Mobilizing Labour for the Global Coffee Market

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compulsory cultivation and delivery of coffee. And as a region where, under the overall supervision of a handful of European officials, the indigenous gentry remained in control. They were in charge here, and the peasants paid tribute to them only, and not to outsiders, especially private landowners. The erosion of what passed for the traditional order had come to an end.

What De Wilde considered his life’s work had come to a premature and ungracious end. In a memoir written many years later the agro-industrial man of business described with due pride the pioneering role he had played and in which he had been thwarted by conservative forces that had gained the upper hand. In his perception, the landed gentry were completely superfluous as middlemen between the peasantry and the government. Extortion and repression were the inevitable consequences of this form of indigenous authority. He recommended dismissing the local chiefs, with the right to an annual purse, and replacing them with a corps of competent Dutch officials familiar with the country, its language and its people. When Dutch rule was restored, rather than adopting De Wilde’s proposed path to the new era, the government chose to repair a system which was already known to be inadequate to achieve the acceleration of the economy that it had in mind. The alternative model of colonial exploitation that De Wilde advocated – replacing the regents as the supervisors of the coffee production by European landowners as private entrepreneurs, had come half a century too early.

The policy dispute continues

Godert van der Capellen had emerged the victor and he made no efforts to disguise his satisfaction. Under Resident Gerrit van Motman, the coffee production in the Priangan remained at a disappointingly low level between 1817 and 1820. The latter’s successor, Robert van der Capellen, managed to improve these results, much to the satisfaction of his brother, the Commissioner-General. Whether the Sundanese peasants had equal reason to be content is extremely doubtful. Coffee cultivation continued and increased, but remained as unfree as before. In 1822, the Commissioner-General produced a long ‘colonization report’ in response to those who criticized this course explaining what in his changed view would be the best basic policy from the perspective of maximum profitability for the metropolis – that was, as always, the main priority – and for the development of the country and people of the East Indies. Although the report bore Van der Capellen’s name, there is little reason to doubt the verdict voiced by Ottow
that it had been written by Muntinghe. The Commissioner-General had learned from his experience in previous years that the political economy of Java should not rely on European colonists practising small- or large-scale agriculture. Of course, there was something to be said for using the colony to relieve the metropolis of the pressure of possible over-population and of a social class that had not fared well back home, offering the prospects of economic recovery in a new environment. However, as had occurred in other colonies, the expatriate population of overseas possessions would at some point wish to gain independence from the mother country. A relation of brotherhood would then develop with the newly independent state. After all, it would be populated by Asiatic Dutch descendants of the same tribe. The report did not describe the consequences of this scenario for the indigenous peasantry, considering the advantages and disadvantages only from a European perspective.

The small-scale farmer option was rejected straightaway. The arrival of large numbers of white peasant colonists from Europe to till the land was not a realistic proposition. Experiments along these lines by the VOC in the eighteenth century had been a miserable failure. This was not only because the labour capacity of the Europeans was not suited to a tropical climate. The strenuous effort that the settlers would have to make was far beneath the dignity of the native gentry, while manual labour in any form could be performed by simple indigenous peasants at a much lower price. Both general social and more specific economic considerations therefore made it necessary to reject this alternative. No doubt, the situation was completely different for big agribusiness, as it already existed on a limited scale and there were increasingly vocal calls to expand it. But, the report explained, it had by no means proved its value in practice. The reporter warned that European knowledge and entrepreneurial spirit, inasmuch as there was a need for it in the cultivation of tropical crops, should be applied with the utmost caution. As far as the cultivation of food was concerned, only poverty stood in the way of Javanese peasants increasing their production of paddy and other daily necessities. There was nothing to be gained at all from allowing European entrepreneurs access to the growing agro-industry. It was therefore not surprising that Van der Capellen, with Muntinghe as his ghost-writer, was accused of obstructing this alternative, i.e. private estates in the hands of non-natives as much as possible, with the ultimate intention of expelling them from Java entirely. Although this part of the report focused on how agrarian production should be increased, it also stated in the clearest terms that, while the government – by virtue of its dominion over the colony – had acquired ownership of all cultivated and uncultivated
lands, its power over both populated and less populated areas was restricted by indigenous norms and customs. The government was therefore not free to alienate the land and the labour power of the peasants that lived on it into private hands (Ottow 1937: 267). The report made a passionate plea for the state to develop the potential surplus value of the colony. It argued that, if all land were surrendered to European colonists, it was bound to generate less profit for the state in 25 years than it would in a single year of indigenous rule under the direct supervision of the government. It is not difficult to see in this statement the principles that would later constitute the essence of the cultivation system that would be introduced less than ten years later. Van der Capellen was known as a supporter of liberal views. But the question was what that entailed, besides his rejection of the regime of coercion and monopoly from the VOC era. The colonization report noted that what may have been considered liberal 3,000 miles away would have an extremely illiberal effect here in the colony. So what was seen as liberal: opening the colony to foreign capital rather than relying on internal accumulation, promoting private initiatives rather than the interests of the state in an entrepreneurial role, preferring agribusinesses to small-scale popular farming, replacing unfree with free labour, or combining these options in one way or another? The answers given in the report are by no means always clear. What Van der Capellen rejected in any case was colonization in the form of settler migration from the metropolis or – and this was much closer to colonial reality in the first half of the nineteenth century – surrendering Javanese land and the peasants that lived on it to large-scale European agro-industry. Van der Capellen strongly resisted the intrusion of capitalist enterprise presented as a liberal solution by its protagonists (Rengers van Welderen 1947: 153). It was the denial of the latter policy that aroused the displeasure of an important business lobby in the colony that had the sympathy of King Willem I and his closest advisers. The Commissioner-General had not restricted himself to a theoretical rejection of private land ownership, but had put his ideas into practice by nullifying, in 1823, all land rental contracts that European and their Chinese partners had concluded with the indigenous aristocracy in the principalities of Central Java. Van der Capellen’s opponents blamed this decision for the widespread revolt that broke out shortly afterwards and which took five years to bring under control. According to an alternative interpretation, this revolt – known as the Java War (1825-30) – was caused by the exploitation and repression of the local peasants whose chiefs had contracted them out, together with the land, to the new class of foreign entrepreneurs to cultivate commercial crops. Willem van Hogendorp, who travelled through Central
Java in 1827, believed that the people’s hatred of coffee cultivation was an important reason for the broad support enjoyed by the leader of the revolt, Dipanegara, in the early years of the war (Carey 2007: 466). At the time, however, the first interpretation was more popular, and one which – after being informed of the situation by the Resident of Yogyakarta, who acted as the representative of the planters’ lobby – the King and his close confidants adhered to. It was time for a change of course, not only to generate more profits for the metropolis, but also to cover the costs of a colonial apparatus that now found itself in a state of war. The financial situation in the colony was no less dire than it was in the Netherlands. It did not help that the coffee price, after an initial rise, had been falling severely and consistently since 1822-23, and this continued for the first few years after the introduction of the cultivation system. Based on cheap land rates and slave labour, Brazil’s exports rapidly increased after the country had gained independence in 1822. By 1850, Brazil was producing over half the world’s beans. Amsterdam remained the main entrepôt in the global coffee market but the shift in production resulted in a discrepancy between supply and demand which hit the volume imported from Java especially hard (Stevens 1982: 95-122; Clarence-Smith and Topik: 2003: 31).

By 1826, Van der Capellen had served his turn and was replaced by Viscount Leonard du Bus de Gisignies. The new Commissioner-General was sent to the East Indies with orders to do what his predecessor had failed to do: to put the liberal principles into practice by promoting the widespread foundation of large-scale private agribusinesses. Van der Capellen had fiercely disputed both the economic benefits and the political desirability of this strategy for colonial development. Du Bus took with him Willem van Hogendorp, the son of Gijsbert Karel,18 who illustrated his anti-statist views by pointing to the situation in the Priangan region, where the regents were extremely wealthy and the peasants lived in abject poverty. It could not be denied, he proclaimed, that the forced cultivation of coffee in the region had proved much more profitable than the pseudo-freedom that characterized agricultural production in the rest of Java. In his view, however, hanging on to this lucrative monopoly in the longer term also had a great disadvantage: the lack of purchasing power among the local population meant that there were no opportunities to develop a market here for products imported from the metropolis.

18 Gijsbert Karel van Hogendorp had facilitated the return of the Orange Nassau dynasty and the installation of Willem I as King of the United Netherlands in 1815.
It was now Van Hogendorp’s turn to write a colonization report (included in Steijn Parvé 1851), in which he, as an early-nineteenth-century advocate of the free market doctrine, argued in favour of the import of capital and business acumen from Europe for the cultivation of new land. The author’s liberal views, however, did not extend to concern about the Sundanese peasants who had to continue to work in a state of unfreedom. The report said little or nothing about protecting the population from injustice and abuse. Van Hogendorp did not have a very high opinion of the willingness of the native peasantry to work hard and improve their economic situation.

The new-style European entrepreneurs should set a good example. He believed that the feudal subordination of the people to their own chiefs should be transferred to the European colonists who could act as white regents and help preserve law and order (Steijn Parvé 1851: 257). The advocates of liberalization hardly had the opportunity, however, to try out their proposals on intransigent colonial reality. The first results were anything but encouraging. The path they showed to the future seemed for the time being to be a dead end due a lack of energy, cooperation and even interest from the social class which they had envisaged as launching private initiatives and being equipped with agro-industrial know-how. It is unlikely that their proposal to give the much larger group of European settlers that they saw as emerging greater authority over the indigenous population was received with open arms within the governmental apparatus. Reports of overt opposition to their plans from these quarters were rare, however. There were other, more direct reasons why this policy was doomed to failure, the most important being the lack of a sufficient supply of capital and qualified entrepreneurs. The returns of the existing large-scale agribusinesses on Java varied considerably. The risk of disappointing results hampered the investment of more agro-industrial capital on a large scale and there was also very limited expertise to manage it effectively. The time was not yet ripe for the up-and-coming planter-entrepreneur; this would not really come until well into the second half of the nineteenth century. There were also political objections to dividing Java up into private estates, with European colonists putting the local population to work, at a time that the colonial state had not yet sufficiently established itself. Van der Capellen had warned about the political consequences of this in his colonization report.

The whole form of rule in the Indies is untenable with this unlimited colonization by Europeans, and would in the shortest time be completely set on its head. The separation of these colonies from the metropolis would be brought forward to an inopportune moment, and the richest
jewel in the *crown of the Netherlands*, would be ripped off by unholy hands. (Ottow 1937: 292)

There was another argument in favour of declaring the colonial economy a matter of state business. For a century, the monopoly had been restricted to the sphere of production: the exclusive cultivation and supply of commercial crops, at first to the VOC and then to the government. The next step was to extend it to shipping the coffee and selling it on the global market. Although the East Indies had been returned to the Netherlands in 1817 after the British interlude, in economic terms the foreign influence had not been shaken off by far. Raffles had set himself the goal, with the creation of Singapore, of gaining control of Southeast Asian trade and inter-insular traffic in the archipelago remained in non-Dutch hands for several decades (Mansvelt 1938). Perhaps most striking of all, the majority of trading houses and shipping companies in the Indies were in foreign, mainly British, hands. In the VOC era, ships flying the Company flag carried the largest share of the colonial products to Europe for export, but the French occupation of Holland in 1795 made the VOC’s home ports inaccessible as a result of the British blockade of the coast. This led to goods being sold directly from the warehouses in Batavia to foreign traders who were neutral in the continental wars. Around the turn of the century, they carried large quantities of coffee to Atlantic ports that had remained outside the conflict. The free shipping traffic that grew up in the archipelago ensured that coffee from the Priangan remained reasonably saleable, but the price that had to be paid for this solution was the loss of the trade monopoly. It was once again the indestructible Muntinghe, designated by Raffles in 1817 in a letter to Van Hogendorp as the linchpin of colonial policy-making, who persuaded Willem I of the danger of the dominant role of British trade and shipping in the archipelago. His conversations with the King while taking leave the Netherlands in 1823 led a year later to the establishment of the Dutch Trading Company (NHM). The recalcitrance that Muntinghe had displayed throughout his long career stood in the way of his appointment as a director. The initiative for which he had given the prime impulse was grounded in the desire to retain the profits of the colonial economy for the Netherlands and, as in the days of the VOC, to tolerate as little foreign competition as possible. It was a kill-or-cure remedy because it not only denied foreign competitors access to the Indies, but also Dutch entrepreneurs; they would not gain a position of some significance until the second half of the nineteenth century. Nor did the measure produce the desired effect immediately. Success only came with the introduction of the cultivation system, when
the revenues of the production ordered by the government were given to
the NHM in consignment. The NHM became the commercial complement
of the forced cultivation and delivery to the government of colonial goods.
It was subsequently given sole rights to ship and sell the goods on arrival
in Europe. This decision created one long monopoly chain that started
with forced cultivation in the Sunda highlands and ended with the buyers
at the coffee auctions in Amsterdam. The archipelago, which had always
been an exploitation colony, became more than ever the overseas pool for
Dutch economic interests. The close relationship that had been established
between production and distribution called for uniform management – by
the government.

**Political turmoil at home**

A separate study would be required to do justice to the restructuring of the
relationship between the colony and the metropolis from the end of the
eighteenth century onwards. Such an endeavour is beyond my current study,
which essentially remains limited to a treatise on the Priangan system in
successive stages of colonial exploitation. The insolvency and subsequent
collapse of the Dutch East Indies Company at the end of the eighteenth
century coincided with radical shifts in the political constellation at home.
This upheaval, again, had major repercussions on how to govern the colonial
domain. In order to comprehend the new state regime that came about I
shall outline in a brief summary what happened in the metropolis and
the consequences of this change in the political setting for the promotion
and outcome of the policies pursued in what was and would remain the
Netherlands’ major colonial domain.

The Republic of the United Netherlands, formed by seven provinces in
the sixteenth century, had by the eighteenth century fallen into a state of
stagnation and regression. The trade and industry that had generated so
much profitable activity was in decline as the focus of the international
economy shifted to new routes and commodities. As a consequence of
increasing protectionism, the textile industry in particular saw its markets
dissipate and the ensuing loss of employment caused severe economic
distress in many towns that had grown prosperous around it. Dutch society
retained its strong agrarian-cum-artisanal character. Where there was a
gradual transition to machine-based production in other parts of Europe,
the development of industrial capitalism in the Netherlands did not progress
past the manufacturing stage. The country’s extensive maritime industry