

# **Colonialism and Migration : Dutch Occupation under VOC (*Vereenigde Oost-Indische Compagnie*) in Indonesia 1619-1800**

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## **Introduction**

Similar to many other Asian countries, the history of migration in Indonesia is related to colonialism by European states. It can be seen through the establishment of European administrative structures in some regions which also led to the redraw of the political map in Indonesia and the other Southeast Asia states. As a matter of fact, during the colonization era, when India was the nexus of Britain's imperial power in Asia, the British expanded into Burma and Malaya. In Burma itself, the English East India Company had obtained Upper Burma from the Burmese rulers after the First Anglo-Burmese War in 1824–1826 and the Second Anglo Burmese War in 1852–1853. In that time, workers bound for Malaya, Indonesia, and Thailand were recruited through the Straits Settlements, mainly Singapore, where the trade was handled by British firms and Chinese coolie brokers. Then, these networks of brokers extended from Singapore to the South China port cities and moreover to the villages of the Chinese sub-brokers. This personal recruitment system eventually turned to a direct recruitment system where labor agencies, foremen, and other middlemen in Malaya, such as Chinese officials closely associated with the Malayan mining industry, were entrusted with the job of recruitment (Gabaccia, 1942). Meanwhile, in Indonesia, Dutch recruitment firms entered the labor market in the early twentieth century to ensure that the migration business was not monopolized by the Chinese. This led to the recruitment of people from different regions and broke traditional bonds of kinship and brotherhood (Meilink, 1962).

One of the remarkable Indonesian historical events related to migration is the colonization of the Dutch in Indonesia under Dutch United East India Company (*Vereenigde Oost-Indische Compagnie*, abbreviated VOC). VOC is well-known as the large traders, importers and exporters which initially, the Dutch were only intermediaries or retailers of spices brought by Portuguese from Indonesia in the 18th Century. Historically, this Dutch trading company had been a major power in Asian trade since the early 1600s, but started to develop an interest to interfere in indigenous politics on the island of Java, Indonesia, after the crumbling and collapse of the Mataram empire in the 18th century as that would improve their hold on the local economy. VOC had stood as the dominating economic and political power in Java (Indonesia Investment, 2020).

## **Analysis**

### **The motives**

During the expedition of VOC, the total of four ships with 249 crew and 64 cannons departed under the leadership of Cornelis de Houtman. In June 1596, de Houtman's ships arrived in Banten, the largest pepper port in West Java. Initially, the motive is to conduct expeditions in search of the 'Spice Islands'. Then VOC cooperated with Chinese which stands as mediator to the natives, and then they bought local production to be sold to VOC/Europeans. Until the scope was not only on trade, but all large-scale industries in general, while mid-scale industries under Chinese-controlled. Recognizing Indonesia was rich with its natural resources, they eventually stayed and exploited the local peasants (Warf, pp.3).

### **World System Theory**

The colonization of the Dutch in Indonesia can be analyzed with World System theory which explains the penetration of capitalist economic relations into non capitalist or pre-capitalist societies (Massey, 1999, pp 48). In this matter, we can analyze the relations between Dutch under VOC as the core

state while Indonesia as the periphery. Further analysis with the world system theory element as follows :

**a. Market Penetration from Core to Periphery**

VOC is investigated as a key actor driven by a high desire to have greater profit, market and wealth, penetrated to Indonesia which is considered as periphery (as non capitalist in that time without any development in production), in search of raw materials to be exported to the Western entrepreneurs. As a matter of fact, the conquest of the Banda Islands in 1622 led the VOC to monopolize nutmeg in a long period of time. VOC also destroyed clove trees on a number of islands in the Maluku islands to concentrate the cultivation of spice in Ambon. Moreover, the global market eventually influenced the production of commodities in Indonesia under the control of VOC. Due to the global wave of time-space compression along with the industrial revolution, especially the introduction of steamships and the completion of Suez Canal in 1869, the European demand for Indonesian goods expanded for tin, palm oil, opper, lumber, and, after 1903, rubber. It was an ironic fact that while plantations caused huge increases in exports of raw materials, the majority of the rural population remained locked in subsistence rice production (Warf, pp.19).

**b. Labor : The Cultivation System “Cultuurstelsel” or Force Planting , Exploitation, and Tax System**

According to the world system theory, firms from capitalist countries enter developing countries to establish assembly plants that take advantage of low wages, in this case we can analyze that the VOC as one of the firms of Dutch entered Indonesia as a developing country created a crop system and took benefit from low wages even not given wage toward Indonesian workers. First, the main factor of the creation of cultivation system in 1830 by Dutch under the command of Governor-General Van den Bosch to make Java island the main source of Dutch’s income to counter the the huge financial burden as the consequences of the competition with British traders, the Napoleonic wars in Europe, and the Java War in Indonesia itself. This system led to a Dutch monopoly on the export’s cultivation on Java. In this system, the Dutch who decided the type and the quantity of crops which had to be delivered by the Javanese peasants. It means that in that time the Javanese peasants had to hand over 20% of their harvests to the Dutch. In return, unfortunately, the peasants received an arbitrarily fixed compensation in cash which basically had no relation to the value of the crop on the world market (Indonesia Investment, 2020).

**Forced Planting :** The cultivation was then called as “Cultuurstelsel” or forced planting due to the tax system and worker exploitation. In this case the people were forced to plant even to give a portion of their land to be used as fields without being given a wage. It is interesting to note that initially, the Cultivation System was not only dominated by the Dutch. Javanese power holders and private European as well as Chinese entrepreneurs were involved. However, after 1850 - when the Cultivation System was reorganized - the Dutch colonial state became the dominant player. Ironically, these reorganizations also allowed private parties to exploit Java. The forced planting by VOC produced a variety of plants such as sugar cane, coffee, tilapia, pepper, tea and cinnamon to be grown in fertile soil especially in Java, and even feuding with local people in Madura led to the killing of a local leader. Meanwhile, the cultivation system was successful where between 1832 and 1852 approximately 19 % of total Dutch state income was from the Javanese colony, and in 1860 and 1866 it reached approximately 33%. It transformed the VOC from merchant to landlord, from a maritime to a naval power (Indonesian Investment, 2020).

**d. Material Links**

According to the world system theory, to ship goods, deliver machinery, extract and export raw materials, coordinate business operations, and manage expatriate assembly plants, capitalists in the core nation built transportation links to the peripheral country where they invested. In this case we can see in 1598, an increasing number of fleets were sent and competed with merchant groups from around the Netherlands. Some fleets were lost, but most were successful with some voyages produced high profits. In terms of material links, we can see that in March 1599, a fleet of eight ships under Jacob van Neck was the first Dutch fleet to reach the 'Spice Islands' of Maluku, the source of pepper, and cut the Javanese middlemen. The ships returned to Europe in 1599 and 1600 and they achieved 400 % profit. Then, in 1600, the Dutch joined forces with the Muslim Hituese on Ambon Island in an anti-Portuguese alliance, while Dutch were given the sole right to purchase spices from Hitu in return. Dutch control of Ambon was achieved when the Portuguese surrendered their fort in Ambon to the Dutch-Hituese alliance. In 1613, the Dutch expelled the Portuguese from their Solor fort. However, the greater dominance of Dutch over Java did not come without resistance. When the Dutch colonial authorities decided to build a road on the land of prince Diponegoro as guardian of the throne of Yogyakarta city, Indonesia, with a majority of the Javanese people in Central Java they rebelled and turned it into a *jihad* war. This war lasted from 1825 to 1830 and caused the deaths of approximately 215,000 people, and it was mostly were Javanese. However, there was mismanagement, corruption and fierce competition from the English East India Company. As a result, in 1796 the VOC went bankrupt and was nationalized by the Dutch state (Indonesian Investment, 2020).

#### **e. Ideological and Cultural System**

Through the Dutch hierarchy, there was an indigenous one which functioned as an intermediary between the Javanese peasants and the European civil service which was called as a part of The Dutch system of rule in colonial Java was both direct and dualistic. The top of this indigenous structure was the Javanese aristocracy, which ran the Mataram administration previously. However, they had to execute the will of the Dutch center. In terms of cultivation system, the Dutch and Javanese officials got a bonus when their residency carried more crops. Thus, it stimulated top-down intervention and oppression (Indonesian Investment, 2020).

#### **Conclusion**

The colonization and migration in Indonesia can be investigated by world system theory where VOC under Dutch as the core state penetrated, occupied, and exploited Indonesia as periphery state. It can be seen by the practice of Cultuurstelsel or Force Planting, labor exploitation, and land tax which eventually produced huge numbers of production and variation of plantation. It admittedly created resistance from the local people and caused a number of casualties. In Indonesian perspective, this was an unforgettable moment, as an agricultural and archipelago state, Indonesia has attracted many attention especially capitalist states to exploit its natural resources and due to many uneducated and poor people, as well as weak power in that time, it caused them easily to be held off.

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