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TRADITIONAL INDUSTRIES IN THE COLONIAL PERIOD: THE ECONOMIC ACTIVITIES OF THE PEOPLE OF TEGAL IN THE FIRST HALF OF THE 20TH CENTURY

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ABSTRACT

During the colonial government, the emergence of an industrial sector in economic system cannot be separated from the desire to meet the needs of international commodities. Non-agricultural economic activities occupied by Tegal rural communities were grown and developed, especially those related to world markets. The purpose of this study is to uncover the industrial dynamics of the Tegal people, social conditions of the people in it, the synergy of the colonial industry with the people's industry. Historical method with the approach of the social sciences used as an analytical tool various conditions in rural areas. The results of the study show that non-agricultural people's economic activities in Tegal, had existed long before the colonial period and grew. Its existence is widely used for colonial interests. While the consideration of the colonial government placing various industries in Tegal is, strategic position, economic infrastructure, regional potential.

Keywords: Colonial Government, Synergy, People's Industry

ABSTRAK

Pada masa pemerintah kolonial, munculnya suatu sistem perekonomian sektor industri tidak bisa dilepaskan dari keinginan untuk mencukupi kebutuhan komoditas dunia internasional. Kegiatan ekonomi non pertanian, yang telah ditekuni oleh masyarakat pedesaan Tegal semakin ditumbuhkan, khususnya yang terkait dengan pasar dunia. Tujuan dari penelitian ini adalah mengungkap dinamika industri rakyat Tegal, kondisi sosial masyarakat di dalamnya, sinergitas industri kolonial dengan industri rakyat. Metode historis dengan pendekatan ilmu-ilmu sosial, dipakai sebagai alat analisis berbagai kondisi di wilayah pedesaan. Hasil penelitian menunjukkan bahwa kegiatan ekonomi rakyat non pertanian di Tegal, telah ada jauh sebelum masa kolonial dan tumbuh. Keberadaannya banyak dimanfaatkan untuk kepentingan kolonial. Sementara itu pertimbangan pemerintah kolonial menempatkan berbagai industri di Tegal adalah, posisi yang strategis, infrastruktur ekonomi, potensi wilayah.

Kata Kunci: Pemerintah Kolonial, Sinergitas, Industri Rakyat



INTRODUCTION

The position of Tegal, on the North Coast of Java, geo-economically shows a good transportation network opportunity in the form of ports, national roads, and railway. The railway network in Tegal, for example, connects West and East Java regions while the national road network can be passed by modern wheeled vehicle (*Regeerings Almanak*, 1887: 27; R.E.Elson,1994: 253. Hartatik, 2016: 155-165). The port was crowded with many traders doing buying and selling activities and was also enlivened by the presence of traders from China, Arabia, and India who dwelled the area around the Port. Tegal Harbor also played its role as the entrance that connected the northern coast and the southern parts of Java. (Alamsyah,2003: 54-55). Historically the above infrastructure facilities functioned well during the colonial period as the supporter of economic activities. The meeting of railway lines, ports, and national highways, endowed Tegal high accessibility in economic activities to become a strategic location for industrial economic activities.

Tegal was also in a crossing lane that connects the interior of Tegal with the interior of Cirebon and Banyumas. Both can be reached through the road from Ranca to Dayuh Luhur area, Majenang. Other routes from Tegal to the interior can be reached through Pemalang and Wiradesa to Pekalongan, Batang, and Subah. The road network above had been passed by Raffles from Batavia to Mataram (Raffles, 1994). This further confirmed Tegal as a crossing of economic activities from the northern coast region to a number of southern regions such as Banyumas, Cilacap, Purwokerto, Banjarnegara, Purbalingga, and Kebumen. The infrastructure elements mentioned above were interrelated and intersect with one another and formed an industrial community (Fujita, Krugman, & Venables, 1999: 287). The conditions above, supported by a strategic geographical location, the environment, and infrastructure facilities, are also good, as said by Smyth, allowed various types of industries to de-

velop (Smyth, 2000: 188). Basically, various industrial and craft activities became one of the livelihoods of the people of Tegal.

Some areas of Tegal, among others Talang, Kramat, Adiwerna, and Dukuh-turi Districts, had a clay and sandy structures which were to dry and infertile for farming. This type of soil could not absorb water well so that in the dry season it cracked or broke down and in the rainy season, then it was muddy. According to the research results by several experts, the type of land was not appropriate for agriculture (*Sin Min*, 8 August 1952: 22). Therefore, in the four regions mentioned above, non-agricultural economic activities were more dominant than the agricultural sector. Thus, the colonial government used it as a place to develop industrial activities.

THE EXPANSION OF COLONIAL BUSINESS IN INDUSTRIAL FIELDS

As the capital of the residence located on the north coast of Java, Tegal had agricultural, industrial, and trade sectors go together as economic activities. Trading activities over plantation commodities in the area had spurred the growth of agricultural and industrial sectors since 1855. As a result, engineering technology began to be utilized by the colonial government in various activities, including labor of the local people in various companies. The development of the colonial industry caused the people's industry that had existed long before that time, also developed and became the main livelihood of some residents of Tegal. Gold, iron, silver, and copper crafting also showed a rapid progress. Meanwhile, woodworking sectors, household appliances and tiles making, weaving, yarn spinning, pots burning, and lime making activities were intensively increasing (*Algemeen Verslag van Residentie Tegal Over het Jaar 1841* nomer 12/2; Burger,1981. Husken illustrated that in some Tegal regions, the community of industrialists lived more democratically and openly than those in inland areas. They had wider opportunity to earn better income

and improved their economy by involving themselves in the non-agricultural commercial economic sectors. Such conditions provided opportunities for the growth of industrial activities and folk crafts. (Husken, 1996: 98-99).

1886, which was a period of liberalization could be said as the peak of Tegal plantation industrial expansion. Tegal Afdeling, thus, also became a place for the establishment of various large industrial companies, namely plantations and sugar factories. With the development of industrial plantations and factories in Tegal Residency area, people's industries such as metal cast carried out by small-scale companies in the construction and railway machinery with labors coming from the local residents were spreading to meet the needs of factory engine components (*Colonial Verslag* 1891 Appendix P.P.P). This had an impact on the development of service and trade companies. Several Bank companies in 1891 began to open their representatives in Tegal, such as Bank of India and Bank of China, which were managed by G.A.van Putten & co, and the representatives of life insurance companies such as *Nederlansch Indische levensver Zeker- ing en Lijffrente-Maatschappij*, which was managed by Greve Hovens (*Regeering Almanak voor Nederlandsh Indie* 1891, pp. 633-34, 639,660, 689).

As a location that had many facilities and conveniences, Tegal during the first quarter of the 20th century increasingly became an attraction to many kinds of businesses. Communities of business actors were also easily obtained and simultaneously utilized the existing economic infrastructure facilities. The communities of industry in Tegal were formed because the above factors were interrelated and intersect with each other (Fujita, 1999: 287). Infrastructure development was taken into consideration by the colonial government to the position of Tegal as one of the industrial estates. In 1928, the company was engaged in the shipping industry. N. N. Machinefabriek Braat Surabaya (now PT Barata) opened a branch office and factory in Tegal (De Indische

Courant, 4 December 1928). Likewise, a factory engaged in the textile industry, namely *Java Textiel Maatschappij* was established in 1938 (*Arnhemse Courant*, February 13, 1938). The following year, it added and expanded its factory on a large scale from the previous factory (*Arnhemse Courant*, July 21, 1939).

PEOPLE'S INDUSTRY GROWS

As a matter of fact, one side of Tegal developed into a colonial industry side, which was relatively modern, while the other side was dwelled by relatively modest people who developed the local people's industry. The location of people's industrial activities was mostly in the countryside. Types of industry often found in the countryside were crafts made from clay such as tiles, brick, pots, kitchen utensils, and lime production. The volume of production of these commodities increased to meet the needs of four new sugar mills at the Residency. As a building material, the handicrafts were produced by Tegal community with high intensity. The increasing demand for tiles, brick, and limestone production for the construction of factories at the same time increasingly requires the involvement of laborers (*Algemeen Verslag van Residentie Tegal* 1841: No. 12/2). The colonial government's promotion of brick-to-wall industry to replace bamboo wall called "gedheg" and tiles to replace thatch-leave roofs was aimed at preventing disease outbreaks.

In the early 20th century, the tiles, brick, and limestone production and metal crafts in Tegal were partly for colonial interests and were mostly used for local consumption. This industry which had been intensified by the Dutch colonial government since 1919, was also meant to improve the environmental health. The government recommended to promote tiles industry not only in terms of quantity but also quality. In the first quarter of the 20th century, tiles and other handicrafts produced by the people of Tegal were regarded as having good quality. They were meant to penetrate the market in other parts of Central Java regions. The promo-

tions were conducted regularly through newspapers with the aim to reach marketing expansion. *Matahari* newspaper, a publishing headquartered in Semarang with a branch office in Tegal, was used to promote various industrial products of Tegal. In the promotion, it was said that besides good quality, the products were lunched with excellent business strategies, for example by providing the customer with delivery service. (*Matahari*, September 17, 1932: 4).

The types of industries and handicrafts produced by the Tegal community were to cater for both the community and the colonial government daily needs. In addition to the industries mentioned earlier, gold and silver crafts, weaving, bamboo in the form of shingles and baskets also grew well and heavily traded. The products were distributed to the village market and to the central market in the districts. Gold and silver craft industries were sold in Pesayangan Market as the Morning Market located in the city which was a central market which sold commodities originating from various regions throughout Tegal (*Pasarwezen Gemeente Tegal, Decentralisatie-Verslag 1920-1921: 179*). As an addition, bamboo handicraft making had long been mastered by the village community of Kendal Serut, Pangkah District. Besides that, Pangkah was one of the areas which in the colonial period was used as a place for industrial activity, such as the sugar cane plantation and the sugar factory (*Decentralisatie-Verslag 1920-1921: 180*). The local people utilized the existing natural resources, while capturing economic opportunities for their economic lives. Kendal Serut village community was active in making wickers made from bamboo, for example basket, "caping" hat, and tampah. This type of craft was originally needed to meet the needs of activities on the plantations belonging to the colonial government and the private entrepreneurs. In addition, the community also made a roof (ceiling) in the form of shingle roofs, as well as various household appliances. Craftsmen sold their produce to the village market. At

that time, Pasar Kedjambon and Pasar Pagi, in certain seasons / periods, were crowded markets for handicraft trading (*Decentralisatie-Verslag 1920-1921: 180*). The handicrafts of Tegal people at that time were famous for nice and smooth shapes (Tillema, 1932). This is due to the attention of the colonial government.

Along with the issuance of protection policies, restrictions on imports from other countries such as Japan, (*Staatsblad. No. 256. Year 1930*), provided opportunities for common people's industries in Tegal region to develop, especially those related to the colonial industry such as machinery, metals, and weaving. Indirectly, this protective action has implications, that is the people intensified their activities. The industries which were directly affected including weaving handicrafts in Adiwerna region and silver, brass, and gold handicrafts in the Talang area to meet the needs of the parents of Soemitro and Soemikrad who in 1920s, produced various household equipment and supplies made from silver and brass. This activity was later passed down to their children mentioned above (*The Economic Society Magazine*, September 3, 1940: 146-147). At that time, besides involved in metal industry activities, Tegal people were also noted as weaving artisans.

The tradition of weaving in Tegal, although having long historical roots in the people's industry in Tegal, developed only around 1930, one factor of which was the impact of Swadhesi movement emphasized by the Indonesian Party in 1930. Basically, it was about the appeal to use all homemade products. This movement was echoed with the aim that the population revived the craft and long held habits in economic activities, including weaving (*Matahari*, December 22, 1932: 2). The movement to return to tradition above was also caused by conditions of Javane people who were generally became coolies or labor, besides being the traditional farmers to fulfill their economic needs. They could not only rely on the results of their fields, which were not sufficient. In fact, they only had ½, 1 or 2 hec-

tares for farming; some of them even did not have rice fields, so that they were only farm laborers (*Matahari*, November 7, 1932: 2)

The weaving stuffs of Tegal people in 1939 were of sufficient quality, because weaving, such as sarongs of various colors, had been traditionally practiced as home industries. It involved villagers who successfully marketed their weaving products to various regions outside Java (*Twentsch Dagblad Tubantia, Vierde Blad*, April 5 1939: 2) The Ministry of Industry in that year conducted experiments using mechanical looms which were usually used to weave blankets. By using mechanical equipment, weaving as a small-scale industry grew to be a large-scale home industry. While people's weaving was thriving, a large-scale private weaving factory, Java Textiel Matschappij, was established. It became Tegal yarn spinning mill factories for textile raw materials producing first-class yarn with very good quality. Thus, entering the second quarter of the 20th century, industrial activities and folk handicrafts coexisted with the colonial industry forming one of the important economic sources for the Tegal community besides the agricultural sector.

Handicraft as an industrial activity in the colonial period of Tegal proved to be a form of productive business in the non-agricultural sector acting both as the main and the secondary livelihoods. These non-agricultural productive businesses in Tegal were diverse. It can be seen from the number of branches and the variety of products (Soeroto, 1983: 22-23). To preserve the existing and diverse industries by Tegal people, so as not to decline or even disappear, the government showed its concern by issuing a certificate of "*arbeidsintensief*". It is the certified industrial business that received assistance (support) from the colonial government. Before giving the provision of subsidies, the government first investigated the factual situation of the small industry. The colonial government only gave subsidies (allowances) to small industrial companies which technically and economically

showed sustainability (*Djawa Tengah Newspaper Sheet*, January 18, 1936: 3). The colonial government tried to ensure that the small industrial companies would not stop to operate or went bankrupt due to lack of main capital.

It can be said that the yarn and weaving spinning industry in Tegal in the late 1930s were the largest factory in Indonesia for the export commodities. Meanwhile, traditional weaving became a craft industry that grew and passed down to Tegal residents from generation to generation. This tradition was in fact the consideration of the colonial government to build the factory because it easily got the skilled laborers for the factory. In other words, the existence of a weaving and spinning industry for textile materials benefited from the large availability of the local skilled workers provided by the traditional weaving industry among the local (*bumiputera*) community (*Twentsch Dagblad Tubantia*, April 5, 1939: 20). The above conditions give an illustration about how small industrial activities, including home industry, and crafting tradition grew simultaneously with a large-scale industry. Boeke (1953) with his dual economy theory argued that most of the Dutch East Indies colony had the characteristics of a dualistic economy. On the one hand, there was a capitalist economic sector oriented to export commodities and on the other hand, there was a pre-capitalist economic sector oriented to subsistence economics. This industry was a form of goods manufacturing business, which used more hand skills, although often assisted with certain equipment.

LARGE INDUSTRIAL RELATIONSHIPS WITH SMALL INDUSTRIES

In the second quarter of the 20th century, a large industry in Tegal was a form of continuation of the success of the sugar plantation and factory industries existing since the mid-19th century. The use of Tegal by the colonial government as one of the places where industrial activities took place finally involved labor in rural areas, especially in plantation industry

(*Twentsch Dagblad Tubantia*, 5 April 1939, p. 2). Large manufacturing industries were growing with the majority initiated by private parties. Thus, the involvement of civil workers in sugar mills, textiles, and various automated manufacturing industries was intensifying.

Various support for textile companies in Tegal spurred Java *Textiel Maatschappij* to establish a weaving factory there. Support came from almost all textile factories in Twente, ranging from several banks, ship companies, and importers (*Djawa Tengah Newspaper Sheet*, 1936, March 31, p. 3). Java *Textiel Maatschappij* finally succeeded in establishing a weaving factory and adding or expanding the plant on a large scale in Tegal in 1939, the preparation of which began in 1938. The expansion of the weaving plant was successfully carried out with many involving both the small scale *bumiputera* (local) and weaving industries in Tegal (*Arnhemse Courant*, 21 July 1939). Such conditions indicate that the weaving industry had become one of the livelihoods of Tegal residents.

The important things for the progress of small domestic industries and the prosperity of the people were discussed by the Department of *van Economische Zaken* in Batavia. Graduates of educational institutions in Tegal were aimed to fulfill skilled workers in the technical and administrative fields in industrial activities. Therefore, graduates of educational outcomes that had been established by the colonial government in 1927, had been used to meet those needs (*Onderwijs-Statistiek 1927*, 1927). Educated personnel was also needed in industrial activities, which developed in the community. The community was expected to have the ability to produce goods or equipment, which directly supported agricultural businesses related to food, agricultural equipment, and fertilizer industries. Meanwhile, Industries that processed agricultural products got government attention, likewise, industries that had the capacity to accommodate large numbers of workers such as light industry and folk crafts. In addition,

the chemical industry was aimed at fulfilling domestic market demand. The effort showed that besides as a source of money, the industries supported the colonial government to educate the public to have skills. As a matter of fact, even small companies needed educated workers. (*Central Java Newspaper Sheet*, 1936, January 18: 3). This way, education for local people was continually carried out to produce skillful laborers.

The widespread increase in demand for industrial products from Tegal motivated synergies between large, medium and small industrial entrepreneurs with various related elements, here, there was small industrial entrepreneur involvement. Large industries functioned as the supporters of industrial growth and the development below them. Large and medium-sized industries were mostly managed by companies in an organized manner; on the other hand, there were closed industries owned by the common people – not having any relations with the related elements outside – thus were hard to develop as they had to collaborate and interact with large industrial companies and related elements. Therefore, the existence of the large companies and arrangements of mutual relation with Tegal people's industries was badly important.

Some small-scale industry entrepreneurs in Tegal succeeded in achieving mutually beneficial agreements in dealing with large medium-sized industries. Even if there were some that were not profitable, only a small part and that is due to certain conditions that had not been calculated before. The existence of the large industries, especially the private ones, could support small industrial growths or vice versa. One of them was Benteng Movement, which was proposed by Sumitro Joyohadikusumo, who was then the finance minister. Benteng Movement was an economic concept where the government encouraged the birth of indigenous businessmen classes, where the people were not just becoming traders, but also formed a group that wanted to do business in the (industrial) economy. Indigenous

industry players were given the opportunity to participate in building the people's economy. These policies included subsidies, technical assistance, and import restrictions. We assessed that this policy had encouraged the development of various manufacturing industries to meet domestic needs independently (Thee Kian Wie, 1996: 14).

Entering the second half of the 20th century, Indonesian society was faced with efforts to fulfill primary needs in times of very difficult economic conditions. The agricultural sector is intensified, production of agricultural equipment is increased, people's craftsmanship is encouraged, so that primary needs are sufficient. Small industrial goods in the form of wood, silver, copper, wicker, agricultural equipment, and agricultural products are very important trading commodities for the community at that time, because they are needed to fulfill their lives. Important commodities from Tegal that were traded were also at that time in the form of agricultural equipment. It was regrettable that the goods did not appeal to *bumiputera* (the local) entrepreneurs and traders, to trade between islands, and there was a tendency to underestimate them. Most *bumiputera* (the local) entrepreneurs and traders preferred to bring textiles, P & D, electronics, and technical equipment from abroad. They assumed it would lead them to get more profit and were not too complicated in the issue of implementation. Very few *bumiputera* (the local) traders were willing to trade in goods, needed by people throughout the islands in the archipelago, such as the results of the collection of metals, bamboo and rattan, forest products, animals, as well as the small-scale industrial and agricultural equipment. Therefore, foreigners (mostly Chinese) played a role in this trade (*Pentja General Magazine for the People*, October 15, 1953: 7).

A significant problem faced by *bumiputra* (the locals) in interland trading was their inability to carry out goods across islands. Transportation equipment on land and sea, was mostly still in the hands of

foreigners. *Bumiputera* traders were also far behind the foreign traders. Even in looking at the importance of a trade item, as well as in trade organizations, *Bumiputera* (the locals) was also far behind. They also lacked experts and capital, because most people who worked as entrepreneur or traders were new comers in the trading field (*Pentja the General Magazine for the People*, October 15, 1953: 7). Therefore, the foreigners did the inter-island trade for small-scale commodities and handicrafts as the field was almost never considered by *bumiputera* traders.

In facing a competition, besides trying to improve the quality of the products produced, small industry entrepreneurs also tried to cooperate with one another in order to minimize unfair competition. One way that had been taken by small industry entrepreneurs or craftsmen to cooperate, among others, were optimizing networks through the collaboration among craftsmen or other entrepreneurs and marketers. Expanding the network of marketing relation automatically meant entering the network with various related elements. The elements were of cooperation and work relations based on trust. Networks that were performed were not just economic activities, but also kinds of social aspects. The cooperation built certainly had a goal, so that the industry could continue to run and even to increase. This could lead to various phenomena which might be in the form of patronage or exploitation. They were bound to one another, contributed to one another (as if equal), but in that relationship, there was something (function) that was limiting, so that sometimes it caused unequal conditions (not equal) on the one hand on the others.

EMPOWERING PEOPLE'S INDUSTRY

The policy of stabilization and economic rehabilitation during the colonial administration was basically centralistic. The government program in the industry at that time was not based on consideration, that industrial development in Indonesia

was carried out by creating a strong structural foundation. Therefore, the linkages and integration of industries that were strong both intra and cross-sectoral cannot be realized. The colonial industry was aimed more at meeting the financial needs of the colonial government. However, the policies in the plantation industry sector and the establishment of several types of factories that were implemented and built by the government, especially regarding the Tegal-Pekalongan region, had a positive impact on the community which was not previously calculated by the colonial government (Suryo et al. 1996: 124-130) Non-agricultural activities in the small industrial sector and trade were growing among the Tegal community, and this indirectly fostered a tradition of conducting non-agricultural economic activities.

Government and private presence in industrial activities was very meaningful in people's lives, the plantation, sugar and the textiles industry, up to the second quarter of the 20th century in Tegal showed a broad spectrum (*Twentsch Dagblad Tubantia*, 5 April 1939: 2), making the non-agricultural sector more intensively became one of the livelihoods of the population. The government took part in overcoming various problems of the people's industry, when it had to deal with large industries, as explained earlier, in 1936, the government continued to sustainably run small industries. The way the government did was to provide subsidies or assistance (*Djawa Newspaper Sheet*, January 18, 1936: 3). The government policy was aimed at making potential people's industries to be able to develop their production. However, subsidies were not given without reasons as industries that continued to be subsidized were the ones which the government regarded as profitable. Therefore, industries were certified as *arbeidsintensief* based on their potentials to gain interests and benefits for the colonial government.

Tegal had historically been the place to grow and to develop several types of industrial activities and crafts. The govern-

ment's efforts to lift the existence of people's industries continued, especially during the independence period. One proof that the government developed a *wahlu* people's industry in Tegal, the establishment of T National Effort for the Construction institution in Tegal serves to assist industrial activities, folk crafts, and trade. This institution in the following month expanded to villages (Sin Min, March 18, 1950: 2). The small industry activity at that time according to Thee Kian Wie was supported by the government policies with the "Fortress Program", among others, the provision of subsidies, the technical assistance and import restrictions. This policy encouraged the development of various people's industries to meet domestic needs (*Thee Kian Wie*, 1996: 10).

As a newly independent country, the economic level was still relatively low, the government was still centralistic. The interference of the government was very important in the process of improving the people's economy, despite the limitations of existing facilities. In this connection the government played an important role to serve to direct people's economic activities in various small industrial sectors, so that it could gradually improve. Attention was quite urgent, among others, indicated by the procurement of fuel, because it was an important factor for industrial activities in Central Java (including Tegal). Stanvac and BPM added to the amount of fuel delivery and had been agreed to increase 1,400,000 monthly fuel expenses - at that time, the amount of shipment was 2,000,000 every month. This gave smooth industrial production in Tegal including small industries (*Sin Min*, July 13, 1956: 3).

CONCLUSION

Tegal used to be in a network of economic activities in the northern part of Java Island. In the colonial period, it became one of the industrial activities of plantations and manufactures. This condition was a supporting factor for the growth of industry, which was spatially clustered close to

economic activities above. The pre-existing people's industry was also growing. The product manufactured was adjusted to the needs of the moment, and allowed the emergence of a new type of product. The expansion of the colonial industry had an influence to people's economic activities, in the form of expanding employment and increasing community income.

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