

# From Fieldwork Notes to Comparative Anthropological Perspectives and Back

## Reflections on Money-Making Transactions in an Asian Setting

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### From Village Study to Historical Research

This is a story about a discovery, or rather the gradual realization of certain social-historical connections and relations. This realization was brought about by shifting from a local level fieldwork setting to a macro-historical perspective, and then to a comparison with a neighboring country. This took me several years.

During my study at the University of Amsterdam in the 1960s I had specialized in Southeast Asian studies and I had an ambition to do research in that part of the world. In the 1970s, I got the opportunity to realize that ambition. Following the good old social-scientific research tradition I started with local-level fieldwork. In 1971–1972 I was able to carry out research in Central Luzon, the Philippines, on social stratification and political processes. This work was the basis for my dissertation, which I defended in 1975.

In 1978–1979 I had the privilege to be stationed at the agricultural University in Bogor, Indonesia, for one and a half years, as part of a staff exchange project. I was attached to the department of Rural Sociology, directed by Prof. dr. Sajogyo. My task was to give courses on research methods and techniques for students. Prof. Sajogyo asked me to supervise the actual fieldwork of four M.A. students for an extended period. As a research location, the Karangkoobar district in the upland

area of Central Java was chosen. Within that framework I could carry out research in one of the villages, *desa* Watulawang, while the students stayed in neighboring villages and we frequently met for discussions. For a year I commuted between Bogor and the village, giving an intensive course for a few weeks in the Department, and then back for three or four weeks to the village.

## Field Work in Desa Watulawang

The northern, upland portion of the *kabupaten* (regency) Banjarnegara in Central Java, in which the *kecamatan* (sub-district) Karangkoobar is located, is a gradually upward sloping region, rising from about 200 meters above sea level (the Serayu Valley) to about 2100 meters (the Dieng Plateau). The region is extremely hilly, characterized by steep inclines and is cut by rivers which in some places carve deep gorges into the landscape. In general, the land is not especially fertile. For the most part it consists of dry fields, in which corn and cassava is planted, usually in a mixed cropping pattern, together with root crops, beans and other vegetables. As draught animals and plows cannot be used on these sloping fields, humans have to do the work, using hoes and pickaxes. In some locations in the lower hills, terraces have been constructed, to make irrigation and wet field (*sawah*) rice cultivation possible.

The village (*kelurahan, desa*) Watulawang is located on the mountain slopes at an altitude of between 700 and 1100 meters. The village is subdivided into five distinct settlements (*dukuh*, hamlets). Four hamlets only have dry fields. A fourth hamlet, Watukumpul, located lower along the mountain slope at about 700 meters above sea level, has the right agro-climatic conditions for rice growing. The main hamlet, also called Watulawang, was the place where the village head (*lurah*) lived and held office. At the end of 1978, the village had a population of 1,373 inhabitants, living in 284 households. The houses were constructed from wood and bamboo, mostly with the soil as floor, while the better-off families had concrete floors. The *lurah* offered me board and lodging, a small room with a bed and a table.

The central theme in my fieldwork was the question of which social processes most strongly determined the growing socio-economic inequality in rural areas: population growth leading to fragmentation of land, the use of transfer and acquisition mechanisms by the village elite, or other means of self-enrichment and exclusion of poor strata of villagers. To find answers to these questions, I undertook three activities, viz., interviewing older villagers about the history of the area; looking at the village documentation still in the possession of the *lurah*; and under-

taking a household survey, with the help of three schoolteachers from the village who were willing to act as paid assistants. In addition, I explored trading activities, such as the raising of goats to be sold to outside traders in the local cattle market, and the activities of woman-traders.

The village had been founded and the area initially opened up around 1840. The pattern of landholding had been a mixture of private possession and communal tenure. During the nineteenth century, the Javanese farming households had been burdened with heavy *corvée* labor: obligatory services for the government, for the *desa*, and for the village officials. The labor services made great demands on the villagers' time, requiring something like 150–200 labor days per household per year. When the burden of these services was diminished between the 1890s and 1916, all the land came into individual possession and, as the villagers had more labour time at their disposal, they were able to open up more forest land for agriculture.

In the 1890s, the colonial government started to undertake a survey of land possession in the whole of Java, mainly to increase the land tax. This was not a full-fledged modern land registration, with a cadaster and legally recognized property titles, but a limited local survey, the results of which would still be kept in the *desa* administration. The farmers would still have no more than use rights and rights of possession, not nationally recognized and legally accepted property rights. In 1937 the survey had reached *desa* Watulawang. The survey was carried out by Indonesian employees, using the triangulation method for the calculation of surfaces. The village head still had the original land registration, the *buku tanah desa*, as well as the successive registers for the annual changes until the present time. This land registration served as the basis for the imposition of the land tax on farming families (see Table 1).

The table shows that socio-economic inequality has increased in the course of time. The landowning-categories are meant to distinguish between relatively larger and smaller farmers, but in Java most landownership is small-scale. The only person in the category of "very large landowners" was the *lurah* who owned 13 hectares; in 1937 his father had owned 9 hectares. Both the father and the present *lurah* had been able to accumulate land by taking over the payment of the land tax from villagers who did not have enough money, and then forcing them to forfeit the land. During my research I was very much aware of the fact that the *lurah*, a courteous Javanese gentleman, with a vast knowledge about local history, had at the same time been an oppressive figure to his villagers. One of the conclusions of my study was that the increasing inequality in land ownership was not only the result of population growth, but also of land acquisition practices of the village elite.

Table 1. Distribution of landownership in Desa Watulawang in 1937 and 1978

Size of holding	Number of households in 1937	Number of households in 1978
1. Very large landowners (more than 10 ha)	--	1
2. Large landowners (5-10 ha)	10	2
3. Better-off farmers (2-5 ha)	34	20
4. Middle farmers (1-2 ha)	28	61
5. Small and poor farmers (0.5-1 ha)	19	68
Marginal farmers (less than 0.5 ha)	3	86
Landless	1	46
Total	95	284

Sources: Figures for 1937 have been taken from the land registration in that year (*buku tanah desa*) preserved in the village; figures for 1978 from my village survey in that year.

In the 1978 column there are 22 households which managed to hold on to land surfaces between 2 and 5 hectares. Twenty-one of these households lived in the hamlet Watukumpul, all owners of wet rice fields, which have twice the production of dry fields (Wolters 1991). But there was another reason why they had been able to resist the tendency towards fragmentation, viz., by practicing endogamy between the relatively wealthier families, in order to keep the land among themselves. There were first cousin and second cousin marriages, a type of union which is, in fact, forbidden by Javanese customary law (*adat*). The strategy of social closure is an adaptation of people to the problem of population growth, which causes them harm, but which they cannot solve in any other way.

Looking through the extensive land registers in the desa for the period between 1937 and 1978 I was struck by the frequent notation of the word *diberi* (gift, gifting, donation), as the reason for a land transfer between persons. At that time, I took the word in its literary meaning. I thought that I knew the practice. A schoolteacher and his wife in the village had an elderly man in their house whom they cared for. The man had had no children, and he had donated his piece of land to the couple. I thought that this was a clear case of *diberi*. But there was more to it, as I realized much later, and as I will explain in the rest of this essay.

## Land- and Credit Transactions in Comparative Perspective

In the 1990s my research interests shifted to a more long-term ecological-evolutionary perspective. I became interested in the history of money and finance. I had long wondered why social scientists had left those topics to the economists, and I found it challenging to link up with the growing body of socio-economic and economic anthropological studies on money systems. I decided to focus on money matters in the Spanish Philippines during the nineteenth century.

In this long-term research a central puzzle has directed my attention. Mainstream economists depict and analyze the development and successes of the Western capitalist world as having been caused by the presence of adequate institutions, such as property rights, the availability of credit systems, a cadastral system for land registration, proper land titles which could be used as collateral and mortgaged, and a well-functioning legal system. And reversing the argument, one could put the blame for underdevelopment on the absence of these institutions.

However, in countries like Indonesia and the Philippines, with long histories as colonies and prolonged difficulties after political independence, most of these institutions were not provided by the colonial rulers and the government after independence. Still, there has been economic activity in these colonies and, during the nineteenth and early twentieth centuries, a significant measure of economic growth and development. The question then is: how did economic actors manage to conduct their business in the absence of these 'essential' institutions? The general answer to that question seems to be: if the government fails to provide the needed facilities, the people themselves attempt to create their own informal arrangements, as substitutes for formal institutions.

Sometime ago, Dutch economic historians Van Zanden and Marks used the mainstream economic argument in their study of long-term changes in Indonesia (Van Zanden and Marks 2012: 88, 111). Referring to the situation in the Dutch colonial period, they argued that "fuzzy" property rights did not provide the "right" incentives for peasants to enhance their output and productivity on this land, as they could not use land as collateral for loans. The colonial government was unable or unwilling to institute a system of property rights to land, based on proper geodetical surveys, cadastral registration and the issuance of official land titles. The land registration which was carried out only led to "native rights of possession". Van Zanden and Marks argued that in the absence of property rights, active land markets were absent in Java and farmers only had access to credit at usury rates.

Recently the economic historians Yutaka Arimoto and Pierre van der Eng (2018), challenging this conclusion of Van Zanden and Marks, have shown that in fact there were active land markets in the 1920s and 1930s. They referred to the annual reports of the land tax service, which have aggregated statistical data on land transactions. These data show that there was indeed a substantial number of land sales (see Table 2).

Table 2. Reasons for Recorded Mutations in the Land Tax Registers in Java, 1926

	Number of transactions	Percentage of total
Sale and purchase	385,510	30.6%
Death/inheritance	262,331	20.8%
Gifting (Dutch schenking)	355,936	28.2%
Other reasons	256,862	20.4%
Total	1,260,639	100%
Land holders registered for land tax	5,816,370	-
Mutations as % of land holders	21.7%	-

Source: Arimoto and Van der Eng, 2018, quoting the colonial reports 1925–1927, 88–89.

My attention was drawn to the large number of mutations recorded as “gifting”. This is the “*diberi*” category which I had also found in the Watulawang land tax books. In my mind, the hypothesis came up that this gifting was probably the end result of *jual gadé* contracts, in the adat law literature translated as “pawning”. In this transaction the landowner receives a loan and transfers the land to the creditor, calling it a sale with provision for repurchase.

The Dutch adat law specialist Ter Haar, who attempted to insert elements of adat law into the official legal system of the Dutch colony, strongly criticized this type of contract, as a corruption of the old adat law arrangements (Ter Haar 1948). He argued that, according to original adat law notions, the two transactions, sale (*menjual*) and pledging (*gadé*) were fundamentally different legal conceptions which should be kept separate. However, Dutch prohibitions of *jual gadé* could not eradicate the practice.

The *pledging* or pawning contract is different from a mortgage contract. The difference between the two contract forms can be explained as follows. In both cases the contract is between a financier (A) and a land-owning or land-possessing farmer (B), but the contracts are different.

In a mortgage contract we see the following transactions: (1) A lends money to B; (2) B transfers the ownership title of the land to A (a formal claim on the property); however, B continues to work on the land, having full control over the operations and the harvest (or to live in the house under mortgage); (3) B pays an annual interest over the loan to A; (4) When B has repaid the loan, A returns the title to B; if B does not repay the loan, A can claim legal ownership of the land. A mortgage system is the legal arrangement under a strong state with an established legal system and property rights.

The 'land pledging' contract is applied when a system of property rights and land titling is lacking. Under this arrangement: (1) The financier A lends money to land-possessing farmer B; (2) B transfers the use right of the land to A with the pledge that A will acquire full possession if the loan is not repaid (because there is no title which can be transferred, B transfers the land itself to A); (3) A starts using the land; in practice A can take B as sharecropper to do the farming; B gets 50% of the harvest for his work, or another percentage; the other 50% is the interest which A receives for lending the money; (4) the contract is presented as a sale, B having the right of repurchase by repaying the loan.

The last type of contract could also be found in the Philippines in the nineteenth and early twentieth centuries, called in Spanish: *pacto de retroventa* or a sale with the right of repurchase or land pledging with a period of redemption. The Spanish colonial government considered this informal arrangement illegal and repeatedly issued decrees prohibiting the practice, though without any effect. The same type of contracts can be found under different names throughout much of Asia, as there are references to its use in Malaysia under the British colonial administration, in Vietnam and in China (Hooker 1978: 122–123).

## Desa Watulawang in Asian Perspective

This shift to a comparative framework allowed me to see my village study in the 1970s in a different perspective. In the nineteenth and early twentieth centuries, when Asian colonies were drawn into the world market, commercial agriculture was not restricted to the "Western" sector, but also spread among the indigenous population, especially when the burden of labor services was relieved and farmers acquired more control over their own time, freeing entrepreneurial activity. The use of money increased, including in traditional rural areas, and in many areas farmers started experimenting with commercial crops, such as tobacco.

The result was a large demand for credit among the rural population. This demand could not be satisfied by government programs aimed at uplifting the people or freeing farming families from usury, not only because these programs were limited in scope but also because the absence of property rights in land made credit institutions reluctant to spend much money on uncovered loans.

In the absence of formal credit programs, people created their own informal credit arrangements in the form of the “sale with the repurchase provision”. These contracts were widely used among the rural population in all Asian colonies and independent countries. The contract was not an old customary arrangement, but a relatively modern invention, an adaptation to the growing commercialization; it was not only a way for creditors to accumulate land, it was also a source of credit for small farmers and a way to increase their income-generating activities. It is clear that the indigenous population in Asia should not be seen as passive spectators of Western economic successes in the world, the proverbial “silent masses”, but as active entrepreneurs within limiting and oppressive conditions.

Realizing this, I started to see the *diberi*-transaction in a different light: the use of this term in the land registration in Javanese villages in the 1920s and 1930s, was (and still is) probably a euphemism, to camouflage the transfer of land as the outcome of a *jual gadé* or “sale with the right of repurchase” contract, which was prohibited and strongly rejected by the Dutch colonial government, and at the same time not allowed in Islamic Law. The *desa* officials, especially the *lurah*, exerted supervision over those transactions, while they themselves also participated in them, and did not want to be criticized by Dutch colonial officials. The Dutch officials probably tolerated the practice and accepted the euphemism “schenking” (gift), without investigating the background of this practice, in order not to offend Javanese officials. Using this euphemism may also have been a way to escape criticism from strict (*santri*) Islamic scholars.

In retrospect, I realize that I should have done more research on the *diberi*-transactions when I stayed in *desa* Watulawang in 1978–1979. The *lurah* had shown me not only the 1937 land registration book, but also all the land registers since then, in which he and his father had noted all the changes in land possession, viz., inheritance, transfers, sale, etc. It was a huge pile of documents. I remember looking at the pile, but at that time I could not think of a useful way of studying them. Afterwards I realize that I should have counted how often the term *diberi* had been used over the years. It would have given a clearer picture of money-land transactions over the course of time.

As the issue of social and political engagement is one of the themes of this volume, it is fitting to finish this article with a clarification of this issue. In my



view, engagement can only be expressed in the choice of the research theme, but research methods and procedures should strictly follow scientific protocols. When I conducted field research, Indonesia was under the military dictatorship of President Suharto. It was not possible to criticize his regime directly, although I tried to do so indirectly. In the village I played, to some extent, a double role: on the one hand, maintaining a friendly relationship with the *lurah*, on the other hand, listening to and sympathizing with villagers who told me stories about the extorting practices used by this ‘gentleman’ (and others). In this article, I have tried to show how I have become more aware of the crucial role which money and credit play at the local level in Asian societies and have played during the nineteenth century, as an attempt by farmers to defend themselves against the absence of formal institutions. If one looks for political engagement, in my case it was embedded in my research and implicit in its results.

## References

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