

# Indonesia 1937-1942: prelude to Japanese occupation

Research >  
Indonesia

World War II is widely regarded as a turning point in modern Indonesian history. The existing research focuses on military operations, Indonesian nationalism and victims of the Japanese regime. Insufficient attention has thus far been paid to the geographical and historical background of the war's impact on local livelihoods.

By Shigeru Sato

As is well known, Indonesians experienced a catastrophic lowering of living standards during the war. It is also well known that this was in large part due to the greed and cruelty of the Japanese army. Though further studies are warranted, a continuous search for crimes may not lead to a qualitative improvement in our knowledge. Mono-causal explanations have long blinded us to other important factors; living standards during the War cannot be explained solely in terms of exploitation.

## The big picture

The Indonesian economy was enmeshed in global trading networks; the wartime alteration of trade affected every aspect of daily life – food, clothing and employment. For clothing, Southeast Asia in the pre-war years relied almost entirely on imports. With the advent of war, this supply was cut.

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Consequently clothing became so scarce that many people had to wear modified jute bags or nothing at all.

To deal with this and other shortages, the Japanese embarked on economic reorganization projects, including production of cotton and textiles in the occupied territories. These projects required vast stretches of farmland and massive labour mobilization, and undermined local food production. The reorganization of the economy, more than the criminality of the Japanese Army, affected the livelihoods of local populations.

Those who equate World War II with the Japanese occupation see a sharp break between the Dutch and Japanese

eras. The war, however, began earlier with the Japanese invasion of China in July 1937 and the German invasion of Poland in September 1939. Global economic changes were affecting the Indonesian economy well before the Japanese invaded in 1942.

## Towards autarky

Studies of the Indonesian economy in the late Dutch era generally focus on the decade up to the outbreak of war in Europe and ignore the following two and a half years, thus creating the image of a sharp break in early 1942. A new focus on the pre-invasion years will reveal significant continuities in economic policy throughout the war despite the change of regime. The Japanese, knowing little about the economic administration of Indonesia, studied Dutch policies and continued them whenever possible. Many so-called 'Japanese occupation policies' were copies of Dutch policies formulated a few years earlier.

Continuity also derived from the fact that both Dutch and Japanese administrators worked within the broader structural changes of the world economy. Dutch authorities, with lessons learnt from World War I and the Great Depression, began preparations for the colony's survival in economic isolation when political tensions rose in 1938.

The outbreak of war in Europe initially fuelled a boom in the export of kapok, tin, tapioca and sugar. From around May 1940, exports fell due to the closure of European markets and shipping difficulties. Demands from the United States for strategic resources such as rubber soared, compensating losses to some extent, but overall

exports dropped sharply. Newspapers reported mass dismissals of workers from export industries; shortages of many imported items were acute.

At this juncture, the Dutch authorities accelerated the move towards self-sufficiency in industrial goods and foodstuffs. The number of power looms for weaving textiles quadrupled in the two years following September 1939. Experiments in cotton cultivation also began in this period.

The systematic reform of agriculture began in 1938. The 'forced cultivation ordinance' (*teeltdwang-ordinantie*) was drafted and implemented within two weeks of the German invasion of Poland. The plantation belt on the east coast of Sumatra, for instance, had previously imported large quantities of food from continental Southeast Asia. Food imports were now sharply reduced; Aceh in North Sumatra was designated the main food supplier for the plantation belt. Aceh had been a food importing area; plans were made to convert it into a food exporting area, by introducing new strands of rice and cultivation methods, and accelerating existing irrigation extension projects. During the occupation the Japanese conducted a large-scale campaign to increase agricultural production. Observers have characterized it as the 'Japanisation' of Indonesian agriculture, but the Dutch formulated its broad outline years earlier.

## Social consequences

Dutch food policies affected social relations. Traditionally, domestically grown rice was processed by farmers and consumed in the countryside, while the urban population and plantation workers consumed imported rice. The government's policy to curtail rice imports and establish self-sufficiency in food necessitated the flow of Indonesian rice from the countryside to the cities and plantation areas. This change to the distribution pattern favoured the emergence of a rice milling industry. Har-



Japanese government representative Kobayashi visiting Dutch counterpart Van Mook in Batavia to negotiate trade, September 1940

vesting and pounding had been important sources of income for peasant women. With the development of large motorized mills, rice brokers came to villages, brought in gangs of harvesters, and took the rice away. Now small farmers had fewer employment opportunities and less rice to buy.

The outbreak of the Sino-Japanese war, by severing trade between Southern China and Indonesia, weakened the position of ethnic Chinese traders in Indonesia. They seized the opportunity brought by the commoditisation of rice and established a virtual monopoly on the rice milling industry. Dutch authorities utilized these mills and Chinese trading networks to control rice distribution. This aggravated ethnic enmities. When the Japanese invaded, many Indonesians destroyed and looted Chinese-owned rice-mills and shops. The Japanese, however, continued the Dutch policy of using Chinese economic power to implement the controlled economy.

The war differentially impacted upon variegated and stratified local communities; local studies are therefore essential. Rubber and copra, for instance, were important export commodities for indigenous smallholders: those in rubber producing regions benefited from

increased American demand until the Japanese invasion. Those in copra producing areas faced hardship because markets were mostly in Europe. Within the same community, large rice farmers benefited from the rapid commoditisation of rice whereas small farmers and landless peasants lost much of their livelihood. The war presented opportunities for some to consolidate their economic or political positions. Some lost their livelihood or their lives.

Our understanding of these social and economic dynamics during World War II, 1937-1945, is still partial, hazy and simplistic. It will remain so unless we introduce broader perspectives and document these dynamics through local studies. ◀

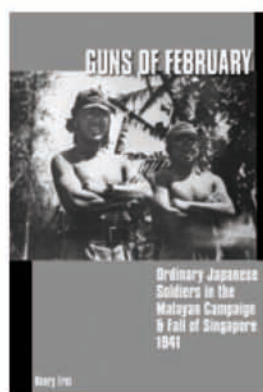
*Shigeru Sato is lecturer at the University of Newcastle, Australia. As a visiting fellow in the historical research programme Japan and the Netherlands he spent three months researching the archives of the Netherlands Institute for War Documentation (NIOD) and the National Archive in The Hague. His seminar The Netherlands East Indies 1937-1942: A Prelude to the Japanese Occupation was held at NIOD in February 2004. Please see: [www.japan.niod.nl](http://www.japan.niod.nl) [shigeru.sato@newcastle.edu.au](mailto:shigeru.sato@newcastle.edu.au)*

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