THE LOCAL ELITE IN TRANSFORMATION DURING THE PERIOD OF ETHICAL POLICY ca. 1900 – 1942

Thesis MA History

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Abstract

Several scholars recognize the significant transformation that the local elites underwent during the first half of the twentieth century (precisely during the period of Ethical Policy) in the Netherlands Indies. However, these scholars mainly focus on the transformation of Javanese elites and pay attention to administrative and political perspectives of this transformation. In this paper, I use *Memories van Overgave* along with additional reports to show that on Java and the Outer Provinces (mainly Sumatra) the local elites were not only involved in administrative and political matters but also in economics. Furthermore, under the increasing influence of the Dutch, the local elites developed into two different groups: the traditional and the new elites. As a result of the Dutch policies during this time, the traditional elite fundamentally changed in order to maintain their connection with the colonial government. In fact, they mostly shifted their attitude toward Western education from a negative to a positive one in order to fulfill requirements of the colonial administration reform, while barely changing their attitudes on economic and political issues. Interestingly enough, many of the new elites descended from traditional nobility and received Western training. However, unlike the traditional elites, they took part in business and political affairs. This new elite transformed the hierarchies within indigenous culture during the late colonial period and later went on to become the leaders of the anti-colonial movements in the archipelago.

Keywords: local elites, transformation, the traditional elites, the new elites, the Netherlands Indies, Memories van Overgave

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Introduction

In all societies, local elites are a crucial factor to analyze social changes. This is very true in the case of the Netherlands Indies, although what makes the Netherlands Indies special is the complex way in which local elites were woven into the colonial administration, economy and society in general. The local elites were being 'transformed as subjects' of the Dutch colonial project, but at the same time they were transforming colonial society itself. Transformation therefore is a two-way street.

The aims of this thesis are: (1) to examine the evolution of the local elite under the increasingly complex conditions of the Netherlands Indies during the first half of the twentieth century and (2) to explore how various elite groups saw their place or even manifested their own agency in the transformation process mentioned above.

I begin by outlining the rationale behind the transformation of the local elite in the colonial society. In particular, I emphasize the changing nature of the late colonial era (*Ethische Politiek*). From that point, I examine particular manifestations of these changes within local elite groups through their activities in the early twentieth century while categorizing the local elite into two types. I also explore the degree into which several of these local elite groups, took an active part in influencing the society that reshaped them.

From the beginning of the Dutch presence in the Indonesian archipelago, interventions in local affairs were the rule rather than the exception. Interventions came in the form of having the sole authority to name a ruler/chief, providing arms and weapons to factions they sided with, etc. In this process, the local elites (from which the ruler came) were the crucial group with which the VOC and later the colonial government, dealt. It is therefore not surprising that during the height of the colonial era the same elite group had a crucial role in the foundations of the colonial regime.

The late nineteenth and early twentieth century is a period of particular interest for historical researches because at that time the Dutch took an active role in transforming local society. However, the Dutch faced several problems in how to rule their subjects

effectively with only a few officials in the Netherlands Indies. These officials also lacked a connection with and knowledge of indigenous society. Consequently, as an illustration of their lack of cultural understanding, they used native nobles as the administrative assistants of European rulers.[1] Until 1900, the Dutch policy toward the local administration changed several times. At the turn of twentieth century, the Dutch colonial government implemented the Ethical Policy which aimed to improve the living standard of the colonial population in the Netherlands Indies. Under these conditions, local elites were involved in sweeping changes, becoming an important class that prompted the transformation of post-colonial society. Almost every important aspect of social life (e.g. education, politics, economic, religion and culture issues) involved the active participation of the local elite.

Several authors deal with the development of the early twentieth century Indonesian elite in the colonial context. The indigenous noble is mentioned in European scholars' works about the archipelago's history written in 1950s and 1960s. However, the elites' role is not regarded as the main subject in such works.[2] In the second half of the twentieth century much historical research focuses on the Javanese elites.[3] Simultaneously, or soon after, several scholars took interest in this topic and approached it in different ways; for example, using anthropological methodology.[4] Later, the study on the indigenous upper class expanded to include areas beyond Java and Madura, covering various parts of the Outer Islands.

First published in 1960, *The Emergence of the Modern Indonesian Elite* written by Robert van Niel, is an early and systematic study of the Indonesian elite. Van Niel examines the emergence of the modern Javanese elite during first three decades of the twentieth century through the interrelation of Dutch policies, namely the practices –

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[1] Palmier, Leslie H., "The Javanese Nobility under the Dutch", *Comparative Studies in Society and History*, II (1960), pp. 197-227.
[2] For example: Boeke, J. H. (1946). *The Structure of Netherlands Indian Economy*; Schrieke, B. (1955). *Indonesian Sociological Studies (Selected Writings of B. Schrieke)*; Wertheim, W. F. (1956). *Indonesian Society in Transition. A study of Social Change*; etc.
[3] For instance, the studies of Van Niel, Robert (1960). *The Emergence of the Modern Indonesian Elite*; Benda, Harry J. (1965). "Political Elites in Colonial Southeast Asia: an Historical Analysis", *Comparative Studies in Society and History*; Palmier, Leslie (1960). "The Javanese Nobility under the Dutch", *Comparative Studies in Society and History*, II; Sutherland, Heather (1979). *The Making of a Bureaucratic Elite: The Colonial Transformation of the Javanese Priyayi.*
[4] For example, the research of Clifford Geertz, (1963) *Peddlers and Princes: Social Change and Economic Modernization in Two Indonesian Towns*; Imran Manan (1984). *A Traditional Elite in Continuity and Change: The Chiefs of the Matrilineal lineages of the Minangkabau of West Sumatra, Indonesia* (Ph.D dissertation).

attitude and impact of these policies – and colonial society. He depicts the development of the native elite through an analysis of the society's internal factors during three periods (1900-1914, 1914-1920 and 1920-1927). Concentrating on Java, Van Niel emphasizes the historical development of various well-known organizations related to the new elite such as Sarekat Islam, Budi Utomo, etc. One of major conclusions[5] he draws is that during this time the Indonesian elite developed "from a traditional cosmologically oriented, hereditary elite to a modern, welfare-state oriented, education-based elite."[6]

Another noteworthy work about the Javanese elite in the early twentieth century is *The Making of a Bureaucratic Elite. The Colonial Transformation of the Javanese Priyayi* written by Heather Sutherland.[7] She examines the influence of colonialism on local politics by thoroughly analyzing the social and political role of the Javanese *priyayi* – a bureaucratic elite working for the colonial government. In the process of making the bureaucratic elite, Javanese aristocracy faced with the conflict between indigenous and Western values in the early twentieth century. Sutherland points out that the aristocracy did not abandon the former in exchange for the latter. In fact, the very nature of the Javanese aristocracy changed while they interacted with the Dutch colonial government. An important characteristic of the various traditional values that persisted, according to Sutherland's research, is the maintenance of the conventional type of administration and paternalistic exploitation.

In his study *Indonesia's Elite: Political Culture and Cultural Politics*, Donald Emmerson observes Indonesia's elite on the level of institutions and individual, paying particular attention to the political and cultural aspects of the modern elite. Through this approach Emmerson offers a comprehensive view of the native elite while also employing specific examples that illustrate the uniqueness of the individual.[8]

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[5] Another significant conclusion that Van Niel draws in his work, is that "the changes in leadership patterns in Indonesian society during the first quarter of 20th century formed the social foundation for political independence some years later." [COMMENT: CITATION NEEDED HERE]

[6] Van Niel, *The emergence of the modern Indonesian elite*. pp. 1-2.

[7] The book *The Making of a Bureaucratic Elite. The Colonial Transformation of the Javanese Priyayi* was published in 1979 based on her Ph.D dissertation "Pangrèh Pradja. Java's Indigenous Administrative Corps and its Role in the Late Decades of Dutch Colonial Rule" (Yale University, 1973). Additionally, this author writes several articles published in *Indonesia*, for instance, "The Priyayi" (1975), "Notes on Java's Regents Families" (part I in 1973 and part II in 1974).

[8] Emmerson, D. K., *Indonesia's Elite: Political Culture and Cultural Politics*, p. 63.

In his dissertation entitled *A Traditional elite in continuity and change: the Chiefs of the Matrilineal Lineages of the Minangkabau of West Sumatra* , Imran Manan counters scholars such as de Jong, Schrieke, Maretin and Gough when they predicted that the power of local authorities, the so-called *penghulu andiko*,[9] would be replaced by other elites who aligned themselves with the needs of the transitioning society. Manan, however, believes that the Minangkabau society absorbed new ideologies from the Europeans, simultaneously as the *penghulu andiko* preserved their own customs. In other words, the institution of traditional authorities persisted through both the creation of an all-encompassing cultural system (the internal factor) and the accidents of history (the external factor).[10]

Local Elite – Definition and Classification

To what extent can the term *local elite* in colonial society defined? It is an interesting question. Much of the available literature classifies the elite into various categories based on either political or social structure.

In her research on Javanese nobility during the nineteenth and twentieth century, Leslie Palmier divides the nobility into five groups.[11] The first group consists of the officials working for the Dutch colonial government.[12] Members of this group were granted a position based on birthright. In addition to the traditional nobility, a new group emerged during the transitional situation of the colonial society. This second group included European planters. The third group was composed of Chinese businessmen. Radically different from the first group, European planters and Chinese businessmen had their own position from business activities, rather than noble blood. Later on, those who underwent a Western-style education established another elite group. They became intellectuals and professionals. In fact, they descended from both high and low rank of the traditional Javanese nobility. In twentieth century, traders and manufacturers of Indonesian origin also joined the noble classes. Their roots can be traced back to local villagers. Their activities, as a group, were against the Chinese traders.

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[9] *Penghulu andiko*, the traditional elite, has two kinds of authority that rule the corporate group that they own, (i.e. matrilineal group) and that represent their groups within the village councils.
[10] Manan, *A Traditional elite in continuity and change: the Chiefs of the Matrilineal Lineages of the Minangkabau of West Sumatra* (PhD dissertation), pp. 1-4.
[11] Palmier, Leslie H., "The Javanese Nobility under the Dutch", *Comparative Studies in Society and History*, II (1960), pp. 197-227.
[12] According to Palmier, these officials embraced both European officials and regents (native officials).

In his study on the political elites in colonial Southeast Asia, Harry Benda divided national elites into two categories; "intelligentsia elites" and "modernizing traditional elites".[13]

When discussing the elite in the archipelago, it is crucial to examine the term *priyayi.* Priyayi, generally speaking, was a common title used to indicate the Javanese elite. However, definitions of priyayi vary. For example, in the Encyclopaedia Britannica, priyayi is defined as "a class that comprised the elite in contrast to the masses, or 'little people' (*wong cilik*)" in traditional Javanese society.[14] Meanwhile Sutherland, a scholar who conducted ample research on the priyayi, uses this term to denote Javanese upper class. She also describes a priyayi as "a well-born Javanese holding high government office, thoroughly versed in the aristocratic culture of the courts."[15]

Priyayi often involved in the indigenous civil service Indigenous civil service was an essential tool used by the Dutch to govern the natives in the Netherlands Indies. The attitude toward the native officials also reflected the relationship between the colonial government and the rural population. The indigenous officials played double roles in the colonial society, both as the traditional authority based on bloodlines and the main source of modern elite in this colonial society. They maintained indigenous aristocratic traditions. Thus, Sutherland classifies priyayi into different groups: "nobles and officials, court-based administrators and local chiefs."[16]

Van Niel suggests that the Indonesian elite in the early twentieth century was comprised of administrators, civil servants, technicians, professionals and intellectuals. He emphasizes that the group of professionals and intellectuals could be divided into two sub-groups: the functional elite and the political elite.[17]

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[13] Benda, Harry J. (1965). "Political Elites in Colonial Southeast Asia: An Historical Analysis", *Comparative Studies in Society and History* Vol.7 no.3 April 1965, pp 233-251.
[14] "priyayi." *Encyclopædia Britannica. Encyclopædia Britannica Online Academic Edition.* Encyclopædia Britannica Inc., 2012. Web. 30 Jan. 2012. <http://www.britannica.com/EBchecked/topic/477417/priyayi>.

[15] Sutherland, "The Priyayi", *Indonesia*, No. 19 (Apr., 1975), pp. 57-77.
[16] Ibid.
[17] Van Niel mentions a categorization in his book *The Emergence of the Modern Indonesian Elite*. He applies this category to analyze the role of Indonesian elite in the society, which was strongly influenced by the colonial policies.

While researching indigenous authorities during the colonial period in the Netherlands Indies, Brownlee states that the priyayi could divided into two schools: an old school, which attempted to cling to all the vestiges of power, and another group known as the 'new priyayi'. The new priyayi looked down on the traditional rulers because of their complicity in Dutch colonial policy. In addition, the new priyayi attacked the traditional rulers' arrogance and feudalism, as they often referred to it.[18] Brownlee's idea is used in the research on Javanese priyayis. To some extent, his idea might be appropriate to analyze local elites in the archipelago. Therefore, indigenous elites could be categorized into two different groups: the traditional elites and the new one.

In this thesis, I focus on the changes that occurred within two distinct groups of elites in the Dutch East Indies late in the colonial period. The first group was composed of the traditional elite, the older generations whose nobility was based on noble blood; a system that existed in native society before the arrival of the Dutch. The other group was composed of the new elite, who came to earn their social rank under the influence of Dutch colonial policies in the early twentieth century. The new elite therefore included the newly born elite and the transformed elite who had origin from the traditional noblemen.

In dealing with the transformation of the local elite, this paper relies heavily on the primary source *Memories van Overgave*, which includes reports from the Dutch administrators of several regencies on Java and Sumatra. Before exploring these reports, I focus on establishing the context that indigenous elites both experienced and altered.

Sources

In this thesis, I use both the primary and the secondary sources. The primary sources used with most frequency are the colonial documents of the *Memorie van Overgave* (MVO) stored in the National Archive in The Hague. From this collection, I use the reports of residents, controllers and governors of several residencies Java and Sumatra (also known as the 'Outer Island') between 1900 and 1942. In addition, I employ Dutch government reports about indigenous cigarette and Batik industries in the archipelago

[18] Brownlee, "Colonial Knowledge and Indigenous Power in the Dutch East Indies" Explorations in Southeast Asian Studies, Vol.2, No.1: Spring 1998 <http://www.hawaii.edu/cseas/pubs/explore/v2n1-brownlee.html>

circa 1930. Numerous books, newspapers, magazines, novels, etc. are also used as secondary sources.

Structure of the Thesis

The thesis contains three chapters excluded the introduction and conclusion. In chapter I, The Netherlands Indies ca. 1900-1942: The Late Colonial Context of the Local Elite's Transformation, I explore the nuances of colonial society and the social environment in which the native elite existed and developed. In the second chapter, The Traditional Elite and Their Transformation ca. 1900 – 1942, I examine the how the traditional elite changed over time and examine how their alteration happened. Finally, in chapter III - The New Elite and Their Development ca. 1900 – 1942, I explore the changes endured and perpetuated by the new elite, describe their activities and try to explain their transformation in colonial society.

CHAPTER I: THE NETHERLANDS INDIES ca. 1900-1942: THE LATE COLONIAL CONTEXT OF THE LOCAL ELITE'S TRANSFORMATION

Introduction

Before discussing the transformation of the local elite in the Netherlands Indies society, it is important to investigate the historical context. Under colonial rule, many factors influenced the local elite. However, socio-economic conditions, education plans and administration reforms are the most significant elements. Therefore, this chapter examines these aspects that influenced the changes experienced by both the traditional and new factions of the local elite.

1.1 Socio-economic conditions

As members of colonial society, the local elite were obviously influenced by socio-economic conditions. At the beginning of the twentieth century, the Dutch colonial government introduced the Ethical Policy,[19] believing that it was an efficient tool for improving the welfare of its colonial subjects, promoting economic development and furthermore, motivating the locals to be involved in administrative affairs. The policy makers in the Dutch government had several debates prior to its implementation.[20] Together with the Ethical Policy considered the center of the twentieth century colonial administration, Dutch policies in governing the Netherland Indies economy strongly influenced on change of the social classes in the indigenous

According to Boeke, economic factors dominated by Westerners (e.g. capital, technique, control and organization) increased colonial economic dominion while blocking native economic development. Small indigenous industries lacked capital investment and relied on the unpaid native labour force. Therefore, trade with the world market was beyond the capacity of small native traders. Moreover, indigenous enterprises played the role of finishers-off and merchants in the colonial economy. In

[19] It was addressed in a speech delivered by the Dutch Queen Wilhelmina in September 1901.
[20] In fact, when the Ethical Policy was practiced, there were two different schools in approaching this policy. While the Leiden influence advocated the responsibility of the Dutch government to improve the welfare of its colonial subjects and to successfully modernize colonial society, the Utrecht approach asserted that the effects of Western tendencies on the traditional society would damage the colonial society. See more in Tarling, N. (ed.), *Cambridge History of Southeast Asia*, Vol. 1, p. 12.

addition, many of small indigenous industries were not interested in improving techniques and no organization was created to support the cooperation between indigenous entrepreneurs.[21]

In fact, the trade activities of the indigenous people made no profit for the colonial state treasury. Therefore, the Dutch colonial government did not intend to develop this sector of the economy. There were several economical and political reasons that Javanese large-scale trade broke down, including the revival of inland agrarianism, the development of the commercial business in many ports of Borneo and the Celebes, and the decreasing political power of the local rulers in light of the domination of European power.[22] Moreover, Javanese merchants were confronted with the Chinese who played an intermediate role in the archipelago and maintained their business relationship with the Dutch for hundreds years.

In the regions outside Java, particularly in the Outer Islands, commerce activities run by the indigenous people had a different character. The late nineteenth century witnessed economic success by the wealthy Acehnese and Malay business families who traded textiles between Penang, Aceh and East Sumatra. These traders bought European textiles in Penang, then shipped and distributed commodities through their own channels. It is believed that during this period the maritime commercial activities between the Buginese and the Makassarese were quite illustrious.[23]

It can be said that indigenous enterprises played an insignificant role in the Indies economy in comparison with European and Chinese enterprises. However, this situation changed in the post-colonial era. Indigenous enterprises became involved in various sectors of the economy, for example the textile industry, developing all over Java and the west coast of Sumatra. In particular, the batik industry developed in areas of South-central and East Java. Additionally, the ***kretek*** industry rapidly expanded in the North and West-central Java. Moreover, inter-island shipping, in the area of South Sulawesi

[21] Boeke, *The structure of Netherlands Indian Economy*, II, pp. 2-7.
[22] Geertz, *The Development of the Javanese Economy: a Socio Cultural Approach*, p. 63.
[23] Post, "The formation of the pribumi business elite in Indonesia, 1930s-1940s" in Post, P. and Touwen-Bouwsma, E. (eds.) *Japan Indonesia and the war*, pp. 89-90.

and fishing in the north coast of Java also expanded in the years following Dutch colonial rule.[24]

According to Higgins, entrepreneurial groups were mainly composed of social deviants and sub-dominant elite during the first decades of the twentieth century. The sub-dominant elites who could not reach climb to the higher rungs of the social ladder by traditional means shifted to economic activities in order to gain power in society.[25]

One may wonder whether the elites in the traditional society sought new economic roles or not. Lancer Caster suggests that, on a class level, native elites in the pre-colonial time used tax systems and corvée burdens of their subjects in order to gain economic profits and exert power. On an individual level, an official faithfully served his lord to increase his economic position. In fact, the elite official fulfilled his task based on his political skill instead of his ability in economic activities.[26] Furthermore, the traditional elite adhered to an ideology in which economic growth was viewed negatively. Considering themselves the masters, the traditional elite distinguished themselves from the masses that worked as labourers. While admiring intellectual life, they disregarded trade and manufacturing activities.[27]

1.2 Education plans

Ethical Policy had a dramatic effect on education in the Netherlands Indies in many respects. Only after 1900 was education accessible to a large number of the indigenous populations in the Netherlands Indies.[28] At the end of the nineteenth century, the number of Indonesian children attending primary school was roughly 150,000. This number increased to about 265,000 in 1907 and over 1.5 million in 1930. Nonetheless, in comparison with the population growth, the number of students was exceedingly low;

[24] Korthals Alters, *Changing Economy in Indonesia*, vol. 7, p. 14.
[25] Based on various works by E. Hagen, Higgins also studies the theories behind why the elite in the subordinate group chose economic development as the way to gain power rather than the elite belonging to the dominate group [comment: NOT CLEAR what you mean with this last part of the sentence. how would the elite try to become part of the dominant group? Socially? How would they make themselves belong?]. Thus Higgins applies his theory to Indonesian society. See more in Higgins, B. H. (1961) "Introduction" in Higgins, B. H. (ed.) *Entrepreneurship and labor skills in Indonesian economic development: A symposium*. pp. 2-4.
[26] Castles, *Religion, Politics, and Economic Behavior in Java: The Kudus Cigarette Industry*, pp. 5-7.
[27] Ibid.
[28] Wertheim, *Indonesian society in transition: A study of social change*, pp. 147-148.

for example, during 1930 and 1931, eight out of every one hundred Indonesians of school-going age were enrolled. [29]

Another significant characteristic of the state of education during this period was that opportunities to learn Dutch were largely based on religion and financial status. Thus, children who attended primary schools where the Dutch language was taught were mainly Christians or descended from aristocratic families.[30]

Many training centers were instituted during the Ethical Policy era to prepare civil servants for a particular profession. For example, in 1920, Technical College was founded in Bandung to train engineers and architects. In 1924, Law College was organized in Jakarta, and after three years, in 1927, Medical College was established in Jakarta.

Mass education, however, was a priority of several high-ranking Dutch officials. There were two different schools for mass education developed by D. Fock and J.B van Heutsz respectively. D. Fock, Minister of Colonies, planned to expand the number Second Class Native Schools[31] in response to J. E. Jasper's 1906 report of the state of mass education in Java and Madura. For the purpose of basic general education, in 1907, D. Fock propounded the construction of more than 700 Second Class Native Schools. His plan, however, was unsuccessful. In fact, only 345 new Second Class Native Schools successfully joined the educational system in the Netherlands Indies. While D. Fock focused on the Second Class Native Schools, Governor General J. B van Heutsz paid attempted to improve the First Class Native Schools.[32] In 1914, the Dutch Native School was created following the reorganization of the First Class Native School in 1907. According to the plan, the quality of education available in these First Class Native Schools would be equal to those in European primary schools. The establishment of First Class Native Schools earned students high social status since Indonesians admired Western education. In rural areas of Java, J. B van Heutsz set up *desaschool*s

[29] Brown, *A short history of Indonesia*, p. 107.
[30] Brown, *A short history of Indonesia*, p. 108.
[31] Second Class Native Schools are the schools for the children of common people.
[32] First Class Native Schools were for those of high-rank such as the *priyayi* and the wealthy.

(village schools). By the end of 1909, there were 723 schools of this kind and in 1912 more than 2500 schools operated in the Netherlands Indies.[33]

Education caused a transformation in the colonial society's structure. Firstly, a new elite class of intellectuals was created.[34] Furthermore, education helped individuals raise their social rank in that diplomas could be used to obtain an official position in the governing administration. Not only did education affect individuals, it also altered the social value system. Previously, the masses had admired traditional chiefs and religious leaders; they now appreciated new spiritual leaders and the intellectuals even more than the regents and *kyahis*, the so-called Moslem religious teachers.[35] In addition, Western education gave the Indonesians an opportunity to fill official positions that were once only accessible to Europeans.

1.3 Administration reforms

Undoubtedly, local aristocracies played a significant role in the Dutch colonial government's administrative system. Since the governing system was notoriously inefficient, a number of reforms for the colonial administrative system were carried out during the first four decades of the twentieth century. It is appropriate to say that the alterations to the Dutch colonial administrative system brought about key changes to local elites and helped to create new elites in the late colonial society as well. Examining the modifications to the administrative system will elucidate the origin of the changes to the local elite.

It is likely that the administrative system of the Dutch colonial government reformed following the varied governmental policies on its territory in Southeast Asia, during the Dutch East Indies era and the Netherland Indies time. Initially, the foremost purpose of the Dutch East India Company (VOC) was to serve its trade interests. The VOC was primarily concerned with commodities and business activities rather than the population of its territories in Southeast Asia. Regarding itself as a commercial body, the Company VOC maintained its relationship with the existing Javanese society. Eventually, by making contacts with the indigenous rulers, the Dutch East India Company

[33] Van Niel, *The emergence of the modern Indonesian elite*, pp. 66-68.
[34] Wertheim, *Indonesian society in transition. A study of social change*, p. 145.
[35] Wertheim, *Indonesian society in transition. A study of social change*, pp. 146-147.

progressively interfered to the indigenous society.[36] When the Dutch East Indies became a united polity,[37] the social hierarchies in the indigenous society were obviously altered; the upper class lost their privilege that helped them remain the high social status. Additionally, in the process of transformation, the nobilities were forced to make their choice: acclimatize themselves to the new social conditions or be eliminated.

Subsequently, during the Culture System era, the indigenous rulers automatically acted as plantation overseers and became the tools of the Dutch colonial authority "without a will of their own."[38] Moreover, the use of local leaders in the Culture System period led to conflicts between the native rulers who directly implemented the Culture System and the Dutch rulers who acted as the decision makers behind the Culture System.[39] There were several debates about the role of native rulers in the second half of the nineteenth century. Whereas the free labour requirement, which concerned such matters as freedom for the individual, freedom in working and freedom in disposal land for the Javanese, tended to predominate. The Culture System would be replaced by private enterprise.

The Constitutional Regulation of 1854 mentions two different modes of governing the native population. The first belonged to the members of the Dutch government and Baud who approved of the notion that if the Netherlands Indies continued making a profit for the Netherlands than the existing social structure ought to be preserved. This meant leaving the native rulers directly under the dominion of the colonizers and maintaining an administrative system based on the lineage. Contrary to Baud and the government's take on the situation, the liberal party was concerned with protecting colonial subjects from the native rulers.[40] Several government decisions demonstrate a dramatic increase in this liberal trend in the last half of the nineteenth century. For example, in 1867 Van den Bosch promulgated the abolition of appanages and cash payments to native officials. Moreover, in 1882, the final abolition of compulsory services to officials was instated.

At the turn of the twentieth century, the Dutch colonial government paid much attention to the administration problem of reorganization. Following the failure of the

[36] Schrieke, *Indonesian Sociological Studies* Part I, pp. 188-189.
[37] Daendels was accredited with consolidating the Dutch East Indies.
[38] Schrieke, *Indonesian Sociological Studies* Part I, p. 190.
[39] Ibid.
[40] Schrieke, *Indonesian Sociological Studies* Part I, pp. 191-193.

Mullemeister Scheme of 1899, the Decentralization Law of 1903 passed in order to improve the administrative efficiency and concurrently reduce the government's burden. The project Ontwerp Bestuurshervorming (Design Administration Reform) in 1914 and four years later, Ontvoogding (Emancipation) in 1918 was applied in order to find the freedom of the Native Civil Service. Then in 1922 Bestuurshervorming (Governance Reform), which renovated the local government system, was implemented.

The administration in the Netherlands Indies was a complex system created to ensure the Dutch colonial government's operational functions.[41] Broadly speaking, the colonial administrative system included European and indigenous civil services. To implement this system, European and indigenous officials held different positions in the apparatus of the colonial government. The Netherlands Indies was divided into the home province (Java and Madura) and the Outer Possessions (the remaining area). These two large parts were again separated into a number of *gewesten* (districts). Java and Madura included 22 gewesten and the Outer Possessions[42] included 17 gewesten. The gewesten in Java were termed 'Residencies'. Each Residency contained a number of *afdeelingen* (divisions) headed by European Assistant Residents and Regencies, which was run by native regents. The native regents served under the control of the Residents and even the European Assistant Resident.

There were two stages in the course of these reforms: administrative reforms, which brought about the organization of the Volksraad (People's Council) in 1918 and political reform, in which resulted in the appointment of the Revision Commission of 1918-20.[43] After transitions in administrative and political sectors, the position of indigenous officials in the colonial government was ameliorated during the last decades of the colonial era in particular.

Table 1: The percentage of administrative personnel in relation to demographic group in 1928 and 1938[44]

[41] Together with the administrative civil services, the civil administration was divided into five departments (namely, Internal Administration; Education, Religion and Industry; Civil Public Works; Finance; and Justice) and the central administration was comprised of the General Chamber of Accounts and the Secretariat. See more in Furnivall, *Netherlands India: A Study of Plural Economy*, pp. 257-261.
[42] The Outer Possessions was called the Outer Provinces since 1921.
[43] Furnivall, *Netherlands India: A Study of Plural Economy*, p. 265.
[44] Adapted from Wertheim, *Indonesian society in transition. A study of social change,* p. 148

	1938			1928		
	Europeans	Indonesians	Foreign Orientals	Europeans	Indonesians	Foreign Orientals
Technical staff	77.14	20.12	2.74	84.77	14.38	0.85
Administrative technique Staff	55.81	41.98	2.21	77.06	22.28	0.66
Financial staff	67.08	30.46	2.46	80.45	18.8	0.75
Administrative staff	65.18	32.16	2.66	93.66	5.1	1.24
Controlling staff	83.97	15.68	0.35	92.46	7.33	0.21

According to this table, after a decade (1928-1938), the percentage of Indonesian administrative personnel significantly increased, compared to Europeans and Foreign Orientals (most of whom were Chinese). In particular, the number of Indonesian administrative staff dramatically changed. While the percentage of Indonesians serving on the administrative staff of the government was 5.1 in 1928, this grew to 32.16 percent of the population ten years later.

With regard to the changing role of intellectuals, the boom of educated Indonesians gained greater access to political positions than their predecessors. Scholar Schrieke describes the role of the intellectuals as such:

> The intellectuals now assume great social significance, not only in parliamentary life as professional politicians, for the filling of posts in the ever more bureaucratic party machines and for the manning of the government organs and the branches of increasingly differentiated government activity, but also in business and commercial life, as leading technicians and administrators, and in independent profession, and so on.[45]

[45] Schrieke, *Indonesian Sociological Studies* Part I, p. 175.

According to Schrieke, the intellectuals fulfilled new social roles within the context of the late colonial period, particularly in both the political and business sectors.

There were several reasons behind why administration reforms in the Netherlands Indies occurred later on in its history, according to Robert Cribb. First, the inheritance of the Dutch East India Company period meant that institutions and practices were already in place and functioning. Secondly, the Great Depression subverted the drive to reform just as it gathered momentum. Thirdly, the economy of the archipelago was diverse with the expansion of new enterprises in the Buitenbezittingen (the Outer Islands). Finally, administration reforms were manifestly linked with political reforms.[46]

In brief, the Dutch colonial administration cried out for reform in order to make the system operate more effectively. In reality, several reforms brought about a dramatic shift in how indigenous society ordered itself and strongly influenced the local elites in particular.

Conclusion

Issues related to socio-economic conditions, education plans and administration reforms contributed to modifying colonial society in general and set the stage for the transformation of the local elite. It was not until later in the colonial era that the traditional elite transformed and the new elite emerged. This fact proves the importance of the Dutch influence upon the local elite, particularly during the period of Ethical Policy. Socio-economic conditions brought out both advantages and disadvantages in developing the socio-economic role of the local elite. Education plans that originated from the Dutch authorities instigated fundamental changes to the native society. It introduced Western culture and knowledge into the indigenous society. Finally, by deciding to reform the administrative system in the archipelago, Dutch policy-makers created the conditions for the local elite's transformation.

Based on the colonial context outlined in this chapter, I will examine fundamental changes of the local elite in following chapters by dividing the local elite into two groups: the traditional elite and the new elite.

[46] Cribb, R. "Introduction" in *The Late Colonial State in Indonesia: Political and Economic Foundations of the Netherlands Indies 1880 – 1942*, pp. 6-7.

CHAPTER II: THE TRADITIONAL ELITE AND THEIR TRANSFORMATION DURING ca 1900 - 1942

Introduction

The changes within colonial society created conditions that contributed to the transformation of the social classes. According to Sutherland, in the late nineteenth century, many factors contributed to the shifting lifestyle, attitudinal and professional concerns of officials: they became interested in "intensified economic involvement, closer contact with Europe and westernization in the growing towns."[47]

Obviously, local elites were the group that occupied an intermediary position between the rulers and the ruled in both traditional and colonial society. In both areas of society, the elite's interests depended on the Dutch rulers. The elites worked for the Dutch colonial government as administrative tools. It might be said that the different way of governing and the diverse culture Europeans brought caused the significant transformation inside the traditional elite. Moreover, changes became more dramatic late in the colonial era, when the influence of the European in the Netherlands Indies reached its peak and expanded largely into almost every aspect of colonial society.

The point is that, due to new factors introduced by the Dutch, the traditional elite changed themselves in order to adapt to the transitioning colonial society. On the other hand, they maintained their dependent relations with the Dutch government. For this reason, the transformation of the traditional elite remained under the Dutch administrators' control. The nature of the traditional elite's changes followed Dutch policies that were implemented in order to preserve their benefits and their position in the colonial society.

This chapter focuses on the transformation of the traditional elite and examines which aspects the traditional elite exhibited a shift and the reasons for these changes. By looking for their custom, their educational determination and the indigenous administrative reform, the reasons for these changes would bring to light.

[47] Sutherland, *The Making of a Bureaucratic Elite: The Colonial Transformation of the Javanese Priyayi*, p. 2.

2.1 Transformations in the life style of the traditional elite

Western influences such as the administrative system and policies for developing the economy, culture and education evidently contributed to the alterations that occurred within traditional society.

The appearance, house construction, and general lifestyle of the traditional elite noticeably changed during European involvement in the Netherlands Indies. The following is a description of a Soesoehunan, a prince in the Vostenlanden of Java, who was 56 years old and reigned for 29 years:

> He is in the highest degree vain and especially his attention to put on the twelve medals where he is entitled. He wears several other decoration making by his own manner. When the Soesoehunan comes to the hotel, he shows his greatest pleasures to all hotel guest, to whom he had never met, with a complete set of his medal (which he always carries with it also) in order to offer the admiration of people. He wears beautiful uniforms and all leads fancy tunics was invented by himself. He once asked the General from Megelang, Schatt, for a general peaked cap as a gift because it was equipped with a curved tip (with the Dutch model). He is wearing this cap as his uniform while walking around.[48]

This description demonstrates the manner of dress of a high ranking noble in the indigenous society in the early twentieth century. In this description, detailed observation of European items was remarked upon. Furthermore, it implies an attitude of regard for Western culture as high class.

With regard to housing, the location of elite abodes was influenced by European presence in the Netherlands Indies. The ***kabupaten*** (or ***dalem***), the regent's dwelling, was located in the centre of towns and were also situated amongst various important buildings such as the Dutch officials' enclosed areas, mosque and market. Since the ***kabupaten*** was the place where the regent lived and worked, it was constructed with the traditional architectural model and the custom ceremony during the building process. For example, in the late nineteenth century, it was believed that burying the head of a

[48] MVO of A. J. W. Harloff (Resident of Soerakarta), Colonial Archives, MMK.151, 1922, pp. 2-3.

buffalo or other animal under the ***soko guru***[49] was performed in order to protect the regent and his family members.[50] Although house construction was conducted in a traditional manner, they proximity to Dutch officials' enclosed areas was of significance.

For indigenous officials, marriage was an indeed important instrument to broaden their relationships in social network. Weddings, moreover, exhibited the order of the native society. In the nineteenth century, most regents had more than one wife. The chief wife, the ***Raden Ayu*** or ***padmi***, was often the daughter of another ***bupati*** who possessed a social status as high as the regent's. The secondary wives, known as ***selir*** or ***ampeyan,*** commonly were daughters of the village head or of other chiefs of Javanese periphery communities, which regents needed to strengthen their network. It was said that children of selir or ampeyan had lower status than children of padmi. Customarily, children of the first wife were married to regent families and children of the secondary wives were married to the more junior priyayi families within the Residency. [51]

Following lines are the personal data of about the regents in Preanger Regency, collected by Resident Oudemans in 1912:

Pangeran Aria Soeria Atmadja became Regent of Somedang in December 1882. He was the fourth son of the 14th Regent of Soemedang. He married with the granddaughter of Raden Adipati Adiwidjaja of Limbangan.

Raden Moeharam became Regent of Tjiandjoer in December 1910. He was the son of the ninth Regent of Bandoeng and was also the son-in-law of the ninth Regent of Tjiandjoer.

Raden Adipati Aria Nagara became Regent of Bandoeng in June 1893. He was the son of Raden Koesoemajoeda, the Hoofdgecommitteerde (Head of the deputy) of Bloeboer.

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[49] ***Soko guru*** consisted of four pillars in the centre of the ***pendopo***, an area in which the major daily activities of the Regent took place.
[50] Sutherland, ***The Making of a Bureaucratic Elite: The Colonial Transformation of the Javanese Priyayi***, p. 20,
[51] Sutherland, ***The Making of a Bureaucratic Elite: The Colonial Transformation of the Javanese Priyayi***, p. 21.

Raden Adipati Aria Wiratanoedatar VIII became Regent of Limbangan from June 1871. He was the son of the 11th Regent of Limbangan. He married with a daughter of the late Hoofdpengoeloe of Garoet.

Raden Toemenggoeng Wiratanoeningrat became Regent of Soekapoera from 23 August 1908. He was the son of the previous Regent of Soekapoera. He married with a granddaughter of the present Regent of Bandoeng. [52]

By investigating the example about regents of Soemedang, Tjiandjoer, Bandoeng, Limbangan and Soekapoera it is apparent that high ranking elites until the twentieth century were chosen mostly by bloodline. In the early 1900s, they tended to consolidate their positions and broadened their social network through matrimony. One particular location in Java, namely Preanger, we offers an overview of the general situation in the Netherlands Indies in the early twentieth century.

Furthermore, seeking a successor became difficult for the high-ranking elite who bore no son, even though this was a frequent occurance in the Netherlands Indies. Normally the relatives or children of their relatives might be chosen. For example, according to the report of Resident Boissevain, since the Pangeran of Soemedang had no children, one of his younger brothers might replace him when he retired. Another choice was his grandson, a child of his daughter and the *Wedana* (District Chief) of Tjipoetri.[53]

In the traditional lifestyle of Javanese officials, there was a custom of using particular demeanor, costume, and language. These customs varied and were dependent upon certain social positions, which reflected social status of those who involved. This customary was called ***hormat*** (honor) and normally a higher official expected his subordinate officials show him the appropriate ***hormat***.[54] In August 1913, the Dutch government issued the ***hormat*** circular in order to abolish the ***hormat*** custom in colonial society.[55] The abolition of the ***hormat*** custom essentially put an end to one privilege that the high-ranking indigenous aristocratic elite had possessed.[56]

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[52] MVO of G. J. Oudermans (Resident of Preanger), Colonial Archive, MMK.24, 1912, pp. 40-50.
[53] MVO of W. F. L. Boissevain (Resident of Preanger), Colonial Archive, MMK.23, 1911, p. 6.
[54] Sutherland, *The Making of a Bureaucratic Elite: The Colonial Transformation of the Javanese Priyayi*, p. 36.
[55] However, according to Sutherland, it is believed that the practicing of these native customs in the colonial administrative system persisted almost everywhere in Java until the 1930s. See more in

In brief, changes within the traditional elite occurred as European influence both overtly and covertly altered its practices. Furthermore, when the interaction between the indigenous nobility and the Europeans increased and gradually expanded, the customs and lifestyles of indigenous elites were drastically modified.

2.2 Education and the transformation of the traditional elite

From the second half of the nineteenth century onward, the traditional elite was increasingly concerned with Western education, due to fact that skill and family history were not the only ways to acquire a position in a governmental institution. Western education, from the local elite's perspective, became necessary to secure opportunities for their children's advancement. Throughout the archipelago, hiring European teachers, establishing schools and setting up educational funds were some of the ways in which education rose in importance in the early twentieth century.

The information below was collected by A. J. W. Harloff, Resident of Soerakarta, in 1922. It illustrates that a European education was the Soesoehoenan's choice for his children, even though the results were not as he expected:

> He gives his children a good education. Several of his sons studied in the European Primary School and the Secondary school, others were or are in educational institutions in Holland, while now studying in the Royal Military Academy. The last-born is well behaved and supposed to be an officer, but none of the other sons have graduated and returned Solo with more experience from the demimonde and honky-tonks than with gained useful knowledge. His daughters received education in the palace from a couple of European teachers.[57]

In contrast, the most famous and successful example of choosing a European education for one's children belonged to the Tjondronegoro, a Bupati family from the central North Coast of Java. Early in the middle of the nineteenth century, Pangeran Ario Tjondronegoro hired C. E. van Kesteren, a European teacher, to educate his children.

Sutherland, *The Making of a Bureaucratic Elite: The Colonial Transformation of the Javanese Priyayi*, p. 37.

[56] Van Niel, *The emergence of the modern Indonesian elite*. pp. 45-46.

[57] MVO of A. J. W. Harloff (Resident of Soerakarta), Colonial Archives, MMK.151, 1922, p. 11.

With the teaching of Van Kesteren, all of Pangeran Ario Tjondronegoro's sons achieved high positions in the colonial administration. RMAA Sosroningrat became Bupati of Jepara from 1880 to 1905; RMA Tjondronegoro worked as Bupati of Kudus and Brebes; RMAA Poerbodiningrat became Regent of Demak from 1866 to 1881 and of Semarang from 1881 to 1883; finally, P.A. Hadiningrat held office as Bupati of Demak from 1881 to 1915. These men became the well-known models of the enlightened priyayi in the colonial society during the end of nineteenth century and the beginning of twentieth century.[58]

Wielding financial resources and political power, the traditional elite's priority was to found special schools for their children and relatives. During the 1910s, there were four first class native schools in Soerakarta. These first class schools included the ***kesatryan,*** schools funded by the ***Soenan,*** and the Mankoe Negarans, schools funded by Mangkoe Negoro. These schools were exclusively designated for children and relatives of Soenan and Mangkoe Negoro. Second-class native schools intended for civil servants were established in various places, such as eight schools in Solo, seven in Klaten, six in Bojolali, eight in Sragen and four in Wonogiri. These Government Schools were all registered and subsidized.[59]

Kepoetranschool, a special school where educated the inhabitant of the ***kraton*** (palace), was established on June 1, 1934 in the North ***alun-alun*** (town square) in Djokjakarta. Moreover, the ***Sultanaat*** played an important financial role in managing this school. Its staff was composed of one European headmaster, one European teacher and five native teachers who had European educated qualification. They were all employed by the self-government.[60] By looking at the staff's educational background, high-ranking elites were very involved in acquiring a Western education for their families.

On the Outer Islands, Western education seemed to be the most noticeable approach to the modernization process. To receive a European-style education, many children of traditional elite families on the Outer Islands were sent to study centres in the Netherlands Indies. According to the information from Resident Ballot in 1910, the

[58] Not only did they hold high positions in the administrative system, they were also famous for their contribution to education, publication and administration in the Netherlands Indies. See more in Sutherland, ***The Making of a Bureaucratic Elite: The Colonial Transformation of the Javanese Priyayi,*** pp. 47-48.
[59] MVO of G. F. van Wijk (Resident of Soerakarta), Colonial Archive, MMK.149, 1914, pp. 87-88.
[60] MVO of H. H. de Cock (Governor of Djokjakarta), Colonial Archive, MMK.142, 1934, p. 337.

designated successor in the administration of Siak, the son of the Sultan of Serdang, the offspring of leaders' families in the West Coast of Sumatra and the son of the head of Padang had the advantage of European education in Batavia. Furthermore, they were under the supervision of the indigenous affairs consultant, Dr. G. A. J. Hazeu.[61] In the other areas of the Outer Islands, such as Lampongse districts, many children of local elites studied in school in the second half of the 1920s. In detail, in the Hollands-Inlandse School (Dutch-Native School) 44 of 155 students were sons of the native administrators and native chiefs; in the *margaland bouwschool* (school at the district level) there were two (of 30) students that were sons of indigenous administrators and local chiefs.[62]

In addition, indigenous elites paid attention to education for native girls. Controleur B. B. P. F. Abell gave an opinion about establishing schools for daughters of the officers of high-ranking families in an article entitled, "*Scholen voor dochters van inlandsche ambtenaren en aanzienlijken*". According to him, to establish a girls' school was not only advantageous for the students but also for their future husbands and in-laws. For example, a test was conducted in several areas (namely, Semarang, Surabaya and Bandung) to prove that a school for girls could make the students "good housewives and mothers with neatness, cleanliness, thrift, honesty, industriousness, skill in cooking, sewing, embroidery, etc."[63] Subsequently, educated girls, as women and mothers, would exercise ennobling influences on their whole family. They also promoted the financial prosperity of their families with their thrift and dexterity, so that their husbands would be less tempted to be involved in misconduct. Furthermore, her sons would have clearly established notions of fairness and thereby become better officials.[64] As a result of this kind of rhetoric, there was a school for girls founded in Serang in 1901. Later on, another school for girls was established in Mangkoe Negara Palace according to the decision on September 19, 1912.

Since pursuing a European education was expensive, only high-ranking elites could afford it. Moreover, the choice of a European education for their children also depended on their awareness of the benefits of Western education. Sutherland suggests that this

[61] MVO of J. Ballot (Resident of the East coast of Sumatra), Colonial Archive, MMK.182, 1910, p. 39.
[62] MVO of J. R. Stuurman (Resident of Lampongse districts), Colonial Archive, MMK.229, 1917, p. 60.
[63] Abell, B.B. P. F. (1901) "Scholen voor dochters van inlandsche ambtenaren en aanzienlijken", *Tijdschrift voor het Binnenlandsch Bestuur*. Vol. 20, 1901, pp. 122-124.
[64] Ibid.

consciousness normally came from high-ranking officials, namely regents, who to some extent had a closer relationship with Europeans, in contrast with other elites of a lower status. It might be said that due to the limited contact between Europeans and native elites, there was not a large number of children who received a Western education.

In four provinces of South Sumatra, namely Djambi, Palembang, Benkoelen and Lampongse, candidates for the position of government bureaucracy such as *districtshoofd* (head of a district) and *onderdistrictshoofd* (head of a sub-district) were required to hold a diploma from their final exam of the training school where Fort de Kock, an European teacher, taught. Furthermore, the candidates could obtain practical skills by working as the assistant for the *districtshoofd* or the *onderdistrictshoofd*, earning *f.*25 per month. After obtaining these qualifications, candidates could choose to work in the four aforementioned provinces or begin work in other areas.[65] An example of this process was the case of the regent from Madioen, Raden Mas Adipati Ronggo Ario Koesnodhiningrat, who inherited the regent position from his father (as was the case with many regents in the Netherlands Indies). However, Koesnodhiningrat had to serve three other regents before being given charge of Regent of Madioen.[66] His serving would be an efficient apprentice which was as worthy as the knowledge he got from the training school.

To summarize, the traditional elite often chose European education for their offspring and supported expanding European education in the Netherlands Indies. This prompted changes to the essential composition of the elite class. However, these changes were not uniform within this class; varying degrees of transformation within the elite emerged.

2.3 The native administration reform and its effect

It can be said that the native administration reform in the early twentieth century caused transitions of traditional elites. According to scholar Clifford Geertz the nature of the modern administrative bureaucracy in the Netherlands Indies was the result of the transformation from the gentry into Dutch colonial civil servants.[67]

[65] MVO of G. F. de Bruyn Kops, (Resident of Riouw), Colonial Archive, MMK.238, 1914, pp. 30-31.
[66] MVO of J. Hofland, (Resident of Madioen), Colonial Archive, MMK.94, 1913, p. 13.
[67] Geertz, *The Development of the Javanese Economy: a Socio Cultural Approach*, p. 3.

During the nineteenth and the twentieth century, there were the imposition of the Dutch colonial rule or the effected alien overlordship of structures. These factors impacted upon the indigenous elite structure.[68] The Netherlands Indies included two basic types of colonial governance: Java and Madura were under direct rule while the Outer Islands were under indirect rule.[69]

2.3.1 The administrative system on Java

The native administration reform was carried out over a long period of time. The most important changes implemented by the native administration reform were the changing numbers of the indigenous officials and the new method of selecting civil servants. In fact, administration reform occurred through two trends: both bottom-up and top-down. The Dutch colonial authorities changed their selection method, which gave indigenous elites who fulfilled the proper requirements the opportunity to acquire a position in the administrative system. However, the questions about the traditional method of choosing civil servants influenced the Dutch government in some way. The problem of examining the cause and the effect is complex, but one undisputed fact is that the new method gradually replaced the traditional one and eventually this method more or less changed the face of the traditional elite.

After the administrative reform of the Dutch colonial government, the traditional elite were compelled to change in order to conform themselves to new situations. The image of the high-ranking elite described in the following lines occurred infrequently:

> He is also polite and courteous. One of his lesser qualities is that he does not know value of money. His steward, the old ***boepati*** Pangrembe Wiriodiningrat, often sits with his hands in his hair, to his many requests for money requirements. The ***Soesoehunan*** has no idea of the state of his funds; the ruler with his brother, the mentioned steward made use of

[68] Benda, H. "Political Elites in Colonial Southeast Asia: an Historical Analysis", *Comparative Studies in Society and History*, Vol.7 no.3 April 1965, pp. 233-251.
[69] From a religious perspective, direct rule prevailed in the most heavily Indianized areas, while the peripherally Indianized peoples living under indirect rule.

> relatively large amounts in his decision to keep him and thereby prevent the wasting, which now for a good part used.[70]

This short description of the Soesoehunan of Soerakarta showed, to some extent, the capacity of the native leader and his dependence on his inferiors to govern his subjects. Therefore, the local administrative quality appears in this example to be low.

In colonial society, a personal relationship was the essential factor for advancement in the administrative system. Throughout Java, young officials, who wanted to increase their chances of promotion, commonly lived as a ***magang*** (an unpaid apprentice) for a few years in order to gain his master's approval. While living in the master's house, the magang took the first step to learn about the duty of a priyayi, including office and lifestyle skills. While serving his master and through these activities, the apprentice created and expanded his own network with other officials. His most important purpose was winning his master's favour. In fact, there was no certain rule for evaluating a magang or a designated work period for a magang. For example, in order to become a clerk, a magang in Banyumas needed to work as an apprentice for fourteen years in order to acquire that position.[71]

At the end of the nineteenth century, the maintenance of the unpaid clerk system, the so-called magang system, was the preferred method of choosing a successor.[72] There was a controversy surrounding this method in 1900. Finally, the colonial government decided to abolish magang system on January 1, 1911. However, the magang system, to some extent, was not easy to replace. In other words, the shift to another method was slow to emerge.

In the early twentieth century, the magang system, which depended upon the official's personal relationship with his higher master, made way for appointment based on the determination of the European officials and the recommendation of the local chiefs, namely the regents. Normally, the European officials evaluated the ability of the applicant while the latter used candidates' social standing and family background to offer advice. In comparison with the magang system, a selection process that

[70] MVO of G. F. van Wijk, (Resident of Soerakarta), Colonial Archive, MMK.149, 1914, p. 4.
[71] Sutherland, *The Making of a Bureaucratic Elite: The Colonial Transformation of the Javanese Priyayi*, pp. 31-33.
[72] Schrieke (1955) *Indonesian Sociological Studies* Part I, p. 195.

incorporated European officials' judgment seemed to be more objective and comprehensive, thereby largely avoiding personal opinions. For example, in Cheribon, indigenous youngsters who desired to become assistant clerks took exams and the best results would be noted. After two years, candidates took another exam which then dictated their ranking on a list of potential sub-district clerk positions. A decision was made based on this list.[73]

Resident Hardeman reminded in the MVO in 1906 the case of the regent of Serang in Bantam. At the end of the nineteenth century, following the death of the regents of Pandeglang and Tjaringin, there were no suitable successors for these previous regents. As a result, one young man who had only achieved a diploma after graduating from the H.B. school could become the regent. In order to maintain the stability of the local political situation, Resident Hardeman was requested to stay there until the new regent completed his apprenticeship and was appointed officially. Hardeman approved the choice of young men as upcoming regents. However, Hardeman commented that the two-year period was not enough for new regents to acquire essential knowledge of the subordinate relationship and experience the native official's life.[74]

It seems that after few decades of modification, the Netherlands Indies administrative system operated more effectively. The regent of Modjokerto, Schnitzler evaluated the result of government's reform and affirmed the improvement of the formation of the administrative system of this regency until 1931. According to him, the district chiefs and the ***Patihs*** were relieved of the administration of their own districts in Modjokerto. Moreover, not only the Regent Offices but also all native expanded administrative offices and the official's formation of the native administrators then met all reasonable demands. Besides, the office had experienced a significant improvement so that the reduction of the staff could come to exist when the designation of the assistance ***wedana*** (district chief) was now required at least a certain kind of diploma.[75]

Controlling the political ideas of the indigenous officials was essential to the Dutch colonial government. For example, the Regency Council of Krawang had 31 members according to the Dutch government decision on August 14, 1925 No.385. Most of these

[73] MVO of J. van der Marel (Resident of Cheribon), Colonial Archive, MMK.33, 1922, p. 5.
[74] MVO of J. A. Hardeman (Resident of Bantam), Colonial Archive, MMK.1, 1906, pp. 23-25.
[75] MVO of C. A. Schnitzler (Resident of Modjokerto), Colonial Archive, MMK.91, 1931, pp. 9-10.

members were affiliated with no party. Since the Council had to exert little effort, he did virtually everything the President proposed. The College of Delegates had four members and the College of Delegates operated according to the Assistant Resident Poerwakarta's purpose. This College met nearly every week at regular Tuesday sittings, whereas the Council usually met five or six times a year.[76]

The native official reforms directly influenced the traditional elite that occupied the positions under the regent (the chiefs of districts and of sub-districts). It meant regents normally experienced little or indirect change from Dutch administrative reforms. During the first two decades of the twentieth century, many native officials were dismissed and the patihs were pensioned off according to the decision of the colonial government. For instance, many native officials in Madioen were discharged even after they received a diploma from the training school in 1910. Four years later, in 1914, the patihs in this Regency were forced to retired. Furthermore, district heads of Ngawi and Magetan, of Ponorogo and of Patjitan retired following the administrative reform policy.[77] Meanwhile regent positions were in most cases based on familial lineage.

There were divergences between high-ranking elites about certain political events. For example, Van Limburg Stirum, Regent of Sumedang, differed in his opinion from Wiranatakusuma, Regent of Cianjur about the Sarekat Islam's operation.[78]

2.3.2 The administrative system in the Outer Islands

Native officials in Benkoelen Residency also changed under the influence of the reorganization policy in 1912. According to the Resident's opinion, reorganization was helpful in cutting down on the cost of civil servants' salaries. However, in the vast areas in Sumatra that were important to the colonial government, intensive and effective governance through the administrative jurisdiction of district and sub-district heads seemed to remain in demand.[79]

Until 1928, in parts of the Outer Islands, administration was not completely under the influence of the Dutch. Resident of Palembang, Tideman, still complained that the

[76] MVO of J. J. M. A. Popelier (Resident of Krawang), Colonial Archive, MMK.17, 1929, p. 21.
[77] MVO of J. Hofland, (Resident of Madioen), Colonial Archive, MMK.94, 1913, pp. 15-16.
[78] Sutherland, *The Making of a Bureaucratic Elite: The Colonial Transformation of the Javanese Priyayi*, p. 90.
[79] MVO of L. Knappert (Resident of Benkoelen), Colonial Archive, MMK.198, 1915, pp. 52-53.

administrative system there was a hybrid (*halfslachtigen*). For instance, Pasirah (the centre of the native council) included half *volkshoofd* (native head) and half *ambtenaar* (European administrator). Therefore, the European administrator there could not govern freely and was bound to carry out purely administrative orders.[80]

There was also a significant shift in the colonial society even in the areas of the Outer Islands. This shift was the result of colonial administrative policy, which strongly changed the nature of the traditional elites' role in the local life. For example, in Tapanoeli, the head of districts was demoted to the head of sub-districts. Moreover, in practice it could be said that rights of chiefs' families and secondary relations, which were considered in the past, were no longer recognized.[81] The traditional elite were clearly influenced by this policy. Consequently, their power over the native people transformed as well.

The lack of ability, consequently, hindered the effectiveness of the administrative system. Another occasion of a high-ranking elite who lacked the capacity to govern occurred in Djambi Regency, according to the report of Resident of Djambi. In 1933, Steinbuch made a few statements on the position of the native administrator in the governance system of Djambi. Initially, he agreed that the native administrator had the task of assisting the European officials in governing native people. However, in Djambi, the ability of the native administrator did not fulfil the practical requirements that would enable him to complete his task.[82] According to him, the administration was only efficient when indigenous chiefs reached such a stage of qualification. He suspected the development without danger in Djambi while the native leaders had little education, and some chiefs were even illiterate.[83] This example indicates to some extent the failure to use native elites in Djambi, an area of the Outer Islands.

Practically, the operation of the colonial administrative system in the Netherlands Indies varied from place to place. In other words, it was of great importance to European officials to exercise control over certain areas but not others. Conversely, in some local areas, native officials held their power in the administrative system. For example, in the East coast of Sumatra, the appointment and dismissal of lower district and sub-districts

[80] MVO of J. Tideman (Resident of Palembang), Colonial Archive, MMK.212, 1928, p. 72.
[81] MVO of G. J. Westenberg (Resident of Tapanoeli), Colonial Archive, MMK.172, 1911, p. 21.
[82] This opinion based on the survey of his predecessor.
[83] MVO of W. Steinbuch (Resident of Djambi), Colonial Archive, MMK.224, 1933, p. 82.

chiefs depended on the *landschapshoofd* (or the Head of the region) until 1917. This tendency was noticed by the Resident of the Residency of the East coast of Sumatra, Van der Plas. He suggested that the recruited and appointed decisions required the reference from both the *Zelfbestuurders* (Self Governance) and the European administrators in the area.[84]

2.3.3 Reaction of the Dutch government

> "The Dutch… made use of indigenous systems of administration in ways that reinforced the positions of certain authority holders…"[85]

Between 1918 and 1927, nationalist movements made significant developments in the Netherlands Indies. This new situation forced the Dutch government to give indigenous officials the tasks of fortifying traditional leaders or loyal priyayi and undermining the nationalist movement.[86] The Volksraad (People's Council) and Regency Councils were organizations that the colonial government established to confront the changing situation. However, the activities of these organizations indicate the quite insignificant role of native officials.

As the political situation in Netherlands Indies grew increasingly unstable, the Dutch government claimed that native officials worked inefficiently, while in reality they were treated simply as an administrative tool. The Dutch administrators decided that native officials henceforth be well educated and work within their own, clearly defined sets of responsibility. Gradually, qualification (such as a diploma from a training school) was required of every candidate.[87]

The administrators also implemented other policies during this period of unrest. The renewal scheme of the native civil servant focused on several sorts of native officials. For instance, district heads and sub-district heads who had already dedicated 30 years of

[84] MVO of S. van der Plas (Resident of East coast of Sumatra), Colonial Archive, MMK.184, 1917, p. 167.
[85] Manan, *A Traditional elite in continuity and change: the Chiefs of the Matrilineal Lineages of the Minangkabau of West Sumatra* (Ph.D dissertation), pp. 154-155.
[86] Sutherland, *The Making of a Bureaucratic Elite: The Colonial Transformation of the Javanese Priyayi*, p. 87.
[87] Sutherland, *The Making of a Bureaucratic Elite: The Colonial Transformation of the Javanese Priyayi*, p. 89.

service, or officials to whom every promotion was excluded, and whose displace them to work for the country was no longer required and eligibility for pension padding.[88] As the result, this scheme improved the possibilities for the promotion of the under qualified native officials. However, the scheme was not carried out efficiently in some local areas, as was the case in Pekalongan, where the resident commented that during four years he was a resident there, this important reform did not seem to be implemented.[89]

The last fifteen years of colonial rule saw few real advances for the indigenous civil service officials. Although the transformation can be seen in the traditional elite group, it does not mean that all native nobles completely consented to the Dutch government's policy. It can be said that in some places within the Netherlands Indies, several high-ranking elites tenaciously maintained their influence over the local people in spite of the colonial administration. For instance, Resident of Cheribon, Ch. O. van der Plas, suggested that the Sultans of Cheribon could maintain their influence through complete loyalty and by understanding of the limitations of administrative matters. Therefore, their influence made the destructive politics propaganda of the Dutch colonial government minimally effective in these areas. They preserved traditional custom and culture.[90]

There was an organization supported for the traditional elite in the late colonial period. It was the special bank for the priyayi. Bank Mangkoenegaran served the association of native officials and was founded in March 1930.[91] When the Self Director of Governor of Surakarta requested the establishment of a 'Savings and Loan Bank', the so-called Priyayi Bank was established for the benefit of all members of the association. A request was submitted to the draft Constitution and Standing Rules of the Priyayi Bank. According to the statutes, the Priyayi bank sought to fulfill several aims: firstly, to administer the interest-bearing savings of its members; secondly, to advise and support grants for its members to purchase valuables; and thirdly, to lend funds to its members without excessive interest rates. The bank also had the task of focusing on the prosperity

[88] MVO of J. R. Jasper (Resident of Pekalongan), Colonial Archive, MMK.45, 1926, p. 1.
[89] Ibid.
[90] MVO of Ch. O. van der Plas (Resident of Cheribon), Colonial Archive, MMK.38, 1936, pp. 4-5
[91] According to the letter dated on March 1, 1930, No. 1975/29, the Self Director of the Governor Surakarta wrote a letter to the Directors' Association of Mangkoenegaran Officials. See more in MVO of J. J. van Helsdingen (Gouvernor of Soerakarta), Colonial Archive, MMK.155, 1932, pp. 332 -333.

of its members in committing to useful activities such as to buy or build houses or to rent houses. Members of the Priyayi bank were members of the association of civil servants. The board of the bank consisted of the board of the association, of which two members were elected by the members of the Society Board.

The capital of the Priyayi Bank consisted of several monetary sources. The first source was the borrowed funds of the Kingdom (under guarantee from all members of the Bank). The second source came from the savings of its members. The third source was the voluntary contributions and donations from civil servants association. The fourth source was the interest earned from loans. The final source came from a share of the lottery.[92] The bank was established quite late, in 1930, indicating that the traditional elite were indifferent to the economic matters. Their ignorance was easy to understand, since the Dutch government guaranteed them a stable income.

There were two different tendencies for the development of high-ranking native elites in the local administration. The first tendency occurred in high-ranking elites who had European education and had acquired qualifications equal to European officials. Often, the Dutch met with difficulties in offering them suitable positions in the administrative system. The second trend, in contrast with the first, happened in the cases of high-ranking elites who had a little education. Their qualifications was too low to match with the requirement of the Dutch government.

In the early twentieth century, civil servants who were educated in a European-style school gradually replaced the traditional elites and the under-qualified administrators.

In Benda's view, the traditional elite played hardly any political role while political elites in the colonial society composed by the foreigners did contribute. He stated that "…though the traditional sub-elite could, as in Java, continue a vestigial administrative existence, it could a best exist on the periphery and in the service of, the modern colonial-bureaucratic apparatus without affecting its political destiny."[93]

[92] MVO of J. J. van Helsdingen (Gouvernor of Soerakarta), Colonial Archive, MMK.155, 1932, pp. 332 - 333.
[93] Benda, H. "Political Elites in Colonial Southeast Asia: a Historical Analysis", *Comparative Studies in Society and History* Vol.7 no.3 April 1965, pp. 233-251.

In his study on conflicts between the priyayis of the Parahyangan, a residency of West Java from 1914 to 1927,[94] Yong Mun Cheong emphasizes two conflicts in the Parahyangan society. There were internal conflicts between the different ranking priyayis and the external conflict between the priyayi group as a whole and the non-priyayi.[95] Within the internal conflict, there was a division between the aspiring lower-ranking priyayi and the higher better-entrenched officials due to salary discrepancies. Consequently, the lower-ranking priyayi prevented the children of the higher-ranking from taking on their fathers' titles. The colonial government noticed the conflict and decided to reduces the privileges attributed to the higher-ranking priyayi. In 1931, the government distributed the famous hormat (honour, distinction) circular. The purpose was to remove the traditional prestige from the higher-ranking priyayi such as bupatis, but the intended purpose of the circular was ineffectively executed in practice.[96]

At that time, the priyayis rapidly changed due to both the internal and external factors. The high-ranking priyayis were brought face to face with their subordinates. Moreover, the recently rising nationalist parties tried to take advantage of discontent among the subordinate priyayis in the Parahyangan.[97] Clearly, the high-ranking priyayis were usually supported by the Dutch.

Struggling for influence among common people, the higher-ranking priyayis established several political organizations. During the second half of 1924, establishing organizations occurred quickly.[98] These organizations had different kinds of activities in

[94] He attempted to prove that the local historical developments in some cases differ from the mainstream national developments. Through the illustration of the conflicts in the Parahyangan, he came to the conclusion that the Sarekat Islam, on the local level, was not really an association to protect indigenous traders against the Chinese. In fact, its function was a tool to channel local protests in economic or other aspects.
[95] Yong Mun Cheong, *Conflicts within the prijaji world of the Parahyangan in West Java 1914 – 1927*, p. 7.
[96] Van Niel, R., *The Emergence of the Modern Indonesian Elite,* p. 46.
[97] Yong Mun Cheong, *Conflicts within the prijaji world of the Parahyangan in West Java 1914 – 1927*, p. 1.
[98] For example, the Bupati organized the Perkumpulan Tulung Menulung, the Mutual Aid Association, in Sumedang. This association aimed to challenge the communists and reduce the influence of the Sarekat Rakjaks in the villages. The Wedana of Bandjaran established the Kaum Pamitran association, the so-called Friendship Group, in 1924 to oppose the Sarekat Rakjat. Initially this organization was a nonprofessional group to improve the interaction between the priyayi and common people. Additionally, the Bupati of Tasikmalaja formed an association of batik makers to assist its members in the depression [COMMENT: what do you mean by depression?! Pick a different word here] of the batik industry. To go further, its aim was to reduce the influence of the Sarekat Rakjat. Another example was that the high-ranking priyayis founded agricultural and animal husbandry organizations, namely the Mardi Purno in Magetan and the Sida Mukti in Pandeglang, to reinforce their impact on the farmers and common people. The Patih of Sumedang set up the Sarekat Hedjo, the Green Union, and transformed it from a funery

order to obstruct the operation of the opposition faction, namely the Sarekat Rakja. Their activities included destroying the houses of the Sarekat Rakja's members, beating members of the Sarekat Rakja often in the middle of the night and disrupting Sarekat Rakjat party meetings.[99]

It can be concluded that the transformations of the traditional elite seemed to be unconscious and guided by the decisions of the Dutch government. Moreover, the transformation did not occur unilaterally for all types of elites the Netherlands Indies. There were still some aspects of social life preserved by the traditional elite and in some areas, the influence of the Dutch colonial government was not as strong as the influence of the local traditional elite.

Conclusion

This chapter argues that traditional elites changed due to the influence of the Dutch government and their interaction with Europeans in general. The transformation of traditional elites can be characterized as unconscious or passive. While maintaining the relationship with the Dutch government, elites had to change in order to adapt to Dutch policies, which were carried out during the Ethical Policy. Based on the intensified interaction between them and the Dutch authorities, the traditional elites significantly changed. Moreover, due to the administrative system reforms the traditional elites had to shift their attitude to Western education, joining aligning themselves with this education system in order gain access to Dutch administrative positions. However, with regard to economics and politics aspects the elites exhibited little change in the period, as the result of their close dependence on the colonial government.

Inspecting only the traditional elite group, the native society in the beginning of twentieth century seemed to be stable with the colonial government control . However, this native society in fact significantly transformed of which results can be seen obviously when the archipelago became independent. Hence, the traditional elite did not determine major factors of social innovation. These activities were perpetuated by group

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service organization into the anti-Sarekat Rakjat one. See more in Yong Mun Cheong, *Conflicts within the prijaji world of the Parahyangan in West Java 1914 – 1927*, pp. 32-33.

[99] Yong Mun Cheong, *Conflicts within the prijaji world of the Parahyangan in West Java 1914 – 1927*, pp. 32-33.

of people who were also in conflict with the traditional elite. These "new elites" directly emerged from the changing circumstances of native society in the Netherlands Indies.

CHAPTER III: THE NEW ELITE AND THEIR DEVELOPMENT DURING ca. 1900 – 1942

> "*...jij hebt geleerd om de Europeanen te respecten en te verafgoden, om onvoorwaardelijk in hen te geloven. Elke keer dat een Hollander iets verkeerds doet, raak jij over je toeren. Zij zijn niet beter dan jij, jongen! Het enige waarin zij beter zijn is de wetenschap. Zij doen alles om er zelf beter van te worden.*"[100]
> (Pramoedya Ananta Toer, *Kind van Alle Volken*)

Introduction

Contrary to the traditional elite, a new class of elites began increasing in number and exerting their influence during the late nineteenth century. These new elites appeared late in the colonial period in the midst of certain conditions, particularly concerning economic development and administrative policies. According to Van Niel, the new elite formed within spheres of Westernized economic life and within the civil and technical government.[101]

The question is whether the new elite group was a united group. In fact, the new elite group that emerged in the Netherlands Indies society included changing elites and newborn elites. Harry Benda defined the former as the modernizing traditional elite, as are predominantly recruited from among established social classes, strata or groups.[102] In fact, the groups of intellectuals and traders encountered with those who denied the legitimate claims of the new elite. Moreover, the intellectual group and the trader group had different purposes.[103] Newborn elites can be understood as elites who had no origin

[100] This is an excerpt from the discussion between "Mama" and Minke. Mama's opinion obviously strongly affected Minke. Moreover, it gave a signal of the unavoidable transformation of the new elite in the late colonial society. See more in Pramoedya Ananta Toer, *Kind van Alle Volken,* p. 69.
[101] Van Niel, *The emergence of the modern Indonesian elite*, p. 178.
[102] Benda, H. "Political Elites in Colonial Southeast Asia: An Historical Analysis", *Comparative Studies in Society and History* Vol.7 no.3 April 1965, pp. 233-251.
[103] Ibid.

from noble families and gradually had the high social position by for example involving in business activities.

The 'newborn' and 'changing' elite surfaced and dramatically developed in the colonial context, which was itself undergoing a transformation. However, dissimilar to the traditional elite's ways of adapting to the changes around them, new elite exhibited their own view of the colonial authority and conveyed a desire to opposite or change the contemporary circumstances. Therefore, it is not surprising that the threatening aspects of the new elite's transformations did not go unnoticed by the Dutch. Also, the new elite's transformations emerged from their own particular interests, as opposed to the interests of the Dutch colonial government. To some extent, the new elites were independent of or beyond Dutch government control.

The previous chapter focuses on the traditional elite and their transformation during the period between 1900 and 1942. This chapter underlines the remarkable role of the new elite in transforming society during toward the end of the colonial era. Their roles can be examined from three distinct categories: education, economy and politics. The various ways this group clearly asserted its presence illustrates the emergence of this new group people who would later became leaders of the archipelago after it asserted its sovereignty as a nation. Moreover, these three features indicate that the new elite developed in diverse ways, unlike the traditional elite who seemed to change in response to the colonial circumstances.

3.1 The professional elite: emergence and development

The native intelligentsia emerged in cities, small towns and villages throughout the Netherlands Indies. Due to the lack of professional employees, they worked as in state institutions as teachers, technicians, journalist and they increased rapidly in numbers. According to Wertheim, it was education, especially Western education, that helped to create the intellectuals and "near intellectuals" who then extended individual effect into society, exercising personal endeavour to gain an official position by way of acquiring a diploma.[104]

[104] Wertheim, *Indonesian society in transition. A study of social change*, p. 145.

In colonial society, the first generation of native intelligentsia included members of traditional aristocratic families. In the directly ruled areas like Java, the social origin of each member gradually decreased in importance when compared with the social function (namely, their education and functional standard). However, the intellectual elites not only originated from high-ranking priyayi families. In light of the policy geared toward enlarging the number of trained people to serve in the Dutch government's administration, the number of the professional elites who were educated and trained to become civil servants, increased significantly.[105] To some extent, the number of people with a Western education exceeded the needs for the civil servants during the period of Ethical Policy.

With regard to their social and economic status, the intelligentsias played a particular role in society. In fact, the intelligentsia possessed nothing except their educational expertise.[106] In colonial society, the intelligentsia played an insignificant economic role. Furthermore, lacking traditional power in the form of land, for example, prevented indigenous elites from clearly establishing themselves as a social group in the modern time. However, they did have an effect on the stability of the colonial society.[107] It could be said that the intelligentsia asserted political influence due to their knowledge of Western education.

By pursuing a modern lifestyle, the new elite proved that the traditional elite were not the only class who should be respected in colonial society. Gradually, Western education affected every aspect of the new elite's lifestyle. To some extent, Burger was right when he stated that:

> This resistance began in towns and under the officials who had the Western education benefit. These modern oriented Indonesians lost the old-fashioned, religious aspects for the chiefs, the honour could no more exist when the cultural practices experienced this ***hormat*** - show yet as

[105] Legge, *Intellectuals and Nationalism in Indonesia: A study of the following recruited by Sutan Sjahrir in Occupation Jakarta*, pp. 13-17.
[106] Benda, H. "Political Elites in Colonial Southeast Asia: An Historical Analysis", *Comparative Studies in Society and History* Vol.7 no.3 April 1965, pp. 233-251.
[107] Ibid.

humiliate. They looked at their old culture no more than courtly and refined."[108]

In Burger's analysis, he seems to attribute the new elite's status to the influence of European education on local elites, forgetting that the traditional culture had its own enduring value.

Professional elites, therefore, experienced contrasting conditions within colonial society. On one hand, they possessed modern knowledge through the Western teaching, and subsequently they became the most dynamic group within the indigenous population. On the other hand, many changes of the contemporary social structure seemed slower than the speedy transformation of the intelligentsias. Inevitably, conflicts arose with other groups, especially with the traditional aristocratic elite.

3.2 The native entrepreneurs and their role in the Indies economy

Many European scholars such as Boeke state that indigenous merchants played an insignificant role in developing the colonial economy during the late nineteenth and early twentieth century. The reason can be attributed to the influence of European technique, management and capital upon the colonial economy: "the native share in the production process is and becomes more and more pushed into the background, the share of the population has become and must become continually slighter".[109] However, indigenous people actually participated in some industries and ran certain business enterprises in the Netherlands Indies. They dealt in, for example, the batik industry, the ***kretek*** industry and merchant activities in certain parts of the archipelago.

Analyzing the native elite's role in Indian economic development, Higgins uses the research of E. Hagen[110] to conclude that indigenous entrepreneurs originated from a "relatively elite group", who had "no incentive to go into risky financial ventures." Since reaching the higher rungs of the social ladder through traditional means was

[108] Burger, "Structuurveranderingen in de Javaanse samenleving" in ***Indonesië*** vol. III, 1949/1950, p. 101.
[109] Boeke, J. H., ***The structure of Netherlands Indian Economy***, part II, p. 2.
[110] Higgins also referred to the theory and several researches of Max Weber, Joseph Schumpeter and Everett Hagen. See more in Higgins, B. H., "Introduction" in Higgins, Benjamin H. (et al.) (1961). ***Entrepreneurship and Labor Skills in Indonesian Economic Development: a Symposium***, pp. 1- 2.

impossible, the only way to obtain power, prestige, and self-expression was through economic activity.[111]

While researching the economic expansion of the Netherlands Indies between 1900 and the 1930s, scholar Lindblad states that this period contained three key features. They are: the "colonial state formation, globalisation through economic expansion, and integration in the direction of a national economy."[112] These themes, to some extent, influenced the development of the indigenous elite's economic role. Obviously, their growing economic role was closely related to the general conditions of the Netherlands Indies economy.

In the colonial time, the indigenous people largely dominated the production sector of household commodities while European entrepreneurs occupied the mechanized factory production sector and the Chinese occupied the small-scale and non-mechanized manufacturing sector. Moreover, the techniques used in the native industries were very primitive, lacked capital investment, and relied on the unpaid native labour force.[113] Additionally, trading with the world market was beyond the capacity of the small native traders. A major part of the small native industries was not interested in improving techniques.[114] The reasons were that the indigenous small manufacturers lacked capital, were obstructed by the colonial policy and under too much pressure from unrelenting competition with the Chinese.

3.2.1 Batik industry

Batik existed in the Netherlands Indies for centuries. Indigenous people wore batik as early as the twelfth century under the Madjapahit Kingdom. This commodity was initially used by the nobles in the ***kraton*** (palace) and by those who had high status in native society. Furthermore, batik was made by hand in the palaces. Since the price was very high, the general population could not afford to wear batik. According to Hawkins, the introduction of cheaper waxes from the petroleum industry together with the

[111] Higgins, B. H., "Introduction" in Higgins, Benjamin H. (et al.) (1961). *Entrepreneurship and Labor Skills in Indonesian Economic Development: a Symposium*, pp. 1- 2.
[112] Lindblad, "The late colonial state and economic expansion, 1900-1930s", in: Dick, Howard, Houben, Vincent J.H., Lindblad, J. Thomas, Thee Kian Wie (2002). *The Emergency of National Economy: an Economic History of Indonesia, 1800-2000*, p. 144.
[113] Boeke, *The structure of Netherlands Indian Economy* (part II), pp. 6-7.
[114] Ibid.

application of the copper stamps technique used to print batik (*tjap*)[115] caused a shift in the batik industry from a pure handicraft: a very slow and expensive process transformed into a more rapid, cheaper system.[116] Matsuo offers another perspective and suggests that Javanese batik production improved in quality and became cheaper after 1850, when the Netherland Indies increase its cotton imports from European countries.[117]

In general, European cotton importation into Java significantly increased in the second half of the nineteenth century. Moreover, the improvement of transportation networks throughout Java, the increasing of the population and the developing cotton industry in the Suzerain State made batik products more affordable than in the past. In the late 1920s, Chinese merchants owned the biggest tjap batik factory in Mojokerto. The factory included 80 tjap makers and 100 coolies. However, after the Great Depression, indigenous-owned batik production played a more important role in Java's batik industry, while their Chinese rivals could not maintain their profits and made little capital.

Robinson examines the manner in which native batik producers previously competed with the Chinese business rivals. Indigenous merchants in the batik industry in Central Java successfully formed trade cooperatives to drive out Chinese interlopers in the 1920s and 1930s by purchasing directly from the importers and cutting out the predominant Chinese entrepreneurs. Unfortunately, this was the only way they competed with the Chinese in mechanized small and medium-scale factory production. They did not take invest capital to increase production. They were usually overwhelmed by the superior capital and organizational resources of the competition. In fact, mechanization of the native industry did not take place in large-scale production. Therefore, indigenous merchants in batik industry could not develop strongly. The expansion of the machine loon sector happened in the Dutch and Chinese factories, while the indigenous textile manufacturing consisted of small factories using handlooms.[118]

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[115] After 1840, the batik manufacturers used this technique first in Batavia and Semarang. Until 1872, tjap was broadly used in other areas in Java such as Tegal, Pekalongan, Pasoeroean and Soerabaja
[116] Hawkins, "The Batik industry: the role of the Javanese entrepreneurs" in Higgins, B. et al. (1961) *Entrepreneurship and labor skills in Indonesian Economic Development: A symposium*, pp. 70-74.
[117] Matsuo, H (1970). *The Development of Javanese Cotton Industry*, pp. 77-78.
[118] Robinson, R. (1986) *Indonesia: The Rise of Capital*, p. 24.

One reason why the indigenous succeeded in the batik industry was related to religion. According to the research of Everett Hawkins, the largest batik firm in Jogjakarta in the early twentieth century was the Hadji Bilal organization. This firm was founded in 1912 by a Hadji.[119] The owners of Hadji Bilal firm succeed in operating their business based on providing honest services to the customers and on the quality and style of their batik product as well. Hawkins, moreover, states that the large mosque in Jogjakarta received substantial contributions from the Bilal family. Annually, at Lebaran occasions, the firm distributed 2.5 percent of its capital to its workers and several social organizations. This action was considered to be in line with Moslem religious law.[120] Thus, the Hadji Bilial company secured a loyal following through both its business practices and networks that were related to religion.

3.2.2 Kretek industry

> If wearing shoes made you equal to the Dutch, then the new sensation of smoking Indonesia's unique clove cigarettes marked you as someone who had city sophistication.[121]

Kretek was a type of native cigarettes filled with the leaves of various plants such as corn, banana or palm. This way of using native cigarettes was called ***Kretek strootje***. Kretek production was first developed as a native cigarette industry in Java in 1919.[122]

Generally, the kretek industry moved from household production to factory production within four years (1929-1933). Kretek factory workers increased from 10 to 36 percent. Indigenous manufactures were able to perform strongly in the inter-war years. The Chinese by the mid-1930s established a dominant position in large-scale factory production of kretek (although the two biggest factories for Western cigarettes were

[119] A ***hadji*** was a person who had a high religious position and was respected by local people in traditional society.
[120] Hawkins, Everett D., "The Batik industry: the role of the Javanese entrepreneurs", in Higgins, B. et al. (1961) ***Entrepreneurship and labor skills in Indonesian Economic Development: A symposium***, pp. 54-55.
[121] Vicker, ***A history of modern Indonesia***, p. 65.
[122] Ir. Darmawan Mangoenkoesoemo, ***Bijdrage tot de kennis van de kretek-strootjes- industrie in het Regentschap Koedoes***, pp. 7-8.

foreign-owned) while the indigenous producers either remained small-scale operators or collapsed back into the sector.[123]

Table 2: Kretek enterprises in 1933/34 in Central Java and East Java by nationality of the operators[124]

Central Java				**1933**	**1934**	**East Java**			**1934**
Size	Indonesian	Chinese	Arab	Total	Total	Indonesian	Chinese	Arab	Total
Large	8	6	1	15	17	1	14	-	15
Medium	18	29	1	48	55	1	27	-	28
Small	524	272	3	799	575	237	165	4	406
Total	**550**	**307**	**5**	**862**	**647**	**239**	**206**	**4**	**449**

Koedoes is regarded as the hometown of kretek manufacturing. The kretek industry was concentrated in four areas of Java: Koedoes, Blitar, Kediri and Toeloengagoeng. Koedoes was the most important centre and used the cloves (*kruidnagelen*) from Semarang while Blitar, Kediri and Toeloengagoeng used cloves from Soerabaia. Furthermore, Koedoes was also the first place where kretek was produced by wage labourers.

In fact, many indigenous entrepreneurs initially dominated the kretek industry in Koedoes. Gradually, the Chinese raised enough capital to participate in this production. After the hard struggle with resistance of the indigenous traders and producers, they became occupants of not only the kretek industry in Koedoes but also the kretek industry of the whole Netherlands Indies.[125]

In his report, Ir. Darmawan Mangoenkoesoemo provides a list of several of principal straws manufactures in Koedoes, nine of fourteen were the indigenous producers, and the left were the Chinese merchants.

List of some of the principal straws manufacturers in Koedoes:[126]

[123] Robinson, R. (1986) *Indonesia: The Rise of Capital*, pp. 25-29.
[124] Adapted from Robinson, R. (1986) *Indonesia: The Rise of Capital*, p. 35.
[125] Ir. Darmawan Mangoenkoesoemo, *Bijdrage tot de kennis van de kretek-strootjes- industrie in het Regentschap Koedoes*, p. 58.
[126] Ir. Darmawan Mangoenkoesoemo, *Bijdrage tot de kennis van de kretek-strootjes- industrie in het Regentschap Koedoes*, p. 57.

Indigenous manufactures: M. Nitisemito, Hadji Nawawi, M. Atmowidjojo, Hadji Ashadi, Soekandar, Hadji Basri, Hadji Jasni, Hadji Dachlan, and Moh. Ervan.

Chinese manufactures: N.V. Handel Maatschappij Moeriah, N.V. Handel Maatschappij Trio Sam Hien Kongsie, N. V. Handel Maatschappij Tegal Aroem, P. T. Tio, and Kwik Tjoe Kiong.

However, while observing the competition between the indigenous businesses that produced handcrafted items and the factories equipped with machines, this official believed in the development of the indigenous manufacturers. Mangoenkoesoemo thought that they could adapt to their new circumstances, advance their production in Koedoes.[127] This opinion in the 1930 report on the kretek industry in Koedoes demonstrates a positive outlook on the future of the indigenous cigarette industry.

In another report of the kretek industry, written by B. van der Reijden in 1935, the number of kretek companies in Koedoes owned by the indigenous people and the Chinese indicated a stable and developing tendency of kretek manufacturing.

Table 3: The number of Javanese and Chinese kretek manufactures in Koedoes from 1924 to 1933[128]

Owner	**Sort of manufactory**	**1924**	**1925**	**1926**	**1927**	**1928**	**1929**	**1930**	**1931**	**1932**	**1933**
Javanese	Large	6	6	6	6	6	7	7	5	4	7
	Middle	12	14	15	17	18	16	19	19	19	16
	Small	7	8	8	9	10	14	17	20	79	115
Total		**25**	**28**	**29**	**32**	**34**	**37**	**43**	**44**	**102**	**138**
Chinese	Large	6	6	7	7	7	8	6	4	4	3
	Middle	4	4	6	6	8	8	10	9	7	6
	Small	-	-	-	1	1	2	3	11	13	14
Total		**10**	**10**	**13**	**14**	**16**	**18**	**19**	**24**	**24**	**23**

[127] Ir. Darmawan Mangoenkoesoemo, *Bijdrage tot de kennis van de kretek-strootjes- industrie in het Regentschap Koedoes*, p. 60.
[128] Van der Reijden, B., *Rapport betreffende eene gehouden enquête naar de arbeidstoestanden in de industrie van strootjes en inheemsche sigaretten op Java*, deel II, p. 6, 8.

The figure in the table above shows the increasing number of factories owned by the native people, especially in the final two years of the report, 1932 and 1933. The factories belonging to the Chinese seemed not to rise in number. Moreover, most small factories were owned by the Javanese whereas the Chinese focused on running the larger and mid-sized factories.

Nitisemito - "Rokok-kretek koning" (1863-1953)

Nitisemito was the most famous indigenous kretek manufacturer in the Netherlands Indies during the first several decades of the twentieth century. He was known as "Rokok-kretek koning" by indigenous people before the World War II.[129] He established one of the biggest kretek factories in Koedoes, the Bola Tiga (or Bal Tiga) factory, and efficiently operated business activities at that time. About fifty thousand employees worked for the kretek industry in Koedoes and 20 to 25 percent was employed by Nitisemito.[130] According to the letter from the chairman of the Confederation of Manufacturers Cigarette to Kudus, on December 11, 1932, Nitisemito factory employed about five thousand workers that year.[131] In the period of prosperity, Nitisemito extended his influence by making contributions to charity and participating in fair trade practices. He joined the broad of kretek manufacturers association and even took over the printing house.[132]

The forced closure of Nitisemito's factory was widely reported in the Indian press. There were approximate 8000 workers who lost their jobs. To help the factory open again, Nitisemito requested the intervention of the People's Council. He then acquired the approval of the People's Council's members such as M. H. Thamrin and R. M. A. Koesoemo Oetojo who had already found the interests from advocating this manufacturer.[133]

In 1935, the factory was moved to Salatiga and employed 500 – 600 workers. Nitisemito had a plan to build 50 to 60 houses so that his workers could rent them for

[129] *Het Nieuwsblad voor Sumatra*. Wednesday 11 March 1953.
[130] *De Sumatra Post*, Wednesday 7 December 1932.
[131] *Het Vaderland*, Saturday 10 December 1932.
[132] When the press Courant at Weltevreden closed in 1928, Nitisemito took over it with a sum of *f*10.300. See more in *De Indische Courant*, Saturday 22 December 1928.
[133] *Het nieuws van den dag voor Nederlandsch-Indie*, Monday 12 November 1934.

*f*20–25 per month.[134] Housing was important for the employees. It supported the business of the company and developed Salatiga's infrastructure as well. At the end of 1935, Nitisemito's vast new factory and workshops were established on the road to Semarang. As reported by the native press, next to the factory and the regency building was now a market and new accommodation was also expected to be built nearby.[135]

Nitisemito was a well-known kretek manufacturer and became a remarkable instance of native trader success in the early twentieth century. His story demonstrates one of the triumphs of indigenous business activity.

3.2.3 Trade activities of the local elites in the Netherlands Indies

Raw materials used for the production of household commodities depended on the import and supply activities of the merchants, which was why merchants received 50 - 70 percent of the manufacturing industries' profit. These merchants managed their business activities by controlling credit networks and using social and political relationships with the peasant or worker producers. In addition, to develop production, these merchants tended to import more raw materials and employ more household producers. This manner of business was also implemented in the batik and kretek industries. It was said that the intense economic and political struggles in these industries was the result of conflicts between rival trading groups in controlling the import of raw material rather than because of the increasing productivity and mechanizing progress. [136]

The different economic conditions between Java and the Outer Islands could explain the development of commercial activities on the Outer Islands during the first four decades of the twentieth century. According to Peter Post, there were three main features of native trade activities on the Outer Islands. Firstly, indigenous family businesses controlled, to some extent, all of the regions' local trade as well as the collection of local produce. Secondly, the indigenous entrepreneur in Sumatra seemingly had far more 'economic autonomy' than his counterpart from Java had. Finally, they had very

[134] *Het nieuws van den dag*, Saturday 6 July 1935.
[135] *Het nieuws van den dag*, Saturday 2 November 1935.
[136] Robinson, (1986). *Indonesia: The Rise of Capital*. p. 23.

little access to the intra-Asian economy. Their only outside network was with Batavia, Singapore and, to a lesser extent, Penang.[137]

A1926 report on indigenous economy that focused on capitalist zeal and business success in Sumatra, East Kalimantan, and other areas, written by H. Fievez de Malines van Ginkel, reveals that there was a free interplay condition between the Chinese, the Dutch and indigenous merchants activity throughout these areas. For instance, in Palembang the coffee and rubber production and trade activities were dominated by indigenous merchants. In particular, in 1925 there were 90 large indigenous merchant houses in that city. In Bengkulu, where coffee was the main cash crop, Palembang traders also controlled the local commercial and export to Batavia. Coffee was transported in small trucks, carts, sailing boat and *prahu*. It was said that passenger cars and trucks in this region were mainly owned by the indigenous people. In Djambi, several large indigenous wholesalers exported rubber and rattan directly to Singapore. During the end of 1920s, Ismael bin Haij Masir, a Sumatran trader, opened a branch of his import firm in Yokohama. Later on, this trader sold Japanese goods directly to indigenous merchants in Java.[138]

According to Robinson, famous private indigenous business groups in the first half of the twentieth century included Rahman Tamin, Agoes Dasaad, H. A. Ghany Aziz. They came from Sumatran trading families whose business interest based upon trading in smallholders' rubber, tea, coffee, and pepper products. Dasaad was born in South Sumatran trading family (with connections through marriage to Filipino trading families), Aziz came from Palembang aristocratic family (which had been engaged in commerce for several generations) and Tamin was involved in trade on a scale which amounted to little more than peddling until 1914. Hadji Tamin opened a small office in Bukitingik to deal with the merchant activity throughout Batucki and established trading links with a Chinese firm in Singapore.[139]

There is a series published annually from the late nineteenth century to 1940, that lists culture and trade companies operating in the Netherlands Indies during this period. This

[137] Post, P. "The formation of the pribumi business elite in Indonesia, 1930s-1940s" in: Post, Peter and Touwen-Bouwsma, E. (eds.) *Japan Indonesia and the war*, pp. 90-91.
[138] Post, P. "The formation of the pribumi business elite in Indonesia, 1930s-1940s" in: Post, Peter and Touwen-Bouwsma, E. (eds.) *Japan Indonesia and the war*, p. 93.
[139] Robinson, *Indonesia: The Rise of Capital*. pp. 24-28.

series is a precious source that offers proof of the existence of native enterprises during the late in the colonial period. In general, every listed enterprise's information offers access to several details about the name, location, operational period, and field of the business as well as the name of its directors. The nationality of the company could be inferred from the names of its directors, informing contemporary readers as to whether it belonged to Europeans, the Chinese or indigenous owners. J. N. F. M. à Campo remarks that:

> Most companies in the category 'Indonesian' were Chinese-owned companies (603 out of 635); many of which were partly owned by the Singapore-based Chinese. The incorporation of Indonesian and Chinese enterprises started rather late, but gained momentum after 1900 culminating in more than 60 foundations in 1907 and again in 1908. Only 68 (11 percent) Indonesian-Chinese firms were liquidated before 1913, but these have been established only recently.[140]

According to the *Handboek voor Cultuur en Handelsondernemingen in Nederlands Indies*, in 1900 less than ten enterprises belonged to native merchants. These enterprises included Trade Company Belawan, Grocery Company Mejlaijoe Serikat, Construction Company Badjoeber, and Construction Company Said Mohamad Aljuffrie. The annual capital of these enterprises varied from *f* 25.000 to *f* 200.000. Additionally, these enterprises located in different areas of the Netherlands Indies, such as Batavia, Soerabaja, Semarang, and Belawan.[141]

Fifteen years later, in 1915, the number of the native enterprises increased significantly to 72 enterprises. Greater numbers as well as varying types of enterprises demonstrated the development of the native businesses. Therefore, it is likely that the new indigenous elite practically grew up with the development of the colonial economy during the late colonial period. These companies focused mostly on trade and construction. Other

[140] À Campo, "Strength, Survival and Success. A Statistical Profile of Corporate Enterprise in Colonial Indonesia, 1883 – 1913" in *Wirtschafts Geschichte*, Die Niederlande und Ostasien, pp. 45-74.
[141] *Handboek voor cultuur en handelsondernemingen in Nederlands Indies* 1900.

businesses were quite varied, ranging from bookstores and publication houses to transportation (cars and garages) to telephones.[142]

Indigenous enterprises were located throughout the Netherlands Indies in Medan, Djokjakarta, Soerakarta, Bandoeng, Batavia, Belawan, Temanggoeng, Soerabaja, Pekalongan, Serang, Priaman, Tjiandjoer, Kediri, Buitenzorg, Tanjoeng Peora, Menggala, Semarang, Cheribon, Soekaboemi, Padang, Sidoardjo, Meester Cornelis Palembang and Batang. The biggest city, Batavia and other important centres such as Bandoeng, Soerabaja, Buitenzorg, Palembang and Semarang also attracted many company headquarters.[143]

According to accumulated capital, indigenous enterprises ranged in their sizes. The company that possessed the greatest capital was Handel-maatschappij Piroekoenan. It was established in 1911 in Semarang, and grossed *f* 500.000. Meanwhile the company with the smallest capital was Tambak Maatschappij Siambo**.** Founded in 1909 in Batang, Tambak Maatschappij Siambo operated its business with *f* 2.500. Furthermore, of 72 indigenous companies 12 companies (16.67 percent) had capital of less than *f*10.000, 35 companies (48.62 percent) operated with between *f*11.000 to *f*50.000, 11 companies (15.27 percent) had *f*51.000 to *f*100.000 and 14 companies (19.44 percent) with more than *f* 100.000 capital.[144]

In more than 70 enterprises registered in *Handboek voor Cultuur en Handelsondernemingen in Nederlands Indies* 1915, ten entrepreneurs cooperated between the European, the Indigenous, the Malays and the Chinese as well. In the operating companies, directors might be European merchants or indigenous merchants.

By analysing these enterprises, which were mostly regarded as owned by indigenous businesspersons, the participation of indigenous merchants in the colonial economic activities is apparent. Therefore, we might conclude that the emerging economic role of indigenous enterprise began in the early twentieth century and continued to develop later on.

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[142] Information is collected from *Handboek voor cultuur en handelsondernemingen in Nederlands Indies* 1915.
[143] Information is collected from *Handboek voor cultuur en handelsondernemingen in Nederlands Indies* 1915.
[144] The statistic is collected from *Handboek voor cultuur en handelsondernemingen in Nederlands Indies* 1915.

By examining three fields of the Netherlands Indies economy, i.e. the batik industry, the kretek industry and trade activities of the indigenous businessman, it can be concluded that indigenous merchants in fact played a certain role in the process of developing the economy in the early twentieth century. Although they encountered difficulties from both inside and outside their business group, their economic activities demonstrate the desire to become wealthier by doing their own business. Earning living in the indigenous community was not limited to becoming a civil servant. In the period from 1900 to 1940, indigenous businesspersons began to emerge. Subsequently, in the independent era of the archipelago, after 1942, their role became vital to Indonesia's economic growth.

Scholar Palmier, who researches elite groups in colonial society, proposes that "the traders, who initially opposed the Chinese, later made common cause with the intellectuals in the nationalist movement, and both opposed the established groups in the nobility: i.e., the European government officials, the European entrepreneurs and managerial classes who were replacing them, and the regents."[145] His idea adequately conveys the interrelation between new elites who had different reason of becoming the new elite.

3.3 New elite and their role in political tendencies and organizations: from thoughts to actions

Political perspectives and activities seemed to be the most obvious conflict between the traditional aristocratic elites and the new elite, especially within the intelligentsia. Emmerson urges that the political position made a clear distinction between the administrative and nationalist elites.[146]

3.3.1 Ideas in the colonial society

Dutch administrators expected that offering Western education to their subjects would give them the opportunity to occupy important positions in the Indies government. This would then steer the indigenous people away from the political influence of Islamic

[145] Palmier, Leslie H., "The Javanese Nobility under the Dutch", *Comparative Studies in Society and History*, II (1960), pp. 197-227.
[146] Emmerson, D. K., *Indonesia's Elite: Political Culture and Cultural Politics*, p. 53.

teaching. However, there were few indigenous people who were satisfied with the benefits of Western education. In fact, the majority of indigenous people who were given civil service positions where they were overeducated and overqualified for the job. For example, they felt that it was unfair that indigenous students spent five years to study law at Batavia Law School, whereas law students in the Netherlands spent 3 to 4 years to finish the course. Moreover, there was a drastic pay discrepancy between the European officials and indigenous officials; for exmple, the indigenous officials who passed the clerkship examination were paid initially 25 guilders per month while the European officials who passed the same examination were paid 60 guilders per month as a starting salary. Even worse, many intelligentsia were unable to find a proper job that suited their Western learning within the governmental system or other employment.[147] It is adequate to say that this group of people then became known as the new Indonesian elite, characterized by scholar Kahin as "acutely dissatisfied, cramped, and frustrated elite."[148] Consequently, they took part in and acted as a leading force behind the Indonesian nationalist movement.

After their political awakening, the new elite led the mass movement in which the indigenous peasant played an important role. It was the emergence of the nationalist Indonesian elite that guided the protest and political consciousness of the native peasant and turned them to nationalism.[149]

It would seem that in the first decades of the twentieth century educational and social movements together with political parties' activities fostered Indonesian nationalism.[150] Additionally, international affairs effected the introduction of political proclivity.

3.3.2 The new elite and their leading role in social political organizations

Numerous organizations that were established between 1900 and 1940 designated instigated the political momentum behind the native population in the Netherlands Indies. As the whole, leaders of political movements were influenced by the transformations in colonial society. In the early twentieth century, Indonesian

[147] Kahin, *Nationalism and Revolution in Indonesia,* pp. 52-55.
[148] Ibid.
[149] Kahin, *Nationalism and Revolution in Indonesia,* p. 44.
[150] Singh, "The Rise of Indonesian Political Parties" *Journal of Southeast Asian History*. Vol.2, No. 2 (July 1961), pp. 43-65.

nationalism however included distinct thoughts and movements: the patriotic propensity with the cultural Javanese leaders, the Islamic patriotism and the non-racial political patriotism. The leaders of these organizations largely belonged to the nobility in colonial society. In the diverse periods of the national awakening,[151] the leading role of the local elite was undeniable.

The new elite progressively played a significant role in the political life of indigenous society, as evidenced by the following example of a political organization established in 1929 in Krawang residency. Pasoendan was the political association occupying two of 16 seats on the Regency Council at the time. The association had a branch in Soebang and Poerwakarta with an unimpressive number of members. However, according to the report by the resident of Krawang, the leaders of this association had high positions in the colonial society. The leader of the branch in Soebang was Raden Moehamad Enock, working as chief inspector for the provincial *Waterstaat*. He was also the younger brother of the present regent of Meester Cornelis. The other branch in Poerwakarta was led by the chairman Mohamad Arbi who worked as teacher for a *Normaalschool* in Poerwakarta. The secretary of the branch was Bratadidjaja who worked as clerk. The treasurer of this branch was Sastraprawira who worked as teacher in the *Normaalschool*. One of branch commissioners was Raden Amir Soeradiningrat who also held a high-ranking position in the society.[152] Evidently, the new elite played a leading role in this political association.

Chronologically, the first organization, Budi Utomo, was established in the colonial society by the new elites. In the Dutch colonial medical school, Dr. Sutomo and his brother-in-law Dr. Gunawan Mangunkusumo founded Budi Utomo on May 20, 1908. Javanese culture was present in this organization, as it established by the Javanese priyayi who pursued a European education primarily to become a civil servants of the colonial administrative system. Dr. Sutomo (1888-1938) was born in a priyayi family. While studying at college, he became involved in organizing Budi Utomo. In 1911, he

[151] According to R. Abdulgani, there are five different periods of the national revolution before World War II divided by international events and the development of the Indonesian organizations and movements: the early awakening of Indonesian Nationalism (1908-1914), the second period during the First World War (19014-1918), the Radicalization and Reaction period (1918-1927), the Radical Nationalism period (1927-1934), the forced co-operation period (1939 – 1942). See more in the first lecture "Pre-war nationalism" in Abdulgani, R. *Nationalism Revolution and Guided Democracy in Indonesia*.
[152] MVO of J. J. M. A. Popelier (Resident of Krawang), Colonial Archive, MMK.17, 1929, pp. 22-23.

graduated from the Batavia native medical college. After graduating, he spent time on practicing medicine and serving in several remote places in Sumatra. In 1919, he went to the Netherlands for further study and visited again four years later. Upon his return, he was invited to join the Volksraad (People's Council). However, he refused to join this association. A year later, in 1924, he established the Indonesiches Studieclub in Surabaya and he converted this club into a political party in 1930 under the name Partai Bangsan Indonesia (PBI). Moreover, Sutomo played other significant roles in socio-economic activities in the Netherlands Indies. In detail, he instigated the founding of the first indigenous bank, Bank National Indonesia, and the first native insurance company, Bumi Putra. Additionally, he contributed to the establishment of the peasant cooperative organization, Rukun Tani. Sutomo was a very important person in the process of developing Indonesian nationalism and was responsible for "shaping an Indonesian social identity, supported by economic prosperity, rather than an Indonesian political indentify as such."[153]

With the foundation of Sarekat Dagang Islam in 1911, the leader of the awakening of 'Indonesianness' shifted from the Javanese aristocracy to the Moslem middle class, who worked as entrepreneurs in the colonial society.[154] Hadji Samanhoedi, a batik dealer in Surakarta, requested the help of Raden Mas Tirtoadisoerjo, who was born in a prijaji family and had experience with commercial organization. In 1909, they founded Sakerat Dagang Islam in Batavia. After two years, in 1911, they opened branches in Buitenzorg and Surakarta. Initially, Sarekat Dagang Islam had the economic reaction against Chinese traders who at that time dominated the batik industry and the retail trade sector. Another factor that led to the foundation of Sarekat Dagang Islam was the increasing activities of the Christian missionaries. Sarekat Dagang Islam, therefore, developed into a massive political organization, using Islam to unify and attract more members.

Raden Umar Said Tjokroaminoto was born in a Javanese *priyayi* family. Although attending an administrative school (OSVIA), he did not enter into government service. Initially, he joined the Sarekat Dagang Islam in Surabaya in 1912 following the invitation of Hadji Samanhudi. Later, Tjokroaminoto planned to expand the organization to the whole of Indonesia. Therefore, on September 10, 1912, the Sarekat

[153] Scherer 'Soetomo and Trade Unionsim' *Indonesia*, No. 24 (Oct., 1977), pp. 27 – 38.
[154] Abdulgani, R. *Nationalism Revolution and Guided Democracy in Indonesia*, p. 2.

Dagang Islam was formally re-established under the name of Sarekat Islam or the Muslim Association, with Tjokroaminoto, Samanhudi and Hadji Agus Salim as its leaders. As a strong movement, Sarekat Islam focused on the radical politico-economic activities.

Simultaneously, on November 18, 1912, Ki Hadji Dahlan founded Muhammadija, an organization influenced by the new Moslem wave from the modernized reform in Egypt. Leaders of this organization were Hadji Dahlan, Mas Djojosoegito, Hadji Agus Salim, etc. Members of Muhammadija were from the middle class, including merchants, landowners, small manufacturers, and students of the Teacher's Training School in Jogjakarta.

On September 6, 1912, E. F. E. Douwes Dekker formed the Indische Partij in Bandung. The aristocrat R. M. Suwardi Suryoningrat and the militant physician Dr. Tjiptomangunkusumo also became important members of this party. The party acted under the slogan, "Indies for those who make their home there." The colonial government banned this organization not long after (in August 1913) and issued an order to send its principal leaders into exile.

While the new elite were leaders of almost all the political organizations founded in the early twentieth century, few organizations intended to develop the new elite. Budi Utomo and Muhammadijah were two remarkable exceptions. Although its leaders originated from high positions among the religious elite, Muhammadijah focused on establishing schools. Since the indigenous people believed good education could bring better opportunities and higher status, Muhammadijah's activities attracted the population's attention.[155] Budi Utomo also showed its support for the development of the new elite. One of its activities included financially supporting youth organizations, including sons of Javanese merchants, encouraging Javanese students' social activities. Moreover, members of Budi Utomo considered that leadership should be based on the level of education rather than birth; in other words, the traditional elite should "make way for Indonesian intellectual."[156]

[155] Van Niel, *The emergence of the modern Indonesian elite*. p. 166.
[156] Van Niel, *The emergence of the modern Indonesian elite*. pp. 168-170.

Later on, the leading position of the indigenous elite seemed to be more significant when they were confronted with European and the Chinese traders and producers' dominance. As Sarekat Islam and the PKI diverged, there was considerable tension inside the Sarekat Islam, between radicals, socialist and bourgeois priyayi Moslems members.[157] The leaders' differing origins determined their organizations' purpose. The progressive leader from an aristocratic background believed the main issue of concern for the indigenous population was ignorance, and regarded education as the solution. Meanwhile conservative aristocrats preferred to return to tradition and sought to improve cultural life. Alternatively, religious leaders sought a moral reform. Other leaders saw the development of indigenous enterprise as a major goal. Furthermore, campaigns for better wages and healthier working conditions were the targets of other leaders.[158]

From 1921 to 1926, Indonesian politics was dominated by the activities of the Communist Party.[159] In the last few decades of the colonial era, the political parties in particular overshadowed and eventually replaced the previous diversity of the social movements. It seemed that after an exciting period, movements and organizations in the Netherland Indies decreased in number.[160] The historical development of society in the archipelago through the colonial era, the Japanese occupation and the independent era, shows that the local elite played an increasingly important role. Initially they were negatively influenced by the Dutch colonial government. After receiving many modern ideas of the West and the East, they achieved self-awareness and desired independence from the Dutch.

The political activities of the time demonstrate a clear differentiation between the new elite and the traditional elite. The new elite gradually obtained new ways of thinking as a result of interaction with the foreigners. They became self-aware, judged the control of the Dutch authorities and constructed an idea of their own nation. Hence, they turned the knowledge they had absorbed into the action, contributed to the awakening of other classes, including the peasantry, and eventually became leaders of the national-awakening process.

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[157] Abdulgani, R. *Nationalism Revolution and Guided Democracy in Indonesia*. p.72.
[158] Ibid.
[159] Singh, Vishal, "The Rise of Indonesian Political Parties" *Journal of Southeast Asian History*. Vol.2, No. 2 (July 1961), pp. 43-65.
[160] Ibid.

Conclusion

Under the changing conditions of the colonial society, the new elite emerged and gradually affirmed their presence in society. However, in contrast to the traditional elite, the transformation of the new elite occurred in opposition to the Dutch colonial authorities and the traditional elite's stance on political and social affairs. With regard to economic matters, the new elite emerged in order to challenge the dominion of Chinese entrepreneurs. The new elite fulfilled several important roles during this period of rapid change, as emerging entrepreneurs and as leaders of movements and political organizations. Representing the modern side of the transforming society and challenging the conflicts it faced, the new elite chose their own way to survive and develop. By and large they were successful because in the subsequent years their status increased in prominence and stature. Many of the elite became leaders of the Indonesian government in the independent era from the second half of the twentieth century onward.

CONCLUSION

This thesis described in broad terms the transformations within the Netherlands Indies society. During the period of the Ethical Policy, the colonial administration and the socio-economic life of local elites have been discussed in detail. The policy shift (Ethical Policy) brought many of the traditional local elite into the realm of the 'modern government'. For instance, some of the traditional priyayis became civil servants. In my view, the ´Ethical Policy´ produced not so much 'good' (´modern´ government functionaries) but rather a ´new class´ with clear connections to the not-so-distant 'feudal' past. What is of greater interest in this study is the local elite who were engaged in business; 'modern professions' such as medicine, teaching, etc. Arguably, the 'Ethical Policy' provided professionals with their own field in which to practice their occupations and manifest their own 'agency'.

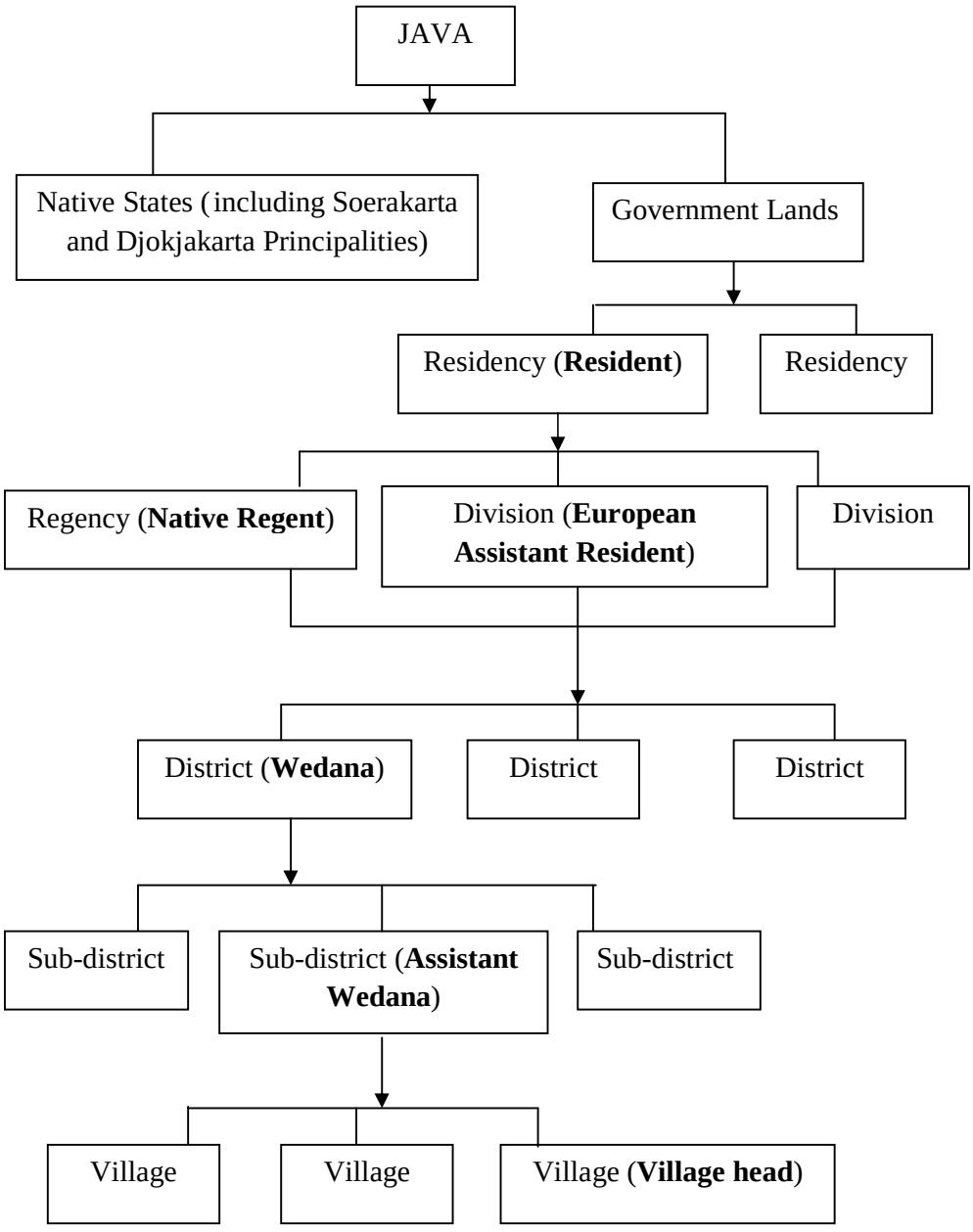
This thesis not only looks into the changes in Java (as many historical works do) but also into the developments in the other Indonesian islands, notably Sumatra. It also argues that while the changes in these areas were less intense than those experienced in Java, they were nevertheless significant. By looking into some of the particularities of

the transformations during this period in places outside Java, this thesis not only explores the nuances of the workings of the colonial government itself, but more importantly, the specific political conditions in these localities. In what can probably be described as an 'uneven' application of the Ethical Policy, the policy necessitated (and produced) varying relations between the traditional Indonesian elite and the colonial government. While some were ready to adopt changes, others were more hesitant, perhaps even 'careful' in finding their place in the rapidly changing political circumstances.

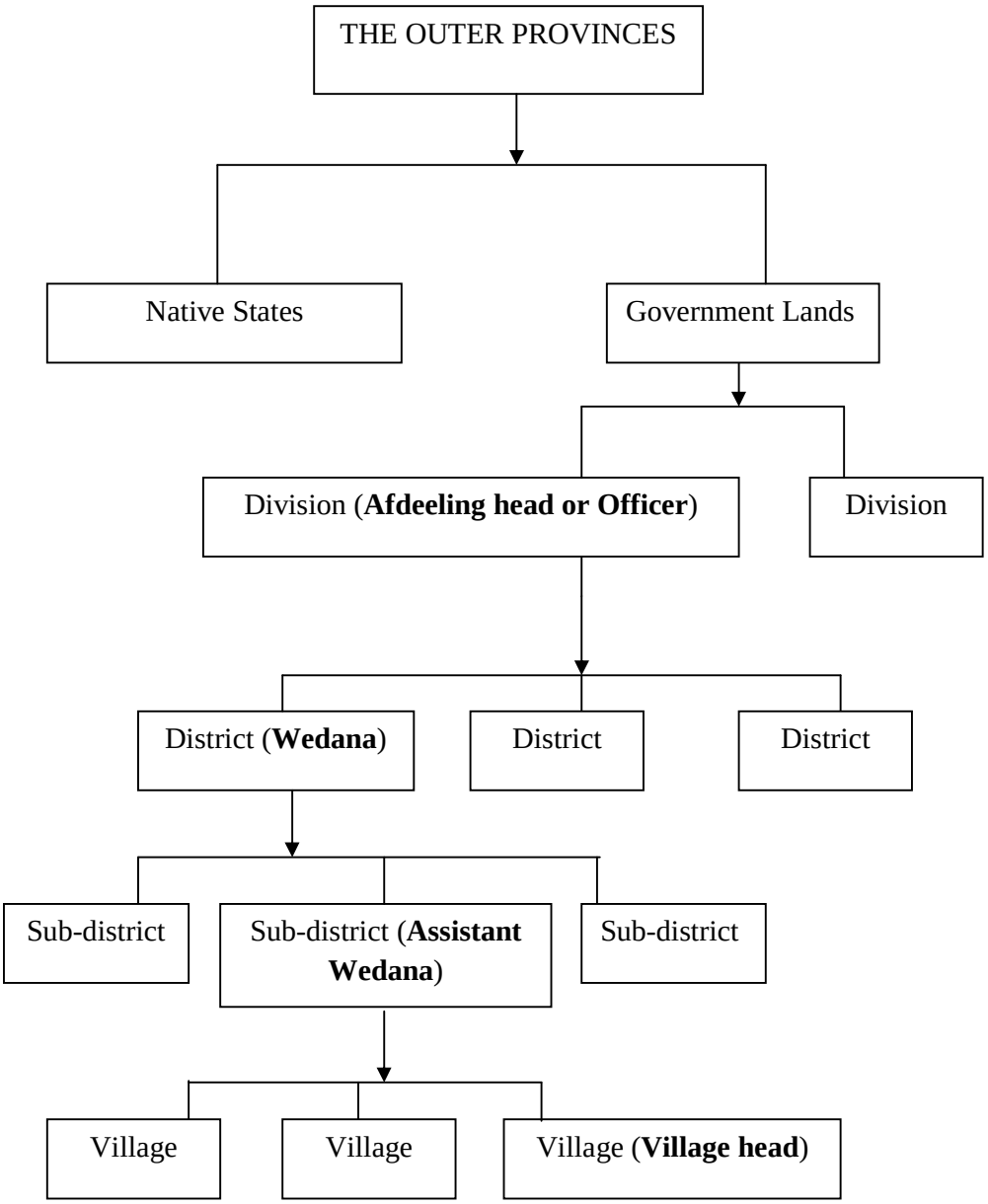
Chapter II illustrates that the gradual shift from the 'traditional' to the 'modern' political functions by some of the local elite, was not smooth. In particular, some of the local elites faced competition or even opposition within their own ranks for their newly endowed privileges. Chapter III broadly describes the 'second group' of local elites, which emerged during the Ethical Policy. Similarly, many of them had noble backgrounds. However, the difference is that they were educated. Some engaged in business and were therefore less constrained by the affairs of the colonial government (compared to the priyayis who served as government officers). While the Ethical Policy 'provided' them with access to education, many of these new elites later became the founders of the modern anti-colonial movement in Indonesia, which espoused the creation of a country independent from Dutch rule. This may not appear to be paradoxical since education 'naturally' or rather 'ideally' produces 'enlightened citizens'. It is quite remarkable to view this elite yet educated group, side by side the 'traditional elite' who remained 'traditional' and responded passively to the changes that confronted them (which this thesis refers to as the first group).

Appendix

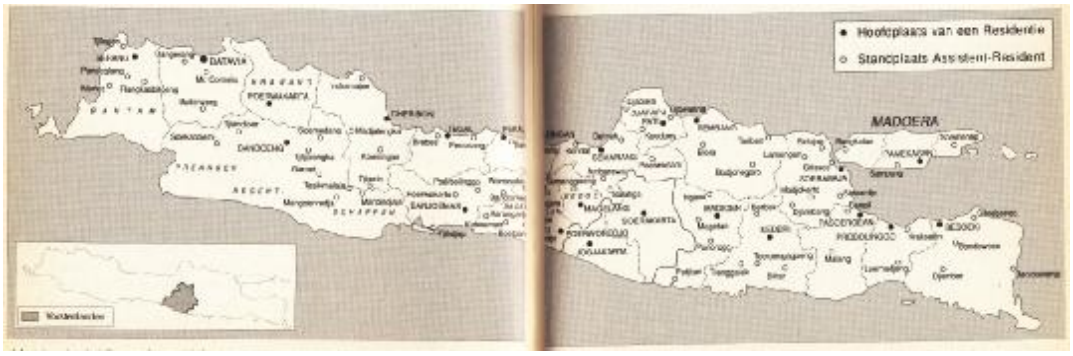
Appendix 1: The administration system on Java in the Netherland Indies during the late colonial time



Appendix 2: The administration system on the Outer Provinces in the Netherland Indies during the late colonial period

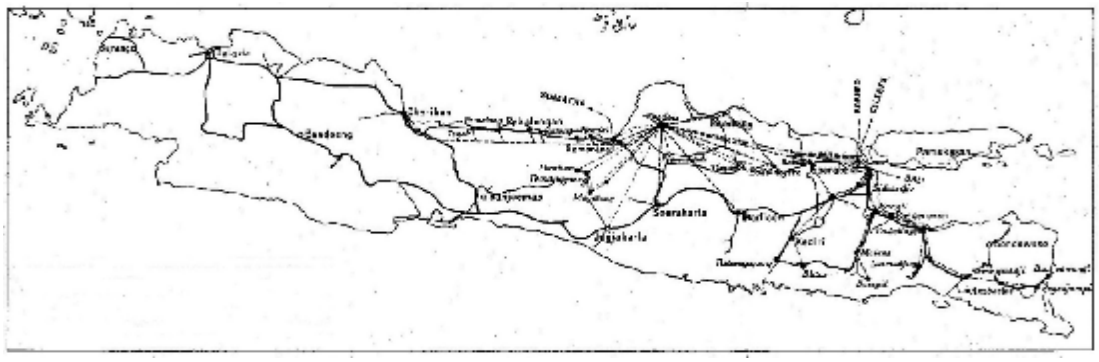


Appendix 2: Map of administration introduction of Java and Madoera in 1937



(Source: Van den Doel, H. W. "De stille Macht: Het Europese binnenlands bestuur op Java en Madoera, 1808-1942" (PhD. Dissertation), pp. 408-409.

Appendix 3: Koedoes and other areas on Java in the relations of the distribution of kretek-straws and the supply of tobacco



(Source: Ir. Darmawan Mangoenkoesoemo. *Bijdrage tot de kennis van de kretek-strootjes- industrie in het Regentschap Koedoes*, Mededeelingen van de afdeeling nijverheid, No.6)

Appendix 4: The list of the operating companies in the Netherlands Indies cooperatively owned by Indigenous, European and the Chinese business owners

1. **Langkat en Tamiang Telefoon Maatschappij-** Administration: G.F. Langereis, S. Sandel, Toengkoe Adil

2. **Maatschappij tot Exploitatie van Vracht- en Passagiersbooten**- Director: E. L. Von Czernicki, commissioners: Said Moestaffa bin Hassan Aldjoeffrie en Hadji Abdulrachman bin Abdul Raof.

3. **Handelmaatschappij Priaman-** Directors: Mohamad Saleh galar Datoe Orang Kaja Besar, Mohamand Taib galar Soetan Brahim en Mohamad Zeinoedin galar Marah Indo; commissioners: Mohamad Zen, Mohamad Hasan, Abdul Rahman galar Radja Indo, Mohamad Oemar galar Marah Soetan, Mohamad Noerdin galar Soetan Bandaharoe and the Malays women Sie Alima, Sie Asia, Chamsiah, Radjiaä and Patimah.

4. **Handel-maatschappij Soerakarta-** Directors: J. J. B. Fanoy, commissioners: Pangeran Hario Mataram II, Raden Mas Atmodipoero, Raden Bei Reksoprodjo and Raden Bei Prodjomartono

5. **Handel en Industrie Maatschappij Vooruit-** Administration: G.J. Beaupain and Said Alie bin Achmad bin Shahab

6. **Bouw Maatschappij Javanicus-** Director: J. E. Hoff, commissioners: Said Agil bin Mohamat and Mas Adjeng Srimoehinah.

7. **Werf – en Reparatie-atelier Palembang-** Director: J. Meinesz; commissioners: Tjia Koey Tjoen, Tjia Kiam Tjie, Kiagoes Hadji Ali and G. O. Hagen.

8. **Tambak Maatschappij Siambo-** Director: Rasdan, commissioners: C. F. Van Rosmalen, Raden Koesoemowinot and Mas Sastrodarmodjo.

9**. Amalioen Rubber maatschappij-** Director: Hadji Soelong Jahya; commissaris, deputy director: M. Joenes, Commissioners: Sech Ali and Hadji Ebrahim.

10. **Hulp- Spaar- en Landbouwcredietbank Trenggalek -** Administration: W. E. Rappard, president; J. C. H. Dorn, vice-president; N.B. Coenraad, secretaries; Raden Ngabehi, treasurer: Prawiro Loyo; committee: W. Van der Linde and Raden Temenggoeng Widjojo Koesoemo

(Source: The statistics are collected from *Handboek voor cultuur en handelsondernemingen in Nederlands Indies* 1915)

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