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The Impact of Agrarian Law 1870 on the Indigenous Farmers

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Abstract

Agrarian Law or *Agrarische Wet* is a law issued in 1870 as a form of policy from the practice of a liberal economic system by the Dutch government. Of course, in the course of this policy, it will be colored by various positive and negative dynamics. This study examines the Agrarian Law of 1870 and finds its impact on indigenous farmers when the policy was issued. The questions of this research are: (1) Is the content and suitability of the law implemented; (2) Is the impact of the agrarian law on the lives of the farmers. The

research was conducted by applying a statutory approach called the *statute approach*. The type of research used in this research was conducted by reviewing and analyzing the Agrarian Law of 1870. The results show a deviation from the original purpose of the Agrarian Law of 1870. It was supposed to protect farmers' rights to their land, making them monotonous because land contracts bound them only to act as laborers on their land and could not compete with plantation products cultivated by private entrepreneurs.

Keywords: Agrarian Law, *Agrarische Wet*, Laborer

Introduction

Indonesia is an agrarian country. People depend on farmers for their lives in order to maintain their lives in the form of staple foods grown by farmers. Because the staple food consumed comes from the farmers themselves. The evidence shows that even though times are changing, the role of farmers cannot be replaced as the foundation of society in obtaining staple food. From the days of the ancient Javanese kingdoms until now, life-based on agrarianism has been going on. However, during the journey, there were ups and downs with changes, especially during the colonial period. Farmers became one of the parties affected by these changes in life. The pitiful life of peasants had existed since the 1830s when *Cultuurstelsel* was successfully implemented by the Dutch,

Farmers' lives are increasingly miserable because agriculture, to meet the basic needs of their families, must swallow the bitter pill was replaced with plantations planted with commodities that the Dutch government determined (Lukmanul, 2012) ^[16]. In its implementation, *Cultuurstelsel* brought criticism from various parties, especially liberals and humanists, who also voiced their aspirations that the government should not interfere in economic affairs. The private sector was more appropriate and understood the economy. In contrast, the humanists emphasized the welfare of the people; which is 1840, the condition of farmers was getting worse—concerned with the occurrence of hunger farmers. The struggle of the two groups bore fruit in 1870 with the presence of *Agrarische Wet* and the abolition of *Cultuurstelsel*. The period of 1870 was when the people of the islands of Java and Sumatra experienced a rapid increase in plantation businesses owned by private foreign parties. Plantations multiplying are reasonable but inversely proportional to the condition of the people, especially farmers who are not experiencing development towards prosperity and are better (Ratu, 2009) ^[17].

After the *Cultuurstelsel* was successfully abolished, the implemented agricultural policies changed and entered a new phase, namely the economic phase based on freedom in the Dutch East Indies. At that time, there was a debate in the Dutch government regarding large-scale agricultural investment. The Monopoly System controlled by the Dutch in the Dutch East Indies was criticized by the private sector, urging that space be given to investing in the Dutch East Indies, which later became the forerunner of the birth of *Agrarische Wet* (Sudrajat, 2019) ^[11]. The principle of freedom brought by the liberals intends to replace the principle of coercion carried out by the Dutch colonial government. The Liberals think the economy would be better if handled by the private sector, not the Dutch colonial. *Agrarische Wet* is a law made by the Netherlands. This law is written about the legal basis for all laws and regulations by the Colonial Government in the Dutch East Indies. The regulation contains the land tenure division between the government and Indigenous and non-Indigenous communities. Implementing the *Agrarische Wet* policy is not only a legal basis but also legal protection for land owners, primarily the indigenous. They are not

only given protection but also freedom in land ownership and use, with no need to share with the Dutch. These rules applied to the entire population without exception, both the government and the poor, which is carried out arbitrarily.

This Agrarian Law was also the first form of applying liberalist economic policies implemented by the Dutch colonial government. The policy transitioned from a monopoly economic system centered on the Netherlands to a liberalist economy in which foreign private parties were also allowed to participate. As stated by Deliarnov, the colonial government not get too much interference in the economic regulation because, in the future, the economy will move towards balance or stability through invisible hands. Colonial power over economic affairs gradually diminished with limits on power over land and the implementation of leases and buying and selling of land.

The implementation of the agrarian law resulted in the development of liberalism in the Netherlands and the Kingdom of the Netherlands, which was closely related to political conditions in Europe. Liberalism, which was very well received in Europe in the 19th century, was later assumed to be the most proper understanding to be applied by a state that values individual and group freedom. The development of this understanding was caused by the French revolution, which succeeded in overthrowing Louis XVI in 1789. The emergence of the 1791 Constitution in France became the initial milestone in recognizing individual freedoms, such as the freedom to write, speak and embrace religion, work and politics. From this viewpoint, freedom of work drove the emergence of the freedom economy and the abolition of trade monopolies.

The indigenous people felt the fresh air and freedom hoped for as a result of the birth of *Agrarische Wet* with the provision that people were free to use their land without interference from the colonial side. However, *Agrarische Wet* exists only as a tool to smooth the way for foreign investors or private parties in Indonesia, which the Dutch previously limited. As the policy was made, it turned out that profits were only obtained by foreign investors and did not have a good impact on the increasing number of indigenous people. Foreign private entrepreneurs are new economic actors in the economy in the Dutch East Indies, even though as new people in the financial world, foreign private entrepreneurs have gained an essential role in the Dutch East Indies (Anggraini, 2016)^[18]. Easy access for the private sector after the emergence of *Agrarische Wet* made investors take advantage of the opportunity to flock to the Dutch East Indies to invest their capital in opening plantation areas. The Agrarian Law of 1870 was initially criticized by the private sector, which seemed to be defending the natives. The emergence of liberalism developed the freedom of plantation activities by the private sector. Even the private sector rented out an extraordinary amount of land for an extended period to support the economic life of the plantations that existed in several areas of the Dutch East Indies at that time. Also, *Colonial Super Profit*, which means that the colonial party got super profits, was based on many profits with deficient capital and wages for workers who were not correctly given. Investors did not have to carry the burden of transportation and communication. All development was borne by the colonized by collecting government taxes on indigenous people (Achdian, 2008)^[19]. The application of *Agrarische Wet*, which has been running for more than 70 years, has

become a facility for European capitalists based on political legality (Rachman, 2012)^[20].

The Agrarian Law, which is predicted as one of the factors in improving the lives of farmers, does not work as expected. Even farmers become victims of agrarian exploitation. The people do not achieve what is stated in the contents of *Agrarische Wet*. *Agrarische Wet* was only used for the personal interests of private people and the Netherlands without paying attention to the welfare of the indigenous people who were currently experiencing misery (Ratu, 2009)^[17]. After receiving criticism from many parties, the colonial government changed the economic system, which initially brought massive cash to the Netherlands. Even the finance or economy that reached a surplus level was replaced with a liberal economic system in which there were private parties. In the phase of the Agrarian Law of 1870, there were foreign private parties with capital developments that dominated the economic sector of the Dutch East Indies. There are several primary commodities on the island of Java that have a high selling value and are used by foreign parties in their trade, namely sugar, coffee, quinine, tobacco, tea, rubber, and coconut, which are located on the island of Java. At the same time, outside Java, palm oil, rubber, and tobacco are the main commodity product, especially on the island of Sumatra (Shomad, 2019)^[8]. Tea became one of the commodities that managed to reap huge profits for the Dutch colonial government. The government obtained this advantage from tax revenues and tea exports, which were significantly valued. Over time, tea exports continued to increase from year to year, which initially only reached 3 tons per year in 1870; in 1930 managed to produce more than 71.9 tons annually (Lukmanul, 2012)^[16].

Based on the analysis of the explanation, there arose a desire to examine more deeply the changes that occurred when the Agrarian Law of 1870 came into existence and the previous life related to the reasons for foreign private parties who supported to become more prosperous. However, in reality, foreign parties only used this. to benefit, especially on the island. It becomes interesting to study the author's background on the impact of the *Agrarische Wet* 1870.

Methodology

The type of research applied is a legal approach. The general definition of this legal or legal approach research is an activity in the scientific field based on specific methods, systematics, and thoughts to review several legal phenomena through analysis. Researchers are required to look for the ratio of the legislature to the issuance of law, to be able to explore the philosophical content behind the creation of the law, and to be able to draw a common thread about the existence or absence of philosophical friction between laws and issues (Shidarta, 43).

Research activity has several conditions that must be met to obtain the desired goals and results, as well as a legal approach to research has two main requirements. The two conditions must be carried out before conducting the first research. The researcher must bring an understanding of the basic concepts of science, including the system and knowledge and the research methodology of the discipline.

The definition above has been given from the research approach to the law in general. There is a view born from an Indonesian legal figure, Satjipto Rahadjo, regarding legal studies. He argues that if the law is a particular form of

value, that decision leads to an idealistic method. Furthermore, this method continuously seeks to evaluate the law in order to achieve specific values. While deciding to take the legal point of view as an abstract regulatory system, the focus is on the law as an autonomous institution which means it can be seen as a separate subject with regulations that have no connection. Finally, seeing the law as a rudder to regulate the course of society, it will be faced with the choice of using the sociological method. In practice, this method connects law with efforts to achieve desired goals and fulfill real needs in society.

Legal research has two types: normative or doctrinal legal research and empirical legal research, or non-doctrinal. Non-doctrinal research is carried out to obtain evidence from social facts that contain laws, as seen in everyday life. While the second type, namely doctrinal legal research, is research on the law that is designed and developed based on the knowledge or principles of the thinker (Soetandyo, 2006).

The data used in this study is the type of primary data and secondary data. The secondary data sources used are primary legal materials and types of secondary legal materials. It means that the primary legal material contains authoritative law with influence or power. In primary legal materials, there are statutory regulations and decisions issued by judges. Meanwhile, secondary legal materials are all laws that have been issued or announced but are not official documents. Not only legislation as the holder of power at the highest level in primary legal materials but also court decisions because it is the actualization of legislation (Sidharta, 30)

Doctrinal research is a technique of collecting data by carrying out bookkeeping on the laws and regulations related to the case. Primary data for the study were obtained through descriptive techniques. Young researchers widely apply this technique because it is considered simple and not difficult to understand and does not require complicated statistical techniques. Later, descriptive research can be developed into naturalistic research that takes cases with more specific types with deep descriptive. In other words, the research focuses on natural settings using a phenomenological approach and put forward in a thick description or expo-facto research—the relationship between each other in an increasingly complex variable (Sukardi, 2007)^[5].

The method of data analysis begins with keeping a record of all laws and regulations, which here are the primary legal materials to be categorized based on the type required. The purpose of categorizing according to the type needed is to assist in analyzing the data. Data narrowing is applied in the bookkeeping process of primary legal materials and data categorization because it is deemed not to fit the required data limits.

The final result of the data shrinkage process is then deepened and analyzed according to the case and the applied theory. Data analysis is carried out in a structured manner and is under the applied theory. Then it is compiled into a conclusion to answer the case raised.

The background of the 1870 Agrarian Law

In 1870, the Dutch East Indies government introduced a liberal colonial policy, the open-door policy. It is marked by the enactment of the Agrarian Law on the life of farmers. Before the 1830s, the colonial government implemented the *Cultuurstelsel* system, which could provoke many protests

from the residents because their land was arbitrarily taken from the local population. Therefore, in 1870 the Liberal Party was able to win a majority in the Dutch Parliament. After that, the *Cultuurstelsel* was officially abolished.

The enactment of the Agrarian Law on the lives of farmers in 1870 was also inseparable from the economic policies implemented in the former Dutch East Indies, *Cultuurstelsel*. Then, forced cultivation was implemented to increase export crop production and empower farmers. However, this did not go as expected because, at first, it provided people's welfare, but it only made it worse. Thus, the *Cultuurstelsel* system was also confirmed by figures from the Netherlands, including Baron van Hoevell, Eduard Douwes Dekker, Frans van de Putten, and so on.

This deviation from the *Cultuurstelsel* made the liberal politics of Europe in Java and the Netherlands not interested in the colonial system in Java. Since the 1850s, a private businessman was allowed to make contact with the peasants in Java and Sumatra. (Widatul Luthfiah, 2018)^[21]. The system of renting land in villages and renting land not used for plantations in connection with the provision of export products is only valid by the parliament, not by the government. However, with the enactment of the 1854 law, the renting of village land can be implemented for up to 5 years. Moreover, this situation can urge private entrepreneurs to advocate for an extension of land leases up to 75 years which would be helpful for the rapid development of the industry soon. This condition made the liberal understanding of economic development in the Dutch East Indies grow. (RE Elson, 2002). Then, in 1870 the liberals managed to win a vote in the Dutch parliament which agreed that there was an Agrarian Law of 1870. The Minister of Dutch Colonialism, Engelbertus de Waal, passed the Agrarian Law in 1870 whose purpose was to be implemented in the Dutch East Indies, namely as a reaction to the policies of the Dutch East Indies government in Java. In addition, this Agrarian Law also regulates the principles of land politics in the colonized country.

The Agrarian Law 1870 was issued because of the government's authority to take over land owned by the people. Article 1 number 3, which contains the basis for land control, is a permit/decision/letter from an authorized official who becomes the basis for a person or legal entity to control the land. Use, or make use of the land. The liberal politicians still in power in the Netherlands then disagreed with the forced cultivation policy in Java and, simultaneously, allowing the establishment of many private companies, which ensured that the Javanese population benefited economically from the colony. Second, this agrarian law guarantees that property rights to land are registered in Java. The resident's land is guaranteed if the rental rights cannot be revoked. This Agrarian Law can be said to be the beginning of the establishment of some foreign companies in the Dutch East Indies. In addition, this Agrarian Law is also known as the Sugar Law (Suiker Wet) of 1870, the cause of these two laws being that they can cause tremendous values and penalties for the economy on the island of Java.

The 1870 Agrarian Law Articles

On April 9, 1870, the Agrarian Law was passed, which contained eight contents: Existing land may not be sold by the Governor-General. The prohibition on sales, excluding small lands used to expand the city and establish buildings

or companies in the village. Land that has been regulated by law is free to lease by the Governor-General. However, the leased land may not be in the form of land used for public purposes, for example, land used for herding livestock and in the village. The lands given have usufructuary rights for seventy-five years from generation to generation. The Governor-General guarded the land to protect the rights of the people. The Governor-General cannot use the land for personal or other interests. However, the land may be used for public purposes, such as land used for plantations following government regulations. With the existence of *eigendom* rights, the Indonesian people can own land. However, they must still comply with the terms and conditions, such as having an *eigendom* letter, the obligations of the private land, and the land rights and provisions. The provisions of the applicable law must carry out land leased to foreigners originating from the land of the Indonesian people.

In the articles of law that have been mentioned, including land rights which include; The first is the granting of material rights or so-called *erfpacht* rights to enjoy the use of land by providing forest shrubs. The second protects the people for their rights to the lands they own. The third guarantee the indigenous people that they will get more substantial land rights so that the people can feel the rights given. The fourth is the permit regarding the land lease owned by indigenous people to foreign investors. Each article listed has its purpose and study.

The first sugar law protects people from large investors who will invest their capital in agricultural and plantation land. It means that people who will invest in land owned by the people must be guaranteed their interests in investing their capital by providing guaranteed land over land owned by the people. Protection and in the process of future development. Secondly, the legal rights strengthen the guarantee of the indigenous people over the lands they own so that they are not easily handed over to foreign parties so that later their rights to their land will not be violated.

The agrarian law of 1870 limits the Governor-General role on land rights. In the previous system, namely, the forced cultivation system, which required indigenous people to work outside their rights, all land was exploited and made into the government's property for its benefit. The agrarian law of 1870 gave freedom to indigenous people to the lands they owned and limited the Governor-General to lease land and sell land that was not their right. Land that is not allowed to be rented or sold by the Governor-General is land or land of a general nature, such as land for the welfare of villages and land derived from clearing forests.

The land used per the article in the law is land used for industrial purposes, such as land with small plots whose purpose is to expand rural and urban areas. In practice, land can be freely traded by individual indigenous people who already own the land and under the provisions in force in the law. The following explanation of the Agrarian Law of 1870 is to provide a guarantee of use rights for 75 years. An investor or private party can use land considered abandoned as state property with a lease limit of 75 years following *erfpacht* rights. Although investors can use the land freely and use it as their land, the private sector must not disturb the land outside of the rights that have been granted and must continue to comply with applicable laws. The rights referred to in the previous statement are ownership rights or *eigendom* rights, which can be passed down from generation

to generation in the land ownership of the indigenous people. Next is indigenous land obtained from forest clearing, but the land is not used for personal or individual interests only. However, land derived from forest clearing is used for the public interest or makes plantation land by paying for land used to plant plantation crops. Indigenous people who own land are allowed to rent their land individually to foreign residents or non-native residents but still must comply with the regulations contained in the law and require guarantees by the government so as not to happen that can harm the indigenous people.

The Governor-General must protect the indigenous lands, which means that the lands owned by the indigenous people must be protected and guaranteed by the Governor-General so that they do not violate or harm the rights of the indigenous people themselves. Indigenous property is the responsibility of the Governor-General. Furthermore, lands owned by indigenous people may not be used by the Governor-General interests unless the land is used for public purposes. Furthermore, agriculture aims to prosper the people or land that will be used for the benefit of the government but must pay compensation for the land that has been used. These activities must not violate the applicable laws and regulations. Land can be given to residents but must be listed in the *eigendom* right, which means the people who own the land must comply with the applicable laws. All activities carried out must also comply with the regulations.

Objectives of the 1870 Agrarian Law

In 1870, the Agrarian Law was passed by Engelbertus de Waal, a Dutchman who held the minister post. The Agrarian Law aims to protect indigenous farmers so that their land does not fall into the hands of entrepreneurs and does not fall to foreign private parties. The Study Objectives of the Agrarian Law of 1870 are to:

1. Provide opportunities and legal guarantees for private entrepreneurs to develop their businesses in the Dutch East Indies.
2. It gave land to private companies with significant capital by giving land owned by the state based on *erfpacht* rights, which have a period of 75 years.
3. Provide opportunities and guarantees in the form of law for entrepreneurs so that people's land can be used.
4. They were paying attention to indigenous peoples by protecting their land rights.
5. Provide opportunities for indigenous people by obtaining new land rights or *agrarische eigendom*.

The colonial government could protect the community from losing their land by stipulating that indigenous people could only rent their land, and capital owners could rent land owned by residents rather than the state. Then, the *Agrarische Wet* regulation in 1870 indicated that the colonial government would protect the rights of indigenous peoples to land. However, through its implementation, indigenous peoples slowly lost these rights. The regulations of the *Agrarische Wet* in 1870 stated that indigenous peoples could not sell their land to foreigners but could lease it out.

The application of the *Domein Verklaring* Principle states that land not used by customary law communities cannot be proven to belong to the state. If the population relinquished their rights to land and at the same time failed to prove ownership of the land, then the colonial government had released state land for use. Moreover, these lands can easily

be leased to private organizations needing plantation companies. The *Domein Verklaring* Principle Regulation states that state-owned land is a land right not owned by anyone because government-owned land is land that indigenous peoples cannot trace. For example, customary law lands in rural areas have been passed down from generation to generation.

By applying the principle of *Domein Verklaring*, Foreign parties or people who buy the capital are free to set up their businesses in the colony, which is like customary land. This customary land became an individual's property. Furthermore, based on European law, the government does not apply the conventional system but uses a complete system of land ownership documents. Thus, customary land that initially belonged to the village alone has turned into the land that individuals may own. Because of this, the private sector can easily carry out land rental activities.

From the statement above, it can be concluded that with the enactment of the Agrarian Law issued in 1870, especially the provisions showing that the colonial government-protected land rights belonging to indigenous people, indigenous peoples could recognize the free trade system. However, the system put Indigenous people at a profound loss, even though the applicable law also benefits indigenous farmers. However, the land could be used to gain the colonial government's advantage by only taking refuge from the products of agrarian law.

Impacts of the 1870 Agrarian Law

The establishment of the Agrarian Law (*Agrarische Wet* 1870) became the gateway for private company investment to enter the Dutch East Indies plantation industry, especially in the Java Island region. At first, the birth of *Agrarische Wet* in 1870 seemed good news for the natives, especially the farmers. However, behind it, all *Agrarische Wet* was nothing but a golden bridge for private investors to achieve significant profits in the Dutch East Indies. The Birth of *Agrarische Wet* 1870 by historians is considered an open-door politics. In its development, the Java Island region freely opened access for private investors to invest. In practice, investors are more interested in investing in the plantation sector, so it is not surprising that *Agrarische Wet* 1870 indirectly had an essential role in developing plantations in the Dutch East Indies.

Agrarische Wet 1870, as the legal basis for land ownership issued by the Dutch East Indies government, had the main product, *Agrarische Besluit* is a legal product of *Agrarische Wet* 1870 and a milestone in the development of privatization in the Dutch East Indies. Article 1 *Agrarische Besluit* contains a contra because the article states that "all land that is not proven that there is absolute property right (*eigendom*) is the domain of the state (meaning state property rights)." According to Mohammad Hatta, regarding the state's right to control land, the land belongs to the people, and the state is only the embodiment of the people who have the authority to regulate its use to achieve people's welfare. However, since the *Agrarische Wet* 1870, the state seems to have neglected the rights of the people because, in some areas, the state claims land that cannot be formally proven to be recognized as state property and indirectly creates agrarian inequality.

The implementation of *Agrarische Wet* 1870 was like a bright spot for developing plantations in the Dutch East Indies, especially in Java and Sumatra, which are

strategically located and have fertile and productive land. *Agrarische Wet* 1870 allowed investors to invest for 75 years, so they felt free to develop their companies without fear of project work stopping in the middle of the road. Since *Agrarische Wet* 1870, there was a massive expansion of plantations in the Dutch East Indies. The financiers cleverly use each type of land to benefit their plantations. The lowlands are used for tobacco, cocoa, and sugar cane plantations. While in the highlands, it is used to grow coffee, tea, quinine, and cassava. *Agrarische Wet* 1870 is known as a marker that since then, in the Dutch East Indies, a liberal economic system has been implemented, quickly spreading in rural areas. So do not be surprised if the land in the village becomes the target of private investors.

The development of plantations in the Dutch East Indies has encouraged the emergence of labor workers who indirectly affect the lives of farmers. Economic liberalization in 1870 encouraged the industrialization of plantations. Investors not only used the land for plantations but also processed plantation products into finished and semi-finished goods, for example, sugar cane, sugar, and tobacco, processed into cigarettes. In 1870 it can be said to be the year of plantation development; not only did the emergence of plantation industries in that year also encouraged the development of transportation in the Dutch East Indies. At that time, the Dutch East Indies government, in collaboration with the private sector and supporting the sustainability of industrialization, began to build transportation routes in the form of railroads and roads to transport the plantation products.

Implementation of *Agrarische Wet* 1870, which had a positive impact on plantations, had also succeeded in commercializing the Dutch East Indies with a large number of investors investing (van Assen, 1872). Nevertheless, behind that, the liberalization implemented by the Dutch East Indies government could not bring the natives to feel the changes. Indigenous people feel better about the *Cultuurstelsel* system because the colonial government only extorts them. In contrast to the current state, they are exploited by the colonial government and the private sector (Agnes, 2006). The rapid development of plantations has converted many agricultural lands into plantation land. This change also led the farmers to switch professions to become plantation workers because they did not own their land due to their high economic demands due to tax obligations even though their land was rented out to the private sector. With the thought that if he leases his land to the private sector, he will get a more significant profit, making the farmers prefer to become laborers on private plantations. In the Grobogan area, farmers only get low salaries and cannot meet their daily needs (Tamon, 1998). The corrupt behavior of village officials causes the low wages of workers. Income that has not been able to cover needs even to pay debts make farmers take the initiative to look for additional money.

Farmer life in 1870 was very apprehensive and far from prosperous. Living under a contract makes their opportunity to earn extra money closed, and they can only rely on income as plantation workers. Some farmers who work on plantations but still have agricultural land divide their time and energy to work on their agricultural land. If in the *Cultuurstelsel* era, farmers provided agricultural commodities for sale, in the liberal era, farmers only worked their land for personal consumption because they could not compete with the more extensive plantation produce. This

situation caused the price of rice to rise due to fewer farmers growing rice, but rice has remained a staple since it was implemented in 1870. The government's attention was only focused on the plantation sector, and they did not respond to the increase in rice prices. The further exacerbated by the large number of farmers who sell their land to the private sector due to the increasing demands for daily needs.

The income of being a plantation laborer is not commensurate with economic needs, primarily related to essential commodities and the obligation to pay taxes to the government, so many of them are looking for other alternatives by borrowing money from landlords. Nevertheless, the evil result of indebtedness is more debt but unable to pay it. Ultimately, they had to give up their land ownership rights to the landlord as payment for the debt. At that time, money was not valuable because people still used the barter system, but money became a tool for people to pay land rent taxes to the Dutch East Indies government.

The main character of *Agrarische Wet* 1870 was the private sector. They are considered the hope for the natives to achieve a prosperous life, but they are much worse than the colonial government. Indigenous people, especially farmers, have to swallow the bitter pill when the private sector indirectly exploits farmers with tax obligations that are not commensurate with the wages they get from plantations. Living amidst a large-scale plantation development still makes farmers survive in apprehensive conditions because farmers are the lowest class in the liberal economic system, which ensnares farmers to continue working as laborers on private plantations.

Conclusion

In 1870, the Dutch East Indies government introduced a liberal colonial policy, the open-door policy. The enactment of the Agrarian Law marks this. The background of the Agrarian Law on the life of farmers in 1870 was issued because of the government's authority to take over land belonging to the people. The liberal politicians still in power in the Netherlands at that time disagreed with the policy of cultural monopoly in Java and, at the same time, allowed the establishment of many private companies, which ensured that the Javanese population benefited economically from the colony. Second, this agrarian law guarantees that property rights to land are registered in Java. Residents' land is guaranteed that rental rights cannot be revoked.

The Articles of the Agrarian Law on the lives of farmers in 1870 showed that the Governor-General could not sell existing land. The prohibition on selling did not include small lands used to expand the city and the construction of buildings and companies in the village, land that had been regulated in the Agrarian Law. The law is free to lease by the Governor-General, but the leased land is not allowed to be in the form of land used for the public interest. The land granted has the right of use for 75 years from generation to generation.

The purpose of the Agrarian Law on farmers' lives in 1870 was to provide opportunities and legal guarantees for private entrepreneurs to develop their businesses in the Dutch East Indies. Private companies with significant capital were allowed to lend state lands for 75 years.

The impact or factors of the Agrarian Law on the lives of farmers in 1870 were very concerning and far from prosperous. Living bound by a contract closes their opportunity to earn extra money because they only rely on

income as plantation workers. Some farmers who work on plantations but still own their agricultural land share their time and energy to work on their agricultural land. During the *Cultuurstelsel* period, farmers provided agricultural commodities for sale. In the liberal era, farmers were only cultivators of their land for personal consumption. They could not compete with the larger plantation yields, which caused rice prices to rise due to fewer farmers growing rice, which was exacerbated by many farmers selling their land to private parties.

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