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Fear of the kampung, fear of unrest: urban unemployment and colonial policy in 1930s Java

JOHN INGLESON

University of New South Wales, Sydney, Australia 2052
Email: jingleso@bigpond.net.au

Abstract

This paper discusses the responses of The Netherlands Indies colonial government to the rise in urban unemployment in Java brought about by the 1930s Depression. At least one in six of the large European/Eurasian population in the colony, and an even larger proportion of urban Indonesian workers, became unemployed as a result of the Depression. The colonial government and the European community were greatly concerned that the growth of unemployment among Europeans would lead to destitution for many, ultimately forcing them into the native kampung[1]. They were also concerned about what they saw as the moral decay of local-born European/Eurasian youth who were unemployed in unprecedented numbers. Furthermore, the European community feared that the growth in unemployment among western-educated Indonesians in the towns and cities in Java would create a fertile recruitment ground for nationalist political parties leading to urban unrest. Fear of the kampung for destitute Europeans, and fear of urban unrest from unemployed western-educated Indonesians, shaped the colonial government's responses to urban unemployment. The impact of the Depression on both Indonesian and European unemployed in the towns and cities in Java triggered lengthy debates on the role of the state in the provision of social security.

Introduction

In late 1932, a European journalist wrote of his experience when posting a letter at the Central Post Office in Batavia, the capital city of The Netherlands East Indies. Since the onset of the Depression

[1] A kampung is a neighbourhood in a town or city occupied by non-Europeans, often with its own administrative structure and mutual aid organizations and usually with its own guard system.

he had become accustomed to seeing impoverished natives sleeping in laneways leading to the Post Office, but on this occasion he stumbled across a sleeping European. He woke the sleeper and listened to his story. It turned out that he was a married man who had been retrenched because of his age. Getting another job had proved impossible. A few months ago his wife had died. He was unable to cope with losing both wife and job. He wandered from place to place and for a few days was committed to an insane asylum. After being discharged, he managed for a while by selling his furniture. Now with nothing more than the clothes on his back he survived on the charity of Indonesians in a nearby kampung who provided him with rice and sympathetic Europeans who gave him a few coins as they passed by.[2]

The Depression affected urban people in different ways. The majority of Europeans and Indonesians working in the modern sector of the urban economy kept their jobs and probably experienced improved living standards as prices fell more quickly than wages. However, Europeans who lost their jobs were forced to seek work previously considered beneath them and, failing that, became dependent on poor relief.[3] Western educated Indonesians and

[2] *De Telegraaf*, 9 December 1932, quoting from the *Indische Post*. Sneevliet Collection 585, International Institute for Social History, Amsterdam (hereafter IISH).

[3] The term 'European' is used throughout this paper to include Eurasians as well as 'pure' Europeans. Legally the people of the Indies were classified as European, Native or Foreign Oriental. By the 1930s Eurasians were probably 80 per cent of the people legally classified as Europeans. The economic interests of 'pure' Europeans, and their social position in the colony, were in many important ways very different to those of the Eurasians. They were predominantly people who saw themselves as only temporary residents in The Netherlands Indies—the 'trekkers' as opposed to the 'blijvers'—and were mainly employed in the upper echelons of the colonial bureaucracy or as senior managers and professionals in European companies, including the huge plantation enterprises in Java and Sumatra. Eurasians were, by and large, employed in the middle levels of the bureaucracy or in private companies, though a few notable exceptions were high-ranking officials or managers. The 'pure' Europeans lived in the more salubrious parts of the towns and cities. The Eurasians for the most part lived in less expensive areas or adjacent to the kampung where the majority of the Indonesian urban population lived. Jobs and salaries in the bureaucracy—and most private companies—adhered to the racial/legal divisions in pay scales: 'pure' Europeans were paid the most, followed by Eurasians and the Chinese with Natives paid the least.

The Eurasian experience in The Netherlands Indies is most recently discussed in Ulbe Bosma and Remco Raben, *Being 'Dutch' in the Indies. A History of Creolisation and Empire, 1500–1920* (Athens, Ohio: Ohio University Press, 2008). There is a recent biography of the politically prominent Eurasian, E. F. E. Douwes Dekker by Paul W. van der Veur, *The lion and the gadfly. Dutch colonialism and the spirit of E. F. E. Douwes Dekker* (Leiden: KITLV Press, 2006). See also, Frances Gouda, 'Nyonyas on the Colonial

Indonesian artisans who lost their jobs were also forced into less skilled and less desirable jobs or into the precarious informal sector. At worst they had to survive on the support of kampung neighbourhood groups and charities. The Depression years hit both European and Indonesian youth particularly hard. For many Europeans and Indonesians in urban Java the 1930s were, at best, years of dashed expectations and reduced living standards and, at worst, years of struggle and impoverishment.[4]

The destitute man in the laneway leading to the Central Post Office in Batavia alarmed the journalist because he was a European. Poverty among the European community was not a new problem. Since the mid-nineteenth century the European elite had been concerned about pauperism among lower class Europeans, particularly among former soldiers and their families.[5] However, the Depression created unemployment and poverty among Europeans on an unprecedented scale. It brought into sharp relief the lack of state-provided social security. Support for the destitute, the infirm, the aged or the orphan was seen as a matter for churches and charities, not the state.[6] By the late 1920s some Municipal Councils in the major cities in Java had begun to provide poor relief for the truly desperate in the European community, but only on a very small scale. The Depression years forced the colonial government to rethink the role of the state in the provision of social security. The debate was driven largely by the needs of unemployed Europeans. The European press and many European members of the colonial advisory council, the *Volksraad*, and Provincial

Divide: White Women in the Dutch East Indies, 1900–1942', *Gender & History*, 5 (3) (1993), pp. 318–342.

[4] There is a growing literature on the impact of the Depression on Indonesia, mainly focused on the rural impact. See Peter Boomgaard and Ian Brown (eds), *Weathering the Storm. The Economies of Southeast Asia in the 1930s Depression* (Leiden: KITLV, 2000), especially chapters by Boomgaard, J. Thomas Lindblad, Jeroen Tauwen, S. Nawiyanto, William Gervase Clarence-Smith and Anne Booth. See also: John Ingleson, 'Urban Java During the Depression' *Journal of Southeast Asian Studies*, 19 (2) (1988), pp. 292–309; Anne Booth, 'Living Standards and the Distribution of Income in Colonial Indonesia: a Review of the Evidence' *Journal of Southeast Asian Studies*, 19 (2) (1988), pp. 310–334; Anne Booth, 'Japanese Import Penetration and Dutch Response: Some Aspects of Economic Policy Making in Colonial Indonesia' in Shinya Sugiyawa and Milagras C. Guerrero (eds), *International Commercial Rivalry in Southeast Asia in the Interwar Period* (New Haven: Yale Southeast Asian Studies Monograph 39, 1994), pp. 133–164.

[5] See: Jean Gelman Taylor, *The Social World of Batavia. European and Eurasian in Dutch Asia* (Wisconsin: University of Wisconsin Press, 1983); and Bosma and Raben, *Being 'Dutch' in the Indies*.

[6] See the discussion in Bosma and Raben, *Being 'Dutch' in the Indies*.

and Municipal Councils pressured the government to recognize the way in which the Depression had permanently changed the colonial economy. The Indonesian political elite joined in this campaign and in doing so moved the debate from support for Europeans to the provision of a social security net for all workers in the modern sector of the economy, irrespective of race.

Before the Depression it had been assumed that all Europeans who wanted work could get it and that the nature of this work would uphold the dignity of the ruling race. These assumptions were no longer true in the 1930s. Poverty among Europeans was increasingly visible in people begging on the streets or living rough in public places. The late nineteenth and early twentieth century Dutch colonial press had periodically campaigned about the threat posed to colonial order by impoverished lower-class Europeans and the moral decline of Indies-born European youth.[7] It reflected European fears that destitute Europeans would 'go native' and disappear into the kampung. The Depression revived these concerns as the seemingly intractable social and economic problems sharpened European fears for the future of the colony.

Fear of the kampung for destitute Europeans and fear of the moral decay of Indies-born European youth was accompanied by fear of political unrest amongst unemployed urban Indonesians. The large-scale retrenchment of skilled and unskilled Indonesian workers was exacerbated by the increasing number of young graduates from Western schools seeking work for the first time. While many unskilled Indonesian urban workers returned to their villages of origin, and some skilled workers in the major cities sought refuge from the Depression with relatives in small inland towns, for a growing number the city was the only place they knew. For an increasing number of urban people the village was no longer the provider of social security in times of need.[8] Throughout the 1930s the European community worried that the nationalist elite would organize among native unemployed and discontented western-educated native youth in the major cities.

The attitude of the colonial government to urban poverty and unemployment reflected the prevailing ideology in The Netherlands, where social security was largely a matter for churches and charities. The economic policies of The Netherlands government further

[7] Ibid., Chapter 7, pp. 219–257.

[8] See John Ingleson, 'Labour Unions and the Provision of Social Security in Colonial Java', *Asian Studies Review*, 24 (4) (2000), pp. 471–500.

constrained the colonial government in its response to the Depression. The Netherlands was the last of the European countries to abandon the gold standard (in September 1936), a delay which accentuated the impact of the Depression in both The Netherlands and The Netherlands Indies.[9] The appreciation of The Netherlands Indies guilder, along with a severe contraction in public expenditure as revenue declined, deepened the effects of the Depression on the colony. A contracting economy and severely reduced government expenditure resulted in growing urban unemployment.

The colonial government was limited in how it could respond to the Depression, but it became increasingly concerned about the social and economic consequences of urban unemployment, especially amongst the young. There was no unanimity within the colonial bureaucracy about what could or should be done, with numerous policy options advanced by different Departments. Some were rejected as too difficult, others as too costly. Some were implemented but with little success. At the end of the 1930s the colonial government was forced to admit that it had no solution to the problem of continuing high levels of urban unemployment and acknowledged that unemployment among young Western-educated Indonesians and young Europeans had the potential to destabilize the colony.[10]

Colonial assumptions

The colonial government's response to the human cost of the Depression was premised on its view of the Indies as three separate societies divided by race. Europeans worked in the modern economy, with social structures based on the individual and the nuclear family. They had both a material and a social status that must be maintained. European unemployment was therefore of prime concern. Unemployed Europeans had to be at least minimally supported as individuals in order to ensure that the image of the European was not compromised. The urban Chinese were also for the most part seen as individuals and as part of the modern economy, but at the same time

[9] See Jan Luiten van Zanden'The Dance Round the Gold Standard. Economic Policy in the Depression of the 1930s', in van Zanden (ed) *The Economic Development of the Netherlands since 1870* (Cheltenham: Edward Elgar, 1996), pp. 102–136.

[10] In the late 1930s formal government statements in the *Volksraad* and responses to questions from members consistently argued along these lines. See *Volksraad Handelingen*.

were perceived as living in a community that retained extended family and clan-based support structures. They therefore did not require the same support as unemployed Europeans.

Urban Indonesians were viewed in a different light by the colonial government. While Western-educated urban Indonesians were acknowledged to be closer to the European world, the bulk of wage-earning Indonesians were seen as members of extended families in a society with extensive informal social support structures. It followed, then, that whereas unemployment for Europeans was an individual problem, for most Indonesians it was a collective problem. The urban kampung, with its communal support structures, the informal urban economy and, ultimately, the village world with which the government believed most urban Indonesians were still closely connected, were believed to be able to provide sufficient social and economic support in times of need.

The European view of colonial society led to major policy conclusions. First, unemployed Europeans were the priority. Second, the informal urban sector was sufficiently elastic to be able to accommodate many thousands of retrenched Indonesian urban wage-earners in lower paid work and kampung communal structures were able to look after those who fell on hard times.[11] Third, rural Java had a limitless absorptive capacity.[12] The rural economy, because of its collective rather than individual social structures, was believed to put a high value on sharing the available work. Most urban workers were seen as rural people living in towns and cities, who maintained strong connections with

[11] In the minds of many Europeans there was no such thing as genuine unemployment for any but the most Westernized Indonesians. The *Algemeene Handelsblad* expressed this view in 1936: 'In the first place there is a sharp difference between unemployment in the Indonesian and the European spheres. It could be said that unemployment has never existed in the native world, at least in the sense that we in the West understand it. For the native, labour conditions are little different now than in earlier times. Certainly, there is a surplus of intellectuals and semi-intellectuals, but the question is if this would still be the case with or without the Depression.' *Algemeene Handelsblad*, 4 August 1936, Sneevliet Collection 587, IISH. In 1937 the government informed the Volksraad '... that Western oriented poor relief does not have the same place in Eastern society as it does in the West'. Statement of the Director of Justice, *Volksraad Handelingen*, 26 July 1937, p. 451. He later explained that he meant that the government could not be expected to drive poor relief as it did in the West.

[12] See, for example, 'De bestrijding van werkloosheid' in *Java Bode*, 17 and 19 February 1932, which discussed Indonesian unemployment, arguing that despite the impact of the Depression the absorptive capacity of native society had not reached its limits.

their villages. The theory was that the collapse of urban wage-labour would result in them returning to their villages of origin and either getting casual work or being supported by their extended family and village communal structures. The villages of Java were seen as the ultimate provider of social security for Indonesian urban workers.

This conceptual framework underpinned reporting within the colonial government on the impact of the Depression. The predominant view was that while the Depression reduced the standard of living of many Indonesians and led to a significant growth in poverty, nevertheless Indonesian society coped with few serious problems. Some officials wondered just how elastic Javanese society would eventually prove to be, but even in the depths of the Depression none argued that these limits had been reached.[13]

The extent of urban unemployment

It is impossible to establish with any certainty the number of people wholly dependent on urban wage labour who lost their jobs during the Depression. Two sets of statistics on urban unemployment were regularly produced. The first covered those registered for work at the Labour Bureaux in the major towns and cities in Java. These figures peaked in December 1937 for Europeans, with 6,865 registered, in December 1936 for Indonesians, with 18,449 registered and in December 1934 for Chinese, with 1,205 registered. The second set of statistics recorded those provided with unemployment support. This peaked in May 1934 for Europeans (2,977), in March 1934 for Indonesians (3,469) and in October 1934 for Chinese (829).[14]

These statistics are useful trend indicators, but officials were well aware that they grossly underestimated urban unemployment. European unemployment was estimated to have peaked at 10,000 in 1937, representing at least 17 per cent of the European workforce.[15]

[13] This view was seemingly universally held within the European community, as reflected not only in official reports but also in contemporary newspapers. See, 'De bestrijding van werkloosheid'.

[14] *Statistical Pocketbook of Indonesia 1941* (Batavia: 1947), Tables 99 and 100, p. 68. There is a wider problem of the impossibility of establishing a baseline for urban unemployment before the Depression because statistics were not collected systematically.

[15] 'Mededeelingen der Regeering', 6 July 1939, *Volksraad Handelingen* 1939–1940, p. 6; and 'Memorie van Antwoord', 12 July 1935, *Volksraad Handelingen*, 1935–

Even this understated the true position as Europeans on 'non-active' service were excluded. In 1935 there were 6,454 government employees on non-active service, all of whom received reduced wages. About 20 per cent of these were Europeans.[16] Thousands more Europeans were repatriated to Europe on losing their jobs.[17] Indeed, in order to constrain the rising unemployment rate, in 1932 the government introduced a regulation requiring companies to repatriate all retrenched Europeans who had been recruited directly from Europe.[18]

The high number of unemployed Europeans reflected the size of the European population in The Netherlands Indies—245,000 in 1930—compared with the small number of Europeans in other colonies. While European workers recruited directly from their homelands could be repatriated, about 80 per cent of the European population were either Eurasian or were born in the colony of European parents.[19] Most

1936, Subject 3, Department 2, Item 5, pp. 3–5. The 1930 Census put the total European population at 245,000. Prior to the impact of the Depression, there were approximately 40,000 Europeans employed by the government and government enterprises and about another 19,000 employed by the private sector. It was estimated that at the end of December 1932 real unemployment among Europeans was 5,520, or 9.3 per cent of the workforce. The total European workforce would have decreased between 1932 and 1937, therefore the 10,000 unemployed Europeans in 1937 constituted at least 17 per cent of the total. A. G. Vreede, 'De Werkloosheid in het eerste halfjaar 1932', *Koloniale Studien* (October 1932), p. 672. The unemployment rate among Europeans in the colony was comparable with that in The Netherlands itself, where unemployment peaked in 1936 at 19 per cent. See: Gert P. den Bakker, 'Interwar Unemployment in the Netherlands', in van Zanden (ed.), *The Economic Development of the Netherlands since 1870*, p. 149.

[16] *Statistical Pocketbook of Indonesia* 1941, Table 90, p. 61. This estimate is based on the fact that 20 per cent of all government employees were Europeans.

[17] It has been estimated that half the 1,700 European employees on the east coast of Sumatra plantations were retrenched and that most were repatriated. Robert E. Elson, 'International Commerce, the State and Society: Economic and Social Change', in Nicholas Tarling (ed.), *The Cambridge History of Southeast Asia* (Cambridge: Cambridge University Press, 1992), Vol. 2, p. 188.

[18] In discussing European unemployment in the first half of 1932, the Head of the Labour Office, A. G. Vreede, emphasized the importance of repatriating retrenched Europeans: 'The figures would be so much greater without the exodus of retrenched people to the Netherlands, an exodus which has had such an impact that for some months all berths in the lower classes of the mailboats have been fully booked in advance', A. G. Vreede, 'De Werkloosheid in het eerste halfjaar 1932', *Koloniale Studien* (October 1932), p. 672.

[19] See G. Roger Knight, 'A sugar factory and its swimming pool: incorporation and differentiation in Dutch colonial society in Java' *Ethnic and Racial Studies* 24 (3) (2001), p. 456.

considered the Indies their home. In Surabaya, for example, of the 118 unemployed Europeans financially supported by the local unemployed support committee in 1931, 96 had been born in the colony.[20]

The extent of unemployment among urban Indonesians is even harder to quantify. The unemployed had to register in order to be counted and Labour Bureaux were intimidating places for Indonesian workers.[21] Futhermore, casual day-wage labourers were not included in the statistics even when they were permanent urban residents. Low-skilled workers and casual day-wage labourers were a large proportion of the Indonesian urban workforce. The statistics also do not reflect the tens of thousands of urban wage earners who retreated to inland towns or villages when they could obtain no further work in the major cities.[22]

Surveys carried out by the Labour Office during the Depression years provide a consistent picture of workers remaining in the towns and cities after they were retrenched. In early 1932, for example, a survey was carried out of 500 workers retrenched in 1931 by the large State Railways workshops in Madiun, East Java. Only a few had retreated to villages. Seventeen were on *wachtgeld* (literally 'waiting money'—a fraction of their normal pay) and 29 had moved to the nearby city of Surabaya in search of work. The rest remained in Madiun. Some had found other work but most were reliant on their families.[23] Another example is provided by a survey into unemployment among Christian Menadonese and Ambonese in Batavia in September 1931. Some 108 were unemployed, of whom 13 were classified as too old to work again,

[20] *Verslag van het Plaatselijk Comite te Soerabaja tot Steun aan Werkloozen over het jaar 1931* (Surabaya: 1932), p. 11. This report provided a detailed breakdown of the ethnicity and marital status of the 195 men supported at 1 February 1932. Of the unemployed, 124 were married and 71 unmarried. Children of the unemployed totalled 295. Men living in Surabaya or nearby environs totalled 173, with 22 in more remote locations.

[21] The Labour Bureaus realized this and responded by encouraging their officers to get out and about in the towns and cities in an effort to persuade the unemployed to register.

[22] The Labour Office recognized that one of the reasons for the low registration rate among unemployed Indonesian intellectuals was because Labour Bureaux were located in the large towns and cities whereas many Indonesian intellectuals had moved to smaller towns in the interior of Java because of the cheaper cost of living. See, 'Nota Inzake Jeugdwerkloosheid in Nederlandsch-Indie en haar Bestrijding', in Mail Report 1937/858, National Archives, The Hague.

[23] A. G. Vreede, 'De Werkloosheid in het eerste halfjaar 1932', *Koloniale Studien* (October 1932), p. 677.

22 deemed to be 'work shy' and 73 assessed as unemployed as a result of the Depression. Only 24, or a quarter of the unemployed surveyed, had registered with the Labour Bureau, providing further evidence that official unemployment figures for Indonesians were a considerable underestimate. Of the 73 people deemed victims of the Depression, one was supported by the Batavia Unemployed Support Committee and 38 by the Destitute Christians Fund. The rest were described as living in poor, simple conditions, housed and fed by family and friends.[24]

The collapse of the plantation export economy on the east coast of Sumatra added to Java's unemployment woes. In May 1930 the Deli estate workforce totalled 336,000. By 1934 it was only 134,000. The ships that for decades had transported up to 60,000 poor Javanese each year to the east coast of Sumatra now made the journey filled with labourers returning to their birthplaces.[25] It was not until 1937, when the recovery of the plantation economy in Sumatra demanded new labourers, that the number of people leaving Java for the east coast of Sumatra again exceeded those returning. In the seven years from 1930 to 1936, 50,917 workers left Java for the east coast of Sumatra and elsewhere, whilst 180,548 returned.[26] Most of the impact was on the villages of East and Central Java, but many returned labourers were unable to make ends meet in the villages eventually drifting into the major cities thereby further

[24] A.G. Vreede, 'De Werkloosheid in Nederlandsch-Indie in het tweede halfjaar 1931', *Koloniale Studien* (April 1932), p. 201.

[25] Ann Laura Stoler, *Capitalism and Confrontation in Sumatra's Plantation Belt, 1870–1979* (Ann Arbor: Michigan University Press, second edition, 1995).

[26] The total includes departing and returning workers from Java to all Outer Provinces, to Suriname and to British and French colonies. Source: *Statistical Pocketbook of Indonesia 1941*, table 98, p. 67. The emigration/immigration figures from/to Java and the Outer Islands are revealing:

Year	*emigration*	*immigration*	*Year*	*emigration*	*immigration*
1930	29,350	47,923	1935	3,025	6,922
1931	3,005	42,805	1936	57	2,341
1932	1,119	38,471	1937	65,754	10,392
1933	5,507	14,792	1938	23,334	11,755
1934	4,953	9,922	1939	25,347	15,395

Source: *Vijftiende Verslag, Zestiende Verslag, Zeventiende Verslag, Achtiende Verslg van de Arbeidsinspectie* (Batavia: Kantor van Arbeid, 1933, 1937, 1939 and 1941).

adding to urban unemployment.[27] None were included in the official statistics.

Youth unemployment

Unemployment amongst young people was of growing concern for leaders of all communities as well as for the colonial government. As the Depression deepened there was widespread concern that the colony was creating a generation of permanently unemployed, with potentially serious social and political consequences. This was bad enough for Indonesians, particularly those with a Western education, but officials and prominent Europeans were particularly concerned about what they called the 'moral fibre' of the European youth because, in their view, so many were growing up with a sense of hopelessness. There was much talk in the European press and among colonial officials that the perceived 'moral decay' of young Europeans, if not checked, could eventually threaten European control of the colony. In mid-1937, the Labour Office estimated unemployment among Europeans aged between 16 and 24 at about 4,000, or twice the annual school graduation rate. Only about half of the Europeans entering the labour market each year found jobs. The idleness of European youth, evident in reports of youth gangs on the streets of the major cities, caused officials and the European press to worry about the future of the colony. Ever present was the fear of the kampung, with its threat to the racial hierarchy and Dutch power, as the European elite fretted that once in the kampung Europeans would quickly lose their

[27] It is difficult to know with any precision the number of returned contract labourers who ended up in the major towns and cities. Surabaya had one notorious slum at the side of the major railway line into the city, known locally as 'kampung Melarat' (impoverished kampung), which was composed entirely of returned contract labourers. The question of whether returned contract labourers stayed in the villages of Java or drifted to the cities is discussed by Peter Boomgaard in 'Surviving the Slump: Developments in Real Income During the Depression of the 1930s in Indonesia', in Boomgaard and Brown, *Weathering the Storm,* p. 34. The contemporary view of government officials was that while most ex-contract labourers in the first instance went back to their village of origin, many found that they quickly ran out of money and could not get work in or around the village. Significant numbers then drifted to the major towns and cities, especially to Surabaya, the major city of East Java, in the hope that they would have better opportunities to find work.

European cultural identity. In late 1936 the Labour Office called for urgent action:

> The phenomenon is so serious, that the government must do something to address the degeneration of the European youth, which largely means the Indo-European youth, to prevent them sliding into the kampung.[28]

The Depression years coincided with a growth in the number of Indonesians completing a Western education. Government and private schools were producing about 10,000 Indonesian graduates a year in the 1930s, most of whom could not find jobs matching their expectations. In 1937 the Labour Office estimated that there were at least 20,000 unemployed Indonesian youth who had completed a Western middle or high school education and that this number was growing annually.[29] The Department of Education predicted that the colony would continue for many years to produce far more Indonesian graduates from Western schools than could be absorbed by the labour market.[30] Graduates from the colony's technical and trade schools fared just as badly. Of the 3,779 European and Indonesian graduates in 1931 and 1932, over half were unemployed at the beginning of 1933.[31] It was estimated in 1937 that during the seven Depression years about 30,000 young Indonesian graduates from Western schools were unemployed.[32]

There is no doubt that the Depression forced many young people, whether Indonesian, European or Chinese, to accept lower level and lower paid work than had been the norm in earlier years.[33] The downward mobility of Europeans in particular was frequently discussed by officials and European newspapers. All colonial economies allocated jobs according to race and The Netherlands-Indies was no exception. Indonesians had gradually been moving into occupations

[28] 'Nota Inzake Jeugdwerkloosheid in Nederlandsch-Indie en Hare Bestrijding', Labour Office, 8 November 1936, enclosed in Director of Justice to Governor-General, 10 May 1937, Mail Report 1937/858, National Archives, The Hague.

[29] Labour Office, 'Samenvattend Overzicht van de Werkloosheid en Haar Bestrijding', p. 6 enclosed in Mail Report 1937/858, National Archives, The Hague.

[30] In 1937 the Labour Office estimated that youth unemployment was still growing by about 1,000 each year and that it would be at least eight years before the problem of youth unemployment could be solved. 'Nota Inzake Jeugdwerkloosheid ' p. 7.

[31] *Economische Weekblad*, 23 June 1933, pp. 2179–2180.

[32] 'Nota inzake Jeugdwerkloosheid in Nederlandsche-Indie en Hare Bestrijding', Labour Office, 8 November 1936, enclosed in Director of Justice to Governor-General, 10 May 1937, Mail Report 1937/858, National Archives, The Hague.

[33] Director of Justice to Governor-General, 18 August 1937, Mail Report 1937/858, p. 15, National Archives, The Hague.

previously reserved for Europeans, particularly during and after the First World War when there was a shortage of labour, with Europeans moving to supervisory or professional positions. The Depression reversed this trend with Europeans now forced to take jobs they had come to view as suitable only for natives. Both European and Indonesian community leaders worried about the corrosive effect of unemployment and dashed expectations on urban, educated youth who were leaving schools and technical colleges better educated than ever before but destined to take low level jobs, if they could find work at all. Downward mobility affected literate and skilled Indonesian workers just as much as Europeans. As they accepted lower level jobs life became even more difficult for those with fewer skills.[34]

Support for the unemployed

A Labour Office was established in 1921, largely as a result of the post-war strike wave in Java.[35] It was generally a liberal voice within an increasingly conservative colonial government.[36] It was staffed by people who saw one of their roles as being to exert pressure on European employers to deal fairly with native workers. It became a major source of information and advice to the government for the management of urban labour and contract labour in the Outer Provinces. It collected statistical information on the workforces in factories and workshops, on labour union membership and on labour disputes, and its officers carried out regular health and safety inspections under the colony's Factories Act. When major strikes occurred it sent investigators into the factories and kampung to interview workers and prepare detailed reports for Batavia. In the 1930s it produced a series of valuable reports on unemployment in Indonesia, on the batik industry, on the cigarette industry at Malang and on the plantation industry in Java. These industry reports were

[34] See Ingleson, 'Urban Java during the Depression', and R. N. Djojosoemarman, 'Taxi chauffeurs te Batavia,' *Koloniale Tijdschrift* 30 (1941), pp. 606–632.

[35] See John Ingleson, *In Search of Justice. Workers and Unions in Colonial Java, 1908–1926* (Singapore, Oxford University Press, 1986), p. 213.

[36] For example, the Labour Office persuaded the government in February 1932 to regulate the minimum notice that an employer was required to provide to an employee to equivalent to one month's wages, which was to be lengthened by an additional month for each year of service to a maximum of three months. Mail Report 1932/286, National Archives, The Hague.

scathing in their criticism of wages and working conditions and were used by the colonial government to pressure the industries to put their houses in order.[37]

Shortly after the establishment of the Labour Office, the post-war recession confronted the colony with European unemployment for the first time. The government responded in April 1922 by creating Labour Bureaux in Bandung and Batavia. A third Labour Bureau was established in Surabaya in 1925 and a fourth in Yogyakarta in 1927. The Labour Bureaux were charged with registering the unemployed—initially Europeans but quickly also Indonesians who were high school graduates (so-called 'chief workers')—and liaising with employers to match the unemployed to jobs.[38] With the onset of the Depression the number of Labour Bureaux was expanded to 20, all but two in towns and cities in Java.[39] In 1931 the Labour Office created a Central Employment Bureau to bring the local bureaux more closely under its supervision.

In keeping with the colonial government's conviction that the provision of social security was a community rather than a state responsibility, Labour Bureaux provided no financial support to the unemployed. The government had rejected voices in the *Volksraad* in 1921, in 1922 and again in 1924 which called for the creation of an unemployment fund for workers in the modern sector of the economy, with compulsory contributions from employers.[40] As long as the number of unemployed Europeans and skilled or Western educated Indonesians was low, as it was in the 1920s, this position was sustainable. The sudden growth in urban unemployment as the Depression hit the colony, and the increasingly common sight of impoverished Europeans on the streets, persuaded the government in December 1930 to give some ground to its critics by creating a

[37] P. de Kat Angelino, *Verslag betreffende eene door den inspecteur bij het Kantoor van Arbeid, P. de Kat Angelino op de Vorstenlandsche tabaksondernemingen gehouden enquete* (Batavia: Landsdrukkerij, 1929); P. de Kat Angelino, *Rapport betreffende eene gehouden enquete naar de arbeidstoestanden in de batikkerijen op Java en Madoera* (Weltevreden: Landsdrukkerij, 3 vols., 1930–1); B. Reijden, *Rapport betreffende eene gehouden enquete naar de arbeidstoestanden in de industrie van strootjes en inheemsche sigaretten op Java* (Batavia: Landdruikkerij, 3 vols., 1934–1936).

[38] For a discussion of the establishment of the Labour Bureaux see, *Economische Weekblad*, 26 May 1933.

[39] *Statistical Pocketbook of Indonesia 1941*, Table 99, p. 68.

[40] See Summary of the *Volksraad* Committee to consider unemployment in the context of the 1935 Budget, in *Volksraad Handelingen*, 1935–1936, Subject 3, Department 2, Section 4, pp. 1–8.

Central Committee for the Support of the Unemployed. However, lest anyone assume that it had conceded a permanent role for the state in the provision of social security, all of the staff were privately employed, though the Central Committee was provided with some administrative support by the Labour Office. Its primary task was to raise money from individuals and businesses, and distribute the money raised to the unemployed through its own projects and through local committees in the major cities and towns. Whilst the government agreed to provide 50 cents of public money for every guilder raised from private sources, it continued to argue that local communities better understood grass roots problems than governments.[41] Its role therefore should continue to be to support private philanthropy.

In justifying the colonial government's focus on supporting European unemployed, it was repeatedly argued that it was much harder to identify unemployed natives because even in normal times urban workers moved between the towns and cities and the villages as work became available as well as moving between the formal and the informal sectors of the urban economy. Although it was widely acknowledged during the Depression years that many more urban Indonesians were in great need, there was still a conviction that the colony had neither the organizational structures nor the money to solve the problem.[42] The financial consequences of directly supporting the native unemployed weighed heavily on colonial officials. As the Labour Office argued:

> ...if care for the unemployed became a task for government, and not only for European unemployed and Native and Chinese unemployed who live in a European manner but also for the great mass of uneducated Native and Chinese unemployed, it would result in unacceptable financial consequences.[43]

[41] For a clear statement of government policy see *Volksraad Handelingen*, 1935–1936, Third Subject, Second Department, Item 4, p. 2: '...care for the unemployed in the Netherlands Indies, understood as primarily the provision of financial support, should not be the direct responsibility of the government, rather should be left to private initiatives as long as possible'.

[42] A good example is an article in April 1934 in the Dutch language colonial press on unemployment among Indonesians which argued that: 'Among the millions of natives how will one determine if somebody is unemployed, or is a victim of the Depression? Thousands and thousands have known no other condition throughout their lives. Thousands work for years for a few months each year and for the rest of the time do nothing, living on the labour of their wives, their communities, their families or from all kinds of casual labour.'. Quoted in *Nieuwe Rotterdamsche Courant*, 4 April 1934, Sneevliet Collection 587, IISH.

[43] *Werkloosheid in Nederlandsch-Indie* (Batavia: Kantoor van Arbeid, 1935), pp. 3–4.

The colonial government believed it could not afford a broad unemployment support system for Indonesians—even for those who were permanent urban workers—but remained confident about the capacity of indigenous social structures to support the unemployed. Indeed it argued that the small amount of money raised by Indonesian and Chinese local unemployed support committees was a clear indication of the preference of these communities for traditional 'Eastern' methods of mutual support.[44] The argument was based more on ideology than reality. Financial support of Indonesian and Chinese urban unemployed was far greater than either the government or the European community realized, largely because it was raised by a myriad of groups linked to religious, social or labour organizations or by informal groups in the kampung rather than by the local unemployed support committees.

The Central Committee for the Support of the Unemployed established local committees. In the peak year of 1935, there were 70 local support committees managed by European officials or prominent individuals, all but 11 of which were in towns and cities in Java. These were primarily concerned with unemployed Europeans, but as the Depression deepened they also supported unemployed Chinese and Indonesians 'chief workers'. In addition there were six local committees managed by Indonesian local officials and independent professionals for the support of unemployed Indonesians and five managed by the Chinese community for the support of unemployed Chinese.[45]

The central and local support committees tapped large companies, small businesses and individuals for donations. Street lists were prepared and volunteers went from door-to-door seeking regular donations. Schools encouraged children to bring in a coin every Monday: in Bandung contributions from this source alone reached as much as 700 guilders a month.[46] Collections were made at sporting and other public events and lotteries were conducted. In addition to government contributions to the Central Committee, Municipal Councils also contributed to local committees.

[44] See *Werkloosheid in Nederlandsch-Indie*, p. 5.

[45] *Werkloosheid in Nederlandsch-Indie*, pp. 48–49.

[46] See 'Vergadering van het Hoofd van het Kantoor van Arbeid met de vertegenwoordigers der verschillende Steuncomite's van Oost-Java gehouden in de raadszaal van het Gemeentehuis te Soerabaja op Zaterdag 2 April 1932', Mail Report 1932/809, National Archives, The Hague.

Support for individual unemployed was at the discretion of local Unemployed Support Committees, subject to guidelines on maximum rates. These changed from year to year, but were highest for unemployed Europeans living in the major cities of Batavia, Bandung, Semarang, Surabaya and Yogyakarta. They varied according to personal monthly income prior to being unemployed. In 1935, for example, the maximum monthly payment for an unmarried European living in rented accommodation ranged from 30 guilders, for those previously earning up to 175 guilders, to 70 guilders for those previously earning over 426 guilders. Rates were higher if the European was married (45 and 100 guilders respectively) and could be supplemented by allowances for children up to a maximum of 20 and 40 guilders respectively. The maximum monthly payment for a married European with three children, renting his home and previously earning up to 175 guilders a month was 65 guilders. The unemployed could initially be supported for up to six months and, subject to careful checks, could have this support extended to no more than two years. These were the maximum allowable rates. Actual payments were usually much lower as they depended on the fundraising capacity of local unemployed support committees.

Under pressure from Indonesian members of the Volksraad, the Indonesian language press and its own Labour Office, in mid-1932 the government broadened the terms of reference for the Central Committee to include support of unemployed Indonesians and Chinese, but with the caveat that this be limited to those '. . .who belonged to the individually employed and who cannot fall back on village or family connections'. The limitation was partly for financial reasons but largely because the government continued to believe that the needs of most unemployed Indonesians and Chinese were already being met. It argued that 'this is justifiable in social terms, because wholly independently the native and Chinese communities, through the customary eastern practices of mutual support, alleviate the greatest need of the unemployed'.[47]

Indonesian and Chinese local support committees were reminded that in order to receive financial support from the Central Committee they must confine their assistance to individuals who lacked family support and could not return to their villages of origin. Assistance to Indonesians was restricted to those described as 'intellectuals'

[47] *Werkloosheid in Nederlandsch-Indie*, p. 9.

or the better skilled workers such as tradesmen or foremen. Local Committees were expressly prohibited from working outside the towns and cities.[48] Finally, in order not to encourage idleness they were discouraged from providing cash to the unemployed, instead urged to provide support in kind:

> Support provided should as far as possible be in kind, through the provision of food and clothing and housing support, for example by rent subsidies, and exemption from schools fees etc as well as a few cents for daily expenses.[49]

Support for unemployed Indonesians was at a much lower rate than that for unemployed Europeans. It was estimated in 1938 that European unemployed supported by local committees were paid a minimum of 10 guilders a month while Indonesian unemployed were paid a maximum of 3–5 guilders.[50]

When in 1935 the Dutch delegation to the International Association for the Protection of Children requested information on the impact of the Depression on native children in The Netherlands-Indies, the colonial government confidently responded with its standard view of the nature of Indonesian society. In the words of the Director of Justice, the situation in the Indies was very different from that in Europe:

> . . .the still not so individualistic native society, because of its absorptive power, is better able to look after unemployed than Europe and through its social cohesion is able to provide more equitably for the needs of its people. . ..[51]

Extensive reports from the Labour Office and from officials in 1931 and 1932 slowly forced the Batavia government to realize that the colony was facing an unprecedented problem. It was not simply a minor recession as in 1921 and 1922. Something had to be done, argued many officials, to provide relief to the tens of millions of people in rural and small town Java who had lost their major source of income as a result of the collapse of international commodity markets. The government responded by initiating work creation projects in 1932. Work creation projects, colonization schemes for Java and transmigration from overcrowded parts of Java to the Outer Islands

[48] Central Committee for the Support of the Unemployed, Circular 15, 11 July 1932, Archives of the Archbishopric of Batavia (hereafter AAB), KDC 4 - 5/13.

[49] Central Committee for Support of the Unemployed, Circular 15, 11 July 1932, AAB, KDC 4 - 5/13.

[50] See speech of Suroso in *Volksraad Handelingen*, 16 August 1938, p. 977.

[51] Director of Justice to Governor-General, 20 March 1935, enclosed in Governor-General to Minister of Colonies, 23 March 1935, A-Dossier 7449–5, National Archives, The Hague.

were the key policy prescriptions in the 1930s for rural Java, though the provision of inadequate funding ensured that the implementation of the policy barely scratched the surface of the problem.[52] The work creation scheme for example had at its peak an annual budget of a mere 2 million guilders. In the end rural Java did have sufficient absorptive capacity to cope with the impact of the Depression, albeit at a lower living standard for many. Most importantly from the government viewpoint, there was no rural unrest in the 1930s.

Concerned as they were about the impact of the Depression on rural Java, colonial officials and the European community generally were far more concerned about the Depression leading to urban unrest. They were particularly worried that unemployed urban Indonesians would provide a fertile recruitment ground for nationalist agitators.[53] The colonial government's concern about the potential political consequences of the social and economic impact of the Depression was an important consideration in its tightening of already severe controls over all nationalist activities. In 1933 and 1934 it banned the two major nationalist political parties, Partindo and Pendidikan Nasional Indonesia (PNI Baru), and exiled their leaders from Java.[54] In making an example of these two parties, neither of which in any real sense threatened the colonial state, it was warning the nationalist political elite of the limits of dissent. The repression was effective. There was no serious political challenge to the colonial state until the Japanese occupation.

[52] By 1935 the Central Committee for the Support of the Unemployed admitted that its expectation that colonization would be a major solution to urban unemployment had not been met. It believed that the problem was that the wrong people had been selected for the colonization schemes. In future it determined only to support urban unemployed sent on colonization schemes if they had worked for at least one year in one of the work camps operated by the Indies Society for the Relief of Unemployment and who were known to be physically and psychologically suitable. Central Committee for the Support of the Unemployed, Circular 71, 12 June 1935, AAB, KDC 4 - 2/13. Likewise, the Central Committee's provision of free passages back to The Netherlands for unemployed Europeans and their families was also unsuccessful. To the end of November 1934 only 160 unemployed Europeans were repatriated under this scheme. 'Nota inzake het Werloozensteunvraagstuk', Daily Executive of the Central Committee for the Support of the Unemployed, 7 December 1934, AAB, KDC 4 - 3/13.

[53] See enclosure in Director of Justice to Governor-General, 21 August 1933, Mail Report 1933/1274, National Archives, The Hague. It was argued that the spirit of discontent against the government in the urban areas was growing daily.

[54] See John Ingleson, *Road to Exile. The Indonesian Nationalist Movement, 1927–1934* (Singapore: Heinemann, 1979), pp. 176–228.

While fear of urban unrest led to repression of nationalist parties it also led to the government taking some measures to alleviate the impact of urban unemployment on the skilled and educated Indonesians who had been the backbone of nationalist political parties and labour unions. In 1932 the government funded five unemployment commissioners in the Labour Offices in the major Java cities of Surabaya, Semarang, Surakarta, Bandung and Batavia. Their task was to work with the local unemployed support committees and private charities, to liaise with employers and to organize courses for the unemployed. They were instructed to pay particular attention to natives. Also, laws were enacted which required employers who retrenched workers recruited from overseas to pay for their repatriation and to pay any retrenched worker, European or native, one month's salary for each year of service, to a maximum of three months.[55] Indonesian labour unions were vigilant in ensuring that the latter law was enforced by successfully taking reluctant employers to Court.[56]

The major Dutch charities in the colony—the Amsterdam Society for Youth (Amsterdamsche Maatschappij voor Jongen), the Indies Society for the Relief of Unemployment (Indische Maatschappij voor Werkverschaffing, established in June 1933 on the initiative of the Head of the Labour Office, A. G. Vreede)), the Salvation Army and the Catholic Church—were all subsidized by the government. They provided services ranging from supplying free food and basic shelter to building model suburbs, operating work centres and organizing trade courses for the young. For example, in 1936 the Salvation Army operated four shelters for unemployed Europeans and Indonesians, catering for over 1,000 people each night.[57] In 1932 the Amsterdam Society for Youth had 250 houses in all of the major cities in Java which it used as free accommodation for unemployed European families.[58] The General Support Committee for Native Destitute reported at the end of 1936 that it had acquired a former State Railways shed in Batavia for the unemployed, had established six poor houses in West and Central Java, owned a shed for destitute women in Semarang, on

[55] See discussion in *Economische Weekblad*, Extra Number 1933.

[56] Some cases are discussed in *Soeara Oemoem*, 8 July 1932. I have also discussed aspects of labour union support of the unemployed in 'Sutomo, the Indonesian Study Club and organized labour in late colonial Surabaya', *Journal of Southeast Asian Studies*, 39 (1) (2008), pp. 31–57.

[57] *Algemeeene Handelsblad*, 17 April 1936, Sneevliet Collection 587, IISH.

[58] *Nieuwe Rotterdamsch Courant*, 31 December 1932, Sneevliet Collection 585, IISH.

the central Java coast, and had established a soup kitchen at Surabaya which fed as many as 1,600 people each mealtime.[59] The old race course at Malang, East Java, became a camp for young unemployed and for retrenched sugar industry workers.[60]

While Dutch language newspapers carried frequent reports on the impact of the Depression on ordinary people of all races, their focus was on European poverty. A letter from a Batavia resident to the *Sumatra Post* in 1932 spoke of the distress he felt walking through a kampung and seeing Europeans reduced to the same level as natives:

> Whoever wants to form an accurate picture for himself of what misery and grinding poverty means, a condition in which many of our countrymen live, should walk through the kampung and see with his own eyes how many Europeans and their families live in physical and spiritual poverty. This is doubly accentuated because they live in a manner completely foreign to us and which, perhaps not so much for the adults as for the children, means they have fallen to a level that will affect the rest of their lives.[61]

Another article reported that Europeans and Chinese were now using the third class carriages on railways and that Europeans were being seen on trams with grey looking clothes because they were now being washed in the river. Europeans, it lamented, were increasingly forced to use facilities meant for natives.[62]

In late 1932 the leading Dutch language newspaper in Surabaya argued that for Europeans in the colony the consequences of unemployment were far more serious than in The Netherlands because in the Indies there was no bourgeois society that could absorb European unemployed. Poverty for Europeans in the colony meant the kampung:

> Already one has learnt that 'European' and 'welfare' are two concepts which do not intersect. The white 'sahib' who goes around selling matches or stationary has become a daily sight. Only later will one realise the consequences for relationships which are based on an implicit acknowledgement of the superiority of Western people, who through a small representative number are able to lead and educate tens of millions of

[59] 'Report on the General Support Committee for Native Destitute for the 3rd quarter 1936', Sneevliet Collection 587, IISH.

[60] *Nieuwe Rotterdamsche Courant*, 6 April 1932, Sneevliet Collection 585, IISH.

[61] Quoted in *Nieuwe Rotterdamsche Courant*, 28 February 1932. Sneevliet Collection 585, IISH.

[62] *De Telegraaf*, 9 December 1932, quoting from the *Indische Post*. Sneevliet Collection 585, IISH.

Orientals. Undoubtedly, some of the elements on which this acknowledged superiority is based will fall away.[63]

In complimenting the Poor Relief arm of the Indo-European Association in Batavia in 1931 for providing a cheap housing complex for Europeans, one European member of the Volksraad articulated the view of many:

> The Native and the Chinese, who through education and refinement have achieved the living standards of the Westerner, in my opinion should be supported as much as Europeans, although both of these groups will feel the impact of descending into the kampung much less than the European. The European who descends into the kampung quickly goes backward and speedily degenerates because of the environment in which he lives. Preventing this occurring is a first order issue and should be given full attention.[64]

Relationships between local unemployed support committees, composed almost entirely of Dutch officials and business and professional people, and support groups managed by Indonesians for the Indonesian unemployed were often strained. Local support committees were critical of Indonesians for not raising enough money from their own community and for ignoring the guidelines of the central and local support committees. There was a particularly difficult relationship between the local committee in Surabaya and the Indonesian Study Club, the major Indonesian nationalist organization in Surabaya which was involved in political activity, labour unions, banking, schools, clinics and other socio-economic organizations. The Indonesian Study Club angrily accused the Dutch controlled Surabaya Support Committee of being happy to work with Indonesians but only if they had a subservient role under white leadership and control.[65]

Racial tension was never far below the surface. The Surabaya Support Committee, for example, was concerned to ensure that the racial divide was not breached by the impact of the Depression. It was particularly agitated about a proposal from some prominent Surabaya citizens for it to subsidize the purchase of a building to be used as a hostel for the unemployed irrespective of race. After stating that many

[63] *De Telegraaf*, 24 November 1932, quoting from the *Soerabaiasch Handelsblad*. Sneevliet Collection 585, IISH.

[64] Zeydel in *Volksraad Handelingen*, 11 February 1931, p. 2275.

[65] 'Attitudes like this are of course not uncommon among Europeans. They want to work cooperatively but the Native must always be subservient.' *Soeara Oemoem*, 5 August 1932. See also *Soeara Oemoem* 11 August 1932.

of the unmarried natives had 'concubines' it expressed moral concern about the mixing of the races in one hostel:

> The Local Committee believed that providing housing for the unemployed was unnecessary because there was enough low cost housing in Surabaya, but was primarily opposed to the idea on moral grounds. The Local Committee. . .believed that it was undesirable to bring all sorts and conditions of people together under one roof. European families of the unemployed with adult children should not be brought together in one building with people of other nationalities who live with concubines! [66]

Work centres and work camps

The human impact of the Depression was obvious in the major towns and cities of Java. With at least one in six Europeans unemployed, and many sleeping rough or aimlessly wandering the streets during the day, Europeans were well aware of its impact on their own community even if they were less aware of its impact on Indonesians. In May 1932 at least half the European unemployed were believed to be living in straitened circumstances, with no regular income and no support from family or friends.[67]

Despite the obvious poverty, there was widespread concern that the Depression was being used as an excuse by some people in order to avoid their responsibility to look after themselves. Labour Office surveys of unemployment among both Europeans and Indonesians constantly looked for the work-shy. In 1933 it warned that local and regional unemployment support committees were not sufficiently rigorous in inquiring about the living conditions of the unemployed before providing financial support. In response, the Central Committee urged local committees to make systematic household inquiries before providing any support to individuals.[68]

Much of the public discussion about the urban unemployed had a strong moral dimension. Officials distinguished between the

[66] *Verslag van het Plaatselijk Comite te Soerabaja tot Steun aan Werkloozen over het jaar 1931* (Surabaya: 1932), p. 13.

[67] *Economische Weekblad*, 16 December 1932. The analysis of the 2,485 registered unemployed Europeans at 31 May 1932 showed that 693 had some means of support (for example, a pension or support from parents), and 811 lived with family or acquaintances. 752 were deemed to be living in straightened circumstances.

[68] Central Committee for the Support of the Unemployed, Circular 34, 4 August 1933, AAB, KDC 4 - 4/13.

'deserving' and the 'undeserving' unemployed. This was a view widely held in the European community, echoed in some Indonesian elite circles, including among Volksraad members and newspaper correspondents.[69] In 1934 the Central Committee for the Support of the Unemployed argued that two groups in particular were problematic. The first group was those who even in normal times would be unable to find work. The second group was those who would rather not work at all and disguised this by blaming the Depression. Local unemployed support committees were urged not to concern themselves with either of these two groups. The first must survive on Poor Relief and the second must be left to fend for itself.[70]

Local unemployed support committees as well as the major unemployed support groups created by Indonesian organizations all tried to ensure that support was only given in genuine cases of need. Often one or more committee members visited the homes of those requesting support in order to investigate first hand the personal circumstances and to weed out the idle and those who were receiving support from their family or local community. Reports on these visits were brought to regular meetings of the local support committee or organization where formal decisions were made on the provision of financial or material support.[71]

At the end of 1934 the Central Committee completed a review of unemployment in the colony. It would have been aware that in 1933 The Netherlands government had introduced a requirement for all unemployed receiving state support to work on community projects. The colonial government had hoped that the army and navy might provide some relief through the short-term recruitment of young

[69] See, for example, the argument of the Chief Editor of *Java Bode*, J. E. Jasper, that direct financial support for the unemployed on a large scale was neither possible, because of the cost involved, nor desirable, because it would dampen people's initiative to seek work. The unemployed must be made to realize their obligation to the community through working. 'De bestrijding van werkloosheid', *Java Bode*, 17 January 1932.

[70] Central Committee for the Support of the Unemployed, Circular No 48, 28 March 1934, AAB, KDC 4 3/13. In November 1936 the Committee considered whether a 'concubine' of an unemployed European should attract the same support as a wife. After weighing the moral issues it determined that he should be paid only 50 percent of the difference between the relief provided to a married and an unmarried man. Circular 91, 3 November 1936, AAB, KDC 4 - 9/13.

[71] There were regular reports in the Surabaya newspaper, *Soeara Oemoem*, in the 1930s on committee members from the unemployed support group within the Indonesian Study Club visiting the unemployed in their kampung homes before providing material or financial support.

men into technical training courses within a disciplined environment. Hundreds of young men were recruited but few jobs were available after their training was completed. An attempt had also been made to get central and local government departments to employ people on a subsidized basis, but this also foundered because there was little interest from cash-strapped departments.[72]

The Central Committee's review was circulated to local support committees and to private agencies involved in unemployment relief. It acknowledged that when it had been established in 1930 there was a widespread belief that only temporary measures were needed because unemployment would be a short-term phenomenon. Four years later the Central Committee was convinced that structural changes had taken place in the colonial economy such that unemployment had become a permanent problem which needed a different strategic approach. In its view, the present system of providing unemployment relief without any labour requirement should be ended.

The Central Committee recognized that there were currently 1,600–1,700 Europeans who had no real chance of ever getting work again and that this was both a financial and a social issue. Financially, it believed that the government could not support this number of unemployed in the long term. Socially, it believed it was neither in the interests of the individual nor of society for individuals to receive financial support without a work requirement. It therefore argued for the creation of work centres in the major cities and work camps near smaller towns where the unemployed would be obliged to work in return for financial support. The work should be productive for both government and society:

> Such things as housing censuses, audits of parks, assistance with regulating traffic at peak periods, assistance with accidents, calamities etc as well as other areas considered highly desirable for which there is no money.[73]

The Central Committee's review argued that the changes in the way European long-term unemployment should be handled could not be applied to Indonesians or Chinese. This in part reflected the European view on the flexibility of native social structures but in part

[72] In April 1936 there were only 156 people employed by government departments through this scheme. *Jaarverslag van het Centraal Comite voor Steun aan Werkloozen over 1935* (Batavia: 1936), p. 13.

[73] 'Nota inzake het Werkloozensteunenvraagstuk', Daily Executive of the Central Committee for the Support of the Unemployed, 7 December 1934, AAB, KDC 4 - 3/13.

also reflected a concern about the scale of the problem for urban Indonesians. Its simplistic solution was to repatriate unemployed Chinese born in China and return unemployed non-Javanese in Java to their birthplaces. This, of course, left the majority of the urban unemployed Indonesians who were born in the towns and cities of Java. For these people it had no solution other than suggesting that discussions be held with the leaders of native communities.

These principles were included in the Guidelines for 1935. As a result, the unemployed were divided into two groups. The first group was those judged likely eventually to find work and again become fully part of society. These people could continue to be provided with financial aid up to a maximum of two years. The second group was those judged unlikely to find work again either because of their age or because they lacked the skills needed in the changed economic circumstances. In order to continue to receive financial support these people would be required to enter work centres or work camps.[74]

A third category of unemployed was introduced during 1935 for people who either failed the work test by being unwilling to work or to attend a work camp or work centre or who had been unemployed for over two years and therefore considered unlikely ever again to find work. Unemployment support should be stopped and they should become the responsibility of poor relief organizations. The new guidelines were rigorously applied. In 1935 some 730 Europeans, 270 Indonesians and 98 Chinese were removed from their books and consigned to poor relief organizations.[75]

In late 1934 the Central Committee began to establish work centres and work camps for the unemployed. The unemployed could not refuse to join a work centre or work camp without good reason, otherwise all financial support would be cut off:

> Plans concerning work camps and work centres focus on two areas: agriculture and industry. A large number of the unemployed originate from the cultivations. For them small farming, for example through colonization, is the right direction. Another group originates from trade and industry, and for them a solution is the establishment of small industries in which they can have trade or administrative roles.

[74] *Jaarverslag van het Centraal Comite voor Steun aan Werkloozen over 1934*, (Batavia: 1935), in AAB, KDC 4 - 12/13.
[75] *Jaarverslag van het Centraal Comite voor Steun aan Werkloozen over 1935*, p. 8.

The Central Committee was keen to counter any view that it might be advocating the establishment of something akin to concentration camps for the unemployed. It argued that:

> These objectives do not mean that work camps and work centres are like concentration camps under military discipline, rather we are simply intent on establishing places where community labour is carried out, either of an industrial or a farming nature.[76]

Municipal Councils followed suit. For example, in May 1935 the Surabaya Municipal Council imposed a work requirement on those supported by the Municipality and established six major work projects in the city. It particularly focused on young people who had left school without completing a diploma who in normal times would easily get work but now were likely to search in vain for work for a long time.[77]

By 1936 there were work centres at Batavia, Bandung, Semarang, Yogyakarta, Solo, Madiun, Probolinggo and Surabaya in Java and at Medan and Padang in Sumatra. The work centres were subsidized by the Central Committee with paid managers and the necessary skilled workers recruited on the open market. For all the effort put into their creation, they provided few people with work. Employment peaked at the end of 1938, with the ten work centres employing 664 Europeans, 396 Indonesians and 18 Chinese. Another two work centres in Batavia and Solo managed by Indonesian organizations employed 163 Indonesians.[78] Local support committees directed unemployed workers to the work centres and paid them an allowance of 30 per cent above the money they would normally have been paid as supported unemployed.

The work centres may have provided work for very few, but for the colonial government they fulfilled other important functions. They were believed to prevent idleness and to sustain the principle that the unemployed should work for state support. They were also believed to improve the skills of the unemployed. It was also hoped that some of the work centres might develop into viable small businesses.[79] However, at

[76] *Jaarverslag van het Centraal Comite voor Steun aan Werkloozen over 1934*, p. 3, AAB, KDC 4 - 12/13.

[77] *Gemeenteblad van Soerabaia*, No 103, 8 May 1935, in AAB, KDC 4 - 1/13.

[78] *Jaar Verslag van het Centraal Comite voor Steun aan Werkloozen over* 1937, pp. 33–34.

[79] *Jaar Verslag van het Centraal Comite voor Steun aan Werkloozen over* 1936, pp. 25–27; *Jaar Verslag van het Centraal Comite voor Steun aan Werkloozen over 1937, p. 27.* See also: H. W. Dick, 'Formation of the nation-state, 1930s–1966' in Howard Dick, Vincent J. H. Houben, J. Thomas Lindblad and Thee Kian Wee, *The Emergence of a National Economy. An Economic History of Indonesia, 1800–2000* (Sydney: Allen and Unwin, 2002), p. 160.

the end of the decade most of the work centres still required subsidies. The initial hope that the work centres might become free-standing, profitable small-scale industries after one or two years of subsidies was never realized.[80]

Work centres were designed for the relatively skilled unemployed in the major cities. Those without the requisite skills were directed to work camps if they wanted government support. These work camps were located near inland towns in Java. They provided basic shelter and sustenance, with inmates expected to either work on local work creation projects or, if this was not available, to seek casual work in nearby towns. The Labour Office saw work camps as particularly important for unemployed youth, arguing that they should impose military-like discipline and focus on physical and moral training. Indeed, it believed that retired army officers would be good potential leaders for the camps.[81]

Work centres and work camps were primarily intended to keep unemployed Europeans from idleness, to reduce the number of homeless and destitute European men on the streets and to prevent unemployment leading to the moral decay of European youth. Indonesians were secondary beneficiaries, though government officials slowly came to the realisation that the economic plight of many urban Indonesians was little different to that of urban Europeans. Work camps specifically for Indonesians were therefore also established. In reporting on plans for the creation of a work camp for Indonesians at Malang in 1936 the *Indische Courant* stated:

> The objective is to provide shelter and food for those labourers who can no longer get proper work and who otherwise would quickly resort to begging or other misdeeds. In return they are required to do some work around the camp. Moreover, the camp is also a place for [homeless] labourers who can get irregular work. These people can sleep in the camp and go out in the day.[82]

By the end of 1937 there were work camps exclusively for Indonesians at Malang, Lumajang, Cianjoer, Kebumen, Yogyakarta, Solo and Jember. These were all managed by Indonesians, with

[80] *Jaar Verslag van het Centraal Comite voor Steun aan Werkloozen over 1938*, pp. 22–27.

[81] 'Nota Inzake Jeugdwerkloosheid in Nederlandsch-Indie en Hare Bestrijding', Labour Office, 8 November 1936, Mail Report 1937/858, National Archive, The Hague.

[82] Report quoted in *Algemeene Handelsblad*, 10 April 1936, Sneevliet Collection 587, IISH.

local committees supervised by the Indies Society for the Relief of Unemployment, which in 1937 provided a subsidy of 50,000 guilders.[83]

Urban unemployment persisted, causing the Central Committee for the Support of the Unemployed to become even more determined to distinguish between the 'deserving' and the 'undeserving' unemployed. In April 1936 it circularized all local support committees again expressing its concern about people without adequate means of support who were guilty of vagrancy, begging or what it called anti-social behaviour. Those able to work, but unwilling to do so, were described as a danger to society. They should be sent to work camps. Local support committees were urged to send the names of work-shy people to the Central Committee and also to an Assistant Resident, for Europeans and Chinese, or a Regent, for Natives, so that appropriate disciplinary action could be taken.[84]

Whereas Europeans and Indonesians worked side by side in the work centres, probably in recognition that the Indonesians in them were skilled workers, work camps for the unskilled were strictly segregated on ethnic lines. Wages in the work centres reflected the practice in the wider colony, with Europeans paid considerably more than Indonesians for doing the same work. Wages and conditions in the work camps for Europeans, though far from good, were also much better than in those in work camps for Indonesians. Prominent Indonesians bridled at the different treatment of the races. It was not just that the government and private agencies were more concerned about Europeans but that unemployed Indonesians were treated so differently, even in the work camps. Volksraad member, Wirjopranoto, compared the treatment of the two races at work camps, using the example of the work camp at Lawang, East Java, and alluding to the fact that most of the Europeans in them were in fact Eurasians:

> There is a European work camp in Purwodadi: 20 to 25 kilometres from it there is a Native work camp. The youth who are put to work in the European work camp are as brown as I am: they speak Dutch that does not sound very good to the ear.
>
> Our youth come from the HIS and MULO schools. They speak very good Dutch and are also able to speak English, even sing English songs, when they

[83] Director of Justice to Governor-General, 10 May 1937, Mail Report 1937/858, National Archives, The Hague.

[84] Central Committee for the Support of the Unemployed, Circular No 86, 1 April 1936, AAB, KDC 4 - 10/13.

wield the mattocks. These youth must make do with between 6 and 7 guilders a month, while the European youth receive 15 guilders a month.[85]

The needs of young Indonesians and young Europeans were the same, he asserted, as he called in vain on the government to end its racially discriminatory treatment of the unemployed and to create a fairer system for all.

Work centres and work camps provided only marginal relief to youth unemployment. Europeans and Indonesians alike were reluctant to join the centres or camps, largely because, despite protestations to the contrary by the government, they saw them as akin to forced labour, with their strong military overtones and distinctive uniforms, and with only slight financial benefit to them. This was further evidence for the government of a serious problem among European youth in the colony. An example frequently quoted was the failure of the Salvation Army work courses in the work centres it operated. In the 12 months between October 1934 and October 1935, 398 young unemployed Europeans were referred to Salvation Army work centres. Of these, 56 provided an excuse for not attending which was acceptable to the government. Another 75 refused to go, 65 left before completing a course and 44 were expelled for misbehaviour.[86] In the eyes of many officials a whole generation of European youth was becoming work-shy.

By the late 1930s the Labour Office was arguing that youth unemployment, both European and Indonesian, had become such a serious problem that much tougher measures needed to be adopted. In its view the voluntary work system for unemployed youth had failed. New work centres and camps should be created exclusively for the young unemployed who should be forced by law to attend:

[85] Speech of Wirjopranoto, *Volksraad Handelingen*, 16 August 1938, p. 992. Raden Sukarjo Wirjopranoto was a member of the Volksraad between 1931 and 1942. He was a lawyer who worked with the Surabaya Board of Justice in the 1930s. See entry in *Orang Indonesia Jang Terkemoeka di Djawa* (Jakarta: Gunseikanbu, 1944). HIS—*Hollandsch-Inlandsche School*—primary school for natives where the instruction was Dutch. MULO—Junior High School for natives where the language of instruction was Dutch.

[86] *Jaarverslag van he Centraal Comite voor Steun aan Werkloozen over 1935*, p. 11. The Labour Office, which was generally not given to hyperbole, described those dismissed from the work camps as displaying characteristics of '...indolence, indifference, brutality, lack of discipline, lack of morals, etc'. It lamented the future of unemployed European youth who were caught in the trap of hopelessness and were joining urban gangs visible on the streets of the major cities. 'Nota Inzake Jeugdwerkloosheid in Nederlandsch-Indie en Hare Bestrijding', Labour Office, 8 November 1936, enclosed in Director of Justice to Governor-General, 10 May 1937, Mail Report 1937/898, National Archives, The Hague.

Complying with this obligation to work should not mean fines or imprisonment as punishment, rather the sanction should be a forced work camp, separate from the ordinary work camps. In the forced work camp the young people should be subjected to firm military discipline, so that something employable might emerge in the end.

The problem was urgent:

If one still doubts the urgency of an obligation to work for the Native youth, it is essential for the Indo-European youth.[87]

For unemployed European youth, the work centres, the training courses and the work camps were unattractive not only because of the stigma of being forced into a disciplined environment but also because their focus was the acquisition of manual skills. Manual work, even skilled trades, was seen as unbecoming by most young Europeans, who on the whole aspired to white collar jobs. Not surprisingly, 70–80 per cent of the people on the courses managed by government or private agencies were Western-educated Indonesians.[88] Nevertheless, the government continued to try to solve the unemployment problem of young Europeans by focussing on the development of trade skills. In 1939 it funded a new programme designed to train 1,000 European youth to become wood-workers or metal-workers. It was envisaged that after the three-year course the young men would find jobs in the colonial army and navy where there was a shortage of skilled labour. The targets were not met.[89]

Economic recovery

The Netherlands Indies economy began to recover from the Depression in 1936. In large part this reflected the broader world recovery and the decision by The Netherlands finally to abandon the gold standard. However, it also reflected significant changes in the colony's economic policies, partly as a response to the perceived

[87] 'Nota Inzake Jeugdwerkloosheid in Nederlandsch-Indie en Hare Bestrijding', Labour Office, 8 November 1936, enclosed in Director of Justice to Governor-General, 10 May 1937, Mail Report 1937/858, National Archives, The Hague.

[88] 'De Werkloosheid onder de Jeugd', *Nieuwe Rotterdamsche Courant*, 21 March 1939, Sneevliet Collection 587, IISH.

[89] *Nieuwe Rotterdamsche Courant*, 14 March 1939, Sneevliet Collection 587, IISH. See also, *Nederlands Dagblad*, 5 January 1939, quoting an article in the *Soerabaia Post* titled 'Eenhoevigbeeld', Sneevliet Collection 587, IISH.

long-term threat from the growing volume of Japanese imported goods but partly also as a response to the impact of the Depression. From 1934 the colonial government adopted increasingly interventionist economic policies, the cornerstones of which were import restrictions, export regulations, promotion of local industry and encouragement of foreign capital. The aim was to develop a manufacturing base able to substitute local for imported goods.[90] At one level the results were impressive. There was significant growth in foreign investment, local industries thrived and a growing proportion of Java's population made their living in factories or workshops. Indeed, between 1930 and 1940 the number of workers registered under the Factories Act increased threefold. Almost all the increase occurred after 1935.[91] The labour-intensive textile industry absorbed the greatest number of new industrial workers as the restrictions on Japanese imports stimulated local production.

Despite the growth in the total number of factory workers, unemployment in the towns and cities did not return to pre-1930 levels. The total number of unemployed Europeans in July 1939 was estimated to be 8,000, amounting to at least 16 per cent of the total European workforce. Of this 8,000, an estimated 1,500 had given up seeking work, entirely withdrawing from the labour market. Furthermore, at least half of the 6,500 actually seeking work were believed not to have the necessary skills to ever get a job in the colony again. Unemployment among Indonesian 'chief workers' was estimated at the end of 1939 to be 28,133, a figure universally conceded as grossly underestimating the real situation.[92]

[90] See Anne Booth, 'Japanese Import Penetration and Dutch Response: Some Aspects of Economic Policy Making in Colonial Indonesia', in Shinya Sugiyama, Milagros C. Guerrero (eds), *International Commercial Rivalry In Southeast Asia in the Interwar Period* (New Haven: Yale Southeast Asian Studies Monograph 39, 1994), pp. 133–164.

[91] There is an extensive discussion of the government's industrial policies, including extensive statistical material, in P. Boomgaard (ed.), *Changing Economy in Indonesia. Vol. 8. Manufacturing Industry 1870–1942* (Amsterdam; Royal Tropical Institute, 1987), pp. 27–40. The new economic policies achieved their objective of turning back the tide of Japanese imported goods. In 1924 Japanese imports to the colony were 31.9 per cent of total imports. By 1939 they had declined to 17.8 per cent. See Booth, 'Japanese Import Penetration', p. 134.

[92] 'Mededeeling der Regeeering', 6 July 1939, *Volksraad Handelingen* 1939–1940, pp. 2–6. Analysis of the registered unemployed at the end of December 1940 supports this view. For Europeans the figure had dropped to 3,679, from a peak of 6,865 in December 1937. For Indonesians, it had dropped to 11,193, from a peak of 18,449 at the end of December 1936. For Chinese it had dropped to 893, from a peak of 1,205

The figures had barely shifted since the depths of the Depression. Rural to urban migration and the continued growth in graduates from Western schools, including trade schools, negated the gains from the new economic policies.

The colonial government's policies towards supporting the urban unemployed were in the end driven by financial considerations. In July 1937 the Director of Finance argued that, given the end of the Depression, no new state support of the unemployed should be undertaken and that the unemployed support organizations should be dissolved. He was concerned that they would become permanent bodies. Prior to the Depression, he argued, support for the unemployed was not considered to be a function of the state and now that the Depression years were giving way to more normal times, unemployment support should revert to being a matter for the individual and for private organizations. He acknowledged that there would continue to be a hard core of Depression-era unemployed but argued that if they were given any state support they should be made to work in work camps or work centres.[93]

The Director of Finance was, of course, trying to protect the colony's budget. Successive Advisors for Native Affairs and Directors of Justice in the 1930s viewed the colony through different lenses. They had consistently focussed less on the financial cost of supporting the unemployed and more on the social and political costs of people unable to get work in the urban economy. They had repeatedly warned that the growing army of urban unemployed was a real threat to social and political order.

In his submission for the 1937 Budget, the Director of Justice argued that the colony was experiencing the same phenomenon as the rest of the world. Industry had undergone massive rationalization during the Depression years and was now making greater use of machinery, with the consequence that fewer people were producing greater output.[94] He could not see a radical reduction in unemployment in

at the end of December 1934. Given the limitations of the statistics on unemployment these figures were still high: for the three communities nearly double the figures at the end of 1931. The registered unemployment in December 1931 was 2,041 Europeans, 5,693 Indonesians and 465 Chinese. *Statistical Pocketbook of Indonesia 1941*, Table 99, p. 68.

[93] Director of Finance to Governor-General, 24 July 1937, Mail Report 1937/858, National Archives, The Hague.

[94] An article in the Dutch language press at about this time illustrated the problem by citing the petroleum industry in the Indies, which in 1929 employed 1,347

the colony's towns and cities anytime in the future, arguing that the colony was confronting permanent, structural unemployment very different to that experienced before the Depression. He further argued that those who believed that the autonomous mutual support structures of Indonesian society would continue to provide for the urban unemployed were ignoring the significant changes that had occurred in recent years. Mutual help provision in the kampung and the villages had been effective in looking after the unemployed when the wage labour market was limited and the numbers were small. This was no longer the case. There was a much larger number of unemployed in the towns and cities and large parts of society had become impoverished because of the Depression. In his view, Indonesian society was now far more limited in the support it was able or prepared to give to the unemployed. It did not matter whether people were unemployed because of the Depression or not. Their need for assistance was the same:

> Unemployment relief in all civilized countries is government provided relief. Only here in this land has it been possible for many years for this to be left to private initiatives. In the end the task has become too heavy for private initiatives

The problem facing the Indies, he argued, was similar to the problem throughout the world:

> Every government confronts the problem—in one land a minor problem, in another a major problem—of permanent, structural unemployment which is of a wholly different nature from the unemployment created by the Depression.[95]

The Director of Justice further argued that the philosophical underpinning of the government's unemployed relief policy was that private companies and individuals not only should but would make substantial financial contributions. In reality private support had fallen away sharply. Almost all the financial support for the unemployed was now provided by the government. He urged the Governor-General to approve the creation of a new category of non-crisis urban unemployed and authorize on-going support for them.

Europeans and 31,945 Indonesians but in 1937 employed 470 Europeans and 11,000 Indonesians with production 50 per cent above the 1929 level. *AID Preanger Bode*, quoted in *De Telegraaf*, 3 July 1937, Sneevliet Collection 587, IISH.

[95] Director of Justice to Governor-General, 18 August 1937, Mail Report 1937/858, National Archives, The Hague.

His view was that unemployment relief should become a core function of the government and that the unemployment relief organizations established and supported by the government during the Depression years should not be dissolved at a time when structural unemployment was becoming a major problem.[96]

There was no support for this proposal, largely because of the costs involved but also because of the enduring power of colonial assumptions about the continuing capacity of Indonesian society to provide support and social security for the aged, the infirm and the unemployed.[97] The view of the Director of Finance prevailed. The government refused to make unemployment relief for individuals in the towns and cities a state responsibility. While it acknowledged the problem of youth unemployment it refused to adopt the policy changes proposed by the Labour Office and the Director of Justice. It did not want the state to continue its involvement with unemployment relief beyond what was absolutely necessary in the Depression years. The costs were too high, the task too daunting. The annual expenditure on unemployment relief peaked at five million guilders in 1936. Of this the government provided only about half.[98] In 1939 the government allocated only one and a half million guilders for all employment relief, or just 0.25 per cent of the colonial budget.[99]

Despite its hard line on state support for the urban unemployed, the colonial government was well aware of the structural changes that had occurred in the colony since the onset of the Depression.[100] When in 1938 the prominent Indonesian member of the *Volksraad*, R. P. Suroso, spoke strongly about the need to recognize that there was now a condition of permanent urban unemployment in the colony, the government could do little else but agree.[101] In 1939 it acknowledged that while employment in the workplaces and factories

[96] Ibid.

[97] Director of Finance to Governor-General, 21 December 1937, Mail Report 1937/1281, National Archives, The Hague.

[98] Director of Justice to Governor-General, 10 May 1937, Mail Report 1937/858. National Archives, The Hague.

[99] *Nieuwe Rotterdamsche Courant*, 18 July 1939, Sneevliet Collection 587, IISH.

[100] See. for example, Director of Justice to Governor-General, 18 August 1937, Mail Report 1937/858, National Archives, The Hague. In his discussion of the effects of the 1937 Budget on combating unemployment, he argued that the government had to confront a new problem of permanent, structural urban unemployment. He was concerned that there were no policies in place to manage this. He was also concerned that the reliance on private support of the unemployed was no longer working.

[101] See speech by Suroso in *Volksraad Handelingen*, 16 August 1938, pp. 977–979.

had increased considerably since 1935, nevertheless the levels of urban unemployment for both Indonesians and Europeans had not decreased. It also conceded that despite the growth in employment as a result of the ending of the Depression and the impact of the government's industrialization policy, the economy was unable to absorb the annual output of young workers, even though many older, formerly retrenched, workers had been able to find work.[102] The 1938 annual report of the Central Committee for the Support of the Unemployed acknowledged that '. . .the extraordinarily favourable conditions before the Depression, when almost anyone could gain work in this land, will not return'.[103]

Time and again the government acknowledged that the unemployment statistics were not a good reflection of the continuing deep levels of unemployment in the towns and cities and that it did not really understand the true situation. However, it repeatedly refused requests from Indonesian members of the Volksraad for a thorough investigation of the urban and rural labour markets, arguing that this would be a massive undertaking, akin to the Declining Welfare Commission established at the beginning of the century, which would take far too long and was beyond its financial capacity.[104]

Government officials and nationalist politicians did, however, agree that the persistently high level of urban unemployment was potentially a serious social problem. The government believed it could do nothing about it and was prepared to rely on tight control of Indonesian political activity to maintain social order. Nationalist politicians believed that much could and should be done and that the government consistently refused to recognize that the unemployment problem was much deeper for Indonesians than it was for Europeans.

The European and the Indonesian press in the late 1930s continued to focus on the long term social and political consequences of continuing high levels of urban unemployment, especially amongst the young. As the West Java newspaper *A. I. D. Praenger Bode* argued succinctly in mid-1937:

> We have therefore the massive unemployment brought about by the Depression transforming into a permanent phenomenon, which is more serious because the Indies lacks proper unemployment support. Many

[102] *Volksraad Handelingen,* 1938–1939, Subject 1, Department 2, Item 2, p. 5.
[103] *Jaar Verslag van het Centraal Comite voor Steun aan Werkloozen over 1938.*
[104] See, *Onderzoek naar de mindere welvaart der inlandsche bevolking op Java en Madoera (Batavia: Landsdrukkerij*, 1905–20, 14 Vols.).

thousands of poor wretches become a burden on an already impoverished society.[105]

The Depression did not change government officials' perceptions of the flexibility of Indonesian society, even though the Director of Justice did publicly acknowledge as late as August 1938 that among Indonesian unemployed '...there is great need and much help is required'.[106] The continued insistence that unemployment was qualitatively different for Europeans than for Indonesians, and that Indonesians could cope much better, was offensive to nationalists. The perceived complacency of government and the indifference of the European press about the impact of the Depression on Indonesians sharpened the nationalist elite's critique of colonialism.

Sparked by the government's decision that from 1939 the Central Committee for the Support of the Unemployed would only provide financial support to unemployed who did 'European-type' work and earned at least 100 guilders a month, thereby making many urban Indonesians automatically ineligible, Ko Kwat Tiong used a speech in the *Volksraad* to ask precisely what was European work. He saw no reason why non-Europeans should not be provided with the same level of support as Europeans:

> Is it therefore asserted that only people who have performed European work suffer hunger and poverty if they become unemployed and have no money on which to live? If not, does not the government consider it unfair that the central committee makes its support dependent on the European nature of the work performed?[107]

The Government response to these attacks was predictable. Colonial society was constructed on a racially based hierarchy, and even if it had sufficient funds, which in its view it did not, it could never agree that Europeans should be treated no differently to non-Europeans.[108]

[105] Quoted in *De Telegraaf*, 3 July 1937, Sneevliet Collection 587, IISH.

[106] *Volksraad Handelingen*, 16 August 1938, p. 1032.

[107] Ibid, p. 980. Ko Kwat Tiong (Mohammad Saleh) was born in Central Java in 1896. He studied law in The Netherlands and on his return established a law practice in Semarang. Between 1935 and 1939 he represented the Partai Tionghoa Indonesia in the Volksraad. For a biographical sketch see Leo Suryadinata, *Prominent Indonesian Chinese* (Singapore: Institute of Southeast Asian Studies, 1995), pp. 138–139.

[108] 'Toelichting op de Ontwerp-Richtlijnen 1939', AAB, KDC 4 - 5/13.

Conclusion

In November 1939 the Dutch language newspaper in the East Java city of Malang recounted the life of a European widow in Malang with five children, one of whom was at a teacher's college, another a student nurse and three of whom were still at school. The widow had been supported for some years by the Malang Unemployed Support Committee with 27 guilders a month, which was barely enough for her and the young family to survive. However, the new regulations introduced in 1939 reduced this payment to 17 guilders and promised to reduce it again in 1940. Lacking a pension or other support, the widow could not survive and resorted to petty theft. She was twice arrested and on the second occasion was sentenced to one month's jail. What was Indies society coming to, asked the newspaper, when it jailed impoverished widows?[109]

Many Europeans and Western-educated urban Indonesians would have shared the newspaper's anguish at the failure of the colonial government to establish adequate social security. However, there was no consensus among the European elite as to what form this social security should take even for Europeans, let along for Indonesians, and even less appetite for paying the taxes necessary for any effective scheme. The Indonesian elite was clear in its universal critique of government neglect of its responsibilities to unemployed Indonesians, but it was so marginalized that it could do little more than keep up a barrage of criticism. Overt Indonesian political activity was constrained by draconian laws, effective political surveillance and a strong police force. Despite the fears expressed by many, the colonial state was never under real threat from persistent urban unemployment.

The 1930s was the decade of the long Depression throughout the world. It caused unprecedented levels of unemployment everywhere. No country found an effective solution. It was only the rise of militarism and the outbreak of the Second World War that ended the unemployment queues in Europe and in white-settler societies. And it was the labour demands of post-war reconstruction which brought about near universal employment in western societies in the 1950s and most of the 1960s. The failure of Dutch colonial policies to counter the adverse effects of the Depression on urban unemployment must be

[109] 'Een gloeiende aanklacht tegen onze maatschappij', *De Oosthoekbode*, n.d. (November 1939), Sneevliet Collection 587, IISH.

seen in this wider context. The industrialization policies implemented from the mid-1930s had many positive aspects. However, the demand for work in the towns and cities was much greater than the supply, fed by the growing number of graduates of Western schools as well as by the continual drift of people from rural areas. The phenomenon of urban unemployment during the long Depression years was beyond the ability of the colonial government to resolve. It was to become a continuing and growing problem for an independent Indonesia.