Within the Circle of Silence: Forced Labour from Colonialism to Oligarchy

Download the full article

Two Faces of Silence

The motherland lies silent. For centuries, this land has witnessed streams of sweat, backs bent without respite and rough hands working riches they never enjoy. The same silence remains today; only its face has changed.

At an old seventeenth-century Batavia wharf, an Indigenous man drags a teak log as large as himself. On a Deli plantation, a contract labourer from Java collapses among yellowing tobacco leaves, his lungs full of dust, his wages never enough to buy rice for the family waiting at home. At the other end of time, in a modern coal-producing regency, a miner pushes through morning mist with a packet of rice and wages that never suffice. In industrial factories, thousands of women struggle with machines for twelve hours while maternity leave remains only a talking point. They never meet, but a common thread binds them: forced labour that changes form, exploitation that never ends.

Part One: Arrival and the Methods of Colonisation

Spices and Burning Ambition

They came from distant lands, first as traders, then as rulers. The Portuguese arrived first, followed by the Dutch through the Vereenigde Oost-Indische Compagnie (VOC), founded in 1602. Their goal was simple but ambitious: monopolising a spice trade then worth more than gold in Europe.

In *Sejarah Indonesia Modern*, M.C. Ricklefs records how nutmeg, cloves and pepper, grown only in the archipelago, made it a European commercial battleground. Economics was the pulse; politics and culture supplied the muscle. In the 19th Sadli Lecture, Penn State Professor Emerita Aan R. Tickamyer emphasised colonialism's legacy of resource-exploitation-based development. From the outset, the land was a body to be drained, its people hands that must work tirelessly.

The Early Phase: Entice, Then Conquer

Colonial powers did not initially lead with cannon. They used flexible hegemonic approaches. Research in the Garuda journals notes that Europeans did not always rely on outright force; persuasion and consensus also secured trade routes.

The VOC established a trading office in Banten in 1603. Two years later, the Portuguese surrendered Ambon. Europeans courted local rulers with seemingly advantageous trade

agreements while quietly planting influence. Alfred Russel's *Sejarah Nusantara* explains that VOC power extended beyond trade into politics, culture and the military.

Consolidation: A Tightening Grip

After corruption and debt bankrupted the VOC in 1799, the Dutch government took direct control. Colonisation became more systematic and brutal. The colonial government introduced *indirect rule*. Regents and local nobles were made colonial employees and received colonial salaries. They became the representatives of foreign power before their own people. Anyone who resisted would confront Dutch troops directly.

The Cultivation System (Cultuurstelsel), introduced in 1830, forced people to grow export crops such as coffee, sugarcane, indigo and pepper, with proceeds filling Dutch coffers. Fertile land once growing rice for families instead produced commodities they never enjoyed. Sartono Kartodirdjo's introduction to *Sejarah Indonesia Baru* calls this the "height of colonial exploitation", when structural poverty took root in Javanese villages.

Part Two: Colonial Plantation Workers

Large Plantations and the First Proletariat

During the nineteenth century, after the Cultivation System was abolished, private investment was welcomed. The Agrarian Law (Agrarische Wet) of 1870 allowed Dutch and other European entrepreneurs to lease land long term, creating vast plantations in East Sumatra, Java and elsewhere.

East Sumatra became the Dutch East Indies' largest tobacco centre. Deli's famous estates drew thousands from Java, China and India. In *Menjinakkan Sang Kuli*, Jan Breman calls Deli plantations "capitalist enclaves", separate from local life and governed by Dutch planters' own rules and authority. Sugarcane, coffee, rubber and tea estates proliferated in Java. Priangan specialised in coffee, Pekalongan and Tegal in sugarcane. Smoking sugar factories along Java's railways consumed thousands of seasonal workers each milling season.

Recruitment: From Slavery to Contract Labour

Early plantation labour was obtained coercively through compulsory labour, or rodi, imposed on nearby residents. It proved inefficient as people fled or resisted.

From 1880, contracts and the poenale sanctie system were introduced. Workers from densely populated Java, southern China and southern India signed two- to three-year contracts, travelled by ship and were placed on isolated estates.

These "contracts" were modern slavery in substance. Breman describes oppressive clauses binding labourers: escape or strike could bring criminal prosecution and chain-gang punishment. Poenale sanctie legally compelled continued work despite appalling conditions.

Ann Stoler's *Kapitalisme dan Konfrontasi di Perkebunan Sumatera* describes the sharp racial hierarchy: Europeans supervised at the top, Chinese foremen occupied the middle and

Javanese and Tamil labourers the bottom.

Conditions: Hell in the Tropics

Contract labourers lived in filthy, unventilated barracks on bamboo platforms. Malaria, cholera and dysentery were daily realities. Mortality was extremely high, particularly during initial land clearance.

An 1890 East Sumatra Resident's report recorded that only 600 of 1,000 labourers brought from Java remained after two years. Others died from disease or accidents, or fled into the forest and were never found.

Workers' rights were unrecognised: no rest days, health protection or decent pay. They laboured from sunrise to sunset under ruthless foremen. Very low wages were often paid in goods priced by the planter. Debt arrangements kept labourers perpetually indebted and unable to discharge their contracts.

In *Sekitar Lahirnya Perkebunan di Indonesia*, Soerjono Soekanto writes that violence was inseparable from plantation life. Foremen freely beat labourers considered lazy or defiant. Rape of women workers by foremen or European overseers was common and unpunished.

Resistance beneath the Shadow of Power

Despite profoundly unequal power, workers resisted through escape, strikes, burning factories and warehouses, and sometimes killing brutal foremen. In a major 1920s Deli tobacco strike, thousands demanded better wages and abolition of criminal sanctions under poenale sanctie. Colonial authorities responded violently, arresting leaders and exiling them to Digul. Yet plantation labour movements grew, connecting with nationalist and international movements.

Serikat Islam Merah organised plantation workers. *Sinar Hindia* and *Suluh Indonesia Muda* reported contract labourers' suffering and condemned colonial government. Semaoen and Tan Malaka wrote pamphlets read secretly in barracks. The 1925 Plantation Ordinance tightened control and banned plantation-worker organisations, but resistance never entirely died.

Part Three: An Economy of Extraction

Natural Resources: The Motherland's Torn Body

The archipelago's riches were extracted relentlessly: teak from Rembang, tobacco from Deli, spices from Maluku, then rubber, petroleum and minerals, all for European markets. Warto's 2007 UGM dissertation examines forest degradation in Rembang Residency during 1865–1940, attributing it primarily to colonial exploitation rather than local people as long alleged. “The assumption that inhabitants were the principal agents of forest destruction must be corrected,” he writes.

Forest management changed as large capital financed mass timber extraction. Traditional

forest rights were abolished. People whose ancestors had lived alongside forests became “thieves” for taking timber to build or repair their own homes.

Forced Labour: People as Machines

Infrastructure was built on people's backs. Thousands of kilometres of the Great Post Road (De Grote Postweg), from Anyer to Panarukan, relied on thousands of forced labourers. Railways, dams and ports used local labour without decent wages. Thousands of Javanese workers reached Deli under contracts resembling slavery, working under strict supervision, harsh treatment and physical violence.

H.W. Vlekke's *Nusantara* (1943) records Deli tobacco sales of 2.77 billion guilders between 1864 and 1938, equivalent to US$40 billion at that time. Labourers whose lungs tobacco dust had ruined enjoyed not a cent.

Profits Flowing Overseas

In 1637, VOC value reached 78 million guilders, equivalent to US$7.9 trillion today, surpassing Apple or Amazon's market capitalisation. Annual dividends reached 40%, unimaginable for a modern corporation, helping give the Netherlands Europe's highest GDP per capita.

This wealth rested on oppression. To monopolise Banda's nutmeg, VOC Governor-General Jan Pieterszoon Coen led a systematic assault in 1621, killing most islanders, expelling others and enslaving survivors. Of an estimated 15,000 inhabitants, only around 1,000 remained: most were killed, fled or enslaved. Slaves and foreign labour were then imported for nutmeg plantations. This exceptionally brutal event is considered the VOC's first genocide in the archipelago.

Part Four: Colonial Profits from Exploiting People and Nature

The following presents profits made by the Dutch colonial government and VOC from natural resources and people in the archipelago:

View image

View image

View image

The table above shows the immense wealth drained from the archipelago: accumulated profits of half a trillion US dollars in today's value. This remains conservative because much profit was unrecorded, hidden in unpaid forced labour.

Most striking are annual VOC dividends of up to 40%. Warren Buffett, among this century's greatest investors, has “only” achieved average annual returns around 20%. On slavery's foundations, the VOC achieved twice that over two centuries.

Cultivation System profits were also enormous. Around 32% of mid-nineteenth-century Dutch

state revenue came from Javanese peasants' sweat and blood. In *Het Oost-Indisch Bestuur* (1930), J.B. van Hall even acknowledged that without the system, the Netherlands would have gone bankrupt.

These profits left almost no development benefits for Indonesians. Railways, ports and roads were built not for public welfare but to transport commodities to waiting ships. Infrastructure served extraction, not redistribution.

Part Five: The New Order—The Height of Neocolonial Exploitation

Developmentalism and Economic Militarism

Under President Soeharto (1966–1998), the New Order marked a phase in which the exploitation of natural resources reached unprecedented levels. What Dutch colonialism did over roughly 350 years with limited technology, the New Order did in about 30 with modern technology, massive foreign investment and systematic state repression.

"Economic development" justified opening investment floodgates. Foreign Investment Law No. 1 of 1967 and Domestic Investment Law No. 6 of 1968 admitted domestic conglomerates and multinationals to extract Indonesia's wealth. Richard Robinson's *Indonesia: The Rise of Capital* (1986) describes "crony capitalism", where political connections, especially to the Cendana family, were essential to resource access.

The New Order data offer several lessons:

- **Massive exploitation:** in 28 years, 1970–1998, New Order oligarchs and foreign partners extracted US$150–200 billion from major resource sectors alone. This nearly matched colonial profits over 340 years (US$577 billion), making extraction around twelve times faster.
- **Soeharto family's central role:** Time Asia (24 May 1999) reported US$15–35 billion accumulated during 32 years in power, through foreign-company shares, nonprofit foundations collecting business contributions and family enterprises in toll roads, telecommunications, property and other strategic sectors.
- **Extensive foreign involvement:** US companies Freeport, Newmont, Caltex, Exxon and Ford; British/Australian BP, Rio Tinto and BHP; Canada's INCO; France's Total; and the Netherlands' Shell all profited greatly. Work contracts and production-sharing agreements signed in the 1960s–1970s strongly favoured foreign parties; some renegotiations began only in the 2000s.
- **Conglomerates as political brokers:** Liem Sioe Liong, Prajogo Pangestu and Bob Hasan were integral to power structures, receiving privileged resource access through proximity to Soeharto. In return, they financed Golkar, Cendana foundations and presidential-family projects.
- **Social and environmental costs:** approximately 1.5 million hectares of annual deforestation, then the world's highest; industrial river pollution; Indigenous land

conflicts; and abuses in mining regions including Papua, Aceh and Kalimantan. Local people lost land and livelihoods rather than sharing profits.

Part Six: Contemporary Oligarchic Profits, 2000–2025

If the New Order consolidated oligarchy under authoritarianism, the Reformasi era, from 1998 onwards, enabled its adaptation to democracy. Oligarchs did not disappear; they changed strategy.

View image

View image

View image

View image

Part Seven: Class Analysis—Differences and Similarities in Workers' Conditions

Class on Colonial Plantations

Class was clear and rigid. Dutch and other European planters owned capital, made decisions and exercised absolute authority within estates, living in grand homes with luxurious facilities, servants and guards.

Below them were foremen and clerks, generally Chinese or selected Indigenous personnel. They linked planter and labourer and provided effective control, receiving better wages and authority, but depending entirely on loyalty to the planter.

At the bottom were contract and casual labourers. Contracts carried criminal sanctions; casual labourers were local seasonal workers. Both groups were poor, powerless and exposed to the harshest exploitation.

Racial divisions reinforced class: Europeans above, “Foreign Orientals” such as Chinese and Arabs in the middle, Indigenous people below. A dualistic legal system institutionalised different treatment of Europeans and Indigenous inhabitants.

Class under the New Order

Class shifted but remained unequal. Conglomerates and generals controlled resources, banking and government projects—the New Order's “royal family”, using state facilities to accumulate capital.

Below them stood middle-ranking entrepreneurs and bureaucrats. They implemented policies and acted as brokers for projects, receiving the crumbs that fell from the table of power. Agricultural, plantation and factory labourers and small peasants formed the majority

beneath them, objects rather than agents of development. Wages were suppressed, association restricted to the government-controlled SPSI, and protests often met state violence.

Workers were not entirely bound as in colonial times, but freedom remained limited. Medan's 1994 labour demonstrations, for example, faced repression. Strikes were treated as illegal and independent unions prohibited.

Workers Today: Progress and Reversals

A century later, workplace class structures have changed substantially while retaining striking similarities.

Changes and Progress

- **Legal slavery abolished:** poenale sanctie and forced labour have been outlawed. Indonesia has ratified ILO forced-labour conventions and enacted prohibitions. Manpower Law No. 13 of 2003 provides more humane labour rights.
- **Freedom of association:** workers can form unions, strike and bargain. Several unions and federations vocally defend rights.
- **Social safety nets:** programmes include National Health Insurance (JKN), Work Accident Insurance (JKK) and Old-Age Security (JHT), administered by BPJS Employment. Despite implementation problems, these are structural advances over colonial absence of protection.
- **Formal equality:** legal racial or ethnic differentiation has ended; local and foreign workers formally have equal rights before the law.

Disturbing Similarities

Class analysis nevertheless identifies worrying structural continuities:

- **Extraordinary power inequality:** employers dominate industrial relations. Contracts are often take-it-or-leave-it. Workers are easily dismissed, criminalised for striking or intimidated for organising. Komnas HAM and NGOs document violence against workers defending rights.
- **Contracts and outsourcing:** outsourced workers lack direct employment ties to their workplace company, are easily dismissed and have few rights. They form a new class of “modern contract coolies”, marginalised in legal protection.
- **Inadequate wages:** despite regional minimum wages (UMR), companies underpay or evade obligations. BPS 2025 data show 27.3% of workers earn below UMR. Rising living costs create existential pressures resembling those faced by earlier labourers.
- **Marginalised women and children:** women still face wage discrimination, sexual harassment and inadequate breastfeeding facilities or menstrual leave. Child labour persists in informal work, including accompanying parents on estates, and in oil-palm plantations, repeating colonial history.
- **Criminalising workers:** cases involving Gresik paper-factory workers, Kendeng mining

workers and farmers defending land show state authorities often still favour capital, as colonial officials favoured planters.

Fundamental Differences

Structural similarities must not obscure important differences:

- **Globalisation and supply chains:** workers face global capitalism, not merely local employers, participating in multinational networks whose complex exploitation is harder to resist.
- **Sectoral shifts:** economies have moved from primary agriculture and plantations towards manufacturing and services. This does not automatically improve conditions. Platform drivers and couriers form a vulnerable new class, denied recognition as formal workers and therefore basic rights.
- **Fragmented class consciousness:** unlike the limited solidarity forged under colonialism, religious, ethnic and political divisions are now often exploited to divide labour organisations.
- **The state's dual role:** the postcolonial state both protects citizens and drives capitalism. In practice, the latter frequently overrides the former.

Part Eight: Oligarchy in Democracy and Government

Capturing the State to Secure Power

How do oligarchs continue accumulating wealth within a system claiming to be democratic? Simply: they capture the state, or at least control its policies.

Northwestern University's Jeffrey Winters defines oligarchy in *Oligarchy* (2011) as wealth politics: holders of substantial material resources use wealth to defend and extend their position.

Post-New Order oligarchs adapted rather than vanished. Richard Robison and Vedi Hadiz's *Reorganising Power in Indonesia: The Politics of Oligarchy in an Age of Markets* (2004) explains how they survived and reorganised during Reformasi. They changed costumes, from authoritarian backers to democratic players.

Five Routes to Policy Control

Political Funding: Investing in Power

Oligarchs fund campaigns from presidential to regional elections. Expensive politics makes candidates dependent on capital owners, who receive privileged access to policies, projects and permits. ICW records record-high campaign costs in the 2024 election, with mining, palm-oil and property businesses the largest funders.

“Nothing comes free in Indonesian politics,” ICW writes. “Every rupiah a businessperson spends is an investment that will return many times over.”

A vicious circle follows: business funds politicians, politicians pass business-friendly policy, business grows richer and funds politicians again.

Political Recruitment: Businesspeople Become Officials

The direct route is to hold office themselves. The businessperson-turned-politician phenomenon proliferated after Reformasi: ministers, governors, regents and even presidents are often capital owners.

Aburizal Bakrie—Golkar chair in 2009–2015 and minister in 2004–2009—is a classic example: a mining businessman who led a party and served in cabinet. Investment entrepreneur Sandiaga Uno also entered politics and became a minister in 2019–2024. Regionally the pattern is more extensive: governors and regents often own local palm-oil, mining or property businesses. Permits benefiting themselves or relatives create conflicts of interest scarcely touched by law.

Infiltrating Bureaucracy and Policymaking

Not all oligarchs want office. Many place allies in strategic bureaucracies such as the Energy and Mineral Resources Ministry, Forestry Ministry, Investment Coordinating Board (BKPM) and licensing agencies.

Powerful business associations—Apindo, GAPKI and the Indonesian Petroleum Association (IPA)—also provide direct access to presidents, ministers and parliament. Associations often "review" bills before passage. Observers of Job Creation Law No. 11 of 2020, for example, noted dominant business voices. Business facilitation, removal of environmental criminal sanctions and labour flexibility demonstrate oligarchic success in shaping policy.

Controlling Political Parties

Many political parties in Indonesia are wholly owned or funded by oligarchs, media entrepreneurs or plantation businesspeople. Many businesspeople also serve as party officials. As a result, parties are more responsive to their financial backers than to their constituents. Their platforms often become blurred because serving the interests of capital owners takes precedence over serving the public.

Controlling Media and Opinion

Many oligarchs own mass media, creating media conglomeration and power to shape opinion, steer coverage and protect business interests. Critical issues can be suppressed; beneficial ones amplified. During elections, their outlets often openly support candidates linked to owners' businesses or politics.

Consequences for Democracy

- **Procedure without substance:** elections occur regularly but policy remains pro-capital. People can vote without real control over decisions affecting their lives.

- **Systemic corruption:** when policy can be bought, corruption becomes structural. Infrastructure, mining and plantation permits, forest conversion and even state budgets become opportunities for oligarchic enrichment.
- **Extreme inequality:** wealth accumulates at the top while most people stagnate. Forbes 2024 records the 50 richest Indonesians holding around US$250 billion, approximately 20% of GDP, while the poorest half enjoy only around 15%.
- **Criminalised criticism:** state power silences dissent through the Electronic Information and Transactions Law (ITE), repression of strikes or political action, intimidation of Indigenous peoples and prosecution of land defenders. Journalists investigating oligarchic business practices also frequently face pressure and intimidation.
- **Weak environmental enforcement:** oligarch-owned companies are often major destroyers: forests burn for plantations and mine waste pollutes rivers, yet proportionate penalties are rare. Newmont's Buyat Bay pollution case, plantation fires and the Lapindo mud disaster illustrate weak enforcement against oligarchic power.

Three Fundamental Continuities

Three systemic similarities allow exploitation to persist:

The State as an Instrument of Capital Accumulation

Across colonialism, the New Order and Reformasi, the state facilitates accumulation for a small elite. Actors differ: Dutch and European powers, then military and national conglomerates, now oligarchs operating within democracy. Colonial government directly exploited people through compulsory cultivation and forced labour. The New Order gave cronies and foreign companies permits and privileges. Reformasi facilitates investment through laws such as Job Creation, weakens unions and often fails to enforce environmental and human-rights protections.

People as Objects, Not Agents

Across all three eras, workers, peasants and Indigenous peoples are treated as exploitable “resources”, not agents determining policy. Colonialism was explicit; the New Order wrapped it in development rhetoric; Reformasi in formal democracy. Workers' objections to Job Creation legislation, farmers' agrarian-reform demands and Indigenous demands for customary-forest recognition are frequently ignored.

Elite Power Entwined with Capital

Political and economic power remain closely linked. Governors-general represented Dutch commerce; New Order government partnered with conglomerates; Reformasi politicians and parties rely on business funding. This relationship creates a vicious circle of power: political elites protect economic elites, while economic elites finance political elites. In these circumstances, people are often reduced to spectators in the decisions that determine their own fate.

A Letter from the Past to the Present

If the nameless Deli dead, forced labourers whose bones broke building the Great Post Road, peasants starving under compulsory cultivation and New Order timber workers with dust-filled lungs could write to today's workers, perhaps they would say:

> "Never give up. We once had nothing: no protective laws, no unions to defend us, no media to speak for us. We had only our bodies and determination. With those we resisted. Sometimes we lost; sometimes our victories were small. But we never stopped.
>
> You have labour laws, unions and social media—more than we ever had. Do not waste them. Fight for your rights. Unite, because alone you can easily be crushed. Organise, because only through organisation can you win.
>
> We know oppression changes its face. Once the planter was white, whip in hand. Today the employer often shares your skin colour, carrying a laptop and financial reports. Once the Volksraad staged colonial theatre; now parliament often stages elite theatre. Once forced labour was open; now it hides in outsourcing contracts and cheap wages. Its essence is unchanged: take the surplus from your sweat and return as little as possible.
>
> Do not let them win. If you surrender, our sacrifice—our blood, sweat and deaths—will have been in vain. Build a world where workers are valued rather than exploited, nature protected rather than depleted, and justice is more than a word in a law's preamble: a reality in everyday life.
>
> You carry forward our struggle. Never forget that."

Notes from Historians and Academics

- **M.C. Ricklefs, Australian historian:** Dutch colonialism reshaped the archipelago's entire social structure, from economics to politics, with effects still felt today.
- **Sartono Kartodirjo, Indonesian historian:** compulsory cultivation was colonial exploitation's peak, creating structural poverty in rural Java.
- **Jan Breman, Dutch sociologist:** poenale sanctie on East Sumatran plantations was legal modern slavery, creating a powerless forced proletariat.
- **Takashi Shiraishi, Japanese historian:** the Volksraad was colonial theatre legitimising rule through an illusion of participation.
- **Richard Robinson, Murdoch University:** the New Order created crony capitalism where political connections determined resource access; these oligarchs adapted to democracy after Reformasi.
- **Jeffrey Winters, Northwestern University:** oligarchy is wealth politics, in which material-resource holders use wealth to defend and extend their position, including within democracy. Procedural democracy does not automatically end oligarchic power.

- **Vedi Hadiz, University of Melbourne:** post-New Order oligarchy adapted to democracy and decentralisation, capturing central and regional power.
- **Ann R. Tickamyer, Penn State University:** colonial legacies persist in resource extraction after Reformasi, with tangible gender effects. Formal democracy does not automatically protect vulnerable groups.
- **George Aditjindro, sociologist:** the Cendana family and military business networks controlled strategic sectors under the New Order, creating systemic corruption structures that changed but did not vanish after Reformasi.
- **Hendri Kampai, academic:** colonialism now takes the form of oligarchic control over resources and state policy, while ordinary people remain victims of procedural rather than substantive democracy.

Data Sources

Colonial era: Vlekke, H.M. (1943). *Nusantara: A History of the East Indian Archipelago.* Harvard University Press. Ricklefs, M.C. (2008). *Sejarah Indonesia Modern 1200–2008.* Serambi.

New Order: Robinson, Richard (1986). *Indonesia: The Rise of Capital.* Allen & Unwin. Winters, Jeffrey (1996). *Power in Motion: Capital Mobility and the Indonesian State.* Cornell University Press.

Reformasi: Hadiz, Vedi & Robinson, Richard (2004). *Reorganising Power in Indonesia: The Politics of Oligarchy in an Age of Markets.* Routledge. Winters, Jeffrey (2011). *Oligarchy.* Cambridge University Press.

Exploitation data: reports by ICW, Global Witness, Walhi and Jatam, various years; Forbes Indonesia (2024).

For the motherland, whose body is still drained but whose spirit never dies. For Deli labourers who died nameless and were buried on planters' estates without headstones. For peasants who lost land under the New Order and after Reformasi. For today's workers struggling under oligarchy. For criminalised environmental activists. For Indigenous peoples defending customary territories. For future generations inheriting this earth: may they inherit justice, not oppression.

West Borneo, 2026