

INDONESIA IN THE MODERN WORLD



Indonesia in the Modern World

PART II.

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1956

Publishers :

MASA BARU Ltd. — BANDUNG — INDONESIA

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ENTREPRENEUR AND MIDDLE CLASS

The inauguration of technical assistance programs in Southeast Asia has focussed attention on the dynamics of economic development within the indigenous societies and on the problem of harnessing these in the projected economic transformation process. The scope or even the nature of this economic development cannot be said to have been given much consideration, however, probably also because with the exception of the work of Schumpeter, modern economic thought has rather spectacularly neglected to formulate a general theory of economic development, which could provide the much needed framework for the ambitious assistance programs now being implemented. 1) The absence of such a conceptual scheme has frequently led to dangerous assumptions as to economic motivation, e.g. the belief that an increase in food production in Southeast Asia would necessarily mean an increase in marketable surpluses for the benefit of the consumer 2) and an end to unnecessary famines. On the other hand there have been those who have questioned the imposition on non-Western societies of the historic-economic categories and their respective attributes in use in Western economic thought, although such categories may indeed be entirely appropriate.

The concept of the middle class in Indonesia is a case in point. Well before the Second World War this concept had found its way into various treatises and into popular terminology, although what was meant by it was not always explained. While some held the existence of such a class in the Indies to be a variation of its place in the historic-economic development of the Western world, others accepted its similarity with the European middle class more or less uncritically. 3) In some circles indeed it was believed that the existing Indonesian middle class was of great importance to the economic development of the country. One government report, for example, concerned with the growth of Indonesian nationalism after the First World War, noted that this nationalism primarily reflected the increasingly vehement reaction of the growing class

of Indonesian capitalist entrepreneurs in conflict with established non-native enterprises. 4)

As will be shown below, there is little reason to question the historic existence in Indonesian society of a socio-economic level of the population that can even in the Western sense of the word be termed a "middle class," nor is there any reason to doubt the growing importance of the Indonesian entrepreneurs who largely make up this class. 5) The problem would rather seem to be what the specific historic and cultural origins of the Indonesian middle class entrepreneur are, and where he differs from his opposite number in Western Europe and America. Finally the question arises as to what function he has in Indonesian socio-economic development and what his prospects are for the future. To an investigation of these matters the present paper is addressed.

HISTORIC BACKGROUND.

In his splendid analysis of the credit needs of the so-called Indonesian middle class A.H. Ballendux points out that a structural comparison between such a class in Indonesia and in Western Europe is very difficult since in Indonesian society there are no two general socio-economic categories between which a "middle" class could accurately be placed. According to this view there is in Indonesia no autochthonous socio-economic élite which lifts itself above the middle class proper. There are of course a few Indonesian heads of major import-export agencies and big Indonesian industrialists "but their existence is too short in duration" and "too uncertain" to regard them as an upper class. Such a social upper class as Indonesia possesses is even today primarily "Western," i.e. largely Dutch or European, in character. It is just as difficult to find a "lower" class in Indonesia. The proletarian element, in the sense as it is understood in the West, is hardly in existence, according to this economist. The Indonesian is still predominantly a peasant, for whom *total* dependence on a wage is as yet a relatively rare phenomenon, and not a particularly desired objective. There are those who *totally* depend on wages in Indonesia, of course, such as workers on the estates and laborers in the towns, but this group is also too small to be viewed as a typical lower level of society. There is therefore no downward course in national economic development "which connects the middle

class with the proletariat," nor would it be possible to see such a connection between the middle class and the peasantry in the villages. Insofar as one can speak of an Indonesian middle class, its members must be viewed as the product of a new development, namely of the "Western economic sphere," who have emancipated themselves from the traditional village economy. ⁶⁾

It is a characteristic of the "dualistic school" of Indonesian economics to which Ballendux belongs, that it places the economic operation of fully developed Western capitalism as it existed in the colonial period in Indonesia in juxtaposition to the pre-capitalistic, subsistence oriented indigenous peasant economy and maintains that between the two there is a virtually inseparable gap. The Indonesian middle class, according to this point of view, is therefore not something which is organic to indigenous socio-economic life, but is the *incidental* by-product of the Western market economy. In the words of the founder of the "dualistic" school, J. H. Boeke: ".....the Indonesian middle class for so far as it is in existence can only be regarded and understood as an organ of fully developed capitalism (*hoogkapitalisme*) and not as an early capitalistic phenomenon." ⁷⁾ "Fully developed capitalism," introduced by the Western estate enterprises, the import-export trade, by commerce, mining and major industries, founded by Western capital and operated by Westerners, had the result of forcing indigenous economic enterprise into its traditional subsistence level and of stifling such organic developmental forces as existed within it. The Indonesian entrepreneur, presumable the mainstay of the middle class, primarily emerged in those relatively insignificant areas of economic life which did not yield sufficient reward for Western enterprise, he had to be content with the crumbs of the table, and since he lacked the capital and the organizational techniques of Western enterprise his numbers remained small and his existence precarious. ⁸⁾

To some extent these views of the dualistic school are correct, but several criticisms must be made of them. In the first place the notion that the present day Indonesian middle class is essentially the by-product of Western capitalism cannot be reconciled with the historic facts. Long before the coming of the first Westerners in the archipelago, there existed an indigenous trading element in the many harbor principalities that dotted the coastline from Sumatra

to the Moluccas. These were centers of an international trade that connected the Far with the Middle and Near East, providing markets to the steady flow of peddlers and merchants who by the hundreds journeyed from port to port. While some of the peddler element was probably of non-Indonesian extraction, in the harbor cities themselves there existed an indigenous aristocracy deriving its wealth from investment in the fabulous overseas trade; furthermore Indonesian traders themselves importantly participated in the coastal commerce. All forms of early commercial capitalist investment as it was known in Europe seem to have flourished in Indonesia, as elsewhere in Asia, before the coming of the Westerners, from the ancient type of "bottomry," to commenda, consignment and limited liability.⁹⁾ This trade appears to have been so well developed indeed, that the first Portuguese and later the Dutch East India Company found nothing new to add to the trading process. A supposed superiority of the Western trading companies over the Oriental, including the Indonesian, trade structure is out of the question: "In the actual control over goods and money the Oriental trade predominates. The objectives, the methods of profit making, the technique of the trade exhibit no appreciable differences, except those which were inherent in the nature of the different organization of the Dutch East India Company, which employed merchant officials as against the individualistic Oriental trade or the trade of agents, commenda takers and peddlers".¹⁰⁾

What is the place of the pre-Western, urban oriented, indigenous trading element in Indonesian society? In so far as it was native Indonesian its place is remarkably similar to that of the developing bourgeoisie in Western Europe at the decline of the feudal era and after. For like its European counterpart it was a typical urban "middle class," sandwiched between the court and its aristocracy (who themselves were entrepreneur-investors in the Oriental trade) and the village centered peasant society. The mobility within this traditional Indonesian society and the occupational shift, especially in Java and Sumatra, appears to have been far greater than is commonly supposed. Since it is evident that the court center played primarily a role of passive commercial investment, secure in its divinely sanctioned and ritualistically enshrined position of social primacy¹¹⁾, the Indonesian trading class seems to have come primarily from the bottom level of society. Furthermore, a rigidly

fixed and severely feudalized social structure in Java in the seventeenth and eighteenth century appears to have been the result of some lengthy evolutionary process in which increased isolation appears to have played an important role. One recent historian points out that as a result of Portuguese control over Malacca Straits the center of political gravity and cultural orientation of Mataram Empire shifted more and more inland, a process undoubtedly accelerated by the rising power of the Dutch East India Company. ¹²⁾ It is primarily then that the external Indonesian trade begins to decline appreciably, with this explicit proviso however, that in the interior of Java industry and trade reach new heights; in fact "there is evident a certain striving for autarchy. While the Javanese in earlier times eagerly bought Indian textiles from the Company, he now begins to weave and batik them himself to a far greater degree than before and even begins to export them." ¹³⁾ The Soenan of the Javanese empire of Mataram sets an example: he himself "takes the tjanting process in hand," i.e. the manner in which the wax is pressed on the cotton in batik work. And, despite the Company's commercial monopoly over the Indies, the Indonesian smuggling trade, conducted mainly by Indonesians, persisted all during the eighteenth century in the archipelago and even beyond. The very size of this trade affords proof that "the Indonesian markets were ready and able to absorb and to ship a far greater quantity of goods than was handled by the Company." ¹⁴⁾ In the interior of Java there continues a lively trade; Indonesian merchants still traveled overland to such ports as Semarang or by river to Surabaya. ¹⁵⁾ In these larger coastal cities Javanese traders and even "industrialists" appear to have flourished till the nineteenth century, but after the end of the Company (1798) they begin to decline in proportion to the gradual penetration of Western estate export and mining enterprise and the cornering of the trade by the ever-growing number of Chinese immigrants. The Indonesian trade assumes a more and more local character, occurring now at best on an inter-village basis. The *desa* (village) itself turns ever further inward as the number of planters and the estates grow by leaps and bounds. Yet within the larger village society the old trading element still persists somehow; in the latter half of the nineteenth century arts and crafts still flourish even in remote corners, supported by centrally located

village markets, but their products rarely reach beyond the rural community. Especially important is the role of women in this local trade. On *pasars* (markets) and fairs one finds them then as now with their candies and fruits, their textiles and sandals, or as peddlers, buying and selling bottles or any other salable item, going from door to door, a unique and indefatigable "entrepreneurial" group.

This is not to say that this pre-Western trading class, both in terms of its operations on a regional-Indonesian basis and on an international basis, was so large or so technically incisive as to nullify our traditional view of the Indonesian subsistence centered rural economy and its urban appendices. There can be little doubt that much of this pre-Western regional trade occurred on a barter basis and that it was characterized by little or no rationalization. Still, the mobile, handi-craft-commercial segment was there, composed of aristocracy (as "passive investors" in van Leur's terminology) as well as commoners, interwoven with the fabric of the feudal-agrarian economy in Java; there was, in Burger's words, "economic differentiation, whereby several types of economic life — subsistence, local and international traffic — existed side by side". The activity of the old trader, and the crafts segment of the economy on which he depended, was undoubtedly extremely limited in scope. Then, and to a large extent still today, he "fails to fulfill the functions of his historic counterpart in the West. The Asian entrepreneur is not a 'multiplier'. By his activities which are often prodigious beyond belief, he does not create any important or expanding forms of employment of others", as Szczepanik has remarked. ^{15a)} Even so, his commercial contribution was not insignificant, indeed it was such as to invalidate any clear delimitation between an orthogenetic and a heterogenetic structure in the old Indonesian cities, certainly those along Java's North coast. ^{15b)}

Historically, then, Indonesia has long been familiar with an indigenous trader element, operating at one time on an international or island-wide level, neither belonging to the aristocracy nor any more to the peasantry whence it originally came, but indeed a "middle class." The idea therefore that the Indonesian middle class is the unintentional by-product of modern Western capitalist enterprise is in error. Such a class existed well into the nineteenth century, but due to the opening of the archipelago to unrestricted

European development it was stifled and found its sphere of operation ever further reduced by the steady inroads of Western entrepreneurs and Chinese middlemen-creditors. One can therefore speak at best of a temporary recession in the growth of an indigenous middle class, not of its total historic absence.

There is another criticism to be made of the "dualistic" interpretation in this connection, namely on the grounds that it is contrary to observed socio-economic developments in a part of indigenous society. A unique "middle class" of indigenous entrepreneurs in retail trade and in the import-export business has emerged in the Toba Batak territory in Sumatra in recent decades. Its growth is only secondarily the result of Western capitalist enterprise in its vicinity. Since this development of a portion of the Batak community may have considerable bearing on similar developments elsewhere in Indonesia, it may perhaps be summarized here from the excellent account in van Zanen's dissertation. 16)

Traditionally Toba Batak society possessed a rigid clan and geneological structure, based on the central integrating function of the *hoeta* (village) and re-enforced also in the connubium. The *hoeta* is the focal point of social life, its founder and his immediate followers constitute a prestige group, which may lose some of its standing in the course of time but still largely retains the aura of a traditional social élite. Van Zanen now has shown that the *hoeta* founder represents in a real sense the Schumpeterian entrepreneur; against great odds, against the suspicion of some of his fellow villagers and with the tacit support of others he moves away, breaks virtually all familial bonds, clears new land and founds a new "enterprise," i.e. a going village economy. Van Zanen's comparison may be somewhat far-fetched, yet the *hoeta* founder is a dynamic, change-creating element in Batak economy and society, he is the individual who pushes through "a new combination" of factors in the Schumpeterian sense, a person for whom the struggle, the participation in the change that he has initiated, is essentially more satisfying than the material rewards that his struggle brings. Founding a *hoeta* is an accepted method of gaining prestige, its objective is not so much material wealth but rather social standing.

In his venture the *hoeta* founder has the assistance of certain members of the clan component (the so-called resident *boroe*)

with which he and his own clan stand in a specified connubium and trade relationship. This clan component acts, in the terminology of van Zanen, as an "investor" element, that passively supports the *hoeta* founder-entrepreneur with goods and services and joins him in founding the new village. The „return" on their investment is expressed first of all in terms of social prestige; as members of the founding group they attain in successive generations the standing of an élite group together with the *hoeta* founder. But material benefits may also accrue to them: new land and its resources, possibly larger fields than they had in the old *hoeta*, and so on.

Far from being a static and undynamic society, the Toba Batak community as here described, then, is very much familiar with an institution of incisive socio-economic change, initiated by the *hoeta* founder in an entrepreneurial role. Given a fortuitous set of circumstances this element of change could attain a greater scope and make Batak society even more dynamic. Such a set of circumstances in the Batak community was provided in the latter half of the nineteenth century, not so much by the general penetration of Western estate enterprise in Sumatra and also in the Batak country, but rather by Christian missionary activity. The opening up of the Central Batak country and the steady influence of Christianity had the effect of loosening the traditional communal ties in Toba Batak society, and of giving the indigenous entrepreneurial spirit the opportunity to project itself into a new world of economic activity. By the end of the nineteenth century, after less than forty-five years of mission work, the Batak were in a state approaching social revolution. Scores of them migrated from their original homes to the coastal areas, many threw themselves into various forms of small-scale industry and trade, and with it all came a startling shift in social values. The key word in Batak society became *hamadjoeon* (advance) and the missionaries noted with dismay that a new and aggressive materialism had taken hold of their converts, that there was evident a dynamic search for "profits" on the part of a minority, that led to the mushrooming of Batak trading and industrial enterprises all along the coast of Sumatra and even to the appearance of Batak entrepreneurs in Java. The new spirit also led to the establishment of an independent Batak Christian Church, removed from the influence of and

even in opposition to the mission churches. It crystallized ultimately into the establishment in 1917 of a militant Batak "development" society, the *Hatopan Kristen Batak* (HKB) which soon sought contact with nationalist parties like Insulinde.¹⁷⁾ Throughout the HKB represented essentially the new Batak entrepreneur, its "Christian" orientation lost increasingly in importance. It succeeded in establishing a number of commercial banks, a printing press and a newspaper, and its members ultimately ventured even into estate tobacco production on Sumatra's East Coast in competition with Europeans. The influence of the organization on the development of Batak economic life can hardly be exaggerated.^{17a)}

This emancipated Toba Batak entrepreneurial group again may be viewed as a "middle class," its members do not belong to the indigenous aristocracy, nor to the top level of Indonesian society occupied by the European minority. Nor were they part of the peasant society and neither did they belong to the small indigenous urban proletariat in Indonesia. The recent characterization of the middle class in Europe, propounded by two British sociologists, seems entirely applicable to them: "that element in society whose primary instrument is money, as distinguished from the exploitation of the soil, a class distinguished from the artisan, peasant or noble by accumulation, retention and use of money, wealth and possessions."¹⁸⁾ Furthermore, this Batak middle class, did not come into existence as the incidental by-product of "fully developed" capitalism, in fact Western enterprise had lodged itself in the fringe areas of Batak society for some time without there taking place a noticeable "middle class" growth. To be sure, the existence of a Western capitalist economy at the time the Batak began his emancipation process was of some value to him, it provided structural assistance to him once he, as entrepreneur, did strike out on his own. But the main cause of his development lay in his own society: the presence of a dynamic, change-creating institution, traditionally acceptable to his community, endowed with prestige and maintaining a popular consciousness of the possibility and indeed the desirability of breaking through the accepted village environment, of risking status and security for a new way of life. Unwittingly, the Christian missionary unshackled and augmented this institution, unleashing a social revolution in a direction pre-

sumably quite contrary to the eschatological implications of his teachings.

The entrepreneurial role of the *hoeta* founder is duplicated in many village centered societies in Indonesia. One may quarrel with van Zanen's view of the identity between this role and that of Schumpeter's entrepreneur as such. Nor should it be forgotten that cultural resistance or an anti-materialistic orientation in many other areas in Indonesian rural society present formidable obstacles to entrepreneurial advancement (see below). Even so there is little reason to dispute the existence in the traditional, pre-Westernized social structures of the Indies of institutional processes which have made for an expansion of the economic bases of the human community and for the self assertion and increased economic welfare of the individual. For not the least of the errors of Boeke's "dualistic" school is that it consistently ignores the change-initiating features of indigenous Indonesian socio-economic life and in so doing creates the impression that Indonesian society and its culture patterns is entirely at odds with Western capitalist processes. Yet the evidence points in quite another direction : it is not the Westerner alone who is the dynamic element in modern Indonesian life, left to itself the Indonesian community constantly exhibits aspects of incisive cultural change. A case in point is an example from urban development, so closely related to the rise of the middle class in Europe as well as in the Indies. Van Mook's history of the ancient court city Kotagede, near Jogjakarta in Central Java, is a case study of a community where neither Chinese nor Europeans were permitted to reside, and yet this city, with its active group of indigenous traders "shows an urban development similar to the Indonesian cities where all growth and social progress is ascribed to the European element." ¹⁹⁾ One may well conclude with Wertheim, that Indonesian culture "has at all times been more dynamic than was accepted in European quarters." ²⁰⁾

STRUCTURE OF THE MIDDLE CLASS.

Earlier students of the emerging "middle class" in modern Indonesian society already had to wrestle with the problem of the exact economic scope of operation of this class, and in their analyses some even went so far as to distinguish between several "middle classes,"

on the basis of racial distinctions (European, Chinese, Arab and Indian, and Indonesian middle classes), each "class" presumably with a different economic sphere. ²¹⁾ The obtrusion of this racial element may in a sense have value for the colonial period since it corresponded roughly to the economic function of the major population groups in the country, but in the present, national period and with the growing strength of the Indonesian entrepreneurial element it has lost considerable meaning. Other investigators, like Ballendux and Fruin, have considered a definite range of middle class entrepreneurial operation in terms of income or techniques of enterprise.

The former ultimately came to the conclusion that there are no clear-cut boundaries at all, either above or below that separate the middle class from other classes in Indonesia, while the latter, though rejecting artisans and small traders who operate within the village as middle class entrepreneurs, placed a lower dividing line of ten guilders (about three dollars) in operational capital as the bottom limit. ²²⁾ Neither of these views is satisfactory; Ballendux minimizes the entrepreneurial techniques and the scope of the middle class, which clearly do distinguish that class on the one hand from the village centered peasantry with its communal orientation, and on the other hand from the traditional European élite that dominated the multi-million dollar estates and big industries. As Ballendux has pointed out Fruin has placed his limits rather low; the entrepreneur with an operational capital of ten guilders or more is in many cases still within the communal sphere of the *desa*, or tries to keep one foot in it. More useful is the flexible definition of a special government commission created in 1929 to study the "native middle class," the so-called *Inlandsche middenstands-commissie*, which held to be of the middle class those "persons, not wage earners, who either by themselves or in collaboration with others, with their own or with borrowed capital carry on a business of some size in the field of trade, industry or transport." ²³⁾ To this should be added explicitly that agriculture certainly may constitute the basis of a middle class entrepreneur's operation provided these operations transcend the communal sphere of the village proper, as will be described below.

The level of income or the quantity of operational capital cannot be regarded as satisfactory indices for purposes of determining the size of the entrepreneurial middle class in Indonesia. An analysis of income distribution in Indonesia, or of the relative share of each ethnic group in the national income would merely reveal that the Indonesian occupies the bottom rung of the ladder. For example, roughly 25% of the total European population in 1939 had an assessed income of more than 900 guilders (about \$ 350), but only 0.11% of the total Indonesian population fell into this category and less than 2% of the Foreign Oriental group. ²⁴⁾ Tax data for 1937 indicate that the ratio of the number of Indonesians, Chinese and Europeans with an annual income of 6,000 guilders (about \$ 2,500) or more was 1 : 5 : 24, while the ratio of the total number in each population group was 250 : 5 : 1. ²⁵⁾ In 1939 the percentile distribution of the national income was as follows: Indonesians 69%, Europeans 13%, other Orientals 10%, government income from export 1%, and profits of foreign corporations 7%. But in connection with this distribution it need hardly be pointed out that the European group was an infinitesimal minority in terms of the total population (0,4% of the total) as were the other Orientals (2% of the total). ²⁶⁾ The extent to which indigenous capital is lacking in Indonesia is well indicated by the distribution of the population groups in terms of the total capital invested in industrial enterprise in Indonesia after the Second World War. Between 1946-1948 more than 31 million guilders (about \$ 10 million) was invested in Indonesian industries. Almost 21 million guilders or nearly 67% was invested by Dutch sources, 4 million guilders by Chinese, 3 million guilders by American, 2 millions by Anglo-American, but only 237, 200 guilders by Indonesian sources. The latter was distributed over 24 unit shares, with an average therefore of less than 10,000 guilders as against 50,000 guilders per unit share in the other categories. ²⁷⁾ Yet such figures do not give an indication of the entrepreneurial character of the Indonesian class, however small its operational capital or its income in terms of that of other population groups in the country may be. And it is entrepreneurial feature, which historically has characterized the Indonesian middle class, as indeed it has elsewhere.

The Indonesian middle class today may be divided into the following basic categories : ²⁸⁾

1. *The group of industrial entrepreneurs*, primarily concerned with batik weaving and textiles in industry, native cigarette (*kretek*) production, manufacturing of sandals and umbrellas, stone and tile baking, and the smaller rice milling and hulling industries. Much of this kind of industry is rurally centered, and depends largely on consumers in the village society, though some depend also on those in towns. It is in a sense an adjunct of modern agriculture and draws its labor from the rural areas. There is a high rate of turnover in this rural industrial labor force. This small-scale industry, furthermore, leads a precarious existence because of heavy Chinese and Arab competition. ^{28a)}

2. *The distributing middle class entrepreneurs*, concerned with the purchase and resale of agricultural products, or with the preliminary processing and refining of these products (such as peanuts) to make them suitable for a Western market. At one time this distributing function was almost entirely in the hands of the Chinese but primarily in the twentieth century Indonesians have entered into this field. "Especially in the various cities of Western Java one finds Indonesians concerned with the distributing trade, who sharply compete with the Chinese," writes Liem Twan Djie. ²⁹⁾

3. *The middle class concerned with transport and communication services*, has in the past few decades taken a very large flight. This is a group of Indonesians who truly exhibit an enterprising spirit. With their flimsily constructed trucks and busses, their low-bottomed *praos* going down river, their small fleet of motor-tricycles and carts, they fulfill an indispensable need in breaking down communal isolation and in widening national and international contact. Heeren has given an unforgettable picture of the "autobus" in the society of the Toradjas of Sulawesi (Celebes) which deserves to be better known : ³⁰⁾

"An autobus that is in Indonesia a sort of truck chassis on top of which a local carpenter has made a superstructure with the aid of some planks ... The major requirement is quantity: as many passengers and goods as possible have to be pressed into it. Because eye and ear want something too, the whole thing is often painted in bright colors, while three different

horns, each with different tones, enable the chauffeur ... to announce his coming well in advance Daily many scores of these busses ride back and forth between all big towns and many smaller places. Generally they have a definite point in every place where they stop to take on ... their dead or living cargo. At those points there is a melee of people: men and women, young and old, while the baggage, in all sorts of sizes and dimensions ... lies scattered about. Definite riding schedules are unknown, whoever wishes to go along sees to it that he is there early in the morning, and waits the remainder of the day till a bus comes. Nobody is in a hurry"

4. *Artisan entrepreneurs, with their own shops, serving a local market*, comprise a whole range of individuals concerned with some branch of urban technical enterprise, mechanized to some extent and largely supplying a local, urban group of consumers. Fabrication or purchase and resale of consumer goods predominates (crochery, hardware, sarongs, sandals, hats, muslin garments), although this group may also be active in the processing of food and operate bakeries, slaughter-houses and dairies. A few are furniture makers and gold and silversmiths. ³¹⁾ This division is distinguished from the first by the fact that it is almost entirely urban centered and by the fact that the labor force per shop is smaller, usually less than 4 or 5 workers.

5. *The professional middle class*, with some degree of academic training, usually, though not exclusively urban centered. Before the Second World War this group was extremely small. In 1934-1935 the number of Indonesian high school graduates was only 204 (as compared to 374 in the European category) and the same was the case in 1938-1939 (compared to 457 Europeans). In the employment categories of the colonial civil service, the Indonesians overwhelmingly predominated in the lower levels (98.9%), while the total group of Indonesians receiving academic training was also exceedingly small in the last years before the war. ³²⁾ By virtue of its political orientation this group exercised an influence far out of proportion to its numbers, however.

In some of these branches, such as the distributing trade, some Indonesians have been able to establish an enterprise of considerable proportions. These are exceptional cases, however. For the time be-