reality of monopoly trade whereby the company could impose unreasonably low non-negotiable prices onto local rulers:

After the Dutch Company (VOC) was established and centered in Batavia (modern Jakarta) in 1619, it began to reinforce its monopoly of trading activities. Most of the spice-producing areas surrounding the Indonesian archipelago were totally controlled by the Dutch Company. The Indonesian native traders were forced to sell their spices and other products to the company at relatively low prices. The Dutch military, at the time, was used to enforce the monopoly system on the Indonesians. No one could challenge this system unless they were prepared to go to war with the Dutch. This monopoly system of Dutch economic policy placed great pressure on the Indonesian native governments... each native government (kingdom) had to set aside for the company a certain amount of pepper, cotton, yarn, rice or the like which had to be taken by the King from his people and given to the company at a certain price. (Sukoharsono, 1995a: 142-143)

This article looks at one particular case study of the impact of Western (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" in place in Java from 1830-1870, in order to highlight some of the 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. This, in turn, served the interests of the Dutch colonists by providing the "governable persons" needed to provide the various trading goods such as coffee, spice and sugar that the empire desired at the time.

Before discussing what the Culture System was and how its influence spread, it is first necessary to look briefly at the context in which the system was imposed by the Dutch on the Indonesians in 1830.

The Political And Economic Background

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 throughout the entire territory. Indonesia had a tangled history of trading, influence and colonization, 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).

At the beginning of sixteenth century, Portugal was the first country to visit the archipelago and establish trading posts in many areas, specifically at Malacca and in the Moluccas, also known as "the Spice Islands" (Penders, 1977: 3).

The Dutch war of independence against Spain, which broke out in the 1560s and lasted until 1648, brought pressure for the Dutch to expand overseas (Ricklefs, 2001: 30). The first Dutch expedition departed for East Indies in 1595 under Cornelis de Houtman and arrived in Banten (West Java) in June 1596. After sailing
across the Pacific there were regular voyages to transport the spices from Indonesia to Europe, and these were controlled by four competing Dutch trading agents in Banten, West Java. According to Ricklefs (2001: 31) the competition among these four companies drove down profits, and in March 1602 they merged to form the United East India Company, the VOC (Vereenigde Oost-Indische Compagnie).

Amongst all of this political and economic change, modern European accounting systems began to influence Indonesian culture with the establishment in 1609 of the Dutch Accounting Office (Sukoharsono, 1995a: 160). With this establishment, the nature of the Dutch involvement in Indonesia can be argued to change:

During the time of its early establishment, the Company played a dominant role in constructing the socio-economic environment of indigenous Indonesians. After the accounting Office was founded, the Company imposed the political and economic domination which enabled them to run their monopoly system in respect of Indonesians. Monopolisation and colonialism was a system used by the Company to enforce control over Indonesian land and labor as well as other economic resources. This was expressed in a number of forms such as levies and tolls, commercial domination, political security, and exploitation of certain kinds of production. Sukoharsono, 1995a: 161).

It will be seen from the above that the intellectual (especially accounting) technology of the VOC (and later the Dutch Government directly under the culture system) underpinned the economic and social influence of the colonizers over the colonized.

From December 1794 to January 1795 the French invaded the Netherlands and took control. Meanwhile, in 1795 William V of the Netherlands issued a letter, known as the "Kew Letter", which instructed Dutch colonial officials to surrender their territories to the British, in order to keep them out of the hands of French (Ricklefs, 2001). In January 1800 the VOC was dissolved and became the property of the Dutch Government. However, there was little actual change, because the officials remained the same and ran the company very much as they had done previously.

Having gained control of the Netherlands, in 1808 Napoleon Bonaparte sent Herman Willem Daendels, a Dutch army general, to be a governor-general in Batavia (now Jakarta) (Koenig, 1966: 317). Daendels attempted to clean up inefficiency, abuses and corruption within the European administration by using a combination of zeal and dictatorial methods. He was not notably successful. In May 1811, Jan Willem Janssen was appointed as a Governor General in Batavia to replace Daendels (Ricklefs, 2001: 145).

Despite the Kew Letter, the British involvement did not take immediate effect until
1811, when the British began to proceed to the archipelago and occupied Batavia on 26 August 1811. At this time, the British appointed Thomas Stamford Raffles as Lieutenant Governor of Java. The British stayed in the archipelago until 1816. During this short period, Raffles, who saw the Dutch rule as harsh and unfeeling, made a tremendous reform by introducing the land rate (tax) system. This left Indonesians free to use the land as they wished, but they had to pay the government between two-fifths and one-half of their crops in cash, depending on the fertility of the land (Penders, 1977: 3).

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-Matmaatchpiai (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 Bos 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 uprisings 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.

A more severe situation was described by Vitalis in 1835, which noted (cited in Penders, 1977: 24):

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 laborers 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...

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).

Creating The Governable Person

This paper does not try to assess whether the Culture System was "good" or "bad" for Indonesia in the long term. However, the Culture System did bring 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.

It did bring some influences to the economies of the Indonesian Archipelago which had not previously been nearly so prominent in local economies. The first of these is how products that the Dutch wanted (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 to meet the Dutch taxation requirements. The other major factor is the way in which 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 individual people.

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 labor 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 labor 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 as cited in b, 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 as cited in Sukoharsono, 1995b: 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).

McInlay 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 (1995b: 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.

**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 labor for growing cash crops such as
sugar, coffee, indigo and tobacco and pepper so that they could pay their land tax to the Dutch.

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 rationality, quantification and efficiency in the Indonesian archipelago.

References


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Areas of Expertise: Management Accounting, Management Control Systems, and Accounting Information Systems

Before joining the School of Accounting and Finance, Ully had ten years teaching experience in financial accounting, management accounting, management planning and control systems, and accounting information systems at both undergraduate and post-graduate levels in Indonesia. He started his teaching career at the School of Accounting and Finance at undergraduate level. Currently, he has teaching responsibilities both in first year accounting subject and management accounting at post-graduate level. Apart from his academic commitment, he also has twenty years experience as a financial controller in a wide range of industries including road contracting, vessel manufacturing, aircraft manufacturing, and the Agency for Assessment and Application of Technology in Indonesia. He was a consultant for a number of organization in developing accounting and control systems such as National Cardiac Hospital, Futures Market in Indonesia, and for the Department of Social Security of Indonesia funded by the United Nations. His research interests are in the area of Management Accounting and Management Control Systems. His PhD research is in Management Control Systems for R&D Organizations.