

Empowering Rural Economy (Java) Breaking The Chain of Dependence: Indonesia in The 1950s

C. Santi Muji Utami

Faculty of Social Sciences, Universitas Negeri Semarang
Semarang, Indonesia

Corresponding email: mujiutami@mail.unnes.ac.id

Abstract—The 1950s was an important decade in which Indonesia was recognized as a sovereign country. As a newly independent country, Indonesia experienced a phase of struggle that was quite heavy as a nation-state. The reality of economic life at the local level is still low. The state must fight for the welfare of the population economy. As a form of alignment, empowerment, and protection of the weak, the form of popular economy is the choice. Economic activities in the countryside are at the forefront to improve people's welfare. The purpose of this paper is to explain the social conditions of Javanese rural communities in the 1950s, and the government's efforts to appreciate the dynamics of economic activities that have developed in the community as an effort to fight for the independence of the people. Historical methods using the social sciences approach become urgent to reconstruct the dynamics of society that occurred in the past. By prioritizing contemporary sources as primary data it is very important to see the reality of the past objectively. The final important outcome of the people who are economically independent is the dream of the government in that era. Therefore, the presence of various elements in the form of care and action will at least encourage the community to develop and stimulate independence to erode dependence on other nations.

Keywords—Economic activities, rural economy, rural Java

I. INTRODUCTION

As explained by Vickers, the 1950s was an important decade in which Indonesia was recognized as a sovereign country, and indeed at this time Indonesia was still in a chaotic condition in various regions [1]. Foreign trade was still mostly carried out by importers and wholesale entrepreneurs, because they have large capital [2]. Export-import activities and large industries are still dominated by foreign capital, so local entrepreneurs lose their business. Entrepreneurs, including young entrepreneurs in Java, wanted a trading node that is mostly still in the hands of foreigners, replaced by national capital [3]. The great hope that was in the hearts of the people was to obtain a better life after Indonesian

independence. The life in which economic activity is in the hands of indigenous entrepreneurs, and the life of economic activities is in the region.

Indonesia in this era, basically still lack of experts in various fields. Therefore, Indonesia accepted the offer of experts from the Netherlands, especially those relating to the fulfillment of the needs of the people in the agrarian sector and industries. The interaction of experts with youth in various parts of Java does not affect the enthusiasm of the youth in the region to fight for the interests and needs of the people. Those who are members of the Indonesian Student Youth Association (ISYA) in the regions are willing to give instructions/direction and provide guidance to the community [4]. The political conditions at that time were not stable yet. Economic difficulties occurred, one of the factors was that agricultural products and plantations could not be exported due to the Dutch naval blockade. It was very necessary to raise people's initiatives to get out of trouble, because the state's prosperity must be sought together [5]. It has become a fact that until the 1954, the Indonesian economy was in the hands of foreign nations or "*een koelies onder de naties*" [6].

II. RAISING RURAL ECONOMY

The agricultural sector encouraged through *Djawatan* agriculture gives attention to the improvement of industrial commodities in the agrarian sector, through subsidies to the peasants, by giving opportunities to the people to buy tools and goods needed for agricultural production, such as hoe, sickle, *bendo*, rice cutting tools, sugar cane mill, seedlings [2]. The people are partly derived from the results of the government's efforts to free land to expand people's economic resources related to basic needs [7]. *Djawatan Koperasi* establishes its branches in some areas whose types are adapted to each region. It is important especially in the area of agricultural production which is controlled by *pengijo* (buyers of agricultural crops doing transaction before the plants are ready to be harvested which is unfair

for farmers). Djawatan Koperasi help farmers free from *pengijoso* that they can freely advance their efforts [8]. The cooperative here acts as the liberator of the bonded system, and the people can produce all things together.

Agricultural equipments are set at low prices. The *ijon* system (system of selling crops before its proper harvesting time) which in 1950 was very common among the peasant community, was eradicated to improve the results of the agrarian industry, as well as an effort to address the problem of basic needs of the population. In 1953, these efforts had shown progress. In the midst of an unstable political atmosphere, the existence of the Rukun Tetangga (Neighborhood Association) as the smallest social organization gives importance. *Rukun Tetangga* (RT) formed in May 1950 chaired by Mr. Wongsonegoro, has the program, duties and functions of the management in each region [9]. The neighborhood association is a place to create togetherness in the village household. In an effort towards village autonomy, Village Meeting or known as *Rembug Warga*, which is held in every village, become an urgent channel to convey aspirations with different interests, thoughts. Through *rembug desa*, the determination of the scale of development priorities in the village is self-determined and the community adheres together. Village meeting can also increase awareness of the people about state, rights and obligations.

III. AGRICULTURE AND PEOPLE'S SKILLS AS PRIORITIES

Breaking the chain of dependence on foreign products is not as easy as cutting threads and must have a breakthrough. In finding a way out of difficulties, according to Soedjatmoko, it is important to lay the foundation in the development of industry which is centered on the intensifying of agriculture. The important factors in agriculture intensifying is first, the way to make new production and the second, a rational way of planting [5].

As a nation that has been independent, to fulfill its daily life, it tries to free itself from foreign dependence. The government is trying to find a way out of difficulties by laying the foundation in industrial development, which is centered on agriculture. The important factors are first, making a new production, and second, using rational planting techniques. The industrialization that must be done immediately is, one which concerns the basic needs of the community [10].

The production activities that were originally carried out by factories in the city, through the village development program, was later expanded into cottage industries. Production activities are disseminated to villages into *huisindustrie* [11]. In such conditions, community development does not merely provide food and raw materials for industrial activities, but also fosters farmers and entrepreneurs of the small industrial sector to develop and have independence [12].

The measures taken by the government to increase the prosperity of the people, as well as breaking the chain of dependence, among others are: increasing the crops, organizing transmigration, and carrying out industrialization [13]. Rural economic activities, all forms of industrial activities, and productions were all prioritized to meet the primary needs of the community. As an agrarian country, industrialization in Indonesia is aimed at meeting the needs of the community, being oriented to support agrarian activities, and also creating agrarian commodity-based processing industries and the service sectors related to agrarian or agriculture [14].

IV. INCREASE RESOURCES

Educational institution is one of the elements needed to improve the quality of resources. Increasing human resources, in the district can be done through the establishment of schools or handicraft courses, such as carpentry, agriculture, animal husbandry, spinning, workshop, typing, correspondence, drawing, and other courses that suit the needs of the local community [15]. Improvement of the education system, optimization of existing associations, and supervision are the optimization of potential economic resources [16].

Public awareness is grown through activities carried out by the Information Service. The awareness of rural communities is increasingly growing to respond to government activities that are stigmatized by the Ministry of Public Works, among others are in the form of optimal use of irrigation to increase the productivity of agrarian yields and agricultural crops. The increase in agricultural products is due to the existence of the Village Community Education Center, organized by the Agriculture Service at the district level.

Participation of the village community in development was demonstrated through the activities of Village Cooperative Stall established by farmers. This shop serves to accommodate sales of agricultural products [17]. It is followed by the emergence of small and medium-sized industries, providing opportunities for employment outside agriculture and livestock. Stalls used as places to trade domestic goods. Stalls are important places for distribution, marketing and at the same time distributing production goods both agricultural and industrial products. The Organization of the *Warung Bangsa Indonesia* or Indonesian Stalls (*Perwabi*) acted as a distributor for sugar, rice, handicraft and domestic products [18].

Rural communities are progressing, with the improvements and the addition of community schools. The orientation and acceleration of education in the villages are focused on practical interests [19]. The teaching system in the updated villages created a system that prioritizes the "*praktche vorming* and character forming", so that children have the courage to live [17]. Ignorance and destitution were reduced by eroding illiteracy through education, which was still about 30

million at that time. Illiteracy eradication is expected to be able to handle problems, and improve one's own destiny. Community education through course institutions is carried out to enhance people's lives in their environment. Established course institutions include the fields of crafts, agriculture, livestock and fisheries [20].

V. MANAGING BUSINESS ACTIVITIES

Indonesia's economic activity in the early 1950s was still considered chaotic since political condition was not stable. Therefore, one of the efforts of the Indonesian government was to control prices, with the main goal is to prevent the impacts of inflation being faced, namely, to suppress the prices of goods as high as possible due to the very small supply of goods (when compared to their needs) in one hand, and the increased circulation of money on the other hand. The objectives to be achieved by the government with a price control program include: (a) providing opportunities for all people to meet primary needs, (b) activating and increasing the quality of national production. In order to implement this goal, government tried to set a price benchmark as the basis or standard of production and consumption [20]. In addition to the general conditions above, the increase in various prices of primary necessities in various regions soared, triggered by the amount of chaos in several Tegal areas in the form of hijacking, blocking and burning of settlements and centers of industrial activities carried out by a group of people

In the 1950s, the government regulated activities in the industrial world. The government regulation was carried out through (1) allowing free competition to continue but preventing unfair competition which is usually found in the competition between two people whose capabilities are not balanced. The government considered that unfair competition cannot be avoided, thus took measures to monitor the public interest, among others, by holding price regulation [21]. It is carried out in various ways: (a) indirectly, by determining production of goods and limiting (*rantsoenen*) their use or circulation. This policy creates the maximum price for goods and the costs of encoding. (b) directly, by allocating budget in line with the government's plan through the Ministry of Finance to improve the people's economy through the business world, accompanied by infrastructure improvements. In the state budget of 1952-1953, the government's attention was aimed at the implementation of efforts to increase agricultural production, develop people's industry, build new roads in the area, educate labors [22].

In 1952, the Department of Industry encouraged and guided entrepreneurs to improve the quality of their production. In its realization, "*Verkoop-Centraal*" was formed which means sales center. In the effort to increase production and sales, in April 1952, *Jawatan Perindustrian* (Industrial Agency) established an agency

in the form of snacks industry with the name Foundation for National Craft Industry Development (PKPN) accommodating companies with different scales, production, materials and processes. The establishment of the foundation was listed in the Articles of Association, that is, building, strengthening and guiding national industry and craft business towards the formation of similar companies. The foundation above has basically tried to market national products in the form of wholesale and retail from medium and small-scale companies, and only a few large-scale companies (companies that are nationalized by the government). But due to the low purchasing power of the community and the low income of the community (farmers and laborers), this foundation cannot perform its functions optimally, and is inferior to large companies that act as "agents" ie companies that act as intermediaries to come up with goods from outside for domestic consumption according to order [23].

V. CONCLUSION

Rural economic condition in the 1950s was very alarming. Education is one of the efforts to prepare trained personnel, to be able to contribute in improving the agricultural and industrial sectors of the people. The relationship between elements in economic activities will accelerate the development of rural economic activities. In turn, the Indonesian people are able to fulfill their own needs, reduce dependence on other nations, and at the same time show their independence.

REFERENCES

- [1] A. Vikers, "Why is the 1950s Important for Indonesian Studies" in H. S. Nordholt, B. Purwanto and R. Saptari (Eds.), *New Perspective of Indonesian History Writing*. Jakarta: Yayasan Obor, KITLV and Pustaka Larasan, pp. 67-68, 2008.
- [2] Anonymous, "Assistance to the Farmers", *Sin Min*, p. 2, 12 January 1951.
- [3] _____, "National Economy and Foreign Capital", *Sin Min*, p. 2, 6 March 1951.
- [4] _____, "Youth Struggle in the Direction of National and Democratic Education", *Sin Min*, p.2, 10 April 1951.
- [5] _____, "Towards National Economic Stability, Increases Income and Minimizes Non-Earning Expenditures", *Sin Min*, p. 2, 12 mei 1952.
- [6] _____, "About Foreign Citizens in Industrial Businesses", *Tanah Air*, p. 2, 28 June 1954.
- [7] _____, "Agriculture and Facet Plantations Important in the Indonesian Economy", *Sin Min*, p. 2, 15 February 1951.
- [8] _____, "Cooperative", *Sin Min*, p. 2, 3 January 1952.
- [9] _____, "The Indonesian Neighborhood Association Congress", *Sin Min*, p. 2, 7 April 1951.
- [10] _____, "Industrialization and Renewal of Education and Teaching Systems", *Tanah Air*, p. 2, 24 June 1954.
- [11] _____, "Flow the City Industry to the Village", *Sin Min*, p. 2, 14 March 1951.
- [12] _____, "If the situation in 1954 normally Indonesia would be able to cover its own needs", *Antara News*, 4 January and *Tanah Air*, 5 Januari 1954.
- [13] _____, "Community Education Problems in Economic Awakening", *Sin Min*, 9 January 1954.
- [14] _____, "Development", *Sin Min*, 26 July 1956.
- [15] _____, "Attracting Youth's Attention to Social Issues", *Sin Min*, 30 January 1951.

- [16] _____, "Position of Kapok as Export Material", *Merdeka magazine*, Th V. No 8. 23 February. p 7. Jakarta: N.V. Merdeka Press Ltd, 1952.
- [17] _____, "Development of Village Communities, especially in Java", *Tanah Air*, 29 March 1954.
- [18] _____, "The Advancement of the Warung of the Indonesian Nation Drags", *Tanah Air*, 23 June 1954.
- [19] _____, "Children cannot get a place in the people's schools", *Sin Min*, 5 May 1952.
- [20] _____, "Community Education Problems in Economic Awakening", *Sin Min*, 8 January 1954.
- [21] _____, "Around Price Control in Indonesia", *Ekonomi*, Monthly Magazine, local government Yogyakarta, year of V. No 5 May 1952.
- [22] Sumitro, "Preparing to Revive the people's economic activities", *Sin Min*, 8 July 1952.o
- [23] _____, "Verkoop Centraal: No 978/52. National Craft Industry Development Foundation", *Ekonomi*, Monthly Magazine, local government Th V, September 1952.