

Capitalism, Plantation Industry, and Environmental Change: East Sumatra During the Late Dutch Colonial State in Indonesia

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Abstract. This paper departs from the problem of the conspiracy between capitalism and imperialism and modern colonialism which has become a powerful force to exploit the environment in order to meet the demands of industrialization and modernization of society in capitalist countries. Some research questions that will be answered in this paper are why the East Sumatra region is a frontier area that is contested by the capitalists to expand their capital in this region? How did the various colonial powers compete for control of this region? How was the expansion of the plantation industry during the late Dutch colonial period? The results of the study show that the East Sumatra region is a potential area for the plantation industry (tobacco, rubber, tea, etc.). It is not surprising that the main colonial powers in Southeast Asia tried to control this region, especially the Netherlands and England. Various approaches were taken to negotiate with local authorities to obtain the right to control this area. Finally, from the second half of the 19th century until the end of the colonial government in Indonesia, the plantation industry in this region developed remarkably.

1 Introduction

The contestation for economic resources in the East Sumatra region had an impact on the economic regional development during the colonial and even post-colonial periods. This theme is interesting to study because it able to clearly show how the forces of colonialism and global capitalism that are still ongoing today with their various forms and manifestations have shaped and determined developments at the local level. Entering the colonial period, the power of the colonials has determined the boundaries of regions, countries, and ethnicities and nations in Third World countries such as Indonesia. Based on the determination of territorial boundaries, the Dutch colonial power also determined who became Indonesians and who did not. Of course, the 'splitting' of the area of power and area of influence was determined unilaterally by the various colonialist powers that were contesting in East Sumatra, namely the Dutch and British, in their era. Both of them contested hegemony in the eastern coast of Sumatra which was then called East Sumatra during the 19th to 20th centuries [1]. The Dutch, through its trading partnerships, tends to impose a monopoly system on various controlled areas. The political practice seems to be still carried out by the Dutch

colonial government in its territory. The Dutch government in Europe realized that the Dutch industry and shipping were not as developed as Britain's, so the monopoly method was still seen as more effective than free trade [2].

Several names appear to refer to East Sumatra. There are also those who call this area the Northeast Coast of Sumatra, which since the second half of the 19th century has become the most productive region as a producer of tropical plants in the Dutch East Indies such as rubber, tobacco, tea, coffee, coconut oil, and others [3]. During the Dutch colonial government, East coast of Sumatra was known as the East Coast Residency of Sumatra which had an area of about 94,583 square kilo meters or about 20 percent of the total area of Sumatra Island [4]. The residential area includes Bengkalis, Laboean Batu, Siak, Pelalawan, Kota Pinang, Panei, Bila, Kwalu, Asahan, Batu Bara, Tanjong, Si Pare Pare, Pagarawan, Bedagei, Deli Serdang, Langkat, Tamiang [5]. Up until 1887 the city of Bengkalis became the administrative centre of the Dutch colonial government in the East Coast of Sumatra, but after that the centre of the residency government was moved to the city of Medan which was a city that developed due to the growth of the plantation industry in this area [4]. In the post-independence period, it was no longer popularly referred to as the East Coast Region of Sumatra but was more popularly known as East Sumatra.

Local communities in the East Sumatra region have used fertile land for crops such as planting rice, chilies, and tobacco alternately. In farming, they use traditional methods that are passed down from generation to generation, namely farming. They clear and burn forests in the dry season to grow a variety of easy-to-grow crops such as tubers, vegetables, sugarcane, and bananas. Furthermore, during the rainy season, the cultivated land is planted with rice. In line with the increasing world demand for spices, especially pepper, residents in this area then also grow pepper which they combine with traditional plant growers. The development of pepper cultivation has encouraged various political forces both from Europe (especially England and the Netherlands) and traditional forces (especially Palembang, Jambi, and Johor as well as the Bugis) to fight over this area [6]. In the early 19th century, the East Coast of Sumatra (especially Deli, Langkat, and Serdang) still become important producer of pepper which was exported to Europe via Penang, which at that time was under British rule [7].

Since 1873, the Dutch colonial government implemented trade liberalization which had an impact on land extensification and exploitation of commercial areas. The revitalization of commercial activities is in line with the creation of a domestic shipping network as well as the creation of what Dutch writers call the "peaceful period" [8]. With these considerations in mind, this article explores the development of the use of plantation lands during the period of trade liberalization and the expansion of capitalism invading East Sumatra. This study also highlights that industrialization and modernization shown through the control of plantation lands during the colonial period have led to changes in the function of very large land uses, not only for tobacco plantations, but also for rubber. It also traces the historical roots of the development of land tenure in East Sumatra during the colonial period.

2 Methods

This study is a qualitative study with a historical approach. Therefore, in its presentation, historical facts are obtained through a series of processes ranging from tracing, criticism, and interpretation. The sources used are primary and secondary sources which are accessed through various archival institutions and libraries, such as the National Archives of the Republic of Indonesia, the National Library of the Republic of Indonesia, and several digital documentation institutions such as *Newspapers.com*, *Delpher*, *Trove NLA*, and others. Contemporary sources that have been obtained include travel reports entitled *Mission to the East Coast of Sumatra* and *Betreffende hare Concessie in Siak en den Oprichting der "Oost-*

Sumatra Tabak-Maatschappij. Some sources inform about the company establishments and concessions in East Sumatra.

3 Geographical Situation

Figure 1 clearly shows that the area of East Sumatra at that time before the arrival of the Europeans until entering the 19th century, geographically it had a strategic position and potential for economic activity. This is partly because of its position in the vicinity of the Malacca strait and port which is growing rapidly and very dynamically in the Southeast Asian region. There are centres of political power among the small rivers. That political power was under the rule of local kings in the East Sumatra region. The kingdoms around the stretch of small rivers were called the kingdoms of the East Coast of Sumatra, among others, consisting of Langkat, Deli, Serdang, Batubara, Asahan Kualu, Panai, and Bila.

The topography of East Sumatra in the 19th century consisted of coastal areas (Batu Bara), lowlands with sloping land contours, slopes and hills with relatively good soil fertility levels (such as in Deli, Serdang, Langkat, and Asahan). Fertile soil makes East Sumatra potential for cultivation, both for agriculture and plantations. This was later known directly from a report when the Secretary to the British Governor in Penang, John Anderson conducted an on-the-spot survey in the East Sumatra region in 1822. Soil fertility in the area affected the welfare of the community, because it was also found that in general the people in this region live decently with the original houses that are relatively well arranged and even the local rulers-the sultan and his family-lived well. However, during that period the East Sumatra region still did not attract much attention from foreign parties, especially Europeans, until the first quarter of the 19th century.

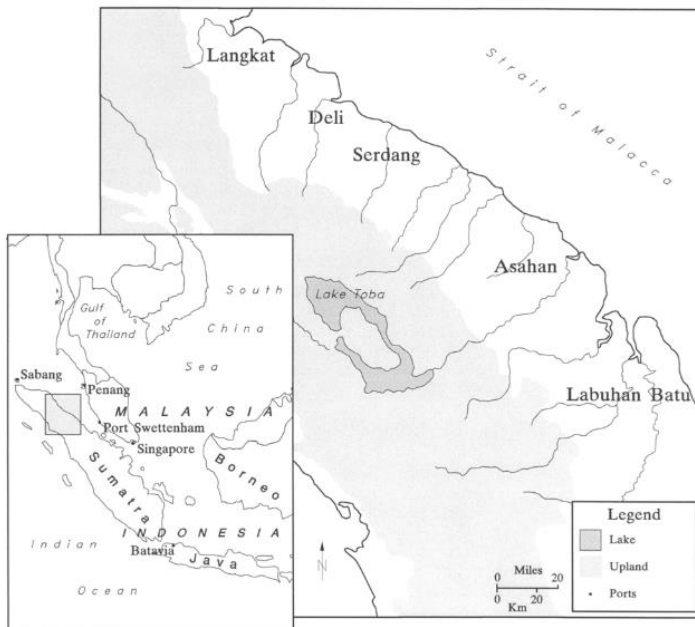


Fig. 1. Map of East Sumatra [3].

4 Colonial penetration on plantation industry

In analysing the relationship between the plantation industry and export growth in the East Coast of Sumatra, The Kian Wie uses the export technology model developed by R. Baldwin. Baldwin focuses his attention on the “semi-empty” (populated relative to natural resources) economic region, where “self-sustaining growth”, i.e. without external stimuli, the growth is impossible.

This situation was motivated by the phenomenon which has happened in the end of the 19th century, where the increase in pepper exports indicated that there had been a very large expansion of pepper cultivation in the area. Pepper is grown on a large scale in East Sumatra, especially Deli, Langkat, and Serdang. Revolutionary changes occurred immediately after the enactment of the Agrarian Law of 1870. European capitalists flocked to invest in this East Sumatra Region to open plantation land. It was in this context that the competition between England and the Netherlands gained a very decisive momentum [9]. The private plantation system that developed in East Sumatra became a benchmark for the development of a revolutionary agricultural civilization, from the field system to permanent agriculture to recognize the plantation system which was cultivated through a commercial pattern and scale with capital and labour intensive [10]. The development of the industry involved the migration of labour in large enough numbers that it succeeded in changing the demographic profile.

The number of plantation companies in East Sumatra has a tendency to increase. Based on the Dutch Colonial Government Report 1880, it is known that the number of plantation companies that rented land from local authorities was 17 companies [11]. Cooperation with local authorities is a profitable option for foreign parties who want to fight for political and economic hegemony in East Sumatra. Moreover, specifically for the issue of land acquisition, plantation entrepreneurs initially took advantage of the loopholes of the ongoing power struggle conflict among local rulers in Sumatra. The coastal area of East Sumatra is dominated by a number of Malay rulers with a fairly large interior area, stretching from east to west. This area is actually the territorial base of the Batak people, a tribe that is culturally different from the Malays [12]. These Bataks and Malays were tribes that were vulnerable to ethnic conflicts during the early colonial period in East Sumatra. As mediators as well as interested parties between conflicting indigenous peoples and traditional rulers, foreigners are given access to the economic sector. In addition, these foreign parties are expected to help the conflicting rulers in the military field to annex their territory. All the interests that occurred were transactional, thus making the Malay rulers "enthusiastic" and accommodating foreign interests when they had to enforce the hegemony of European power in Sumatra [13].

Meanwhile, the agricultural rights of local residents in the villages and their fields were located within the concession boundaries, initial contracts had been made with uncertain terms (desultory provision) through the stipulation that village, fields and gardens, especially nutmeg and pepper gardens under the sultan's authority to decide, so they were more exclusive. In controlling plantation land concessions, the Sultan of Deli was involved in shaping economic and political spaces in Karo. In mid 1873, there was a war between the Batak Karo leader or Datuk Penghulu Batak Karo with the Dutch in the Sunggal area. The struggle of the Sunggal people continued under the leadership of Datuk Budiuzzaman by accommodating assistance from various parties such as Karo, Gayo (Aceh), and of course Malay. Several actions aimed at weakening the power of Deli and the Netherlands were taken, such as by blocking the rice trade to Deli or the Netherlands and burning tobacco warehouses or Dutch farms.

5 Conclusions

The most basic substance of capitalism with all its derivatives is that the owners of capital seek as much economic profit as possible by using various means, both in the form of conquest and armed violence, resulting in imperialism, political and military domination of a region or society which gave birth to colonialism, as well as by various means. Other ways such as economic monopoly, cultural hegemony and so on. Plantation companies and land concessions were two important issues penetrated into the locals and influenced on the environmental change.

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