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## **Promise, pretence and pragmatism: governance and taxation in colonial Indonesia, 1870-1940**

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# Conclusion

This dissertation began by noticing there was a wide gap between the aspirations of the Dutch colonial government to reform its tax system and the capacity of its administrative machinery to do so. In the introduction, this was identified as a problem of colonial governance, related to the tensions between grand colonial ambitions to improve and reform and the colonial state's inherent exploitative and imperious nature. This was compared to recent literature that has identified similar dynamics in colonial states elsewhere, emphasizing how they were structurally shaped by local social foundations, conditions and limitations rather than metropolitan blueprints or ideological guidelines. Overarching assumptions of fiscal power, representation and governmentality did not work the local operation of colonial governance. Thus, this dissertation asked what the consequences were of the programmatic 'modernization' of the Dutch tax system in the expectation that this might help us to better understand processes of colonial governance. In this conclusion, I return to this question and elaborate on the implications of the answers to our understanding of colonial and fiscal history. I will conclude with a discussion, reflect on my research approach and perspective, and suggest a few follow-up questions that may emanate from the results of this dissertation.

## THE CONSEQUENCES OF FISCAL MODERNIZATION

### *Modernity on paper: imposing a new order of governance*

The first two chapters of this dissertation investigated what the modernization of the colonial tax system entailed in the mindset of contemporary officials, by contextualizing it in overarching changes of colonial ideology and governance and the concurrent colonial political and economic transformations.

The first chapter demonstrated how, in The Hague and Batavia, specific changes in tax and coerced labour policies were designed to intertwine with political, economic and technological developments and reforms. Increasingly, these policies prioritized changing the way colonized subjects lived their lives, to fit the patterns and needs of processes of colonial state-building. From its inception, colonial statecraft was built on ideologies of social improvement and progress and continuously driven by the underlying theories and rhetoric of enlightened governance. This related to how, in general, colonial officials perceived indigenous societies and legitimized themselves through the concept of European 'administrative superiority.'

They identified various 'innate problems' in indigenous society, such as 'inefficiency', 'laziness', 'backwardness', 'agricultural disorderliness', 'political disorganization' and 'despotism.' They maintained that these ascribed characteristics prevented people from self-development, and that only through colonial intervention they could be uplifted into diligent and obedient, taxpaying subjects. To them, only what they considered 'modern', European administration and taxation, especially in contrast to what they considered the intrinsically disruptive patterns of Southeast Asian politics and organization, indicated successful statecraft.

In the Dutch colonial state of the mid-nineteenth century, such a bureaucracy or tax system did not yet exist. Around 1870, socio-economic and ideological-political changes, supported by Dutch liberal politicians, motivated the colonial government to jettison the principles that supported coerced cultivation and monopolization of the export of cash crops in order to accommodate a political-economy directed at private entrepreneurship and free trade. This necessitated the expansion of the tariff system, greater attention to justice, better redistribution of the tax burden, professionalization of the colonial administration, and most essential, replacement of 'feudalistic' personal compulsory labour services with a monetized tax system. This transformation supposedly strengthened the ongoing evolution of the state. The cultivation systems of the nineteenth century had conditioned specific patterns of indirect rule and administration which, by 1870, was considered outdated. Fiscal modernization required a full reinvention of the design of the colonial administration and the relationships between the colonial government, local officials, middlemen and subjected people. So in order to reform and 'modernize' colonial society, it was quite necessary to first 'modernize' the colonial state itself.

Monetary head and income taxes, as the second chapter demonstrated, were introduced for all population groups, in different phases between 1878 and 1920. Slowly but steadily, Dutch administrative sway over Indonesia consolidated, as the entire archipelago was made subject to a colonial claim of fiscal uniformity. In the minds of officials, fiscal modernity required centralized revenue streams and an invariably uniform system of taxes, levied from settled, monetized and wealthy populations operating in the same legal sphere.<sup>1</sup> To tax the entire archipelago by the same laws, terms and instrumentation was envisioned as the endpoint of colonial fiscal evolution and economic justice. Among the core ambitions in this process was to decentralize government finances by making each and every region fund its own administration, to outbalance inequalities among regions, ethnicities and families, and ensure each contributed to capacity to what was presented as a 'modern colonial fiscal state.'

Interwoven into these ambitions as well was an expansive quest to incorporate as many people into the state's schemes as possible, to ensure

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1 See also Scott, *Seeing Like a State*, 8, 32.

all coercively 'benefited' from Dutch imperial expansion. These purportedly 'beneficial' aspects were at the core of contemporary ideas of governance and social improvement. Colonial taxes were claimed to have the power to 'cure' alleged indigenous idleness, disorganization and violence, and enhance local economic development and indigenous welfare. Taxes addressed the core principles of society – income, property, inheritance and consumption – that the Dutch aimed to reconstitute and change. Taxes (and coerced labour services) were considered to possess the disciplinary power to collectivize and standardize subjects, redistribute wealth, enhance equality and justice, and unify and reform the colony at large. This enlarged the appetite of colonial officials to integrally control, structure and formalize society by acquiring more knowledge of and codifying social norms. They sought to strengthen the state's ties with its subjects, and make every subjected male a productive and taxed member of the centralized colonial state.

The transition from collective labour, tributes and services to individual monetary taxes required permanent and 'orderly' residence, the possession of measurable property, 'productive behaviour' and the earning of individual, monetary incomes. This included the extirpation of what many colonial officials considered social deviance, such as nomadism and statelessness (which is why tax forms also served as travel passes or proof of identity), to keep increasingly large numbers of people under control. This does not mean these officials had some sort of "hidden agenda" in which this programme of rationalization was used to mask the "true aims of empire."<sup>2</sup> Rather, taxation was presented as part of the 'civilizing process' and interlinked with the governmental rationality of twentieth century, 'ethical' colonialism. Taxes were believed to contribute to the ongoing process of familiarizing more and more people with centralized production for the market, village life and the benefits of European forms of governance, thus motivating higher standards of productivity and wellbeing and guiding people into the trajectories of capitalist, twentieth century life. To colonial officials, the will to improve integrated with the need for colonial domination; the nature of "pastoral" and "liberal power" complemented one another.<sup>3</sup>

Of course, subjected people believed their societies already functioned to full capacity. Governmental accumulation of knowledge, abstraction and legibility always served the explicit purposes of the government. It enabled constant extraction and reform by locking 'natives' into essentialized, sometimes even dehumanized identities, such as the exploited peasant or uncivilized headhunter. These confined people into their fixed, allocated and purportedly rightful position and economic role under state rule.<sup>4</sup> Seen

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2 Li, *The Will to Improve*, 5-6, 9.

3 U. Kalpagam, "Colonial Governmentality and the 'Economy'", *Economy and Society* 29:3 (2000), 418-438: 420.

4 Noor, *Data-Gathering in Colonial Southeast Asia*, 67.

from the state, this turned indigenous people into governable populations.<sup>5</sup> Seen from below, it was “an attempt at domestication.”<sup>6</sup>

By 1900, the purposes of colonial taxation and governance were largely recast in terms of colonial governmentality. In theory, the modernized tax system purportedly sought to optimize the economics, behaviour, politics, reorganization and wellbeing of subject populations through capitalist discourse of development and roadmaps to modernity, by subjecting societies to modalities of governance that secured colonial presence for the following decades. This both motivated and justified the introduction of income taxes from the 1870s onward, and ultimately, the unification of these in 1920, consolidating a supposedly just, transparent, equal system of self-enhancing compliance and efficiency.

### *Modernity in practice: using knowledge*

As this dissertation has demonstrated, even though the modern tax system did allow for more centralized flows of revenue, its ‘governmental’ effects remained mostly limited as the capacity of local colonial administration could not keep up with the unrestricted political ambitions expressed by the central state.<sup>7</sup> Officials rarely delivered the reform they promised, as they never had the “all-pervasive totalizing influence” they desired; numerous circumstances, factors and mechanisms drastically constrained “hollow claims of having introduced the colonies to liberal-democratic political principles” and its purported “principles of good and humane government.”<sup>8</sup> What were these circumstances, factors and mechanisms, and how did they influence the ways in which the modernization of the tax system played out and was experienced on the spot?

First of all, the tax system in theory remained essentially discriminatory and exploitative in nature; it practiced racial segregation until 1920, excluded women and ignored people whose incomes were below the tax-threshold. Moreover, in The Hague and Batavia, the interests of corporate entrepreneurship, indigenous governance and local administrative pragmatism overshadowed and undermined colonial governmental schemes. The implementation of the corporate tax, as exemplified in chapter 2, demonstrates how deeply colonial politics and corporate exploitation were entangled.

However, many of the circumstances that obstructed the elaboration of colonial tax policies are found locally, within the practical workings of colonial statecraft. One of the key arguments of this dissertation is that the

5 D. Neu, “‘Discovering’ indigenous Peoples: Accounting and the Machinery of Empire”, *The Accounting Historians Journal* 26:1 (1999), 53-82: 53.

6 Scott, *Seeing Like a State* 184, 188-190.

7 See also Frankema, “Colonial Taxation and Government Spending”, 9-10 and Frankema and Booth, “Fiscal Capacity and the Colonial State”, 18.

8 D. Scott, “Colonial Governmentality”, *Social Text* 43 (1995), 191-220: 192.

context in which tax-policy was introduced was informed by local circumstances and conditions and shaped in interaction among local officials, indigenous intermediaries and taxpayers. To support this argument, I have exemplified local economic decline and power structures in Ambon, the interrelated complex of labour duties, landholding principles and usufruct rights in Java, the inheritance systems, marriage conventions and socio-economic and religious tensions in West Sumatra, the indigenous tariff and ruling systems of Aceh, and the patterns of 'stateless' social organization on Seram. By including in its analysis these local conditions, as seen from the viewpoints of local officials such as Korn, Tichelman, Fokkens, Lulofs, Damsté and Sachse, this dissertation has demonstrated how all over colonial Indonesia, schemes and visions of improvement, rather than being imposed from above, in practice always worked through the local knowledge systems, social organizations and ruling practices of the targeted populations they were supposed to replace.<sup>9</sup> Formalized by mixing it with colonial bureaucratic language, local knowledge was moulded into ordinances, stamped with requisite signatures and presented as the result of colonial inventions. As put by James Scott: "Formal order was always, and to a considerable degree, parasitic on informal processes, which the formal scheme did not recognize, without which it could not exist, and which it alone could not create or maintain."<sup>10</sup> The five different case studies of this dissertation explain on why and how this happened, from which six important, overarching and interrelated factors and mechanisms can be distilled, as summed up below.

The first factor is that, contrary to what state archives suggest at first glance, the Dutch colonial state was not a unitary entity of undivided aims. While during the nineteenth century governmental ambitions and aspirations became clearer, strategies for intervention and administration did not. As put by T.M. Li, "Anxiety, nostalgia, and moral doubt figured strongly in debates because colonial officials — like their contemporary counter-parts — held different views on whether capitalism was the goal to be achieved or the nightmare to be avoided."<sup>11</sup> Officials held numerous disagreements and advocated different and contradictory ways to govern Indonesia, dependent on their individual experiences. They rarely reached a consensus, simply because what worked in one instance, did not necessarily work in another. Their parochialism channelled back into the resultant paradoxical terms of the government, as its strategies and knowledge-systems pervasively influenced how officials observed, summarized, described and documented Indonesia in their administrative instruments such as (tax)

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9 T.M. Li, "Beyond 'the State' and Failed Schemes", *American Anthropologist* 107:3 (2005), 383-394: 384-385.

10 Scott, *Seeing Like a State*, 310.

11 T.M. Li, "Indigeneity, Capitalism, and the Management of Dispossession", *Current Anthropology* 51:3 (2010), 385-414: 386.



ordinances, registers and reports.<sup>12</sup> The central government demanded to know the infinite details of social order, so as to summarize these into generalizations. However, their power was experienced much more strongly near centres of governance than in its discursive grids elsewhere.<sup>13</sup> At district level in the provinces, Batavia's order was far away and local officials found that European-style bureaucracy rarely provided answers to the problems they encountered. The imagined boundaries between ethnicities, within legal systems and among rulers and ruled, were, in reality, vague and hybrid. Specific markers of 'civilization' distilled by officials, such as productivity, control over violence and monotheistic religious-orientations, were much more complex in villages than on the desks of administrators in Batavia and The Hague. As a result, the summaries and generalizations of 'Batavian bureau men' were rarely agreed upon in the province, and local officials such as Fokkens were picky in selecting the information they made 'legible', gleaned from the labyrinths of labour and tax principles that *adat* societies provided. They reported primarily what fitted pre-conceived colonial ideas, accepted their inability to adequately grasp, codify and control indigenous society, focused on upholding the pretence of order, and meanwhile maintained a certain reticence or distance by delegating governance and the accordant information gathering practices downward to increasingly corrupted local elites. Deliberate 'blindness' or 'standoffishness' were indeed frequently at the core of colonial governmental practice, as this narrowed down the variety of social problems to which officials had to formulate an answer. As a consequence, the fiscal and governmental instruments of the government were bended, mediated and transformed by the practices through which they were deployed. This is not unique to colonial Indonesia, but happened and happens to states across the world.<sup>14</sup>

The second factor is that local knowledge systems, social organizations and economic, social and political conditions had been and remained integral to Dutch colonialism. The nineteenth-century cultivation systems would not have been feasible without using the deeply rooted ruling patterns, social hierarchies and communal land and labour schemes of existing polities already at work. Communally organizing and delegating coerced labour to elevated chiefs was a highly effective and efficient method of governance. After 1870, colonial officials repeated the administrative practices and mechanisms of 'cultivation-system governance', path-dependent as they were on the choices of their predecessors. To continue awarding chiefs collectors wages and privileges, was to continue

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12 Ludden, "Orientalist Empiricism and Transformations of Colonial Knowledge", in C.A. Breckenridge and P. van der Veer (eds.), *Orientalism and the Post-Colonial Predicament* (Philadelphia: University of Pennsylvania Press, 1993), 250-278, 258.

13 Cooper, *Colonialism in Question*, 40.

14 See for instance M.S. Hull, *Government of Paper: The Materiality of Bureaucracy in Urban Pakistan* (Berkely: University of California Press, 2012).



the patterns of indirect rule of the cultivation systems, and with that of the ways local knowledge and conditions underpinned colonial governance.

Third, accumulation and codification of local knowledge was not only important for efficient taxation, but also to identify and minimize opposition. Local officials experienced constant difficulties, tensions and anxieties which ordinance-drafting directors in Batavia did not take into account.<sup>15</sup> Relying on local rulers and social organization generally provided safer responses to 'solving' problems than importing the solutions which were provided from above. In fact, the colonial government's purported concern for welfare and improvement frequently required an interventionist kind of policy that endangered the 'peace and tranquillity' which local officials anxiously sought to protect. Failure to properly engage with local patterns of rule and social organization contributed to the hotbed of social tensions colonialism generated. Lack of caution, as we have seen in the cases of Banten and West Sumatra, could easily incite revolt. Thus, delegating power and continuing local order was also essential to maintain 'peace and tranquillity.'

Fourth, as a result of the above, statesmen in Batavia and The Hague kept tweaking and twisting the tax system until it reached monstrous proportions. In its incongruity and unwieldiness, it induced only scorn and annoyance among many colonial field-agents. The government, obsessed with maintaining coherency, unity and equity, created a tax system so complex and inflexible that it was in many cases inoperable. As remarked by Korn in the introduction, *controleurs* often had neither the time nor the capacity to successfully use the 'weighty paperwork' of ordinances and tax registries. Instead, they relied on the negotiating strategies of indigenous rulers and civil servants, to whom the execution of the tax system was outsourced, and used personal, patrimonial forms of informal bureaucracy, which, as noted above, had been the cornerstone of rule and extraction across Southeast Asia for centuries, and would remain so throughout the colonial era.

Fifth, local systems of governance, *adat* and taxation were more adaptive, flexible and dynamic than Dutch legal systems. *Adat* provided excellent starting points for local policy, as it provided better answers to local challenges than colonial policy could simply because as it had been doing so for centuries. This is why contemporary colonial experts like Snouck Hurgronje and Van Vollenhoven favoured the idea of people living under their own familiar conditions, in the societies built by themselves, rather than some utopian colonial-construct with which they were unfamiliar. So instead of replacing or transforming local existent *adat* orders, tax systems and redistribution schemes, officials used them as base ingredients to construct the tax system from the bottom-up.

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15 This might also explain why many taxes were initially not termed as such (but rather 'land rent', 'patent law or right' [*patentrecht*] or 'head money' [*hoofdgeld*]).

Finally, various locally specific impediments blocked the implementation of government programs. In Ambon, the government refused to rearrange the social fabric of society because of economic decline. In Java, the addictive effect of coerced labour on the state and its indirect rulers prevented reform. In West Sumatra, the pragmatic choice of always relying on male-figures as both social leaders and taxpayers, was not the kind of reform that might have harnessed the expectations of taxpayers to the ambitions of officials. In Aceh and Seram, the precarious situation and weak grip of the state over these provinces motivated officials to largely outsource taxation to local society.

Thus, colonial knowledge was based on interaction with systems of indigenous, local knowledge, and was constantly trying to fit in with the realities they were supposed to proscribe and influence. Officials reconstructed the tax regime from the precepts they received from above, into a system which was workable on the ground. This had two important consequences.

First, while seemingly mapping, codifying and generalizing *adat* realities into new models supportive of the colonial liberal order, officials shaped a system that looked consolidated and uniform, but that in reality either remained disunified and merged or sometimes clashed with local convictions. Unifying the tax regime inevitably conflicted with fine-tuning tax policy to fit local discrepancies. Attempts at the codification of local knowledge to enable further unification and control, as exemplified by Fokkens' *corvée* investigations, only demonstrated just how extremely divergent local knowledge was. Aligning the head tax regimes of Java with those of West Sumatra, Aceh or Seram, each having their own internal divisions and differences, was a task already virtually impossible, let alone unifying these systems with the income tax systems of Europeans and 'Foreign Orientals.' Hence the unified, centralized tax regime remained a colonial farce that presumed a conformity and equity that simply did not exist. In fact, fiscal unification and reform, explained on paper as links in the same chain of fiscal modernization, obstructed each other. Reforming the systems of various regions required different approaches, while the idea of unification demanded these approaches to be similar at the very least. As a result, wherever the tax system remained relatively closely attached to local principles of social organization, such as Java, taxes were collected much more smoothly than in regions where it did not. So ironically, the prioritization of fiscal coherence over practicality had produced a tax system even more disunified in its effect.

Second, while outsourcing the tax system to cherry-picked headmen, using contracts, suits and titles, made the operation of the tax system more efficient, it also prevented the Dutch from truly changing and interfering in the mechanisms of local society. Colonial governance was expressed through hefty paperwork and pomp and circumstance, as a unified and consolidated force. But for many *controleurs*, governance became a difficult balancing act, between the government's interventionist and

uniform government agenda, the need for decentralized state-funding and 'peace and tranquillity', and the expectations, needs and conditions of local populations. Proposed policies were constantly sent back and forth, overanalysed and debated, passing through various layers of governance where they were reinterpreted and transformed by their own masters, before they arrived on the ground, quite beyond recognition of its original intentions, and increasingly contradictory in their supposedly reformatory effects. Hence, the idea of a strong, concrete colonial state that made society 'legible' and implemented schemes of reform, to 'change the facts off which it took note' for the purported benefit of society, is very wide of the mark.

### *The consequences of indirect rule*

Colonial governance thus remained largely indirect, but at the same time monetary income taxes required a more impersonal and elaborate bureaucratic administration than coerced labour. So, what was the impact of the modernization of the tax system upon the relationship between the colonial state, indigenous intermediaries and subjects?

The relations between the state and its intermediaries grew stronger. We have seen that colonial officials always operated with an indigenous ruler by their side. Grouping people under a single 'linchpin king' was an efficient way to outsource organization of labour and taxation, allowing local officials to remain blind to levels of governance below that king and keep up the fiction of autonomy and self-rule towards the colonized population. The government winnowed and selected the rulers it considered suitable from larger classes of village chiefs and lower aristocracies. These, of course, were not necessarily the rulers that best observed and preserved *adat* or guaranteed a specific level of autonomy and wellbeing, but rather those who best preserved the state's order and accumulated the most taxes. By these means, the collection of social insights and reproduction of local knowledge also helped to mask the power-relations that were constructed.

Ultimately, the deconstruction of coerced labour politics did not delineate the use of indirect rule. On the contrary, 'path-dependent' twentieth century-officials made the former 'cultivation system elites' responsible for collecting taxes. These elites were invested with increasing executive power to assess, levy and collect taxes as part of the colonial administration. In this way, they gained new opportunities to reform the state from within and manipulate and use its instrumentality and power for their own ends, causing social tensions and discrepancies to the supposedly unified administrative organization of the postcolonial state that the Dutch colonial government handed over in the 1940s.<sup>16</sup> Rulers who, in precolonial times, governed through consultation and mediation increasingly used coercion and intimidation under the aegis of the colonial bureaucracy and

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16 See J. Darwin, "What Was the Late Colonial State?" *Itinerario* 23:3/4 (1999), 73-82.

military. Their increased fiscal capacity, gained through collector's wages, salaries, extended land and trading rights and labour entitlements, not only enhanced the relations they maintained with the state, but also provided them with greater wealth, enabling them to expand their power base even further.

The various services and taxes many of these elites levied for themselves imposed an extra burden upon their subjects, on top of the taxes levied for the government. This sometimes led to the collapse of their authority and status and an erosion of the ties that traditionally bound them to the populations they governed. Thus, across Indonesia, indirect rulers developed into the authoritarian, extortive or even 'despotic' leaders the government professed to eradicate. This is not to say that indirect rulers were fully autonomous or independent in their behaviour; in fact, they were deeply influenced by the presence and expectations of the colonial government. The Dutch often made one single chief responsible for a variety of tasks that in Europe (and precolonial Indonesia) were separated: preserving legal order, communicating policies, delivering data, conferring tax assessments and collecting taxes. Within these various functions, the chiefs had considerable manoeuvrability. And as the government expected chiefs to deliver specific, sometimes predetermined amounts of tax-revenue, 'cheating' or 'tampering' was not only enabled but actively encouraged. Rulers were induced to care little for governmental theories of social elevation. Due to their transactional relationship with the state, these rulers became purely pragmatic in their approach to governance, prioritizing power and profits over welfare and justice. Across Indonesia, access to offices of leadership became increasingly exclusive, leading to further segregation and concentration of wealth and power. The resultant pressure of over-exploitative behaviour drove many others to seek refuge in alternative sources of power, such as religious or nationalist movements, or to commit active resistance.

Yet, it was precisely the malfunctioning or absence of the just and transparent administrative bureaucracy which officials promised that provided taxpayers opportunities to mediate the ever-expanding fiscal demands of the state. More elevated inhabitants of the colony operating at the frontier or in the margins of the colonial state, such as the *inlandse burgers* of Ambon, found various ways to gain access to the supreme government and its law-making apparatus. The commercially powerful, such as European industrialists, local nobilities or Chinese entrepreneurs, succeeded in lobbying through informal channels to influence tax policy. But the majority of Indonesia's indigenous populations in colonial times was denied a political voice and had little influence over the ordinances drafted in Batavia. However, that did not render them helpless in neutralizing some of the state's power. Rather than being 'passive' or lamentable', as many colonial officials claimed they were, people made themselves heard – not in parliament buildings or through petitions, but by actively negotiating on the spot. Colonized people monitored the state as much as the state monitored them. From the viewpoint of many subjects the wavering policies and distance

maintained by colonial officials rendered the state into something that could be negotiated.<sup>17</sup> This is exemplified by the annual tax gatherings, perhaps among the rare moments when most indigenous taxpayers established direct contact with the colonial administration, exerting influence over their assessments and verifying their status, incomes and social positions with their local rulers in the presence of European representatives of colonial authority. During the tax gatherings, people took the opportunity to breach through the walls of distinction that colonialism usually erected. This is also the most likely reason why tax bills – such as the two *surat aanslag* exemplified in the prologue – were preserved by their owners; as palpable proof of their mediation with the colonial government, confirming their negotiated ‘agreements’ with their chiefs and the colonial government.

Thus, the relations between state and subjects were characterized by continued negotiation and reinterpretation. In fact, practices of exchange, negotiation and consultation had been deeply ingrained in precolonial Indonesian governance, and were transferred along with its overarching incorporation into colonialism. In other words, Dutch rule ‘through’ local knowledge, hierarchies and *adat*, enabled interaction and resistance. Such resistance should not be interpreted as a mere counterforce to the state’s modernity as if the state and *adat* were each other’s opposites. Rather, resistance emerged from within, as the mechanisms enabling it had been integrated into the state and comprised an array of techniques, including late or non-payment, evasion, reregistration, avoidance, negotiation and revenue-bargaining. As we have seen, in the wide ranging-examples of popular resistance or non-compliance, tax revolts were an extreme resort, and often inspired by a hybrid mixture of motivations. The 100 plus tax revolts that occurred, in Java alone between 1830 and 1908 were about taxation as much as political representation and power, and should be contextualized in protests against injustices, experienced in matters of landownership and taxation.<sup>18</sup> Tax measures could spark revolt, but only if political discontent already simmered under the surface. Further study of colonial tax rebellions in their wider political context might show that the “intertwining of tax, war democracy and rebellion” can be told in larger terms than simply “written in letters of blood and fire.”<sup>19</sup>

17 See also Crooks and Parsons, “Empires, Bureaucracy and the Paradox of Power”, 17-18.

18 Agustini Asikin, Tika Noorjaya, Yulia Himawati (eds.), *Pajak, Citra dan Bebannya — Pokok-Pokok Pemikiran Salamun* (A.T-PT Bina Rena Pariwisata, Cetakan Kedua, 1990), 31, quoted in: M.B. Efendi, *Kebijakan Perpajakan di Indonesia: Dari Era Kolonial sampai Era Orde Baru* (Yogyakarta: Alinea Pustaka, 2006), 3, 38-39.

19 J. Passant, “Historical Note: The History of Taxation is Written in Letters of Blood and Fire”, *Australasian Accounting Business & Finance Journal* 10:2 (2016), 93-101: 94-95. To compare, in colonial America taxation was largely a matter of political conflict, not only between colonizer and colonized, but also internally among landowners and traders and leading families and factions. See A. Rabushka, *Taxation in Colonial America* (Princeton: Princeton University Press, 2010), 14-15, 484, 574.

Thus, as put by A. Keese in the case of Portuguese Africa, subjected taxpayers “were not all the passive victims of a European system imposed upon them. Many had a century of experience with regimes of taxation and tributes and developed their own means of responding to these pressures.”<sup>20</sup> People were not “recast as modern subjects” or “consumers of colonial modernity” because, firstly, few had access to the benefits modern colonial society had to offer (education, political rights, or simply automobiles, cinemas and trams) and secondly, assumptions that “colonial rule had a complete and political and cultural authority over those it ruled” underestimate the high levels of individual mobility and astuteness that many subjects possessed.<sup>21</sup> Thus, the majority of the population expressed its demands and experienced the state on its own terms. Except for coercion, the state had little means of enforcement, but even the threat of violence was used both ways: by officials to use military intervention and by people to revolt.

Resultantly, rather than actively deploying improvement schemes, colonial officials were occupied negotiating with middlemen and taxpayers, responding to disruptions, and finding answers to problems of inefficiency and incapacity, as the more time these negotiations cost, the less cost-effective the administration became. Taxes had to be collected at minimal expense, otherwise it was not worth it. On the spot, taxation became a problem of efficiency rather than social improvement or elevation.

To conclude this section, the relationship between state and society was not one where the former simply reformed the latter. Colonial states were no ‘modernizing entities’ and colonized subjects did not merely conform to European models. Instead, through interaction, the realms of officials, subjects and middlemen integrated and merged, thereby undermining the separations between class, power and position upheld by the state and reconstituting new forms of governance as creations in their own right. This changed the colonial state from within. The creation and use of knowledge used to dominate subjected populations was not in the sole domain of colonial regimes or aristocratic elites. Within the colonial relationship, as each side internalized traits of the other, adaptation occurred. Hybridity was indeed at the core of the colonial encounter.<sup>22</sup>

### *The consequences of using local knowledge*

Considering the limited effect colonial plans for reform and improvement had in practice, one final problem remains to be unravelled. Higher colonial officials still insisted that their policies represented a modernizing force. The political basis upon which they implanted the state’s fiscal operation was

20 Keese, “Tax in Practice”, 93.

21 N. Wickramasinghe, “Colonial Governmentality and the Political Thinking Through “1931” in the Crown Colony of Ceylon/Sri Lanka”, *Socio* 5 (2015), 99-114: 106-107.

22 H.K. Bhabha, *The Location of Culture* (New York: Routledge, 1994), 19, 89, 109-111, 276-282.



tightly connected to the normative aspects of how they justified the state's power, relative to the societies being subjected. Even if we believe officials were genuine in their ambitions and promises of improving governance and administration (ambitions which, as demonstrated, are problematic and characterized by incongruencies), than still the severe limitations they experienced in materializing these ambitions, their structural reliance on local patterns of rule and the resultant form of taxation which in no way resembled the plans set out in Batavia and The Hague, should, if we follow colonial logic, be considered as undermining of their own self-justifying narratives. The promise of improvement and governmentality did not synchronize with the purported right to rule, when no actual improvement was reached. In what way did colonial officials believe their administration and economic organizational capacity was superior to indigenous ruling techniques, local knowledge and systems of social organization, if in many cases they relied precisely on these?

The answer to this question can be found in colonial uses of stereotypical tropes. As mentioned before, officials formally did not recognize the local elements they used as legitimate sources of power. Hence, these elements were legalized through ordinances, contracts and appointments. That way, they survived in the colonial order, inescapably supporting (but, in the long run, simultaneously undermining) the ambitions of the colonial government.<sup>23</sup> Insisting on pejorative tropes like indigenous 'despotism', 'laziness', 'social paralyses', economic 'incapacity' and 'ineptitude', framed around colonial stereotypes such as the 'disorganized agriculturalist', the 'uncivilized headhunter', or the 'violent Asiatic pirate', had an important function in colonial ideology, and was as important in colonial practice as use of violence and force. They helped to continue nourishing the colonial claim of the need for improvement, to preserve the oppositions which were crucial to the self-conceptualization of Europeans in colonial spaces and shield the government from external and internal critique. Collected data and knowledge "constituted new facts for the creation of orientalism as a body of knowledge."<sup>24</sup> This helped to add to the 'truth regimes' already in place and legitimize policies in hindsight rather than to inform action or resolve integral problems of governance.<sup>25</sup> Truly reforming the structures of indigenous society that higher Dutch officials condemned was not in the best interest of these same officials' self-legitimizing narratives. Neither was admitting their inability to maintain a functional tax system without

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23 See also D. Kumar, *Colonialism, Property, and the State* (Delhi: Oxford University Press, 1998), 324.

24 D. Ludden, "Orientalist Empiricism and Transformations of Colonial Knowledge", in C.A. Breckenridge and P. Van der Veer (eds.), *Orientalism and The Post-Colonial Predicament* (Philadelphia: University of Pennsylvania Press, 1993), 250-278: 253.

25 See A.L. Stoler, "Reason Aside: Reflections on Enlightenment and Empire", in G. Huggan (ed.), *The Oxford Handbook of Postcolonial Studies* (Oxford: Oxford University Press, 2013), 39-62.



the support from corrupted local rulers. Only by insisting on indigenous inadequacy could the Dutch ratify themselves as the legitimate power-holders in Indonesia. It was the constant need for improvement and reform, rather than actual improvement or reform itself that gave the colonial project significance according to colonial handbooks. Thus, during his term between 1931-1936, Governor-General B.C. de Jonge asserted that another 300 years of Dutch colonization would be needed before any degree of independence was possible.<sup>26</sup>

This is frequently reflected in the colonial responses to disturbances, as we have seen throughout this thesis. Conservative officials in the higher echelons of bureaucracy were especially eager to insist on simple parameters like 'native laziness' or 'religious fanaticism' in cases of local intransigence to colonial schemes. However, interestingly enough, some officials at both lower and higher ranks, did not agree on this. Resident Van Hœvell argued that economic collapse in Ambon was caused by colonial neglect rather than 'oriental despotism.' Fokkens explained Java's poverty as resulting from excessive use of corvée rather than 'native laziness.' Resident Velders of Banten knew that rather than a "lust of rascals" there were deeper socio-economic factors underneath the resentment against the colonial state. Governor Taylor Weber of West Sumatra resigned upon learning that the government intended to ignore the inviolability of *pusaka* lands. Snouck Hurgronje realized that the introduction of corvée in Aceh would never be fully accepted or solve problems of 'laziness.' Van Assen and Sachse were prudent in imposing head taxes in Seram, and were promptly replaced for 'lack of leadership qualities.' Such tensions within the colonial government signal the tensions and discomfort present within the colonial administration. While in Batavia prejudiced tropes had to be insisted upon for the sake of self-legitimization, locally the deficiencies of these tropes were too obvious to be ignored.

Once again, it was indirect rule that allowed the central government to remain blind to the necessity of acknowledging its limitations. Failure or 'malpractice' was usually attributed to the purportedly inherent 'corrupted' nature of 'despots', so the government could uphold its self-image as a harbinger of development, welfare and progress. Thus, the government had a vested interest in the continuation of 'oriental despotism', which in fact was a colonial invention, not only as a historiographical trope, but also as a historical phenomenon. Though precolonial rule should not be overly romanticized – many precolonial Indonesian rulers simply lacked the potency to exert the full command over resources and people to which they aspired – the appearance of colonial officials as 'stranger-kings' provided many new opportunities for exploitation and autocracy. The ways in which indirect rule operated exemplifies how the image of a just, unified state mattered more than actually solving inherent problems of governance,

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26 Benda, *The Pattern of Administrative Reforms*, 591-592, n.598.

problems conveniently attributed to the shortcomings of indigenous society. Whenever a large-scale rebellion broke out, they blamed its instigators. When the tax burden was too high, they blamed local chiefs. When quotas were not reached, they blamed village elites or the people. And when policies failed, they blamed each other.

And so, deeper rooted problems of governance were never resolved. This contributed to a “colonial administrative disconnect”, in which the colonizer was “less inclined and able to interact with the people who knew what was going on.”<sup>27</sup> Throughout the colonial era, maintaining distance and dodging responsibility while keeping up the pretence of justice, governance and bureaucracy enabled the Dutch colonial government to preserve its ideologies and narratives. As the pretence of governance mattered over actual governance, Dutch “schemes to improve the human condition failed.”<sup>28</sup>

### *The consequences of tax modernization*

In summary, the consequences of the modernization of the tax system on Dutch colonialism in Indonesia entailed the slow but steady fiscal centralization and consolidation of the territories that came under Dutch rule. This comprised the steady introduction of monetary taxes to all of those who lived in these territories and the construction of new ambitions of governance and improvement, conjoining with other expressions of developmental colonialism. It also entailed the elaborate design of a sophisticated bureaucratic machinery of ordinances, guidelines, registers and bills. But, most importantly, it entailed the emergence of widening gaps between what was promised and what was achieved. These gaps were filled with local knowledge or *adat*, use of indirect rule, negotiation, mediation, aloofness, pretences, more promises, and a wide spectrum of colonial tropes to fulfil in a discursive licence to continue the Dutch claim to sovereignty in Indonesia. In trying to modernize their tax system, local officials were often “a-modern, or de-modernizing, in their governing practices.”<sup>29</sup>

That is not to say the colonial tax system was a failure, but rather that the Dutch created a system that worked contrary to the policies set out in Batavia and The Hague. Programs of reform and ‘improvement’ largely imploded in the process of travelling from desks in Batavia to the field realities of local officials and indirect rulers. As a result, colonized subjects never lived in the rational-bureaucratic tax state the colonial government had promised them. Instead, tax policies became an amalgam of Dutch and local interests, in which taxation provided an arena for contesting the colonial state. What was presented by the Dutch as ‘modernization’ was mediated

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27 Noor, *Data-Gathering in Colonial Southeast Asia*, 15, 214-215.

28 The quote refers to the subtitle of Scott’s *Seeing Like a State*.

29 Crooks and Parsons, “Empires, Bureaucracy and the Paradox of Power”, 20.

at local level in such a way that policies sometimes became reasonably effective in spite of their flawed designs and even though taxes were never levied as smoothly as many officials had wished.

## IMPLICATIONS

The implications of these findings relate to our wider understanding of taxation in the colonial context, as well as our view on Dutch colonialism in Indonesia and colonial governance in general.

### *Colonial taxation compared*

Comparing Dutch colonial taxation to tax policies and practices in other colonial states shows many similarities. In Portuguese Mozambique for instance, proper unification and centralization of the fiscal system was hampered by diverging and uncompromising social realities.<sup>30</sup> As in Indonesia, the effectiveness of Portuguese colonial tax systems depended on the cooperation of local officials, whose personal career perspectives were impacted by the level of success they achieved in levying taxes, and who often shared in the colonial system's profits. In Portuguese Angola and Guinea, a similar transformation of compulsory labour to monetary taxation as in Indonesia took place in the nineteenth century, which was likewise presented as part of a 'civilizing campaign' to "ban backwardness" and teach "modern working habits", but was also impeded by many similar pragmatic issues.<sup>31</sup>

Comparisons can also be drawn with French Indochina, which was built on an aggregate of precolonial kingdoms with divergent fiscal insti-

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30 K. Alexopoulou and D. Juif, "Colonial State Formation Without Integration: Tax Capacity and Labour Regimes in Portuguese Mozambique (1890s–1970s)", *International Review of Social History* 62:2 (2017), 215–252; Alexopoulou, "Local Conditions and Metropolitan Visions", 240.

31 These issues comprised: lack of administrative capacity due to chronic lack of personnel and a bureaucratic apparatus buried in paperwork; a dichotomy between paper idealism and pragmatic complexity; high administrative costs of taxation resulting in limited efficiency; the pursuance of uniformity in a reality fraught with differences; the desire to intervene and improve but a simultaneous anxiety for 'unrest'; overburdening of the peasant population by coerced labour or use of coerced labour as punishment for non-payment despite attempts towards greater monetization and monetary taxes and consequent flight and mobility which posed a challenge to further imposition of direct taxation; corruption, obfuscation of tax money and lawlessness in matters of taxation by local chiefs who used the tax system for their own material gains, and similar responses of the state to such 'corruption' blaming the chiefs for unreliability and the population of laziness. See Keese, "Tax in Practice", 84–86, 93–94, 102–103, 106–109, 110–114; Keese, "Taxation, Evasion and Compulsory Measures", 118, 121–122, 122–123, 125–127, 130–131; Santos, "Peasant Tax in Northern Mozambique", 161; Havik, "Taxing the Natives", 170–172, 176–177, 179, 183–189, 192, 202–205.

tutions and conditions. The colony demonstrated a high level of diversity leading to an administrative-political complexity of extractive dualism, in which two co-existing fiscal states emerged, causing a really high burden per capita, with the surplus of one region making up for deficits elsewhere.<sup>32</sup> Meanwhile, across French West Africa hut and poll taxes had a similar civilizing connotation, but also similar repressive effects in practice.<sup>33</sup> In many of the British colonies in Africa, policies of self-sufficiency forced colonial administrations to solve prevalent issues of administrative efficiency.<sup>34</sup>

These are just a few out of many examples of recent research into the integrated processes and dynamics of colonial taxation, state-building and governance to which this dissertation contributes, and which shows an undeniable overarching dynamic in responses and attempts towards conditioning, ruling, governing and transforming colonized societies. Officials across the colonized world of the early twentieth century struggled to keep up with conflicting demands from above and found the answers to their administrative problems within local society. Ultimately, both “crisis and cure” arose from the within indigenous society.<sup>35</sup> Thereby they grafted an institutional memory that consolidated long-term processes of state-formation, economic development, the position of chiefs, the development of local knowledge and the imagination in local ‘traditions.’<sup>36</sup> The greatest legacy of colonial taxation should hence be sought not just in the effects of extraction and the impact of the fiscal burden, but also in the colossal institutional changes colonial states tried to accomplish while structurally relapsing back onto local knowledge and indirect rule.

These observations fit in a recent, fresh understanding of *longue durée* processes of fiscal state-building in Asia and Europe as characterized by constant fragmentation and internal rivalry, as mentioned in the introduction. Both the central courts and armies of precolonial polities and the administrations of colonial states frequently lost their grip on society and saw its fiscal systems crumble. Few states before the twentieth century had full coercive capacity. Revenue bargaining and quasi-voluntary compliance always coexisted with coercion. Imperial and colonial governments moved away from centralization and bureaucratization as often as towards it, and in many cases were dependent on cooperation with local elites rather than

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- 32 M. López Jerez, “Colonial and Indigenous Institutions in the Fiscal Development of French Indochina”, In Booth and Frankema (eds.), *Fiscal Capacity*, 110-136: 131-132.
- 33 H.S. Challenor, “Strangers as Colonial Intermediaries: the Dahomeyans in Francophone Africa”, W.A. Shack, E.P. Skinner and H.S. Challenor, *Strangers in African Societies* (Berkeley: University of California Press, 1979), 67-84.
- 34 Gardner, *Taxing Colonial Africa*, 242-244.
- 35 C. Firpo, “Modernity and the Body: Franco- Vietnamese Children in the Colonial Era and Beyond”, in Protschky and Van den Berge (eds.), *Modern Times in Southeast Asia*, 191-210: 193.
- 36 See also J.L. van Zanden, “Colonial State Formation and Patterns of Economic Development in Java, 1800-1913”, *Economic History of Developing Regions* 25:2 (2010), 155-176.

on central state structures.<sup>37</sup> Self-legitimizing truth regimes and ideologies followed these developments accordingly. This illustrates colonial Indonesia was not unique, and fiscal modernization in many places a sluggish project of trial and error.

### *Reinterpreting colonial governance*

When considering Dutch colonialism in Indonesia, the modernization of the tax system demonstrates that we cannot simply chart a linear evolution from 'feudalistic' systems of exploitation and labour to modern systems of taxation, production and organization, nor divide the history of colonial Indonesia simply into an era of cultivation systems (1830-1870), liberalism (1870-1900) and modern ethical colonialism (1900 onward). Instead, we need to acknowledge that in practice the developments in these 'eras' overlapped and alternated. The final remains of coerced cultivation in West Sumatra were only removed in 1908 – more than 25 years after the first central head taxes were introduced in Java. Across the archipelago 'feudalism' disappeared and recurred, bureaucracies emerged and collapsed, corvée was abolished and continued, and welfare increased and reduced. Indirect rule never lost its importance in the twentieth century. The concept of a 'colonial modernization' thus applies best to office realities of higher administrative echelons, whereas outside of these, the concept is less useful.

In fact, because colonial states accumulated, imported and internalized local knowledge and as its schemes, laws and ordinances consequently were permeated with it, the state, to some extent, was also tamed and disciplined by society. Colonial power-knowledge worked both ways, from above and outside as well as from below and within.<sup>38</sup> Foucault's governmental rationalities overlook the various (non-violent) forms of consciousness, agency, struggle, resilience and resistance of marginalized peasants, tribesmen and other subjects, unrecognized but omnipresent in the archives. Tax-leviers were (and are) never unlimited in their power. Rather, taxation was historically determined by negotiations between rulers and taxpayers. As a result, states, even colonial states, came about as a hybrid mixture of theories from above and practices from below. They were never the sole power in shaping themselves. Cooper argues that we should therefore exchange the agency of "'colonial modernity' and 'colonial governmentality'" for "multiple agents,

37 See, once again, Scheidel, "Tributary Empires", 196-200 and Bang, "Tributary Empires and the New Fiscal Sociology", 542.

38 See also A. Appadurai, "Deep Democracy: Urban Governmentality and the Horizon of Politics", *Environment & Urbanization* 13:2 (2001), 23-43; 34; R.A. Litzinger, "Government from Below: the State, the Popular, and the Illusion of Autonomy", *Positions: East Asia Cultures Critique* 9:1 (2001) 253-266; S. Maurer, "Thinking Governmentality 'From Below': Social Work and Social Movements as (Collective) Actors in Movable/Mobile Orders", *Counterpoints* 292 (2007), 125-137.

actions, forces and processes of historical explanations.”<sup>39</sup> A focus on the negotiation strategies of taxpaying crowds and their institutions, as well as on the behaviour of local officials and intermediaries, will help us do so.

The increasing capacity of (colonial) states to ‘normalize’ tax payment by reading and influencing societies and unifying their own interests with those of the public, might have been only possible by the active integration of subjects and their agency. Hence, any historical or sociological study into tax policy, whether related to Europe or Asia, should look beyond the state and include and contextualize the activities, organization, interests and capacities of individuals, families, and other taxpaying entities. This is only possible if we shift our focus from government centres to peripheries, and focus on local developments. While, no doubt, it is already a valuable lesson to realize that colonial governance was not as overwhelming as sometimes imagined, we can perhaps do even more. Empires, as seen from the margins, are promising sites of research because, as mentioned before, they provide us with examples of interconnectivity, hybridity and mutual dependence between regions, cultures, and communities. Often, these were sources of new innovative ideas and practices, including perhaps what has been (misleadingly) seen as the ‘spread of European modernity’ to the rest of the world.

Finally, Dutch colonial taxation in Indonesia stopped on the demise of the Dutch colonial empire in the 1940s, but its capitalist, political and institutional underpinnings most likely continued to play a role in the postcolonial state. As the state was never truly ‘rounded off’, it rendered little foundation on which further fiscal institutionalization could be built. Ultimately, the colonial state did not fiscally integrate the islands, people, laws and social patterns of Indonesia into a uniform, coherent tax system to the extent it desired. In the opinion of Indonesia’s first prime minister, Sutan Shahrir (1909-1966), the colonial state ultimately collapsed, “not only because of the will of the people, but mainly because the colonialist opponent did not change in accordance with the changes in the world in general.”<sup>40</sup>

## DISCUSSION

This dissertation has demonstrated that taxation was at the core of colonial exercises of power, processes of state-building and narratives of self-legitimization and central to relations between state and society. Of course, it has been selective in its scope. For instance, to preserve focus, it concentrated specifically on direct taxation, and therefore largely excluded import and export rights, tariffs, duties and excises, the studying of which

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39 Cooper, *Colonialism in Question*, 134.

40 Quoted in R. Mrázek, *Sjahrir: Politics and Exile in Indonesia* (Ithaca: Southeast Asia Program, Cornell University, 1994), 426.

discloses a range of other important issues related to trade and intercolonial competition, left unaddressed in this dissertation. It also excluded the fiscal constitution and development of government finances of the Dutch colonial state. Using taxation as a lens on colonial governance has provided answers to questions of governance, not necessarily to questions of fiscal organization. Colonial fiscal history is a developing field, covering social, political, economic and legal processes. Different prioritizations of historians thus produce different research results. Which themes have remained unaddressed in this thesis? And is the perspective which taxation offers methodologically preferable to other perspectives or research topics?

### *Colonial inequality*

First of all, (fiscal) governance is not only about extraction but also about spending. This dissertation's focus on the introduction and elaboration of new taxes and levying techniques largely excluded the purposes for which taxes were collected, on what tax revenue was spent or what local fiscal motivations to levy taxes might have emerged. This would require further research.

Related issues of welfare and inequality also fell outside this dissertation's scope. Focusing on colonial governance leaves the metropole in the background and deprioritizes questions about the fiscal imbalance between colony and metropole, economic development, inequality and welfare redistribution. While not the primary interest of this dissertation, it is important to remain aware of the importance of the costs and benefits of empire, and how taxes extracted from the empire were used for the national benefit. These issues relate to the processes of nation-building and the relations of extraction emerging across the world, as empires were established and expanded.<sup>41</sup> Who were included in the 'privileged groups' of taxpaying subjects who had a right to welfare policy, passports and voting? What differences existed between imperial and national taxpayers? Answering such questions will throw new light on how populations beyond national frames, but nonetheless part of imperial polities, were imagined.

A final, related point that I struggled with to fully resolve in this dissertation, is the question of compliance. Why did many people comply to the Dutch tax system, if they experienced no immediate benefits from it? Though this dissertation has charted various strategies to deflect, mediate and renegotiate the tax burden, it remains unclear if, and how, beyond negotiation or violence, compliance was reached across the archipelago. This would require more detailed in-depth analysis at district or village level in an additional number of colonial provinces (see below), again based on the most local of sources. Thus, further analysis of the world of *controleurs*

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41 See for instance on the British empire M.J. Dauntton, *State and Market in Victorian Britain War, Welfare and Capitalism* (Woodbridge/Rochester: Boydell Press, 2008), 29, 128-146.



and local taxpayers is necessary, in order to understand the exact mechanisms and techniques by which taxation played out on the ground. The true value of using taxation as a methodological tool in (colonial) history is thus perhaps best found in how it brings together issues otherwise seen as disparate, to discern the “thunder of history”, as produced by subjects and states.

### *Regional limitations*

Perhaps another regional focus might have delivered different results. Picking case studies matters, and I have tried to be as balanced as possible, taking into account various parameters of societal and political influence and the course of colonial expansion. Through this selection, the differences between places where the Dutch had more experience in exerting rule (Ambon and Java) than elsewhere (Aceh and Seram) become clear, demonstrating the tidal waves of tensions in colonial governance.

Yet, the simple fact remains that in some regions of Indonesia colonial governance remained more popular than elsewhere. For instance, the ‘Batak-lands’ where Gerard Tichelman organized the tax-gathering exemplified in Chapter 2, were considered to be a “bastion of obedience”; a ‘successfully converted’ region where people eagerly paid their taxes, subscribed to tax registers and rarely revolted.<sup>42</sup> In Ternate, *controleur* Willem Coolhaas noted how relatively wealthy fishermen paid double the amount of their assessments in order “not to appear greedy.”<sup>43</sup> Such observations stand in stark contrast to experiences exemplified in Aceh or Seram. This leaves us only more curious about the colonial tax experiences in central Borneo, Sulawesi, or on islands like Flores and Timor.

### *Beyond colonialism*

The traces of colonial taxation did of course not disappear during the transition from colonial to nationalist state. The building blocks upon which the postcolonial tax system was constructed were unavoidably found in the debris of the colonial state, so the political-fiscal continuities between the nineteenth and twentieth centuries signalled in this thesis may have blended into the postcolonial era. However, more than the simple coherent durability of colonial practices and extraction, “colonial constraints and imperial dispositions have a tenacious presence in less obvious ways.”<sup>44</sup> How is the legacy of Dutch colonial taxation linked to the postcolonial tax administration?

42 Anonymous, “Het Resultaat van de Invoering van de Algemeene Inkomstenbelasting van Stsbl. 1914 no. 180 in Habinsaran”, *TBB* 48, (1915) 139-142: 138-142.

43 Coolhaas, *Controleur B.B.*, 21-22.

44 A.L. Stoler, *Duress: Imperial Durabilities in our Times* (Durham: Duke University Press), 4-5.

Firstly, Indonesia naturally remained characterized by high levels of regional diversity. Therefore, Indonesian officials likely encounter(ed) the same local issues and constraints of circumstances, customary law and social organization as their colonial predecessors. Consequently, pressing and unresolved issues of compliance, inefficiency and legalisation presumably still hang high over the Indonesian tax system. Recent academic research has emphasized the need for an improvement of the Indonesian tax administration by focussing on the training of tax officials, improving the audit system and transparency, and honesty and trust between taxpayers and the state<sup>45</sup>, but the historical factors in which these problem are rooted have not yet received the attention they deserve.<sup>46</sup> Like the colonial state, the new nationalist regime had to invigorate, consolidate and legitimize itself, which informed the adjustments made to the tax system as well as the methods by which taxes were levied. Former layers of indirect rule were dismantled and the tax bureaucracy expanded.<sup>47</sup> However, a social welfare state never emerged in Indonesia. The colonial state had remained rather detached, and was locally used for personal benefit by local rulers. This must have had consequences for compliance to taxes and the relations between the state, local rulers and people in the immediate aftermath of colonial rule. These are likely best understood when using a local scope, similar to the one applied in this dissertation, to trace the specific micro-histories and daily realities of the successors of European *controleurs*, *raja*, *bekel* and the like, and further unravel the intimate relations between local governance and taxation.

Secondly, postcolonial fiscal legacies expand beyond administrative consequences. They also intertwine with persistent problems related to inequality, welfare redistribution and economic development, or more specifically, the fiscal imbalances between colony and metropole and the costs and benefits of empire.<sup>48</sup> The collapse of the colonial state provoked new questions about the settlement and disentanglement of the intricate extractive economic and fiscal-financial relations between The Netherlands and the new Republic of Indonesia, and the repayment or demise of the

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45 A. Jens, *Improving the Tax System in Indonesia* (OECD Economics Department working papers No. 998A, Paris: OECD, 2012); F. Inasius, "Voluntary and Enforced Tax Compliance: Evidence from Small and Medium-sized Enterprises in Indonesia", in *Advances in Taxation* 26 (2019), 99-111; A. Rahman, *Tax Compliance in Indonesia: The Role of Public Officials* (PhD Thesis, University of Twente, 2017), 3-4, 23, 30-32, 41-43, 62, 118-119. Rahman emphasizes the role of "modernization in the tax administration system" in enhancing greater compliance.

46 An exception to this but slightly outdated (and a bit Java-centric in its historical approach) is Soebekti, *Some Facets*.

47 See Soebekti, *Some Facets*, 55-70, 103-109.

48 Booth, *Colonial Legacies*, 201-202; D. Acemoglu, S. Johnson and J.A. Robinson, "The Colonial Origins of Comparative Development: An Empirical Investigation", in *American Economic Review* 91:5 (2001), 1369-1401.

colonial state's debt.<sup>49</sup> In the case of Indonesia, much remains to be discovered about how such issues have kept influencing postcolonial statecraft, and if and how the relations produced by colonialism persisted beyond the deconstruction of the colonial empire.<sup>50</sup> It is for this reason that continuing to critically analyse the role and rhetoric of states is important. Equally interesting would be to investigate the historical and current fiscal policy bonds between the Netherlands and Indonesia.

Finally, it would be intriguing to see if and how, by maintaining a legally racially partitioned class society, the Dutch added to problems of social inequality, wealth concentration and lack of democratic and redistributive justice, describe how this has impacted fairness and justice in the political order of the postcolonial state and investigate how elsewhere "equal treatment in taxation" was an ideal of progressive liberals with ambiguous connection to reality. Who were included in the group of taxpaying subjects and had a right to participate in the welfare state?<sup>51</sup> Further research will have to continue investigating such issues of administrative deficiency, distributive welfare, social inequality and fiscal injustice, and to chart how systems of governance might materially put promises into practice, rather than pretending to do so.

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49 Kahin, *Nationalism and Revolution in Indonesia*, 439-443. See also J.J.P de Jong and D.M.E. Lessing-Sutherland, "To Forget the Past in Favour of a Promise for the Future": *Nederland, Indonesië en de Financiële Overeenkomst van 1966: Onderhandelingen, Regeling, Uitvoering* (Government Report; Den Haag: Ministerie van Buitenlandse Zaken, 2004).

50 C. Bourne et. al. (eds.) (2018) *Special Issue: Colonial Debts, Imperial Insolvencies, Extractive Nostalgias*, *Discover Society* 60 (2018).

51 Such questions are explored through recent developments in critical tax theory – which further studies taxation from the perspective of power and discrimination. See for instance B.J. Crawford and A.C. Infanti (eds.), *Critical Tax Theory: An Introduction* (New York: Cambridge University Press, 2009); B.J. Crawford, K. B. Brown and M.L. Fellows, "The Past, Present, and Future of Critical Tax Theory: A Conversation", in *Pittsburgh Tax Review* 59 (2012).

