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Labor Policy in Deli Maatschappij East Sumatra

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Abstract

This study aims to analyze the policies implemented by Dutch companies toward laborers at the Deli Tobacco plantation in East Sumatra. The problems studied are 1) How is the recruitment of laborers at Deli *Maatschappij*? 2) How is the implementation of the *Koeli Ordonantie* in Deli *Maatschappij*? 3) What is the structure and work system in Deli *Maatschappij*? 4) What is the remuneration system at Deli *Maatschappij*? The method used is a literature study using secondary sources and analytical descriptions to analyze suitable sources to describe and explain labor policies in Deli *Maatschappij*. The results showed that the laborers in Deli *Maatschappij* came from various regions,

such as Java, China, and India. They were recruited because of the problem of labor shortages in the plantations. Before working, the laborers aim to improve their living standards, so they are willing to work in remote places. The expectations of the laborers are different from the reality that occurs when they start working. Moreover, implementing the *Koeli Ordonantie*, which only benefits the employer, makes the laborers even more depressed. The work system's social structure and the wages provision at the Deli *Maatschappij* plantation are distinguished by the origin and background of the laborers. However, some laborers get better treatment than other laborers.

Keywords: Policy, Recruitment, Punishment, Labors, Tobacco

Introduction

The people of East Sumatra first planted tobacco in large quantities in 1863, spearheaded by an Arab merchant named Syaïd Abdullah Ibn Umar Bilsagih. He collaborated with Dutch merchants to obtain capital support in developing tobacco plantations. At the end of the nineteenth century, Deli *Maatschappij* experienced rapid development. Deli in East Sumatra became known as the most intensive and successful area in the plantation business. Even Deli was later known as the "Black Horse from Sumatra" (Stoler, 2005:2).

Table 1: Productivity of Deli Maatschappij 1870 – 1894

Year Harvest	Amount production (unit balls)	Deli Maatschappij (unit balls)	Income	
			Deli Maatschappij	Total
1870	3.255	1.315	300,000	2,000,000
1874	12.895	4.499	1,066,803	2,850,000
1884	124.911	26.281	6,436,743	27,550.00 0
1894	193.334	56,655	10,959.34 3	37,600.00 0
1924	207.618	72,560	33,934.00 0	88,200.00 0

From Table 1 could be taken understanding that Deli *Maatschappij*. Productivity period 1870-1874 experienced a spike almost doubled yearly, from 3,255 to 12,895 bales. Ascension this keeps going continued until 1924. From 1870 to 1884, the increase in production looks to jump the taller until almost ten times at the end of 1884.

Ascension amount comparable production _ straight with increased income plantation, push businessman to apply new policies at Deli *Maatschappij* Plantation to increase profit _ big. Then about income beginning from the first opened plantation Deli *Maatschappij* tobacco in 1870 obtained _ income of IDR 300,000, because land plantation wider so profit the more soar height, from 1870 to 1924 seen _ income up to 100 times. The higher income from the Deli *Maatschappij* plantation influenced amount increasing production _ a lot. That could be seen in Table 1 above that from 1870 -to 1924, total increasing production affected _ _ amount of his income. So, the number of production and quantity income background behind the breadth of land plantations and working laborers. The more breadth land, the amount of tobacco produced _ the more many

and things that influenced his income.

There are four topics to be researched. The first, how is the recruitment of laborers at Deli *Maatschappij*? Second, how is the *Koeli Ordonantie* implemented in Deli *Maatschappij*? Third, what is the structure and work system at Deli *Maatschappij*? Fourth, what is the remuneration system in Deli *Maatschappij*?

Labour recruitment has taken mainly from China, Java, and India. Most of them came to Sumatra because the wervers tricked them into promising they would return home rich; as a result, the agents were just bullshit so that they would be taken to a tobacco plantation in Deli.

The second topic is *Koeli Ordonantie* and *Poenale Sanctie*, discussing work rules and labor sanctions. Then the third topic, on the structure and work system at Deli *Maatschappij*, examines the social structure and power. Since the beginning of the opening of the Deli Sumatra plantation, the upper layers of society have been Europeans because they have the status of investors, the right brains of plantations, and heads of companies. In contrast, the laborers are placed in the lower layers of society.

The last topic examines the wage system, carried out with a piece rate model, especially for field laborers, who usually receive wages around the 1st, 15th, and 16th of each month. However, there is a piecework wage deduction from the salary if it has reached one year. In addition, they receive a daily living allowance of about 2 to 2.5 dollars, which should be sufficient for living expenses in one month.

This topic is significant in the Agrarian Concept because, in this case, Deli North Sumatra is an area that has soil with high fertility and is suitable for plantations. Before being turned into a tobacco plantation, this land was just an ordinary forest, and the local community planted several seasonal crops. Then after being researched by westerners, the land was exploited on a large scale to be used as tobacco plantations.

Literature review

The historical study of labor, both in the colonial era and in independence, has developed rapidly. Tricahyono's research (2020) ^[19] found that liberal colonial politics (1870-1900) saw laborers improving wages and getting acquainted with the contract work system. However, laborers' quality of life has not improved significantly compared to the previous period. Not much different, the study of Harapan (2019) ^[8] describes the life of Indian laborers at the Deli Tobacco Plantation from 1872-to 1900 as very simple.

A more detailed description of the lives of laborers in Deli tobacco plantations is explained by Ardanaeswari (2020) ^[4] in his study of the *Poenale Sanctie* and the torture of Deli plantation laborers. He explained that the *Poenale Sanctie* was an inhumane practice of extortion or a modern form of slavery. On the other hand, Hutagaul and Simangunsong's (2020) ^[10] research illustrates that the Deli plantation recognizes various wage systems. A piece-rate system is applied for field laborers, while the wages for factory laborers, forepersons, and field labors are used in a weekly/monthly wage system.

Methodology

The method used in this research is descriptive-analytical. The descriptive research method is a depiction process to obtain status information or symptoms in a particular area or map facts based on a specific frame of mind when the

research is conducted. According to Arikunto (in Abdulah 2017) ^[1], the main task is to describe what is following the results of the study without having to look for relationships between variables or analyze and test hypotheses so that an objective representation is obtained, as it is, without the intervention of personal opinion, without consideration. Sugiyono (2018) explains that the descriptive-analytical method is a way of obtaining in-depth and meaningful data and can significantly influence the content or results of research so that it can be concluded that this method seeks to analyze research subjects in order to obtain in-depth data.

The analytical descriptive research method was chosen because it is under the research objective to describe and explain the policies of laborers in Deli *Maatschappij*, North Sumatra, based on the sources and data obtained. With this method, the compiler can obtain data according to the field conditions to be analyzed. The data analysis technique uses the labor market theory developed by Solmon (Sinaga, 2005). The labor market in this context is a place of activity for job seekers and employers to meet. The process of meeting the two can occur in a reasonably short or long period. Employers who offer job vacancies want different quality and expertise of labor, resulting in different levels of wages. On the other hand, job seekers also have different skills and want different wages. In this case, the problem between the two actors in the labor market is the lack of information.

Findings

The Background of the Establishment of the Deli Plantation

East Sumatra is one of the provinces with fertile land in the strategic Malacca Strait trade route. According to J. Paulus in the Encyclopedia of the Dutch East Indies, soil fertility is influenced by the presence of silt due to volcanic eruptions (Widodo, 2021) ^[20]. During the Dutch colonial period, East Sumatra was a residential area of the Dutch East Indies that was less ogled. The population is still tribal and dominated by Batak and Malay. The community uses the land to cultivate crops using a traditional and straightforward system because of the small amount of cultivated land. Pepper, tea, coffee, and tobacco are grown to fulfill daily needs. Export-import activities have taken place in Deli with various spices and plantation products, textiles, rifles, and glassware.

Due to these conditions, the Dutch began to be interested in East Sumatra by conducting plantation economic expansion and the expansion of Dutch colonialism in the archipelago to implement the "*Pax Neerlandica*" policy. East Sumatra was more ogled until Deli *Maatschappij* was born, which would later become the largest company in East Sumatra. Deli *Maatschappij* is located in Deli, East Sumatra, with the primary commodity of tobacco being able to penetrate the European market because of its high quality. Before the 1860s, Deli tobacco was not well known by western nations, but after it became global, it was known as Deli Tabak (Sumarno, 2016).

Jacob Nienhuys (a Dutchman) pioneered the globalization of Deli tobacco in Java. Sayid Abdullah's role was quite prominent in developing East Sumatra plantations, and he first cultivated tobacco on a large scale in Deli in 1863. Due to lacking capital, Sayid Abdullah sought capital from Dutch traders. After getting the cooperation of a Dutch merchant, Sayid bought land to plant tobacco. Sayid promoted high-

quality Deli tobacco from the land provided by the Sultan of Deli to Dutch traders to Java. Hearing this, Jacob Nienhuys was sent by Firma Van Den Arend Surabaya to go to Deli with a tobacco buying agent, Firma van Leeuwen en Maintz & Co., and arrived in Deli in July 1863.

Arriving at Deli, Nienhuys went to the Sultan to cultivate the land in Deli for plantations. In 1864, Nienhuys was given land by the Sultan of Deli, covering an area of 4000 ha of land without land rent. However, the exemption from rental fees is only for five years. After that, Nienhuys had to pay a land rent of 200 guilders annually (Parinduri, 2020)^[16].

At the beginning of his pioneering work, Nienhuys' business with a capital of f 5000 from Pieter van den Arend, which had not been returned, suffered a considerable loss. Nienhuys believes the land of Deli can generate huge profits. Nienhuys opened a plantation on 75 ha of leased land in Tanjung Sepassai, near Titi Papan. However, the need for labor is increasing, and finding ways to meet these needs is necessary. Because the native farmers refused, Nienhuys hired Haji Jawa and his followers from the island of Pinang. Thanks to his efforts, Deli tobacco exported to Rotterdam received excellent appreciation. Unfortunately, the work of Haji Jawa was less than satisfactory. Nienhuys then brought in 88 Chinese laborers. They were able to increase tobacco production to 189 bales in 1865. Then Nienhuys looked for other investors and managed to hook G.C Clemen and P. W. Janssen, who were tobacco traders from Amsterdam with a capital of \$ 10,000 (Sumarno, 2016). On November 1, 1869, Deli *Maatschappij* was officially established AS the first limited liability company in the Dutch East Indies founded by Jacob Nienhuys as director, P. W. Janssen, and C.G Clemen with a land deed of January 12, 1870 (Sinaga, 2018)^[17]. Deli *Maatschappij* continued to develop until 1884; there were 86 plantation industries.

Employee Recruitment

Since 1879 East Sumatra plantation entrepreneurs have joined the association of business owners in Deli plantations (DPV or Deli Planters Vereniging) which aims to overcome the problems of entrepreneurs, one of which is the workforce. In order to deal with prospective DPV laborers, in 1888, an immigration bureau was established to select laborers from China to East Sumatra directly. The role of DPV as an immigration bureau has shown significant development. It was recorded that in 1889 the number of Chinese laborers who entered the archipelago was 5,167 and increased in 1890 to 6,666. However, over time the need for a more significant number of laborers cannot be avoided; garden entrepreneurs are forced to recruit laborers from various regions (Tricahyono, 2020)^[19].

Chinese labor

In 1864, at the beginning of the opening of a tobacco plantation in Deli, East Sumatra, there was a labor problem because the plantation area was quite large, and the number of laborers was small. The search for labor begins with landlords looking for labor from China because it is known to be cheap, active, and skilled in carrying out their work (Luckman, 1992: 340). Chinese labors were obtained from trading agents in Penang and Singapore. Overseas Chinese people, commonly called Lau Keh, have lived in this area long and worked as laborers. Because there were not enough Chinese laborers, they brought in Chinese laborers from

their native areas around Swatow, Awoy, and Canton through the Protectorate Office. Meanwhile, female laborers from China were recruited from the Straits Settlement in Malaya.

Because of the skills of the Chinese laborers, the tobacco plantations then experienced an increase in yields and were willing to open a second farm. Employers decided to bring back 88 Chinese laborers from Penang in 1864. The Chinese laborers who came were required to sign a work agreement to ensure the continuity of their work practices in anticipation of the laborers' escape. Female laborers from China were recruited to satisfy the appetites of single farm laborers and plantation land owners. In addition, women are also recruited because work in warehouses requires women who are known to be conscientious and observant. (Mailrapporten, op.cit., No. 843.)

Java Labor

The recruitment of Javanese laborers was carried out through contracts awarded by agents in 1880 before they were employed in Deli, East Sumatra. Javanese laborers are usually placed in the agricultural sector because they are known to have talent and skills in the agricultural sector. Initially, most of the workforce was recruited from China, but because of direct foreign relations, it was smoother and more effective in Java. Obstacles in tax collections made imports of Chinese labor temporarily stop. These obstacles made job seeker agents move to Java and spread agents to all corners of Java (werwer/werek). The first workforce recruited were men because they felt needed; women were looked at as satisfying single male laborers and land owners. As a result, the company again allowed migrating laborers to bring their families. Prospective Javanese laborers were persuaded to work on the Deli plantation with the sweet promise of being willing to fill out and sign a work form containing the employment contract and their obligations while working on the Deli plantation.

In 1885, the initial year for recruiting 150 female laborers, mainly from Java. Werver persuaded prospective laborers by being given the hope that the Deli Sumatra plantation was a wealthy area. If they work there for a short period, they will become rich and have high social status. Based on the research that has been done, labors from Java are mostly taken from the districts of Purbalingga, Kebumen, Banyumas, Purworejo, Tegal, and Karanganyar. For East Java, many depart from the region (Kediri, Ponorogo, Jombang, Malang, Blitar, Tulungagung) (Yasmis, 2007)^[21].

Indian Labor

Indian laborers were brought in as the cost of Chinese labor increased. Based on reports from the head of the Deli Tobacco Plantation administration, the average Indian imported from the Coromandel coast of South India. Apart from the Tamils, the Bengaleezen Sikhs are employed by the gardeners. Initially, the British government banned laborers from India, but landlords could recruit through the Straits Settlement as the ban loosened. The Tamils who were brought in as laborers hoped to improve their lives in East Sumatra. When the Tamil laborers came, they interacted with the work contract without knowing its contents. Tamil Labors were employed to build roads, dig canals, and coach wagons. While the Bengali labors came of their own accord, most worked as cattle breeders by using cow's milk to sell and cow's power for porters. Bengalis are

preferred because they have sufficient experience in security matters, namely having served as defense or security defense in the Straits Settlements. At the Deli *Maatschappij* plantation, we found many Indian women, mainly known as Tamils, but it is not sure whether the female laborers are the same as male laborers from Tamil or like Javanese female laborers (Harahap, 2019)^[8].

The need for labor is a significant problem for landlords. This problem occurs not only in the Deli tobacco plantations of East Sumatra but also in the Rubber Plantations of the Malay Peninsula. The labor process requires a long process. Rubber Planters must ask the British government for help, European employment agencies, and individual employment agencies to help find employment. In practice, the Indian labor process is divided into indenture and kangani. The indenture method is divided into 2, namely 1) hiring agents from the Negapatnam labor firm in South India and 2) rubber plantations sending agents to South India to recruit Indians directly. Meanwhile, Kangani's method is sending tribal chiefs to their home regions, India, to recruit laborers. Each labor is required to recruit 20 laborers.

Rubber plantations in the Malay Peninsula were a pillar of the economy being developed by the British. Plantations require additional labor, while the Malay community in the Malay Peninsula does not want to work as wage laborers for cultural and economic reasons. This problem is almost the same as what happened in Deli *Maatschappij*. Many people do not want to work because the land being worked on is large while the wages, they receive are small. Therefore, the plantation master tried to find an additional workforce. At the Deli *Maatschappij* Plantation, laborers were brought in from various regions without any rules binding on the laborers.

In contrast to the conditions in the rubber plantations of the Malay Peninsula, recruiting laborers from outside the region, especially Java, was hindered by the 1887 Ordinance No. 8, which prohibited sending natives outside the Dutch territory. This rule is imperative. Javanese people are prohibited from working as laborers outside the Dutch colony, while other than labor, work is allowed.

The prohibition of sending laborers outside the colony showed that the Dutch East Indies government was very concerned about the fate of Javanese laborers who would work outside the colony. In 1900 the Dutch allowed sending Javanese to work outside the colony as long as they were under a protection guarantee. The protection was part of an ethical policy, but it also showed a little side of Dutch care. From 1901-to 1911, the Netherlands issued a regulation to tighten labor delivery, which essentially paid more attention to the labor. Then in 1911, a secret letter from the First Secretary Dated January 31, 1911, No. 254, sending the natives as laborers outside the Dutch colony was only permitted if the destination area had immigration regulations. The Dutch East Indies government also determined how to apply for the recruitment of laborers on the condition that they submitted to the nearest Dutch consulate. To ensure the life of laborers in the workplace, the Dutch government added additional requirements, namely the name of the business, type of business, location, name of the manager, number of laborers, conditions of the barracks, health facilities, and the identity of the labors being recruited. Suppose the labor has finished his contract period. In that case, the company must guarantee the transportation costs for accommodation, and if the labor

dies, his family must be sent back to their place of origin within three months. In terms of recruitment of laborers, the Dutch East Indies Government never cared about the fate of its laborers even; whatever happened to the laborers was not their responsibility. The laborers would not leave after their contract period had expired while working laborers were tempted in various ways to return to work due to debt. covered by this system was applied in plantations owned by Dutch entrepreneurs, especially in the Tobacco Plantation of East Sumatra

The issuance of the *Koeli Ordonantie*, including the existence of the *Poenale Sanctie*

As plantation companies increase, the need for labor also increases. Regulations guarantee and maintain a working relationship between laborers and plantation entrepreneurs that contain protection for coolies and the rights and obligations of coolies and plantation entrepreneurs. These regulations are contained in several *staatsblad*, among which can still be read and analyzed, namely *staatsblad* 1880 No. 133, *staatsblad* 1911 No. 540, *staatsblad* 1915 No. 421, etc. The regulations contained in the *staatsblaad* are known as the *Koeli Ordonantie*, which contains:

1. Laborers' rights or Employers' obligations:

The signing of the work contract is carried out without coercion. The work contract is valid for three years, the maximum working hours is 10 hours/day, laborers are entitled to 12 days of leave in one contract, and laborers receive pension rights. They are returned to their place of origin (if retired), employers provide housing and health insurance, and laborers receive wages following what employers have regularly offered. Employers give written permission to laborers to submit complaints to the government.

2. Employer's rights or labor's obligations:

Laborers are prohibited from running away, refusing work orders, fighting the leadership, and rioting (insulting and inciting other laborers to fight). Laborers who run away are punished as if they violated the law and will be returned to the plantation. Laborers are prohibited from leaving the plantation area without the permission of the management.

In its continuity, the *Koeli Ordonantie* is continuously changed to obtain better regulations, and the entirety of these changes must be agreed upon by the coolies even though some of them cannot be read (Luthfiyah, 2018)^[14].

In addition to the previously mentioned, the *Koeli Ordonantie* also contains the *Poenale Sanctie*, which is a penalty if a coolie is negligent or violates a contract. The government made the *Poenale Sanctie* fulfill the demands of entrepreneurs. This decision was held or maintained because it was considered effective in disciplining coolies. The rules in the *Poenale Sanctie* are generally only aimed at coolies as follows:

- a. Anyone, both entrepreneur and labor, which violates the employment contract and is found guilty may be subject to a fine or subject to corporal punishment (jail);
- b. Contract laborers are prohibited from leaving work. If they escape, they may be arrested if necessary, using violence such as chains or being beaten with rattan.
- c. Laziness is considered as a neglect of the work contract and can be punished with a criminal sentence as if it were a violation of the law;
- d. Laborers who refuse orders from superiors can be

- sentenced to forced labor for one month;
- e. Anyone who resists the leadership or causes riots at work or in settlements can be subject to a fine of 100 guilders (Ghani, 2019)^[7].

In practice, laborers who exceed the limit, are lazy to work, or try to run away will be directly tortured without going through a judicial process first. Coolies who were disobedient received punishments such as being tied up and beaten in public. Sometimes the female coolies who received the punishment were stripped naked and carried around the male coolie camps while being beaten. Meanwhile, the men were hung upside down, whipped, and pulled by horses. Many plantation coolies later died either by suicide or because of the cruelty of the punishment received (Ardanareswari, 2020)^[4].

Poenale Sanctie already existed in Java around 1872. The regulation was initially used as a legal sanction for domestic helpers. The implementation of the *Poenale sanctie* is not much different from those in Java and outside Java (Deli). This rule also expanded, although not directly after outside Java was opened for plantations. As previously stated, the *Poenale Sanctie* outside Java spread and began to be used after the *Koeli Ordonantie* came into effect in 1880. In Deli, the *Poenale Sanctie* was only implemented after being ratified by the Dutch East Indies government on the demands of entrepreneurs. From this perspective, *Poenale Sanctie* is legalized and enforced in the interests of entrepreneurs.

Based on the available data, *Koeli Ordonantie's* goals in the Dutch East Indies can be said to be more or less aligned. With this regulation, employers try to meet the welfare of laborers by providing salaries and meeting basic needs such as rice, oil, soap, clothing, and others. If the welfare of plantation laborers is compared with ordinary people, it will be found that the life of plantation laborers is better. This conclusion was drawn due to the absence of data showing plantation laborers (*koeli*) had experienced hunger as experienced by most Javanese or others in that era.

In the field of health and education for children of plantation laborers, plantation entrepreneurs have also provided. Health facilities are evidenced by hospitals in Putri Hijau, Tanjung Morawa, and Balimbang, which were explicitly opened for plantation employees from the lowest level to the company's leadership. As for the educational facilities, one of the shreds of evidence that can be shown is the existence of a particular school for the children of Senembah *Maatschappij* employees in Tanjung Morawa.

The next question is why the life of a coolie is often described as suffering? It is undeniable that the presence of *Koeli Ordonantie* and *Poenale Sanctie* has contributed to the suffering of the plantation coolies. However, the suffering experienced by the *koeli* is inseparable from their lifestyle and patterns. There are two lifestyles of coolies that have the worst impact, namely gambling and prostitution. It should be understood that the plantation laborer received his salary twice for one month. Big salaries are received on the 1st, and small salaries are received every 16th. On that payday, plantation entrepreneurs hold a night market in which there are gambling and prostitution areas. Entrepreneurs intend the existence of a night market to make *koeli* spend their money and satisfy their lust after payday. With the money running out, their hopes of returning home are also gone, so the opportunities for entrepreneurs to tie *koeli* are also getting more significant.

Social Structure and Work System

Since the establishment of plantations by Europeans, the top layer of social structure was Europeans according to their role in the plantation business, for example, as initiators, owners or distributors of capital, and supervisors. Staff from Europe who occupy the top positions in the organizational structure of plantation work are usually followed by the highest positions in plantation companies, namely administrators and general leaders. Plantation administrators are tasked with designing and changing plantation production methods to new ones. In addition, administrators have duties in correspondence, company bookkeeping, and overseeing company cash (Kartodirdjo, 1991).

Educated Indians and Asians are positioned as non-staff employees. The third layer is the supervisor of coolies, including *tandil* and foreman. The lowest position is contract laborers. Meanwhile, Tamil laborers, in particular, worked in the road construction sector, digging canals and coachmen. (Harahap, 2019)^[8]

The laborers were divided into several teams. The foreman supervises each team, and assistants and supervisors supervise the foreman. (Mubiyarto, 1992). Laborers from China carry out the entire plantation production process. Chinese laborers are in charge of planting and caring for tobacco plants. After harvesting, they also process the harvest from leaf picking until it is ready to be traded. Chinese labor leaders are called *tandil* laborers. The position of the *tandil* is parallel to the foreman. The difference is that the *tandil* only supervises Chinese laborers. *Tandil* is a mouthpiece between laborers and plantation entrepreneurs (Reids, 2005). In plantation production, Javanese laborers are tasked with preparing tobacco planting land.

The plantation labor contract system has rules that bind the tenure to approximately three years, and the company financed transportation and housing costs. If the work contract expires, laborers may return to their origin or extend the contract (Suwirta, 2002)^[18]. Many laborers are forced to extend their work contracts due to debt-ridden conditions and getting involved in gambling and prostitution.

The change in the plantation business system to a plantation company is a change in technology and organization of the production process, which is motivated by the colonial capitalism system with colonial political policies. The act of exploitation by the colonial government was a form of embodiment of the feudal state plantation industry. The application of exploitation is carried out through the government bureaucracy, which directly implements the process of mobilizing economic resources in the agrarian sector in the colony by controlling the land and labor.

The Agrarian Law in the 1870s, the renewal of conservative colonial political regulations with liberal political policies, made exploitation regulations that were initially carried out by state companies replaced by private companies, marked by Europeans' opening of the plantation industry. People's plantations also developed rapidly from about 1894-to 1939. Throughout the 20th century, changes and developments in people's plantation businesses have occurred. For example, there has been people's participation and a tendency to prioritize their plantation businesses.

Wage System

One of the wage systems the Deli Sumatra tobacco plantation company applies is piece-rate wages, namely

wages based on the work results and the amount of work done. As happened to the wholesale laborers in the Deli Bulu Cina tobacco plantation warehouse, Hamparan Perak District, around 1968-1996, their work is calculated for one day at least 150 bundles of tobacco, and wages will be reduced if the number of tobacco bonds (Rika, 2016) ^[6]. Laborers paid on a piece-rate basis are field laborers in the form of money, rice, sugar, and even cloth or clothes.

Contract laborers receive wages on the 1st, 15th, or 16th of each month. Then wages are cut to meet daily needs, which the plantation government supports. So that when they are paid, they only receive a salary of 2-2.5 dollars which is only enough to meet their needs for a month. Tobacco plantation laborers in Deli Sumatra receive wages twice a month, a quarter of the total wages earned. Then the rest is given at the end of the month at the time of the big paycheck. The wages given to laborers are the same as wholesale laborers, not only receiving wages in the form of money (Chatiyani, 2016) ^[6].

The daily wage given to Tamil laborers working in road construction and digging river canals was 20 cents or about 0.4 guilders per day (Harahap, 2019) ^[8]. The wages of Tamil laborers are almost equivalent to Javanese male laborers, whose wages are 12 guilders per month. However, it is not comparable to their work which often works overtime for more than 10 hours per day.

When the *Koeli Ordonantie* regulation was implemented, the labor's wage was 6 dollars per month for male laborers or 12 guilders. Then the dollar value decreased; a dollar was equal to 1.10 guilders, so male laborers received wages of 4.40 dollars. The wages of female laborers are only half the wages of male laborers. They only receive 2.20 dollars per month after deducting the down payment of 0.50 dollars and the home price of 0.30 dollars (Simangunsong, 2020) ^[10]. The wages of female laborers are lower than male laborers because the work of male laborers is considered more complex. The work carried out by women laborers is considered lighter, such as caring for tobacco plants and sorting out suitable plants for sale.

The wages of Chinese laborers who succeeded in planting sixteen thousand tobacco trees were 112 dollars or 224 guilders per year. Income is deducted by \$3 for clothing and shoes, \$5 for tools, \$8 for helpers, and \$60 per year for down payments, so they receive a net wage of \$34 or 68 guilders per year. The wages for laborers on plantations vary. Tandil laborers earn 638 guilders per year. Field laborers are paid 270 guilders, ward laborers are paid 144 guilders per year, rivet laborers are paid 96 dollars or 192 guilders per year, and Bengali laborers are paid 230 guilders per year. The wage for a sizeable Javanese foreman is 516 guilders per year, and an ordinary foreman is 270 guilders, equivalent to field laborers; ordinary laborers are only paid 170 guilders per year.

The wage system in the Deli Sumatra plantation had the same problems as the Priangan coffee plantation in Cirebon (1850-1870). The peaceful lives of farmers began to be disturbed because of the arrival of the Dutch East Indies colonial government, who exploited plantation products and the farmers' labor with a wage system that was very detrimental to local farmers (Arny, 2011).

Slightly different regarding the wages of laborers in the Deli Sumatra tobacco plantation and the wages of laborers in the Priangan tea plantations. According to the Governor-General Decree dated September 12, 1833 No. 5, the wages

for laborers were determined, including, for a head, the foreman was paid 12 guilders per month. The ordinary foreman was paid 3 guilders per month; bachelors were paid 3 guilders per month, coolies were paid 2 guilders per month, and each person would get 3 bushels of rice bushels, salt, salted fish, and lamp oil (Euis Shariasih, 2016). Meanwhile, the salary of a sizeable Javanese foreman in a tobacco plantation in Deli Sumatra is \$258 per year. An ordinary foreman gets 135 dollars, while an ordinary laborer earns 85 dollars.

The Chinese laborers in the Deli Sumatra tobacco plantations and the Chinese laborers in the Priangan tea plantations are paid more than ordinary laborers. However, the difference in the wages of the Chinese laborers on the tea plantations in Priangan is more significant, namely 35 guilders of silver per month, plus 3 bushels of rice for daily use. The foreman's wages in the Priangan tea plantations are only 12 guilders per month (Euis Shariasih, 2016). The wage is in contrast to the Deli Sumatra tobacco plantation. The foreman's wages are 258 dollars per year, while the wages of Chinese laborers are only 112 dollars per year.

The wages of male laborers in the Madiun sugarcane plantations in 1960 were 40 cents, while women's wages were only 25 cents (Dyah, 2020). It means that the wages of female laborers are lower, which is only half the wages of male laborers. Similarly, in the Deli Sumatra tobacco plantation, female laborers receive half the salary of male laborers.

Conclusion

Deli *Maatschappij* is a plantation company founded in 1869 and pioneered by Jacob Nienhuys in Deli, East Sumatra. Deli plantations at that time were the most extensive plantations in the Dutch East Indies, with the primary commodity of tobacco. Nienhuys cultivates the land given to him by the Sultan of Deli without rent for five years the following year. He is given a rental price. The expansion of land creates new problems in the field of employment. The need for labor is increasing, so the Deli plantation company uses laborers from within and abroad. Chinese laborers are considered to be enterprising, hardworking, and frugal.

Meanwhile, Indian and Javanese laborers are considered poor laborers. Javanese laborers have agricultural skills, while Indian laborers excel in security. With the increasing demand for labor, companies recruit women as laborers in warehousing. The laborers were lured by the luxurious life to go to Deli. When they got there, it turned out to be all a lie. The need increasing for labor due to the plantation's development has led to a regulation called the *Koeli Ordonantie*, which contains rights and obligations and protection for laborers and entrepreneurs. The *Koeli Ordonantie* is constantly undergoing updates to suit the needs of laborers and employers to find the best point. *Koeli Ordonantie* contains *Poenale Sanctie*, which is part of fulfilling the demands of employers at that time, which was made to discipline the attitudes and behavior of laborers who go beyond the limits.

Deli *Maatschappij's* laborers have a social structure. Europeans have the highest power as the prominent entrepreneur, while labor is a factor in the production system, processing raw materials using native, Chinese, and Indian coolies. Plantation laborers are mostly contract laborers with transportation and housing costs. The contract is renewed every three years. Laborers receive wages that are

not always in the form of money or are received without the laborers' knowledge. Because of this, the wages were converted into metal pieces, but the transaction only took place at the plantation-owned shops.

The problem of laborers in Deli *Maatschappij* became a view that the condition of laborers at that time only focused on the glory of the Dutch Colonial. Laborers from China are considered skilled laborers. Even now, Chinese laborers are primarily used in the homeland industry. Local laborers are considered incompetent, so foreign laborers are more widely used in Indonesian industries, especially large-scale ones.

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