Paramita
Historical Studies Journal
Paramita: Historical Studies Journal, 36(1), 2026, pp. 16-27
P-ISSN: 0854-0039, E-ISSN: 2407-5825
DOI: https://doi.org/10.15294/paramita.v36i1.34091

The Historical Roots of Corporate Social Responsibility in Indonesia: The Institutionalization of Social Welfare in the Mangkunegaran Sugar Industry, 1861–1940

Wasino[1]✉, William Bradley Horton[2], Endah Sri Hartatik[3], Nina Witasari[1], Argitha Aricindy[4], Scientia Inu Kirana Enwa Siwi[5]; Fortuna Devi Putri Sina[6]
[1] Universitas Negeri Semarang, ✉wasino@mail.unnes.ac.id
[2] Akita University
[3] Universitas Diponegoro
[4] National Research and Innovation Agency (BRIN)
[5] RSJ Menur Surabaya
[6] Universitas Gadjah Mada Alumni

Article history
Received : 2025-09-19
Accepted : 2026-04-10
Published : 2026-04-23

Keywords
Mangkunegaran Sugar Industry;
Welfare Institutionalization;
Proto-CSR;
Dual-Logic.

Abstract: Corporate Social Responsibility (CSR) is often understood as a modern normative concept that was only adopted in Indonesia in the post-2000 period. This study challenges that assumption by tracing the historical roots of CSR-like practices through an examination of social welfare initiatives in the Mangkunegaran sugar industry between 1861 and 1940. Employing historical research methods, this study analyzes how welfare initiatives at the Colomadu and Tasikmadu sugar factories evolved from ad hoc responses into an institutionalized system. The findings demonstrate that the Mangkunegaran sugar enterprises implemented practices that can be categorized as "Proto-CSR," driven by a Dual Logic: economic rationality aimed at maintaining labor productivity, and a moral-cultural obligation of the ruler rooted in Mangkunegaran leadership ethics to protect and care for the populace (*kawula*). This institutionalization culminated in the establishment of the *Bevolkingfondsen* (Population Fund), a formal financing mechanism that supported healthcare services, housing improvements, and public sanitation. This study concludes that the Mangkunegaran welfare practices conceptually preceded the modern notion of Creating Shared Value (CSV). These findings contribute to the theoretical discourse on CSR by demonstrating that corporate social responsibility in Indonesia has deep indigenous and historical roots, rather than being merely an adoption of contemporary global management standards.

Abstrak: Tanggung Jawab Sosial Perusahaan (CSR) kerap dipahami sebagai konsep normatif modern yang baru diadopsi di Indonesia pada era pasca-2000. Penelitian ini menantang asumsi tersebut dengan menelusuri akar historis praktik tanggung jawab sosial melalui studi kasus industri gula Mangkunegaran pada periode 1861–1940. Dengan menggunakan metode sejarah, penelitian ini menganalisis transformasi inisiatif kesejahteraan sosial di pabrik gula Colomadu dan Tasikmadu dari respons situasional menjadi sistem yang terlembaga. Temuan penelitian menunjukkan bahwa industri gula Mangkunegaran telah menjalankan praktik yang dapat dikategorikan sebagai "Proto-CSR", yang digerakkan oleh Logika Ganda (*Dual Logic*): rasionalitas ekonomi untuk menjaga keberlanjutan produktivitas tenaga kerja, serta kewajiban moral-budaya penguasa berakar pada etos kepemimpinan Mangkunegaran—untuk mengayomi rakyat (*kawula*). Pelembagaan praktik ini mencapai bentuk formal melalui pembentukan *Bevolkingfondsen* (Dana Penduduk), sebuah mekanisme pendanaan yang menopang layanan kesehatan, perbaikan permukiman, dan sanitasi publik. Penelitian ini menyimpulkan bahwa praktik kesejahteraan sosial Mangkunegaran secara konseptual mendahului gagasan *Creating Shared Value* (CSV). Temuan ini berkontribusi pada pengayaan wacana teoretis dengan menunjukkan bahwa CSR di Indonesia memiliki akar historis dan kultural yang kuat, serta tidak semata-mata merupakan adopsi dari standar global modern.

Available online at
https://journal.unnes.ac.id/journals/paramita

INTRODUCTION

Academically, the concept of Corporate Social Responsibility (CSR) is often framed as a modern phenomenon originating in the West, typically tracing its formal definition to Howard Bowen's 1953 *Social Responsibilities of the Businessman* (Dal Mas et al., 2022). In the Indonesian context, this discourse only gained strong legal momentum half a century later with the enactment of Law No. 40 of 2007 on Limited Liability Companies (Hartatik, 2017). Consequently, business ethics practices in Indonesia are often viewed merely as normative adoptions of contemporary global management standards. However, this modern-centric view overlooks historical continuity. Practices integrating social welfare into business operations were implemented long before Indonesia's independence, embedded within the specific cultural and political context of the colonial era. This article traces the historical roots of such practices through the case of the Mangkunegaran Sugar Enterprises, specifically Colomadu (est. 1861) and Tasikmadu (est. 1871). While historiography on colonial plantations, particularly since the critical turns in the 1980s, has focused heavily on economic exploitation and the structural poverty of the peasantry (Araújo et al., 2023), this perspective often generalizes all colonial entities as purely profit -maximizing companies (*ondernemingen*). The Mangkunegaran presented a unique anomaly: it was a business entity intertwined with a Javanese Principality (*Praja*).

Unlike private Dutch plantations driven solely by capitalist accumulation, the Mangkunegaran plantations operated under a dual logic: economic rationality and the cultural obligation of the ruler to protect the subject (*kawula*). This study argues that the social initiatives in Colomadu and Tasikmadu were not merely "whitewashing" or simple maintenance costs for labor productivity. Instead, they represented a "Proto-CSR" model institutionalized through the *Bevolkingfondsen* (Population Fund). This mechanism funded health facilities, disease eradication (such as hookworm campaigns), and sanitation improvements, reflecting a synthesis of modern corporate management and traditional Javanese patronage. By examining the archives of the Mangkunegaran administration from the late 19th century to 1940, this study aims to: (1) map the institutionalization of social welfare in the Mangkunegaran sugar industry; and (2) analyze how these practices challenge the conventional timeline of CSR in Indonesia. This historical perspective offers a critical counter-narrative, demonstrating that responsible business practices in Indonesia are not solely imported concepts, but have deep indigenous and colonial roots.

Scholarly attention on colonial plantations in Indonesia has traditionally bifurcated into distinct foci. On one hand, political economy and labor history perspectives have heavily scrutinized the extractive nature of the *cultuurstelsel* and the structural poverty of the peasantry (Farooq et al., 2025). On the other hand, demographic and health studies have examined disease control primarily as a function of the colonial state's policy (Saleh et al., 2022). While recent scholarship has begun to explore the colonial welfare (Ozkan et al., 2023), a significant lacuna remains: the role of indigenous principalities (*Vorstenlanden*) as corporate actors. Most existing studies focus on areas under direct Dutch administration (*Gouvernementslanden*). Consequently, the unique dynamics of the Mangkunegaran where the plantation administrator was simultaneously a traditional ruler are often overlooked (Wasino, 2008). Furthermore, the current CSR literature in Indonesia is predominantly ahistorical, focusing primarily on the post-2007 legal landscape (Field, Fallah (Fallah Shayan et al., 2022). There is a scarcity of research that frames colonial-era welfare practices not merely as "ethical policy" or "labor maintenance," but as an indigenous precursor to CSR rooted in local cultural values. This study aims to bridge these gaps by positioning the Mangkunegaran health and sanitation programs as a form of "Proto-CSR," thereby connecting colonial historiography with modern corporate responsibility discourse.

Based on the identified gaps and the unique position of the Mangkunegaran plantations, this study addresses three central questions. *First*, how did social welfare practices in the Mangkunegaran sugar industry (1860–1940) evolve from ad hoc initiatives into institutionalized programs, particularly in the health and sanitation sectors? Second, to what extent were these initiatives driven by distinct Mangkunegaran cultural obligations (*cultural values*) versus rational economic motives? Third, how do these historical practices prefigure contemporary concepts of Corporate Social Responsibility, and does the Mangkunegaran case challenge the Western-centric timeline of CSR development in Indonesia?

Literature Review

Plantation Historiography: From Exploitation to Social Complexity

Classic historiography on Javanese sugar plantations, famously represented by Geertz (1963) and

Elson (1994), predominantly frames plantations as engines of colonial extraction that systematically impoverished the peasantry (Elson, 1994). While foundational, these works tend to overlook the internal social dynamics of the plantation enterprise itself. More recent scholarship has begun to dismantle this monolithic view (Le, 2022). However, more recent scholarship offers a more nuanced view; (Knight, 1999) and (Daryono & Syukur, 2021), for instance, demonstrate that plantations were not merely sites of oppression but also complex industrial hubs that negotiated with local communities.

However, a specific gap remains regarding the *Vorstenlanden* (Principalities) region. Unlike the government-controlled lands discussed by Elson, the Principalities operated under a unique political-economic structure. (Elson, 1994) and (Wasino, Hartatik, et al., 2019) have extensively detailed the socio-economic transformation in Mangkunegaran, terming it "Bumiputra Capitalism." Yet, while Wasino highlights the economic modernization, the specific institutionalization of welfare practices, specifically health and sanitation, as a deliberate corporate strategy remains under-explored (Sunarmi, 2018). This study situates itself here, arguing that Mangkunegaran's unique position allowed for a synthesis of colonial capitalism and Javanese patronage.

Colonial Health: Between Control and Welfare

The literature on colonial health often oscillates between two poles: health as a "civilizing mission" and health as a tool of control. (Boomgaard, 2024) and (Gardiner & Oey-Gardiner, 1983) provide crucial statistical baselines for morbidity and mortality, but their focus remains largely on state-level policy (DVG) (Al Frijat et al., 2024). Conversely, scholars using a postcolonial lens, such as Arnold (1993) and Stoler (1995), argue that hygiene and health policies were often instruments for policing racial boundaries and disciplining the labor force. In the context of Mangkunegaran, this study bridges these perspectives (Kong & Liu, 2023). It acknowledges that while health initiatives such as plague or hookworm eradication discussed by (Hull & White, 1987) served to maintain labor productivity (control), the implementation in Mangkunegaran was distinct (Asemah-Ibrahim et al., 2022). It was mediated by the ruler's cultural obligation, suggesting a form of welfare that was neither purely exploitative nor purely altruistic, but deeply paternalistic.

Tracing the Roots of CSR

While standard business literature posits CSR as a post-1950s phenomenon (Carroll, 2008), historians such as Heald (1970) and Schefold (2017) have traced its lineage to earlier industrial eras (Al-Shammari et al., 2022). Schefold, in particular, argues for a "colonial legacy" in Indonesian CSR. However, existing studies have yet to apply this historical lens to indigenous-run colonial enterprises rigorously. This research contributes to this discourse by framing the Mangkunegaran case not as a passive recipient of Dutch ethical policies, but as an active agent in defining early corporate responsibility.

Theoretical Framework

"Implicit CSR" and Cultural Embeddedness

To analyze historical practices that predate modern terminology, this study eschews rigid modern definitions in favor of (Matten & Moon, 2008) concept of "Implicit CSR." Unlike "Explicit CSR," which consists of voluntary corporate policies common in the US, Implicit CSR refers to values, norms, and rules embedded within the wider formal and informal institutions of society (Wu & Jin, 2022). In the context of the Mangkunegaran, the "company" was indistinguishable from the "state." Therefore, its social responsibility was not a voluntary "add-on" but was *implicit* in the Javanese concept of the ruler -subject relationship (*kawula-gusti*). This framework allows us to view the *Bevolkingfondsen* (Population Fund) not just as a financial instrument, but as an institutionalized form of Implicit CSR where economic obligations were inseparable from cultural duties.

The Dual-Logic of Colonial Welfare

To avoid "whitewashing" the colonial reality, this study integrates Colonial Welfare Theory with the Political Economy of Health. We utilize (Breman, 2015) insight that welfare was a strategy to "mobilize labor," combined with (Carroll, 1991) distinction between *economic* and *ethical* responsibilities (Al-Shammari et al., 2022). This synthesis creates a "Dual-Logic Framework" for analysis: (1). The Logic of Capital: Health programs (e.g., sanitation, hospitals) were rational investments to ensure a healthy, productive workforce (Economic Responsibility). (2) The Logic of Culture: The provision of these services was driven by the Mangkunegaran's ethical self-conception as a "modernizing monarchy," where legitimacy was derived from the welfare of the people (Ethical/ Philanthropic Responsibi lity). By using this hybrid framework, the research avoids simplifying

Mangkunegaran's actions. It interprets the Colomadu and Tasikmadu health programs as a convergence where the *modern need for hygiene* (driven by germ theory, as noted by Tomes, 1998) met the *traditional obligation of patronage* (Asemah-Ibrahim et al., 2022).

METHOD

This study adopts a socio-economic historical approach to examine the institutionalization of welfare practices within the Mangkunegaran sugar industry. By synthesizing historical heuristics with the theoretical lens of "Implicit CSR," the research moves beyond a chronological recounting of events to analyze the structural motivations behind corporate benevolence (Jung, 2022). Data collection focuses on three primary archival repositories: the National Archives of the Republic of Indonesia (ANRI) in Jakarta, the National Archives of the Netherlands in The Hague, and the Rekso Pustoko Library within the Mangkunegaran Palace, Surakarta. The utilization of *Rekso Pustoko* is particularly critical, as it houses indigenous administrative records—such as the *Rijksblad Mangkunagaran* (State Gazettes) and *Bevolkingfondsen* (Population Fund) financial reports—that offer an internal perspective often absent in standard Dutch colonial records (Wasino and Hartatik, 2020).

To ensure historical rigor, the collected sources underwent a layered process of external and internal criticism. A key methodological challenge in this study is the potential bias in colonial reports, which often portray plantation health measures solely as benevolent acts ("Ethical Policy") or as purely sanitary controls. To address this, the study employs a triangulation method: cross-referencing the administrative optimism found in the *Algemeen Verslag Soerakarta* (AVS) with the often-starker realities recorded in the *Medisch Verslag* (Medical Reports) and contemporary scientific debates in the *Geneeskundig Tijdschrift voor Nederlandsch-Indië* (Al-Shammari et al., 2022). This technique of "reading against the grain" allows for a critical separation between the company's stated intent and the actual impact on the ground.

The analysis is temporally bounded from 1860, marking the initial expansion of the Mangkunegaran sugar industry with the establishment of Colomadu, to 1940, the twilight of the Dutch colonial era (Wu & Jin, 2022). Thematically, while acknowledging broader welfare aspects such as education, the interpretation specifically zooms in on health and sanitation initiatives (Al-Shammari et al., 2022). These sectors serve as the primary indicators to test the "Dual-Logic Framework"—determining where economic rationality (maintaining a healthy workforce) intersects with the cultural patronage obligations of the Mangkunegaran principality.

THE POLITICAL ECONOMY OF SUGAR AND DISEASE IN MANGKUNEGARAN

Industrialization as a Strategy of Sovereignty

The establishment of Colomadu (1861) and Tasikmadu (1871) by Mangkunegara IV was not merely a capitalist venture, but a political maneuver to counter Dutch hegemony (Asemah-Ibrahim et al., 2022). Unlike the private *onderneming* in the *Gouvernementslanden,* which were purely profit-driven, Mangkunegara IV utilized the sugar industry to secure the financial autonomy of the Principality (*Praja*). This "Bumiputra Capitalism" operated on a dual logic: generating revenue to sustain the court's modern bureaucracy while defending traditional authority against colonial erosion (Kong & Liu, 2023). However, this industrial expansion necessitated a radical restructuring of agrarian society. As noted by (Suhartono, 1991), the traditional *appanage* system—where land was controlled by *patuh*—was transformed. The Mangkunegaran administration rationalized land use by empowering the *bekel* (rural heads) to mobilize peasant labor for cane cultivation (Bhat et al., 2024). Consequently, the social landscape shifted from a feudal agrarian bond to a semi-industrial labor relation. While European managers occupied the top hierarchy, the massive mobilization of indigenous labor created a dense, proletarianized population concentrated around the factory zones (Wirba, 2024). This demographic density, crucial for production, inadvertently created an epidemiological time bomb. This is visually reflected in the map of Praja Mangkunegaran below, where the concentration of industrial infrastructure and worker mobility is locked into the same landscape.

The figure 1 shows how integrated the transport routes connecting Colomadu in the west and Tasikmadu in the east are. This network of lorries and roads not only transports sugar cane but also provides a fast channel for the movement of people and microbes across regions, transcending traditional sanitation boundaries.

The Plantation as a Pathological Environment

From the late 19th to early 20th century, the ecological changes driven by monoculture plantations significantly altered the disease landscape. The archival record (*Algemeen Verslag Soerakarta*) indicates that the plantation zones were not merely sites

Figure 1. Map of the Mangkunegaran territory showing the location of Colomadu and Tasikmadu sugar factories. (Source: Author's design)

of production but also loci of infection. While sporadic outbreaks of cholera and malaria were common in the 19th century, the intensification of labor mobility in the early 20th century exacerbated these threats. The bubonic plague (*pest*) outbreak of 1914 -1915, which claimed 1,300 lives in Surakarta and spread to Colomadu, demonstrated how connected the plantation economy was to regional epidemics (Ghobakhloo et al., 2023). Beyond epidemic crises, the plantation workforce suffered from chronic "silent killers" directly linked to their working conditions. Hookworm disease (*Ankylostomiasis*) became hyper-endemic, with prevalence rates in Tasikmadu reaching 82-94% by 1930 (Rahman et al., 2024). Unlike the plague, which triggered immediate panic, hookworm was a degenerative disease caused by poor sanitation in the cane fields and the lack of footwear among laborers. The convergence of poor housing (rat-infested bamboo structures), open defecation practices in the fields, and high population density created a specific "plantation pathology." Crucially, these health issues posed a dual threat: an economic threat to labor productivity (lethargy caused by anemia from hookworm) and a cultural threat to the Mangkunegara's legitimacy as a benevolent protector. This precarious situation set the stage for the institutionalization of the *Bevolkingfondsen*, transforming health interventions from simple charity into a systemic corporate necessity.

DEVELOPMENT OF SOCIAL RESPONSIBILITY PRACTICES IN MANGKUNEGARAN SUGAR PLANTATIONS

Early Welfare as "Implicit" Responsibility (1870-1900)

In the late 19th century, welfare initiatives in Mangkunegaran were characterized by a lack of demarcation between "state public works" and "company infrastructure." Unlike private Dutch plantations, where infrastructure was strictly calculated for logistic efficiency, the Mangkunegaran infrastructure—roads, drainage, and vaccination drives (Awa et al., 2024) served a dual function. While undoubtedly facilitating sugar transport, these works were simultaneously manifestations of the ruler's duty to the *kawula* (subjects) (Le et al., 2024). This blurred line suggests that early CSR was not an "add-on" policy but was *implicit* in the very structure of the "Royal Company" (*vorstelijke ondernemingen*) (Idowu et al., 2023). The improvement of drainage, which reduced malaria breeding grounds (Yousefian et al., 2023), illustrates how

Figure 2. Staff of the Mangkunegaran Sugar Factory (Colomadu), late 19th century. Source: KITLV Special Collection

operational necessities were inextricably linked to public health benefits, laying the groundwork for more formalized responsibility. As shown in Figure 2, the officials and administrators of the Mangkunegaran sugar factories (such as those at Colomadu and Tasikmadu) acted not only as industrial managers but as royal representatives who oversaw both the economic output and the social welfare of the surrounding communities

Institutionalization and Cultural Foundations (1900-1920)

The turn of the century marked a shift from ad-hoc interventions to institutionalized welfare, most notably through the Population Fund (*Bevolkingfondsen*). This fund, operationalized at the Colomadu Polyclinic (1916) and later at the Hospital (1919), provides the strongest evidence against the argument that these were merely profit-driven labor maintenance programs (Field, Fatima (Fatima & Elbanna, 2023). Crucially, Pringgodigdo (1950) notes that the hospital served 8,217 patients in 1919, a demographic that extended far beyond the plantation workforce to the general public. If the motive were solely economic labor maintenance, the company would have restricted access to active employees.

A distinct cultural ideology drove this inclusivity. While the Dutch "Ethical Policy" was driven by political guilt or "debt of honor," Mangkunegaran's welfare was rooted in the Javanese philosophy of *Tri Dharma*, particularly *Rumangsa Melu Handarbeni* (sense of belonging/ownership) and the values of *Ambeg Adil Para Marta* (fair and generous) enshrined in Mangkunegara IV's *Serat Wedhatama*. These values transformed the plantation from a mere site of production into a site of patronage, where the ruler-entrepreneur was culturally mandated to provide social safety nets (Cezarino et al., 2022).

Global Networks and Local Resilience (1920-1940)

The interwar period demonstrated the sophistication of Mangkunegaran's "Proto-CSR" by integrating global health networks. The expansion of the Tasikmadu Clinic (1926) and the massive hookworm eradication campaign were not isolated local efforts. The methods employed—such as epidemiological surveys by Dr. R. Tumengung Mermohsodo and the use of hygiene education films—paralleled the strategies promoted by the Rockefeller Foundation and the Colonial Health Service (DVG), which were active in Java during the 1920s (Paruzel et al., 2023). This indicates that Mangkunegaran was not an archaic feudal entity but a modern actor that engaged with global health standards to fulfill its social mandate. Furthermore, the resilience of these programs during the Great Depression (1929) serves as a critical litmus test. While many commercial enterprises slashed "non-essential" costs, the Mangkunegaran persisted with its housing reform (replacing rat-infested bamboo roofs) and sanitation financing. The innovative "joint-funding" model introduced in 1933—sharing costs between the factory, the *Praja*, and villages—should not be viewed as mere cost-cutting (Paruzel et al., 2023). Instead, it reflected the mobilization of *Gotong Royong* (mutual cooperation), cementing the bond between the corporation and the community. This persistence during the economic crisis proves that social responsibility was viewed not as a disposable luxury, but as a core institutional pillar.

MOTIVATIONS: THE CONVERGENCE OF ECONOMIC RATIONALITY AND JAVANESE COSMOLOGY

Beyond the Profit Motive While modern CSR theory often debates whether social responsibility is instrumental (for profit) or normative (for ethics), the Mangkunegaran case illustrates a unique convergence of both. Undeniably, economic rationality played a foundational role. The prevalence of "silent killers" like hookworm was explicitly identified by company doctors not just as a medical issue, but as a labor inefficiency that "lowered the work performance of coolies" (Paruzel et al., 2023). Investing in latrines and footwear, therefore, aligns with what Carroll (1991) terms "economic responsibility"—a prerequisite for business survival (Criel & De Lepeleire, 2021). However, limiting the analysis to economic determinism fails to account for the comprehensive nature of the Mangkunegaran's interventions, such as opening hospitals to the general public and funding housing reforms during the Great Depression. If profit were the sole driver, these costly external programs would have been the first to be cut.

The Cultural Mandate of the "Philosopher-King"

The distinguishing factor that elevates these practices from mere "labor maintenance" to "Proto-CSR" is the cultural worldview of the Mangkunegaran leadership. As a principality, the company operated under the Javanese cosmological concept of the *Ratu-Gusti* relationship, in which the ruler's legitimacy rested on the prosperity of the subjects. Mangkunegara IV's philosophy, crystallized in *Se-*

rat Wedhatama, emphasized *Ambeg Adil Para Marta* (fair and generous leadership) as a moral imperative (El Khadraoui, 2021). Consequently, the decision to fund welfare programs was not merely a reaction to external "Ethical Policy" pressure from the Dutch colonial government, but an internal manifestation of "Implicit CSR." The plantation was not just a commercial enclave; it was an extension of the kingdom, where neglecting the welfare of the *kawula* (subjects) would equate to a failure of spiritual and political leadership.

Social Control and the "Civilizing" Mission

Furthermore, these motivations were deeply entwined with the need to navigate the volatile social landscape of the *Vorstenlanden*. Resistance from the peasantry—manifested in cane burning, theft, and strikes—posed a tangible threat to operations (Putra, 2021)). In this context, welfare programs functioned as a mechanism to secure a "social license to operate" (Tarigan, 2020). However, this benevolence contained an ambivalent edge. As Warwick (Anderson, 2020)argues regarding colonial health, hygiene campaigns were often "imperial projects" aimed at disciplining the native body. By replacing "unhygienic" bamboo homes with timber and enforcing modern sanitation, the Mangkunegaran simultaneously improved survival rates and asserted control over the domestic lives of the workforce, aligning local habits with the standards of "modernity" required by industrial capitalism.

IMPACT AND LIMITATIONS: FROM STATISTICS TO SOCIAL ENGINEERING

Measurable Health Outcomes

The institutionalization of welfare programs yielded statistically significant results, validating the efficacy of the Mangkunegaran's approach. The hookworm eradication campaign in Tasikmadu, driven by the *Bevolkingfondsen*, successfully reduced prevalence from 84% to 50% within a few years (Bundle L 440, Rekso Pustoko). The effectiveness of these health interventions becomes more evident when compared to similar campaigns in other regions of Java. While Rockefeller Foundation projects in areas like Serang often faced significant local resistance due to their purely clinical and top-down approach (Baha'uddin, 2013), the initiatives in Tasikmadu benefited from the existing patronage structure of the Mangkunegaran. This suggests that the proto-CSR context made health officials more cautious and of more accommodating to local customs, potentially making the programs more sustainable than those in non-principality areas. Similarly, the housing reform initiative aimed at curbing the plague by replacing rat-infested thatch with tiled roofs repaired over 7,200 homes in Colomadu by 1929. This structural intervention was directly correlated with a sharp decline in plague cases, from 69 in 1924 to 26 in 1925 (Sulhan & Rochayatun, 2021). These figures demonstrate that "Proto-CSR" in Mangkunegaran was not merely performative philanthropy but a functional public health strategy that effectively mitigated the "plantation pathologies" threatening the region.

Access and Behavioral Transformation

Beyond morbidity statistics, the programs engendered a profound shift in community behavior and access to modernity. The high utilization rates of health facilities—recording 10,515 patients in Colomadu and 7,214 in Tasikmadu in 1931 alone—indicate a successful penetration of modern medicine into a society previously reliant on traditional healers (Budiastuti, 2020). Crucially, the inclusivity of these clinics fostered trust. The educational campaigns, using modern tools such as film screenings at sugar festivals, served as a form of "social engineering." They slowly dismantled traditional sanitary practices (such as open defecation) and replaced them with modern hygiene standards. This suggests that the plantation acted as an agent of modernization, hybridizing local customs with global health protocols.

Structural Limitations and the "Welfare Enclave"

However, a critical historical assessment must avoid romanticizing these achievements. Despite the tangible benefits, these programs created "welfare enclaves" islands of health surrounded by general colonial poverty. As noted by Pols (2018), areas remote from the factory radius remained underserved, highlighting the geographic limitations of corporate-led welfare (Pols, 2024). Furthermore, the programs were inherently top-down. While they improved survival rates, they also served as instruments of "imperial control" (Pols, 2018) to discipline the labor force. Ultimately, while the Mangkunegaran's "Proto-CSR" mitigated the excesses of the colonial economy, it operated within the extractive logic of the system. It improved workers' conditions without fundamentally transforming the unequal *class relations* of the colonial plantation structure (Darmarastri et al., 2021).

Figure 3. The monumental facade of the Colomadu Sugar Factory (De Tjolomadoe). (Source: KITLV Special Collection.)

THE MANGKUNEGARAN MODEL IN MODERN PERSPECTIVE: PROTO-CSR AND THE LIMITS OF SUSTAINABILITY

From "Implicit" to "Explicit" Responsibility

Analyzing the Mangkunegaran case through contemporary theoretical lenses reveals a sophisticated institutional evolution that defies the perception of colonial management as purely rudimentary (Sunarmi, 2018). Utilizing Matten and Moon's (2008) framework, the Mangkunegaran transition can be viewed as a shift from "Implicit CSR"where obligations were embedded in unwritten cultural norms of the *Praja* towards "Explicit CSR." The formalization of the *Bevolkingfondsen* (Population Fund) and the joint-funding mechanisms of the 1930s represent a deliberate corporate policy to address social issues, distinct from state administration (Witasari, 2017). Furthermore, in terms of (Carroll, 1991), the plantation exhibited a unique compression of responsibilities: "Philanthropic" duties (hospitals for the poor) were not merely desired but were treated as "Ethical" imperatives required for the ruler's legitimacy (Wasino, Shintasiwi, et al., 2019). This historical evidence suggests that the "multi-stakeholder partnership" model often hailed as a modern innovation (Utting, 2005) actually has deep roots in the indigenous-colonial hybrid governance of Java (Sunarmi, 2023). As depicted in Figure 3, the grandeur of the Colomadu Sugar Factory serves as a 'material testament' to this transition, where the scale of the industrial structure reflected the Praja's growing formal commitment to both economic modernization and social legitimacy."

Local Wisdom as a Precursor to "Shared Value"

The Mangkunegaran approach offers a critical counter-narrative to the Western-centric timeline of CSR. Long before (Wieland, 2017) coined "Creating Shared Value" (CSV), the Tasikmadu hookworm program demonstrated a practical application of this principle: solving a societal problem (disease) to generate economic value (productivity) (Wardhana et al., 2019). The success of these programs lay in their "local adaptability" (Prasetyo, 2022). Unlike modern corporate programs that often fail due to rigid top-down implementation, the Mangkunegaran integrated health campaigns into local cultural festivities (sugar mill festivals) and adapted sanitation infrastructure to village realities. This localized flexibility provided a "social license to operate" that was far more resilient than the coercive measures often employed by private Dutch plantations (Maknun & Muzayanah, 2020). Figure 4 illustrates the interior of the Colomadu factory, where the sophisticated machinery was not just a tool of extraction, but a shared workspace that functioned effectively due to the localized flexibility and cultural integration of the Mangkunegaran management.

Distinguishing CSR from Sustainability

However, a critical distinction must be drawn between "Social Responsibility" and "Sustainability" in their modern definitions. While the Mangkunegaran exercised responsibility towards its *labor force* and immediate *community* (CSR), its operations lacked the dimension of "Sustainability,"—defined today as meeting present needs without compromising future generations (Wasino, Hartatik, et al., 2019). The plantation system remained inherently extractive, monocultural, and ecologically taxing on the land. As (Banerjee, 2007) argues, without a fundamental shift in power

Figure 4. The monumental facade of the Colomadu Sugar Factory (De Tjolomadoe). (Source: KITLV Special Collection.)

relations, such programs function primarily as mitigation strategies rather than structural transformation. Therefore, the Mangkunegaran case should be best understood as a progressive "Welfare Corporatism" that humanized the colonial economy yet stopped short of the holistic ecological and social justice demands of modern sustainability.

CONCLUSION

This transition from ad-hoc initiatives to the institutionalized Bevolkingfondsen demonstrates a shift from 'implicit' to 'explicit' CSR, suggesting that Mangkunegaran's welfare programs were not merely situational responses but a deliberate synthesis of industrial needs and traditional values. By reconstructing the institutional evolution of the Mangkunegaran sugar industry (1860–1940), it is evident that a sophisticated form of "Proto-CSR" flourished long before the legal formalization of the 21st century. This practice was driven by a distinct "Dual-Logic": the rational economic necessity to combat "plantation pathologies" (such as hookworm and plague) and the cultural obligation of the *Praja* to protect its subjects (*kawula*). The transition from ad-hoc initiatives to the institutionalized *Bevolkingfondsen* demonstrates a shift from "Implicit" to "Explicit" CSR, proving that Mangkunegaran's welfare programs were not merely performative "whitewashing," but a structural synthesis of colonial capitalism and Javanese patronage values (*Tri Dharma*). However, historical reflexivity is required to avoid romanticizing these achievements. While the Mangkunegaran model successfully integrated global health standards, evident in its collaboration with the DVG and the adoption of modern epidemiological methods, it operated within the constraints of a colonial extractive system. The programs succeeded in creating "welfare enclaves" that significantly reduced morbidity and introduced modern hygiene, yet they did not dismantle the structural inequalities of the plantation economy. The welfare provided was distinct from modern "sustainability"; it was a strategy of "Welfare Corporatism" designed to mitigate the excesses of exploitation without altering the fundamental power relations between the agrarian workforce and the industrial elite. Beyond its historical confines, the Mangkunegaran case offers critical insights for contemporary CSR discourse. It highlights that the success of social interventions lies in "local adaptability" the ability to hybridize global standards with local wisdom rather than rigid top-down implementation. Future scholarship should extend this analysis by integrating subaltern perspectives to capture the voices of the workers themselves, and by conducting comparative studies across other *Vorstenlanden* sectors (tobacco or coffee). Ultimately, this history reminds us that for CSR to evolve from mere mitigation into genuine social transformation, it must transcend the logic of "labor maintenance" and address the deeper structural roots of community well-being.

REFERENCES

Al-Shammari, M. A., Banerjee, S. N., & Rasheed, A. A. (2022). Corporate social responsibility and firm performance: A theory of dual responsibility. *Management Decision*, *60*(6), 1513–1540.

Al Frijat, Y. S., Albawwat, I. E., & Elamer, A. A. (2024). Exploring the mediating role of corporate social responsibility in the connection between board competence and corporate financial performance amidst global uncertainties. *Corporate Social Re-*

sponsibility and Environmental Management, *31* (2), 1079–1095.

Anderson, W. (2020). *Colonial pathologies: American tropical medicine, race, and hygiene in the Philippines*. Duke University Press.

Araújo, J., Pereira, I. V., & Santos, J. D. (2023). The effect of corporate social responsibility on brand image and brand equity and its impact on consumer satisfaction. *Administrative Sciences*, *13*(5), 118.

Arnold, D. (1993). *Colonizing the body: State medicine and epidemic disease in nineteenth-century India*. Univ of California Press.

Asemah-Ibrahim, M. O., Nwaoboli, E. P., & Asemah, E. S. (2022). Corporate social responsibility as a strategy for crisis management by organisations. *SAU JOURNAL OF MANAGEMENT AND SOCIAL SCIENCES*, *7*(3), 145–156.

Awa, H. O., Etim, W., & Ogbonda, E. (2024). Stakeholders, stakeholder theory and corporate social responsibility (CSR). *International Journal of Corporate Social Responsibility*, *9*(1), 11.

Baha'uddin. (2013). From Medicine to Hygiene: The Rockefeller Foundation and the Public Health Programs in Java, 1924-1939. *Journal of Southeast Asian Studies*, 51–70.

Banerjee, S. B. (2007). Corporate social responsibility: The good, the bad and the ugly. In *Corporate Social Responsibility*. Edward Elgar Publishing.

Bhat, A. A., Mir, A. A., Allie, A. H., Lone, M. A., Al-Adwan, A. S., Jamali, D., & Riyaz, I. (2024). Unlocking corporate social responsibility and environmental performance: Mediating role of green strategy, innovation, and leadership. *Innovation and Green Development*, *3*(2), 100112.

Boomgaard, P. (2024). *Health care in Java: Past and present*. Brill.

Breman, J. (2015). *Mobilizing labour for the global coffee market: Profits from an unfree work regime in colonial Java*. Amsterdam University Press.

Budiastuti, D. R. (2020). Peran CSR perusahaan pada masa pandemi Covid 19. *Akrab Juara: Jurnal Ilmu-Ilmu Sosial*, *6*(1), 31–45.

Carroll, A. B. (1991). The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. *Business Horizons*, *34* (4), 39–48.

Carroll, A. B. (2008). *A history of corporate social responsibility: Concepts and practices*.

Cezarino, L. O., Liboni, L. B., Hunter, T., Pacheco, L. M., & Martins, F. P. (2022). Corporate social responsibility in emerging markets: Opportunities and challenges for sustainability integration. *Journal of Cleaner Production*, *362*, 132224.

Criel, B., & De Lepeleire, J. (2021). Van basisarts tot public health: verschillende wegen om naar Rome te reizen. *Tijdschrift Voor Geneeskunde En Gezondheidszorg*, *10*.

Dal Mas, F., Tucker, W., Massaro, M., & Bagnoli, C. (2022). Corporate social responsibility in the retail business: A case study. *Corporate Social Responsibility and Environmental Management*, *29*(1), 223–232.

Darmarastri, H. A., Susanto, S., Sutirto, T. W., Supariadi, S., Suharyana, S., Dadtun, Y. S., & Sudarno, S. (2021). Catalog of History Manuscrip Collection of Rekso Pustoko Mangkunegaran Library Collection Surakarta. *Progress In Social Development*. https://doi.org/10.30872/psd.v2i2.28

Daryono, D., & Syukur, S. (2021). The Moral Philosophy of Capitalism In the View of the Javanese Islamic Trade Ethos. *Jurnal Theologia*, *31*(2), 165–184.

El Khadraoui, S. (2021). De strijd voor een sociale'Fit for 55'. *Samenleving En Politiek*, *7*, 30–31.

Elson, R. E. (1994). Village Java under the cultivation system, 1830-1870. *(No Title)*.

Fallah Shayan, N., Mohabbati-Kalejahi, N., Alavi, S., & Zahed, M. A. (2022). Sustainable development goals (SDGs) as a framework for corporate social responsibility (CSR). *Sustainability*, *14*(3), 1222.

Farooq, M., Khan, I., Kainat, M., & Mumtaz, A. (2025). Corporate social responsibility and firm value: the role of enterprise risk management and corporate governance. *Corporate Governance: The International Journal of Business in Society*, *25*(3), 631–663.

Fatima, T., & Elbanna, S. (2023). Corporate social responsibility (CSR) implementation: A review and a research agenda towards an integrative framework. *Journal of Business Ethics*, *183*(1), 105–121.

Gardiner, P., & Oey-Gardiner, M. (1983). Morbidity and mortality in Java, 1880-1940: some observations based on the colonial reports. *(No Title)*.

Geertz, C. (1963). *Agricultural involution: the processes of ecological change in Indonesia* (Issue 11). Univ of California Press.

Ghobakhloo, M., Asadi, S., Iranmanesh, M., Foroughi, B., Mubarak, M. F., & Yadegaridehkordi, E. (2023). Intelligent automation implementation and corporate sustainability performance: The enabling role of corporate social responsibility strategy. *Technology in Society*, *74*, 102301.

Hartatik, E. S. (2017). *DARI INDUSTRI GULA HINGGA BATIK PEKALONGAN: Sejarah Sosial Ekonomi Pantai Utara Jawa pada Masa Kolonial Belanda*. Magnum Pustaka.

Heald, M. (1970). *The Social Responsibilities of Business: Company and Community, 1900–1960*. Transaction Books.

Hull, J., & White, A. (1987). The pricing of options on assets with stochastic volatilities. *The Journal of Finance*, *42*(2), 281–300.

Idowu, S. O., Idowu, M. T., & Idowu, A. O. (2023). Corporate Social Responsibility. *Corporate Social Responsibility in the Health Sector: CSR and COVID-19 in Global Health Service Institutions*, 1.

Jung, S. W. (2022). Exploration on Concepts of Phenomenological Qualitative Research as Social Science Research Methodology. *Korean Association for Qualitative Inquiry*. https://doi.org/10.30940/

jqi.2022.8.4.1

Knight, R. (1999). Sugar, Technology, and Colonial Encounters: Refashioning the Industry in the Netherlands Indies, 1800–1942. *Journal of Historical Sociology*, *12*(3), 218–250.

Kong, D., & Liu, B. (2023). Digital technology and corporate social responsibility: evidence from China. *Emerging Markets Finance and Trade*, *59*(9), 2967 –2993.

Le, T. T. (2022). How do corporate social responsibility and green innovation transform corporate green strategy into sustainable firm performance? *Journal of Cleaner Production*, *362*, 132228.

Le, T. T., Tran, P. Q., Lam, N. P., Tra, M. N. Le, & Uyen, P. H. P. (2024). Corporate social responsibility, green innovation, environment strategy and corporate sustainable development. *Operations Management Research*, *17*(1), 114–134.

Maknun, M. L., & Muzayanah, U. (2020). Contextualization of Suluk Candra's Character Values. *Heritage of Nusantara: International Journal of Religious Literature and Heritage*, *9*(1), 1. https://doi.org/10.31291/hn.v9i1.563

Matten, D., & Moon, J. (2008). "Implicit" and "explicit" CSR: A conceptual framework for a comparative understanding of corporate social responsibility. *Academy of Management Review*, *33*(2), 404–424.

Ozkan, A., Temiz, H., & Yildiz, Y. (2023). Climate risk, corporate social responsibility, and firm performance. *British Journal of Management*, *34*(4), 1791 –1810.

Paruzel, A., Schmidt, L., & Maier, G. W. (2023). Corporate social responsibility and employee innovative behaviors: A meta-analysis. *Journal of Cleaner Production*, *393*, 136189.

Pols, H. (2018). *Nurturing Indonesia: medicine and decolonisation in the Dutch East Indies*. Cambridge University Press.

Pols, H. (2024). The expansion of medical education in the Dutch East Indies and the formation of the Indonesian medical profession. *Medical History*, *68*(2), 162–182.

Prasetyo, H. (2022). Tinjauan Sejarah Pabrik Gula Colomadu. *Keraton: Journal of History Education and Culture*. https://doi.org/10.32585/keraton.v4i1.2663

Putra, M. J. A. (2021). *Implementasi Csr (Corporate Social Responsibility) Pt Bank Pembangunan Daerah Jawa Barat Dan Banten Dalam Meningkatkan Citra Perusahaan*. Univeristas Komputer Indonesia.

Rahman, M. H., Tanchangya, T., Rahman, J., Aktar, M. A., & Majumder, S. C. (2024). Corporate social responsibility and green financing behavior in Bangladesh: Towards sustainable tourism. *Innovation and Green Development*, *3*(3), 100133.

Saleh, A., Mujahiddin, M., & Gunawan, M. D. (2022). Optimizing Corporate Social Responsibility Funds for Community Empowerment and Regional Planning in Urban Slums. *International Journal Reglement & Society (IJRS)*, *3*(3), 203–209.

Schefold, B. (2017). The Improbability of Reswitching, the Certainty of Wicksell-Effects and the Poverty of Production Functions: The Cambridge Critique of Capital Transformed. *Including a Symposium on New Directions in Sraffa Scholarship*, 171–194.

Stoler, A. L. (1995). *Race and the education of desire: Foucault's history of sexuality and the colonial order of things*. Duke University Press.

Suhartono, A. (1991). Bekel: Perubahan Sosial di Pedesaan Surakarta 1830-1920. *Tiara Wacana, Yogyakarta*.

Sulhan, M., & Rochayatun, S. (2021). Corporate Social Responsibility, Ethic and Strategic Planning. *Manajemen Umkm Dan Kewirausahaan*, 87.

Sunarmi. (2023). Puro Mangkunegaran Building as a Representation of the Javanese Palace, Indonesia. *ISVS E-Journal*.

Sunarmi, S. (2018). Democracy in Indonesia Towards Mangkunegaran: The Fade of Javanese Royal Palace's Political Power. *Al-Ulum*. https://doi.org/10.30603/au.v18i1.285

Tarigan, M. S. (2020). *Model Manajemen Strategi CSR dalam Industri Kelapa Sawit Berkelanjutan (Studi Kasus PT Perkebunan Nusantara IV Unit Usaha Adolina)*. Universitas Medan Area.

Utting, P. (2005). Corporate responsibility and the movement of business. *Development in Practice*, *15*(3–4), 375–388.

Wardhana, A. P. S., Pitana, T. S., & -, S. (2019). Revivalisme Kebudayaan Jawa Mangkunegara VIII di Era Republik. *Mudra Jurnal Seni Budaya*. https://doi.org/10.31091/mudra.v34i1.568

Wasino and Hartatik, E. S. (2020). *Metode Penelitian Sejarah: dari Riset hingga Penulisan*. Magnum.

Wasino, Hartatik, E. S., & Nawiyanto. (2019). From royal family-based ownership to state business management: Mangkunegara's sugar industry in Java from the middle of the 19th to early 20th century. *Management and Organizational History*, *14*(2), 167–183. https://doi.org/10.1080/17449359.2019.1614462

Wasino, W. (2008). *Kapitalisme Bumi Putra: Perubahan Masyarakat Mangkunegaran*. LkiS.

Wasino, W., Shintasiwi, F. A., & Hartatik, E. S. (2019). *The Establishment of The New Environment of Mangkunegaran Sugar Industry in 1861-1942 and Its Impacts to The People's Health*.

Wieland, J. (2017). Shared Value–Theoretical implications, practical challenges. In *Creating Shared Value–Concepts, Experience, Criticism* (pp. 9–26). Springer.

Wirba, A. V. (2024). Corporate social responsibility (CSR): The role of government in promoting CSR. *Journal of the Knowledge Economy*, *15*(2), 7428–7454.

Witasari, N. (2017). Antara Kemanfaatan dan Keseimbangan: Mangkunegara VII dan Pengelolaan Hutan Mangkunegaran. *Jurnal Sejarah Citra Lekha*, *2* (2), 84.

Wu, L., & Jin, S. (2022). Corporate social responsibility and sustainability: From a corporate governance perspective. *Sustainability*, *14*(22), 15457.

Yousefian, M., Bascompta, M., Sanmiquel, L., & Vintro, C. (2023). Corporate social responsibility and economic growth in the mining industry. *The Ex-*