CMIP #19

THE GOVERNMENT, ECONOMY AND TAXES OF A CENTRAL JAVANESE VILLAGE

WIDJOJO NITISASTRO
and
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(Translated by Norbert Ward)

MONOGRAPH SERIES

Modern Indonesia Project

Southeast Asia Program
Department of Far Eastern Studies
Cornell University
Ithaca, New York
1959

Price—$1.00

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PREFACE

Although probably at least seventy-five per cent of Indonesia's eighty-five million people is rural, there have been very few serious studies of the character of Indonesian villages, particularly in the post-revolutionary period. One of the major interests of the Cornell Modern Indonesia Project being Indonesian village organization, in particular the changes which have taken place during the post-colonial period, it has been happy to be associated with the important research which during recent years has been carried out by the Village Study Project (Projek Penjelidikan Desa) of the Institute for Economic and Social Research of the University of Indonesia's Djakarta School of Economics. We particularly welcome the opportunity to publish this important study by Widjojo Nitisastro and J. E. Ismael. The present monograph is their revision of an earlier version published in the Indonesian language by the Institute for Economic and Social Research. Both authors hold M. A. degrees in Economics from the University of Indonesia and are on the staff of its Djakarta School of Economics. The Modern Indonesia Project is indebted to Mr. Norbert Ward for having done the major part of the translation.

Ithaca, New York
October 27, 1958

George McT. Kahin
Director

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FOREWORD

The economic development of a rural district is closely related to aspects of village government as well as to the development of village autonomy. An important aspect of the problem of autonomy of the village is the circumstances connected with its economy and the taxes which are collected from its populace.

It is the purpose of this report merely to provide a sketch of the government, economy, and taxes of the village of Djabres, which is situated in the Kebupaten of Kebumen, in the Province of Central Java. Among other things, this report will analyze the changes that have taken place in the village government as compared with conditions before World War II; the role of the local government agencies /pamong-desa/ in the development of the economy; the manner of obtaining and disposing of village funds; and the significance of gotong-rojong /mutual cooperation among members of a community/ actions in organizing and carrying out public works projects in the village. Further, we will discuss the existence of a "taxable capacity" among the relatively high-income group in this village, which so far has not been utilized as it should be. However, it is strongly emphasized in this report that this "taxable capacity" can be satisfactorily tapped only by measures taken within the autonomous framework of the village accompanied by efforts to establish a fair proportion of finances between the central government and the local government. Otherwise, there is a great probability that efforts to utilize this "untapped taxable capacity" will be disastrous for the economy of this village, and moreover that they will be a source of social tensions with all their undesirable consequences.

The contents of this report are not to be taken as representative of Central Javanese villages in general. Readers of this report are therefore cautioned not to consider that conditions described in it are true for all rural areas in Central Java. It may be that similar features occur, but generalizations on the basis of an investigation of one village only are to be avoided.

The village of Djabres is one of 23 villages in Java which are being studied under the Village Study Project

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/Projek Penjelidikan Desa/ of the Institute for Economic and Social Research, Djakarta School of Economics, University of Indonesia. This Village Study Project was initially headed by T. Umar Ali, now coordinator of the Institute, and then by J. E. Ismael. Three research teams collected the material on Djabres: the first, in the middle of 1954, consisted of Sukarno, B. Sumadi, and Guritno Siswanto, all three students of the Djakarta School of Economics; the second, at the end of 1954 and the beginning of 1955, consisted of Wahju Sukotjo, assistant in the Institute, and R. Sucamto and Supadi, both students of the Djakarta School of Economics; and the third, in the middle of 1956, consisted of Suwarin Djajengkario, a student of the Djakarta School of Economics. The analysis of the raw materials collected was carried out by J. E. Ismael.

We wish to express our great gratitude to the residents and the government agencies of Djabres, both for their cordial reception of the research teams which visited their village and for their willingness to supply all information requested. It was only by means of their sincere and honest assistance that this report could be prepared. Finally, we wish also to thank the Civil Service officials of the Kebupaten of Kebumen, especially the Bupati of Kebumen, the Wedana of Pedjagoan, and the Tjamat of Sruweng, as well as the officials of the Province of Central Java and the Ministry of Home Affairs, all of whom made possible the visits of our teams to Djabres.

We shall be very happy to receive any commentary, reactions, or opinions from the readers of this report.

Djakarta, Indonesia
July 5, 1957

Widjojo Nitisastro, Director
Institute for Economic and
Social Research, Djakarta
School of Economics, University
of Indonesia.

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INTRODUCTION

In the article "Beberapa Bahan Keterangan Mengenai Penduduk Djabres: Suatu Desa di Djawa-Tengah" (1) /Some Data on the Population of Djabres, a Village in Central Java/, everything relating to the populace of Djabres was discussed (number of residents, ethnic groups represented, ages of residents, marital status, fertility, percentage of illiteracy, level of education, occupation or profession, and ownership of property); this report--besides being a monograph on the government of the village of Djabres--also aims to provide facts which will support or weaken previous findings regarding the existence of "significant margins of untapped taxable capacity" (2) "among the upper income groups in the rural sector" (3). As a means of getting at these facts, this Introduction will first discuss as a background the features of the tile industry in the village of Djabres.

In the article referred to above, we are told that Djabres is situated in a lowland plain 86 hectares in area, of which 59 hectares is wet-fields and 27 hectares is garden land. It is estimated that 40% of this land is red earth mixed with sand, an excellent raw material for making tile and brick. The remainder of the soil is black earth.

As a result of the availability of this raw material, there are quite a number of tile companies in this village, and these have an important position in the life of Djabres. This can be clearly seen if we look at the figures showing the distribution of residents according to occupation Of the residents who work (aged 15 to 60), 46.5% perform work which is mainly agricultural, while 39.5% work in the tile industries.

(1) See Ekonomi dan Keuangan Indonesia, December, 1956, pp. 731-758.

(2) Douglas S. Paauw, "Tax Burden and Economic Development in Indonesia," Ekonomi dan Keuangan Indonesia, Sept., 1954, p. 564.

(3) Douglas S. Paauw, "Rejoinder to J. A Van Veen, 'Some Notes on the Tax Burden and Economic Development in Indonesia'," Ekonomi dan Keuangan Indonesia, March, 1955, p. 189.

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Nearly half of the residents who work (43.5%) have a second job: 12% of them in agriculture and 30% in the tile industry. Although more of the working residents are mainly engaged in agriculture, the total number of residents engaged in the tile industry as a main occupation or as a secondary occupation (69.5%) is greater than the total number of residents engaged in agriculture as a main or as a secondary occupation (58.5%) The main thing to be observed about the tile industry from the above figures is that almost two-thirds of the residents whose main occupation is agricultural are also secondarily employed in the tile industry; a large part of the residents whose main occupation is in the tile industry do not have a second job at all, and only one-fourth of them are secondarily employed in agriculture.

The greater part of the tile firms in Djabres may be classified as "gezinsbedrijven met verkeer op arbeidsgondslag" /labor-based open-economy cottage industries/, and the remainder are in the first stage of "gezinsbedrijven met verkeer op kapitaalgrondslag" /capital-based open-economy cottage industries/ (4). Besides this, some of the enterprises are complete (integrated), and others are incomplete (differentiated); respectively, there are those which are completely independent, and there are those which operate in a debt relationship with a third party, or are run by a person who is in a debt relationship with the owner of the enterprise.

A complete enterprise consists of a paseran (a sort of shed where the uncooked tiles are prepared) and a tobong (place where the tiles are baked); an incomplete enterprise consists of the paseran only. There is no incomplete enterprises consisting solely of a tobong which would offer its services for baking the tiles produced by paserans (incomplete enterprises); this function is carried out by complete enterprises which rent their tobongs to paserans. At the present time there are 20 complete enterprises, with a total of 58 paserans and 21 tobongs; besides this there are 82 paserans operating as incomplete enterprises which are generally completely independent.

(4) D. H. Burger, "Boeke's dualisme," Indonesie, July, 1953, 7th year, no. 1, pp. 1-24, divides industries in Indonesia into four types:

I. Zelfgenoegzame gezinsbedrijven (self-sufficient cottage industries),
IIA. Gezinsbedrijven met verkeer op arbeidsgrondslag (labor-based open-economy cottage industries),
IIB. Gezinsbedrijven met verkeer op kapitaalgrondslag (capital-based open-economy cottage industries),
III. Naamloze vennootschappen (limited liability corporations).

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For the most part, complete enterprises are managed by the owners themselves, but there are also managers who are not the owners of their enterprises. This latter situation arose out of the condition where there was a person indebted to the owner of a complete enterprise and this person possessed skills which were necessary in the tile industry; in order to discharge the debt, his creditor compelled him to run the tile enterprise for a fixed length of time. Thus it is clear that this is merely a form of debt whereby money loans must be repaid with labor (5). Besides this, there are also paserans and tobongs of complete enterprises which are managed by persons who are debtors as explained above.

The situation described is also met within enterprises which are incomplete. There are independent paserans which produce unbaked tiles and then rent a tobong from a complete enterprise, and finally sell the baked tiles; but there are also paserans which are independent and which sell their unbaked tiles to a complete enterprise. Besides this there are paserans which stand in the relation of debtor to a creditor who owns a complete enterprise, and their baked or unbaked tiles must be turned over to the creditor-owner of the complete enterprise. Here we find the credit relationship in which money loans must be repaid in kind (6) The greater part of the paserans, moreover, are under contract to turn their produce over to the owners of complete enterprises, for which they receive an advance payment; and besides this they take orders for work, for which they receive buyer's credit (afnemerscrediet). The cause of this is that usually the owners of paserans have only enough capital to set up a paseran and rent the land which produces the raw material for the tiles; they do not have sufficient working capital to pay laborers' wages, rent tobongs, etc. Under this system, the complete enterprises concerned are not obliged to undergo any risk during the time when the tiles are being made--that is, the risk of the tiles being broken while being rubbed, or cracked while being dried in the sun

(5) This form of debt-repayment in the tile industry is analogous to the last three types of credit described by Sumitro Djojohadikusumo in Het Volkscredietwezen in de Depressie, page 13:

1. rice repaid with rice
2. money repaid with rice
3. money repaid with labor
4. money repaid with money.

(6) Ibid.

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or put into the tobong (in the case where the order was for unbaked tiles), and the foregoing plus the risk of the tiles being damaged while baking (in the case where the order was for baked tiles); and in fact these risks are not inconsiderable, being about 10% for each type.

The production of tiles in this village is figured at about 14,000,000 unbaked tiles per year, and of this number about 70%, or 10,290,000, become baked tiles which are sold to the areas of Tasikmalaja, Djakarta, Wonosobo, Semarang, etc.

The production of tiles in this village has been going on for several years now. There are some wet-fields which have been dug up twice for their clay, so that the sandy layer of soil has been reached and the land can thus no longer be used as a source of raw material for tiles. At this time, the extent of wet-fields which are still usable as a source of clay for tiles is about 14 ha. Excavations may be made to an average depth of $1\frac{1}{2}$ meters (not counting the upper layer of soil, which is about 30 cm. in thickness, and which must always be replaced because it contains the lemen necessary for growing crops).

The land which may be used as a source of clay for tiles is thus 140,000 x $1\frac{1}{2}$ m^3 = 210,000 m^3. About 1 cubic meter of land is required for the raw material for every 1000 unbaked tiles. Thus, the 210,000 cu. m. of land mentioned above will suffice to produce the raw material for 210,000,000 uncooked tiles. At the present rate of production--that is, 14,000,000 unbaked tiles per--the land available will produce the raw material for tiles for about 15 more years.

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GOVERNMENT

The village of Djabres is part of an administrative unit known as a kelurahan, and its administrative officials of the village (pamong desa or prabot desa) are: a lurah, as the head of the village and chief of the local governmental administration; a tjongkok, as vice-lurah; a tjarik, or village clerk; three kebajans, whose job is to call the inhabitants of the village to work, regulate the work of the village, transmit the orders of the lurah and the regulations of the village, and act as kampung-heads (kepala dukuh); two kaums, whose job is to take care of matters concerned with marriages, births, deaths, health, education and religion; and four kepetengans (village police), who are charged with preserving the peace in the village. At the last election of the lurah (1946) a new position was created called andjir; in contrast to the other administrative positions of the village given above, the andjir may be regarded as an administrative office of the kelurahan, not of the village. It is the responsibility of the andjir to supervise maintenance of the irrigation ditches of the village, and he carries out minor tasks of maintenance himself. Major jobs of maintenance are done gotong-rojong fashion under the supervision of the kepetengans (7).

The kaums, besides taking care of everything that has to do with religion (seeing to the upkeep of mosques, small prayer houses, and burial sites, and the places where religious recitations are conducted; arranging divorces; disposing of the bodies of the deceased; regulating the compulsory alms at the end of the fast period; etc.), also carry out the registration of births and deaths and act in general as social workers; for example, they take care of keeping the village clean, vaccinating babies against smallpox, giving injections to the population of the village and their livestock, supervising schoolchildren, and so forth. At Lebaran time the kaums collect obligatory alms of Rp. 2 from each family, and at harvest time they collect rice from residents of the village who own wet-fields. The other village

(7) In the other villages which have been investigated, the village official who has charge of regulating the water for the village generally is called ulu-ulu; he is a village official and not an official of the kelurahan. For the structure of local government see Appendix I.

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officials also collect rice at harvest time: this is given as a customary donation (there is no formal regulation in this village to compel the giving of this rice). Each family gives approximately 10 kg. of unthreshed rice.

The powers of the village officials in matters of taxation are as follows: a) they sit in a tax committee which consists of the wedana, the tjamat, the lurah, and an official of the Tax Department as advisor; b) they make lists of taxable persons; c) they estimate the earnings of the taxable individuals (see further the analysis in the section on tax below). Besides this, the village officials are also empowered to determine the division of labor in carrying out gotong-rojong projects for the village.

In this village, three kinds of gotong-rojong may be distinguished: sambat-sinambat, kerigan, and gugur-gunung. Sambat-sinambat refers to mutual assistance which is restricted to a few households which are neighbors or to a kampung in the areas of deaths and the building of houses. Sambat-sinambat is characterized by voluntary assistance rendered without the help of the village officials, and each participant offers his own physical help or this help along with equipment. Kerigan is gotong-rojong in the interest of the whole population of the village (repairing of roads and maintenance of irrigation ditches), and this type of mutual aid is especially imposed on residents of the kuli category (8) as a compensation for their owning village land. Since the Japanese occupation it may be said that diffusions and modifications of these categories have occurred, as will be seen from the following facts. Since it is clear that the village roads

(8) According as they own wet-fields, garden lands, and houses, and as they are descended from the founders of the village, the residents of this village fall into the following groups:
   1. kuli (residents who own rice fields, yards, and houses), divided into the following classes:
      a. kuli kentjeng ("strong" kulis, those who own rice fields larger than 0.56 ha.)
      b. kuli sedeng ("moderate" kulis, those who own rice fields of 0.28-0.56 ha.)
      c. kuli kendo ("small" kulis, those who own rice fields smaller than 0.28 ha.)
   2. lindung (residents who own garden lands and houses)
   3. pondok (residents who own houses without garden lands)
   4. pondok glongsor (residents who are boarders in the houses of those who own garden lands).

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are damaged mainly by the heavy carts (gerobags) which haul tiles and fuel for the fires of the tile enterprises of the village, the owners of the carts are charged with picking up and transporting material for repairing the roads in the form of broken pieces of tile, which must be saved up for this purpose by the onwers of the tile enterprises. The other kerigan workers then utilize this material to repair the roads in the village concerned. Work of this type is carried out once every three months under the supervision of a village official who has been particularly designated to oversee a definite area. From this it is clear that kerigan ogligations are not borne equally by all parties concerned, but are distributed on the basis of the direct benefits which will occur to those involved in this type of mutual assistance. In spite of this, the principle is not rigidly adhered to; for it is possible for one person to "farm out" his kerigan obligation to another person by paying him to do the job at the rate of Rp. 3 plus two meals per day. This is especially common where maintenance of the irrigation system is concerned. Village residents who own rather extensive wet-fields and who therefore require more water than other residents are not obliged to put in more time caring for the irrigation ditches; and since the beginning of the Revolution this duty has even been discontinued entirely. The job of maintaining the irrigation ditches in good order has been taken over by a person specially appointed for the purpose, that is, the andjir; his pay is in the form 0.286 ha. of rice fields owned by the village (see the analysis of the salary of village officials given below in this section). This change in the customary village practices is probably to be explained by the fact that at that time only members of the kuli category had the right to vote in the village meetings. And indeed this change was to their benefit. Gugur-gunung is gotong-rojong activity of general benefit to the whole population of the village; among other things it includes construction of new roads and new irrigation ditches, restoration of irrigation ditches (not mere maintenance--for example, after a flood), and maintenance of cemeteries and mosques. This is a general obligation in that every adult male resident must offer his help. Those who for some reason are unable to fulfill their obligation help out instead by providing food, drink, cigarettes, and so forth. Except for the cleaning of cemeteries and the maintenance of mosques--which are performed every 35 days and once every three months respectively--gugur-gunung activities have no fixed time intervals, but are performed whenever they are deemed necessary at the village meetings.

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The village officials listed above are not paid in money but in land--that is, they are allowed to use part of the village lands (9) which are called tanah bengkok. The total area of these lands is 9.758 ha. of wet-fields. The lurah gets 3.938 ha.; the tjongkok 1.061 ha.; the tjarik 1.63ha.; the first kebajan 0.505 ha.; the second kebajan 0.475 ha.; the third kebajan 0.450 ha.; the kaum 0.428 ha.; the first kepetengan 0.515 ha.;the second kepetengan 0.475 ha.; the third kepetengan 0.515 ha.; and the fourth kepetengan 0.480 ha. Besides the yield from the bengkok lands indicated above, these officials are also allowed, as compensation for their official position, a share of the pologoro--that is, that part of the crops which is appropriated for the village officials and the village treasury to defray various village expenses; these amounts are determined in a village meeting at the time of the election of the lurah (see the analysis below in the section on the economics of the village). The andjir alone, as he is not a village official, does not receive any of the bengkok lands and a share of the pologoro. Neither does he receive wages in the form of money: he is given a portion of the bondo wet-fields of the village 0.286 ha. in area. Thus, properly speaking there is no difference in the kind of "salary" between the andjir and the village officials. Before the War, within the framework of the pologoro the lurah was entitled to a number of additional benefits. Among these were the right of djonggol, by which each resident of the village was obliged to work for the lurah 12 times a year but might buy off this obligation by paying the lurah f.1 (one Dutch guilder); the right to receive a gift of food from any resident of the village who was celebrating a slametan (ceremonial meal) and the right to receive the choicest cut of meat (± 1 kg.) if a resident of the village slaughtered cattle. At the present time these rights have practically gone out of use.

Beginning before the War, of the village officials listed above only the lurah was chosen directly by the people for an unlimited length of time. The other officials were named by the lurah after obtaining the approval of those present at a village meeting. Actually there is no formal requirement that the lurah obtain the consent of the village council first, but up to the present time no lurah in this village has tried to appoint officials without consulting council in advance, for it is feared that officials appointed

(9) The extent of these village lands in Djabres is 10.472 ha., of which 9.758 ha. are bengkok wet-fields, 0.714 ha. is village bondo wet-fields, 0.028 ha. is garden lands, and 0.5 ha. is village cemetery.

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without the council's advance approval would encounter such great resistance from the residents of the village that they could not carry out their jobs.

Since the War, those entitled to take part in choosing the lurah have been all residents who are at least 18 years of age and who have lived at least three months continuously in this village. Candidates for the position of lurah need not be or become residents of the village, but they must be sound in mind and body, well-behaved, and at least 18 years of age. (In 1943 an 18-year-old man was chosen lurah in this village, and he held the position until 1946.) Since 1952, candidates for the position of lurah must first have passed an examination for lurah-candidates administered by the sub-district administration (ketjamatan). The aspirant is examined on his ability to write and to measure land, and on his general knowledge. The purpose of this restriction, which is enforced by the kabupaten, is the improvement of the quality of lurahs and the limiting of the number of candidates. Although this might be regarded as restricting the right of free choice of the residents of the village (a person who is regarded as fit for the position of lurah by the residents of the village, but who is illiterate, would be denied candidacy under this regulation), there has evidently been no significant opposition to this new requirement. Possibly this regulation is simply regarded by the residents of the village as a decree from above which must be accepted without opposition, but it is also possible that the residents of the village (or at least the leaders of the village) realize that this regulation is for the good of their village. Before the War, the right to choose and to be chosen depended on land ownership, which meant that only those who owned wet-fields, garden-lands and houses--that is, members of the kuli category--were allowed to choose and to be chosen. And in order to become a kuli, a person who was not descended from one of the village founders had first to be accepted as such by the people of the village. This took a long time, for the person had to demonstrate his earnestness in fulfilling his obligations as a citizen of the village.

Officially the candidates for lurah are not allowed to make an election campaign. However, they do campaign in an informal fashion by organizing slametans (ceremonial meals--tr.) and wajang performances, making house-to-house visits, etc.

The ballots are cast secretly; they are in the form of palm leaf ribs (lidi), and a bamboo tube serves as ballot-box.

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This is all carried out according to the instructions and under the supervision of the wedana and the tjamat who are the authorities of this village. The election is also attended by the bupati and other officials of the kabupaten.

In 1946, in accord with a regulation of the kabupaten of Kebumen, there was a new election of all the village officials at once. The real purpose of this action is not clear, except that there was a public announcement that "the vestiges of practices of the colonial time are to be removed." Since at that time administrative connections (kabupaten--kelurahan) were not yet clearly established, the regulation of this kabupaten was carried out differently in different kelurahans. Some kelurahans carried out a complete new election; others merely gave an examination to the lurah; and in others the residents were asked if they still wanted the present officials or not. The office-holders in Djabres at present are the result of the 1946 election.

At the present time the kelurahan of Djabres still has no office building of its own, but uses the pendopo (large roofed gathering floor usually in front of houses of the pamong desa or pamong pradja officials) of the lurah's house. It is urged that the village officials keep the office hours of the Government Offices, especially as regards services and the disposition of administrative problems. It is hoped that in this way the residents will get used to bringing their problems to the village officials during office hours, and an official will thus not be forced to serve his residents at any time they choose to come and visit him. To what extent these hopes can be realized, and how long it takes the residents to get used to this system, cannot be said yet. And indeed the desire to make a clear line of distinction between one's hours of public service and one's private time is one symptom of the process of modernization now being carried out in this village. Conversely, this desire and the efforts connected with it will certainly have an influence of a very direct nature on other aspects of life in this village.

At fixed times village meetings take place. Since 1950 these meetings have been attended by the adult male residents. In the event that there is some problem concerning the women which must be submitted or discussed, a village meeting especially for the adult female residents is called. During the struggle for independence (1945-1950) the function of the village meetings was carried out by a council of village representatives (Dewan Perwakilan Desa); there was one representative for every 100 residents. During the Japanese

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occupation (1942-1945) the village meeting was a meeting of the kumityos (kepala rukun tetangga--the heads of the household societies). Before the War, only residents of the kuli category were entitled to attend the village meetings.

The village meetings occur regularly once every 35 days (selapanan). This is a continuation of an old custom, and it has been formalized by village decree so that the occurrence of a village meeting does not have to wait for the initiative of the residents to manifest itself in action. But the exact day of the meetings is fixed by the tjamat, because usually the tjamat and other officials (local representatives of the Ministries of Information, Agriculture, Health, and so forth) attend the meetings. In addition to these regular meetings, special meetings may be called if it is thought necessary.

The subjects discussed in the special village meetings are those connected with what are regarded as the special interests of the village. For example: officially approving the budget of the kelurahan; determining the kinds of jobs that will be carried out by gotong-rojong as well as the method for dividing the labor to be performed; determining the use and division of the village lands (should they be rented out or tilled by the village itself, etc.); maintaining the peace in the village; forming co-operatives; and so forth. The regular meetings of the village are occasions for the officials of the Government (the tjamat and local officials of various Ministries) to give full explanations and make proposals (concerning, for example, agriculture, migration to other parts of the country, general elections, etc.), as well as to pass on orders from above. The village meetings have no authority in the matter of fixing or collecting taxes. The obligations and powers which the village meetings have at present are practically the same as in former times; the new regulations are those concerning who is entitled to attend the meetings, and who may speak or vote. Besides these, there is also a difference in the frequency of discussion of certain matters in the village meetings. For example, kerigan (gotong-rojong for the village) was much less frequently discussed in the time before the War and during the Japanese occupation than it is now; it was often simply determined by the village government.

The procedure followed in holding a village meeting is as follows. Several days in advance the village officials--especially the kebajans--inform the residents as to the day and time of the meeting, so that they will have an opportunity to think of the things to be proposed in the meeting. Usually

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the meeting is called in the house of the lurah. Excepting the meetings called especially for electing the lurah, these meetings are usually attended by 80 to 100 persons, approximately 25% of the adult residents of the village. This low percentage of attendance is due to a lack of interest in the proceedings, and to the fact that the tile workers are reluctant to leave their work because they get paid according to the number of tiles they produce. So far the question has never been raised as to whether, considering the number of residents who attended, a particular meeting was valid or not. The requirement that a quorum (2/3 of the adult male residents of the village) be present at the meetings is only insisted on when there is a meeting to decide something of particular importance; for example, an election of village officials, or some matter connected with the village budget or the use of the residents as a labor force (in building a road or a new dam, etc.). Although the meeting may be attended by the tjamat and representatives of the Ministries, the chairman of the meeting is always the lurah or his substitute, except in meetings for the purpose of electing a lurah. Every resident of the village who attends has the right to speak and to vote; voting is by a show of hands.

Special matters regarding the development of the village which have been discussed in the village meetings during the last two years are, among others, construction of village streets, irrigation ditches, bridges and sentry boxes; widening of the village streets; forming of co-operatives; and erection of barns for storing rice against times of shortage. Most of these problems were brought up by the village officials, the remainder by individual residents (usually those regarded as the prominent men of the village). The proposals are discussed, but rarely do they meet with opposition, so that it may be said that practically every proposal is always supported by all those present at the meeting. Opposition to the forming of co-operatives has at times arisen. According to several prominent members of the community, all the past resolutions approved in the village meeting have been carried out by the village government. Up to the present time no village meeting has formulated a suggestion or resolution to be submitted to the civil service officials or to the Central Government.

In connection with the government of the village it will be well to discuss the Rukun Tetangga and the Rukun Kampung (kampung societies--tr.), although they are not government agencies. The Rukun Tetangga and the Rukun Kampung originated during the Japanese occupation, and they were intended to act as distribution agencies; but their special function was to

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act as counter-espionage organizations for the Japanese military government, for by this means every household could be watched easily and cheaply. Every 17 households (somah) formed on RT, and an RK coordinated several RT's. The heads of the RT's and the RK's were chosen from among the adult residents of the RT's and RK's concerned. During the time of the Indonesian Revolution there were no RT's and RK's, but since 1950 they have been revived on the same basis but with a different function. The new function of the RT is to stimulate the spirit of gotong-rojong within the circle of RT's, e.g., in repairing houses, providing assistance when someone dies, maintaining a night watch, etc. In other words, what we have here is nothing else than the modernization of sambat-sinambat: what was formerly spontaneous has now to become an organized activity. Unfortunately, however, at the time when this study was carried out it appeared that these RT's had in actuality ceased to function.

Connections between the kelurahan and the Civil Service--above all with the tjamat (who often visits the villages)--are evidently close and good. Once a week--and any other time there is a need--the lurah reports to the tjamat on the state of the village. In addition to this, there are meetings attended by the village officials and by Civil Service employees. On the 8th and the 18th of each month there is a meeting of the ketjamatan attended by all lurahs, the tjamat, and wedana; on the 2nd of each month there is a meeting of the kawedanan attended by all lurahs, tjamats, the wedana, the patih, and representatives of the Ministries and police in the kawedanan. The subjects discussed in these meetings are observations regarding the state of the district, routine matters, and statements of clarification regarding the policy of the local government (kabupaten, kawedanan, or ketjamatan) or of the Central Government, along with methods of carrying these policies out (for example, the Central Government's policy of buying rice from the districts). Although the atmosphere of these meetings is unconstrained nowadays and they resemble rather an exchange of ideas, nevertheless it is clear that the Civil Service--especially the tjamat--still maintains its role and position as the determiner of how government policies are to be carried out.

In connection with this, it must be regretted that the tjamats, the backbone of the system, are pitifully equipped: none of them have telephones, typewriters, enough paper. Moreover, even the offices of the wedanas are no better outfitted. Thus it is easy to understand the anxiety of the Civil Service regarding the carrying out of the decentralization edict (Edict no. 22, year 1948, Republik Indonesia, Jogja,

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which divides Indonesia into three levels of autonomous areas--provinces, kabupatens, and villages (desa)); for according to this edict, the kawedanan is to be abolished and the ketjamatan is to retain merely an administrative position; but according to the Civil Service officials it is quite clear at present that rural development projects are mainly the result of the efforts of tjamats and wedanas.

So far there have not been any serious preparations--in the form of moves to strengthen the financial position, etc., of the village--which might enable a village to achieve autonomy except for the establishing of a position called the glondong. It is intended that the glondong act as coordinator for several villages, and one of the lurahs in the glondong-area doubles as glondong. The village of Djabres, for example, is included in the glondong-area of Sruweng, which consists of the villages of Sruweng, Giwangretno and Djabres. This office does not result in any addition to the bengkok wet-fields of the lurah who fills it. Indeed, in practice this position has no effect whatever, and it may be regarded as a merely honorary office.

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ECONOMIC ORGANIZATION OF THE VILLAGE

The village treasury, like the national treasury, is the source of funds for running the village government, both as regards routine matters (costs involved in administration, maintenance, and so forth), and expenses which fall into the category of "social overhead capital" of the village. In contrast to the Central Government, a part of the maintenance costs as well as the "social overhead capital" of the village need not be drawn from the village treasury, for they can be met by means of gotong-rojong activities, as discussed above.

The source of the village funds is the village bondo, as a permanent source, and the pologoro, as a non-permanent source. The village bondo is the name applied to land owned by the village whose yield goes into the village treasury. Different names are used in other regions. The village bondo of Djabres consists of wet-fields 0.714 ha. in area and garden lands which were formerly used as sites for rice-storehouses for the village 0.028 ha. in area.

Of these bondo lands, 0.286 ha. are used by the andjir, while the remaining 0.428 ha. are rented for Rp. 622.50 per year to three residents of the village. Up to the present time, these village wet-fields are the only large source of income for the village, that is, about 85% of the total income of the kelurahan (see Appendix I).

The pologoro is a fixed sum of money paid to the village government by the residents when they carry out some particular job or transaction, which usually requires registration. The fixing of the various types of actions which will require payment, and the amount of each payment, are accomplished after each election of a lurah in the village meeting; thus these calculations are of irregular occurrence.

The proceeds of the pologoro type usually come from the following sources: registration of marriages and divorces; buying and selling of cattle (the buyer pays the pologoro); slaughtering of cattle; feasts; buying and selling of land (the pologoro is paid by the owner, by the celebrator, and by the buyer respectively); and inheritance of land. Part of the pologoro goes into the village treasury, and part of

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it goes directly to the officials of the village government. The pologoro amounts in force at present in the village of Djabres are as follows:

a. Marriages and divorces:

for the village treasury	Rp. 0.50
for the tjarik	0.50
for the kaum	1.00
Total	Rp. 2.50

b. Buying and selling of cattle:

for the village treasury	Rp. 2.50
for the lurah	1.50
for the tjarik	1.00
Total	Rp. 5.00

c. Slaughtering of cattle:

for the village treasury	Rp. 2.50

d. Feasts:

for the village treasury	Rp. 5.00

e. Buying and selling of land:

--If the buyer of the land is a resident of the village, he is taxed 5% of the selling price of the land, with a maximum tax of Rp. 100.

--If the buyer is not a resident of the village, he is taxed 5% of the selling price of the land, with a maximum tax of Rp. 200.

--Of this pologoro money, the village treasury receives 1/5, the lurah 1/5, and the other officials of the village government 3/5 (which amount is divided equally among them).

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f. Inheritance of land:

--If the heir is a resident of the village, he is taxed $2\frac{1}{2}\%$ of the estimated value of the land he inherits, with a minimum of Rp. 5 and a maximum of Rp. 50.

--If the heir is not a resident of the village, he is taxed $2\frac{1}{2}\%$ of the estimated value of the land, with a minimum of Rp. 10 and a maximum of Rp. 100.

--Of this pologoro money, the village treasury receives 1/5, the lurah 1/5, and the other officials of the village government 3/5 (which amount is divided equally among them).

The payments made out of the village treasury are mainly for the following: office expenses, expenses connected with improvement of the village, other irregular expenses, and costs of carrying out plans for new works. The office expenses are those for the purchase of writing materials for the kelurahan office. The expenses connected with improvement of the village are mainly those of repairing roads and bridges and of caring for the cemetery. The other, irregular, expenses are for things such as contributions toward the building of a mosque, and so forth. The rest of the treasury funds are supposed to be for plans for new works, but so far nothing requiring such an expenditure has appeared. Of the total expenditures from the village treasury, about 15% goes for office expenses, while most of the expenses (±70%) go for improvement of the village, which may better be termed public works activities. In this connection, it should be remembered that the public works activities which are carried out gotong-rojong fashion are far greater than those which are paid for out of the village treasury.

In order to illustrate this, let us try to compute the money-value of a gotong-rojong project of the public works type. Suppose that half of the male residents who are able to work in this village (half of 219 is 110) participate in road repairs which are carried out once every three months. In the discussion of gotong-rojong above, it was stated that if someone wants another person to perform his gotong-rojong duty for him, he must pay "wages" of Rp. 3 per day plus two meals; as the latter will cost at least Rp. 1, the total wages for one day may be figured at Rp. 4. Thus the money-value of the road repairs carried out gotong-rojong fashion during the period of one year will be 110 x 4 x Rp. 4 = Rp. 1760.

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This means that the money-value of these gotong-rojong road repairs is more than three times as great as the expenditures for public works activities from the village treasury. If we suppose that all of the male residents who are able to work in this village participate in these gotong-rojong road repairs, then the money-value of the work would be Rp. 3520, or seven times the expenditure for "public works" from the village treasury. This figure does not include the value of the broken tiles which are used to repair the roads, nor does it include the cost of transporting them. If we include in our calculations the money-value of gotong-rojong activities in keeping the mosque in good repair, keeping the cemetery clean, and other gugur-gunung projects, it is clear that the sum would amount to 10 or 12 times the "public works" expenditure from the village treasury.

The budget for the village is make up by the village officials (the lurah together with the tjarik) before the end of each year and is submitted to the village meeting. After the official approval is obtained in the meeting, the budget is used as a guide during the following year. As can be seen in Appendix I, the composition of the budget is extremely simple. This form of the budget was fixed by the kabupaten and was in use before World War II.

The sum of the different types of pologoro payments that are made by the residents of the village really exceeds the amount shown for that item in the budget. This discrepancy is due to the fact that part of the pologoro which is for the village officials is not entered as an item in the village treasury. Nor is it entered as an expenditure. Thus the manner of bookkeeping gives the impression that the residents pay part of the pologoro directly to the village officials without its passing through the village treasury. There is also the indication that the profits for the village officials which originate from the pologoro are not obtained from the village government (the village treasury), but directly from the residents. Possibly this impression is not correct, but is only due to the imperfect system of bookkeeping. But there also exists the possibility that the impression is really true, and that among the residents and the village officials there is no consciously felt line of differentiation between the village government as a socio-political institution and the individual office-holders of the village government.

In reality the pologoro is nothing else than a form of tax. The existence of a close connection between the income of the village government and the various types of transactions

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may have rather definite results: for example, it makes easier the buying and selling of land, marriages (especially when there is a problem of estimating the age of a woman who is to be married), and divorces.

In contrast to other types of pologoro, the pologoro which originates from the slaughtering of cattle and feasts is not divided among the village officials, but it deposited in toto in the village treasury. The cause or rationale of this is that this pologoro is of the nature of a tax (a collection fixed by the government), while the other types of pologoro contain an element of payment for a witness and for administrative costs.

A fact which draws attention is that transactions of buying and selling which are subject to pologoro payment are only those involving the sale of large animals or of land; sales of paserans (places where raw tiles are made), tobongs (places where the tiles are baked), equipment for transport (wagons, carts, etc.), and so forth, are not subject to pologoro. The reason for this distinction may be that the pologoro is a traditional practice in one particular field of work, and there have so far been no changes (that is, it applies in matters concerned with agriculture, while other fields of work are not or have not yet become subject to pologoro payments). On the other hand, it is quite possible that the reason for the distinction noted above is that in order to buy and sell land and cattle it is necessary to have a written statement (signed by a witness) registered with the village government, while the buying and selling of other things does not require this procedure. If it is really this latter feature which is the cause of the aforementioned distinction, then the pologoro may be regarded as simply and solely a substitute for the payment of administrative costs and of witness fees.

In Appendix II are shown the real income and expenditures of the village Djabres for the year 1954. It is extremely interesting to note that the surplus in the treasury for the following year was listed as being the same as the surplus for the preceding year. Receipts on an average of Rp. 750 per year is really not very much. It is thus not surprising that expenditures were limited solely to maintenance. And even these expenditures were only possible thanks to the continued existence of the gotong-rojong system, which greatly reduces the need for payments in the form of money. Up to the present no efforts toward increasing the income of the village treasury have been noted, either from present sources of income or from new sources. When greater autonomy of the

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village is established later on, the receipts of the treasury will probably be increased by turning over to it a part of the proceeds from taxes which have so far been turned over to the Central Government or to the kabupaten. But this increase in the receipts will probably still not be sufficient for development projects in the village if at the same time gotong-rojong activities decrease as a result of a weakening of the traditional ties. For this reason it is essential that the gotong-rojong system--which is really simply a mobilization of disguised saving potential--be further cultivated and be provided with a definite purpose, so that there may be a movement from the unconscious use of a system for maintaining an existing situation to the conscious use of the system for building something new.

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TAXATION

Of the taxes required of the residents of the village, part goes to the kabupaten and the other part goes directly to the Central Government. The taxes collected by the kabupaten are those fixed for horse-drawn carts (dokar), heavy ox-drawn carts (gerobag), and bicycles; the amounts collected are Rp. 12, Rp. 15, and Rp. 5, respectively, per vehicle per year (the technical term for this payment is penning). The taxes collected by the Central Government are the large interim tax and the small interim tax.

Before the year 1950 there was no interim tax; there were only a land tax and a profits tax. The land tax was levied on the yield of lands subject to a land tax, and the amount depended on the class of the land concerned, as follows: Class I wet-fields--Rp. 12.20 per ha.; Class II wet-fields--Rp. 10.10 per ha.; Class III wet-fields--Rp. 7.90 per ha.; Class I garden-lands--Rp. 8 per ha.; Class II garden-lands--Rp. 5.80 per ha.; Class III garden-lands--Rp. 3.80 per ha. The profits tax was levied on the yield which was not harvested from lands subject to a land tax--for instance, from lands held under hereditary tenure (that is, lands not under the juristiction of adat law). At present these two types of taxes have been combined into one tax under the name of interim tax.

Those who are liable to the small interim tax are persons earning between Rp. 600 and Rp.5,000 per year; wage-earners are excempted from this tax, as they already have a tax on their wages. There is a total of 58 persons who pay the small interim tax in this village, and their taxes total Rp. 1,500 per year. This tax is collected by the lurah himself, and for his trouble he receives a compensation of 8% of the total tax amount collected. It should be made clear that this 8% is for the lurah personally and not for the kelurahan. This is the reason why this amount is not listed in the budget for Djabres. The amounts of the taxes and the persons who have to pay them are determined by a small interim tax committee, which is composed of the wedana of Pedjagoan as chairman, the tjamat of Sruweng and the lurah of Djabres as members, and an employee of the Tax Department of the Central Government as advisor. The manner of determining the taxes on individuals is as follows. The lurah of

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Djabres submits to the tjamat of Sruweng a list of names of residents who are libale to the small interim tax together with the amount of tax for each individual. This list goes to the wedana of Pedjagoan, and from there is forwarded to the Tax Office of the kabupaten of Kebumen. This office then orders a tax officer to check the list against the known facts. Items which are in his opinion inexact or unjust are requested to be changed and justified. After the results of this check are made known to the Tax Office of Kebumen, the list is returned to the tjamat of Sruweng via the wedana of Pedjagoan. After this a day is fixed for a meeting of the small interim tax committee, and those who are to be taxed are also invited to attend the meeting. The decisions made in the meeting are announced at the end of it to all those who attend, or are later forwarded by the village government to all those who have to pay taxes. They are allowed a certain time within which to request a reconsideration of their tax-amount if they feel it to be unfair; they must submit their reasons to the above-mentioned committee via the lurah. However, usually there is no taxable individual who has to come to the meeting of the committee or make use of his right to object to the tax-amount. The explanation for this is that the lurah--if it really turns out that the tax-amount fixed is too high and that the taxee in question is greatly in arrears because he is unable to pay--may request the government to cancel the unpaid amount of a person's taxes, and in this case the request is usually granted.

Persons who earn Rp. 5,000 or more per year are subject to the large interim tax, as determined by the Head Financial Inspector of Magelang. A list of those who are liable to this tax is given to the ketjamatan by the kelurahan at the request of the Tax Department of the Central Government. The size of the tax depends on the results of an investigation carried out by the Financial Inspectorate. The number of persons in this village who had to pay the large interim tax was three, and their taxes totalled Rp. 1,250 per year.

According to the information that was obtained, the tax-collector had no difficulties with his job In fact, each year in the month of October at the latest all the taxes had been paid. The impression was that those who had to pay taxes did not feel that they were overcharged. Furthermore, there was no indication that the residents and the village officials felt that too much of the tax money was going to the Central Government and that too little was being set aside for the particular needs of the village. Though the villagers may not , indeed, really feel this way, possibly the reason is that the paying of taxes to the Central Government is regarded

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as a long-standing tradition not subject to re-evaluation. On the other hand, it is possible that the villagers feel that the system is fair because the amount of tax that each individual must pay is not really felt to be excessive, and thus the amount handed over to the Central Government is not excessive, while for developing the village itself it is felt that there is sufficient "reserve" in the form of direct assistance that can be assembled when needed.

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UNTAPPED TAXABLE CAPACITY

Having successivly sketched the system of government, economy, and taxes in the village of Djabres, we now wish to look more closely at the tile industry in this village--as we indicated in our Foreword--in order to answer the question of whether there are really "significant margins of untapped taxable capacity .... among the upper income groups in the rural sector," especially those who are of "non-agricultural functions" (10).

In the village of Djabres there are 20 complete tile enterprises; they may be grouped as follows:

Number of complete enterprises	Number of tobongs and paserans owned by each enterprise		Total no. of tobongs	Total no. of paserans
	Tobongs	Paserans		
2	1	1	2	2
9	1	2	9	18
4	1	3	4	12
2	1	4	2	8
1	1	5	1	5
1	1	6	1	6
1	2	7	2	7
Totals: 20			21	58

Generally the paserans do not work a full year, but only 10 months, for they do not produce during the season when the

(10) Douglas S. Paauw, "Rejoinder to J. A. van Veen, 'Some notes on the tax burden and economic development in Indonesia'," Ekonomi dan Keuangan Indonesia, March 1955, p. 189.

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rice fields are being worked and when they are being harvested. Furthermore, during the rainy season the paserans do not produce their full capacity, but only about half their capacity. A paseran working at full capacity will produce an average of 15,000 tiles per month. Thus the production of each paseran in a year will be:

a. 5 months at 15,000 raw tiles = 75,000 raw tiles

b. 5 months at 6,000 raw tiles = 30,000 raw tiles

Total: 105,000 raw tiles

Each tobong can hold on the average 17,000 raw tiles for baking at one time. If we assume for the sake of example that the tobongs are used to bake only the products of their own enterprises (that is, are not rented out to incomplete enterprises), and that the net profit on each 1000 baked tiles averages Rp. 30 (11), we can now compute the profits of the 20 complete tile enterprises.

As there is a 20% risk of the tiles being broken through handling or while drying in the sun, about 21,000 raw tiles must be prepared in order for a tobong to have 17,000 tiles to bake. From this we see that the production of raw tiles by one paseran in a year is sufficient to require five bakings in a tobong and n paserans will thus have to have n x 5 bakings per year (12). Assuming a 10% risk of breakage during each baking, the product will be 15,000 baked tiles each time.

Using the information given above, we may compute the amount of profit made by the 20 complete tile enterprises

(11) See Appendix III, "Calculation of the cost price of tiles in the village of Djabres."

(12) For each baking, a tobong is used for a 7-day period: 2 days for putting the tiles in, 2 days to let it get hot, 1 day for baking, and 2 days for cooling and removing the tiles. That is, in one month a tobong can provide as many as 4 bakings. But, as was the case with the paserans, the tobongs do not work at full capacity, so that they are only used on an average 3 times per month. In order to guarantee a continuous production of baked tiles based on the normal capacity of tobongs and paserans, each tobong will thus have to be served by 7 paserans. The ratio of tobongs to paserans (21 : 140) at present in Djabres may thus be said to be correct.

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referred to above on the basis of the number of tobongs and paserans in each enterprise and the number of bakings. From the calculations which we made (13) it turns out that most of the 20 complete tile enterprises referred to above should really be subject to the large interim tax, especially if they rent out their tobongs to incomplete tile enterprises and have other sources of income as well. At present, there are only three owners of tile enterprises who have to pay the large interim tax.

Another kind of tax that may be collected is the wage tax. As we have said, each paseran produces an average of 105,000 raw tiles per year, or about 9,000 raw tiles per month. The wages paid for making these tiles are in the form of piece-work wages at the following rates: Rp. 5 per 1000 tiles for pulverizing the earth; Rp. 7 per 1000 tiles for shaping the tiles; Rp. 8 per 1000 tiles for rubbing the tiles. Thus each paseran pays out an average of Rp. 180 per month in the form of piece-work wages. Since the incomplete enterprises usually consist of one paseran only and are operated by the members of the family themselves--or at the most use one outside laborer whose wages amount to less than Rp. 100 per month--we can leave them out of consideration here (as they are free of wage taxes). We will consider now the complete enterprises in which the owner functions only as the head. We have said that the total number of paserans in complete enterprises in 58. Therefore the production of raw tiles from these 20 complete enterprises is 58 x 105,000 = 6,090,000 raw tiles per year. If, starting with the Rp. 20 which is paid in wages for the production of 100 raw tiles, we now add up the other wages involved--that is, Rp. 100 per 17,000 for drying the tiles in the sun and putting them in the tobong, Rp. 30 per 17,000 for heating the tiles, Rp. 20 per 17,000 for baking the tiles, and Rp. 20 per 17,000 for removing the tiles from the tobong--we may then compute the total wages which must be paid out by the 20 complete enterprises in this village, and we will thus be able to calculate the wage taxes which may be collected (14).

Besides the two types of taxes discussed above there is also the sales tax, the amount of which can be computed on the

(13) For several reasons we have not included in this report the calculations on the profits made by the various tile enterprises.

(14) For several reasons we have not included in this report the exact calculations of the wage tax which might be collected. See also Appendix III.

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basis of the number and price of tiles sold (15).

From the discussion above it should be clear that in this village there are indeed "margins of untapped taxable capacity among the upper income groups" which may be estimated in thousands of rupiahs, probably even in tens of thousands. It is thus also clear that the tile industry in this village has a very important position, not only as a means of existence for the residents, but also as a potential source of revenue for the state.

But whether or not this "untapped taxable capacity" should be utilized according to the law is another question. We have grave doubts as to the value of a policy which would increase sharply the taxes of the tile enterprises of this village at the present time. If steps were taken to carry out such a policy at the present stage of development, the results might be the opposite of what is hoped for.

First of all it must be remembered that these tile enterprises are non-agricultural and do not constitute a secondary means of livelihood for farmers only, but are a primary means of existence for most of the residents of the village. If one of the aims of the policy of economic development is really to strive for a good balance between the agricultural sector and the industrial sector, so that the surplus population in rural areas will have a broader opportunity for work in non-agricultural fields, than one of the tactics of the state must be to stimulate the development of non-agricultural enterprises in rural areas. Not collecting several kinds of taxes, or collecting less than the amount fixed by law or custom, is thus a form of government subsidy. It is feared that by collecting all the taxes in the amounts authorized by law, the government will actually obstruct the development of the enterprises referred to above, and may even cause a deterioration accompanied by all sorts of unpleasant results.

Moreover, in the present state of equilibrium the taxes collected are not directly used for the particular needs of the village concerned. The collecting of all taxes legally required from the tile enterprises of this village would be a potential source of social tensions, and this would very probably negate the effects which were supposed to be achieved by collecting the legitimate taxes.

It would be otherwise if the collection of all legitimate taxes were carried out together with efforts to establish the autonomy of the village and a fair division of the money collected between the Central Government and the local

(15) For the same reason as we have referred to in the case of the wage taxes, we have not included in this report exact calculations of the amount of the sales tax which might be collected.

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government (in this case an autonomous administrative unit of the third level). If this concerted effort were made--which would mean all, or the greater part of, these taxes collected would remain in the hands of the village government and would be used directly for the development of the village--then there would be only a very slight possibility that the social tensions mentioned above would develop.

Whether the first danger alluded to above--the obstruction and deterioration of the tile enterprises--would also be removed by establishing the autonomy of the village and a fair division of the money collected, would depend on how the taxes collected by the village were utilized. If they were used in such a way as to bring about "external economies" for the tile enterprises, or to further other actions which would directly assist these enterprises (for example, loans for the purpose of setting up organizations for collective buying or selling; loans for repairing or improving equipment; combatting the various types of debts), then this danger would be reduced.

Besides this, if the collecting of the legitimate taxes were carried out along with the establishment of the autonomy of the village and a fair division of the money, this action would be of great significance from another point of view: it would make weaker the gotong-rojong activities which up to the present have been the most important source of "funds" for carrying out the public works projects of the village. Moreover, the collecting of taxes is a progressive move, while gotong-rojong may be said to be regressive, although in recent times symptoms of progressiveness have been shown in gotong-rojong activities, as, for example, the repair of roads in Djabres.

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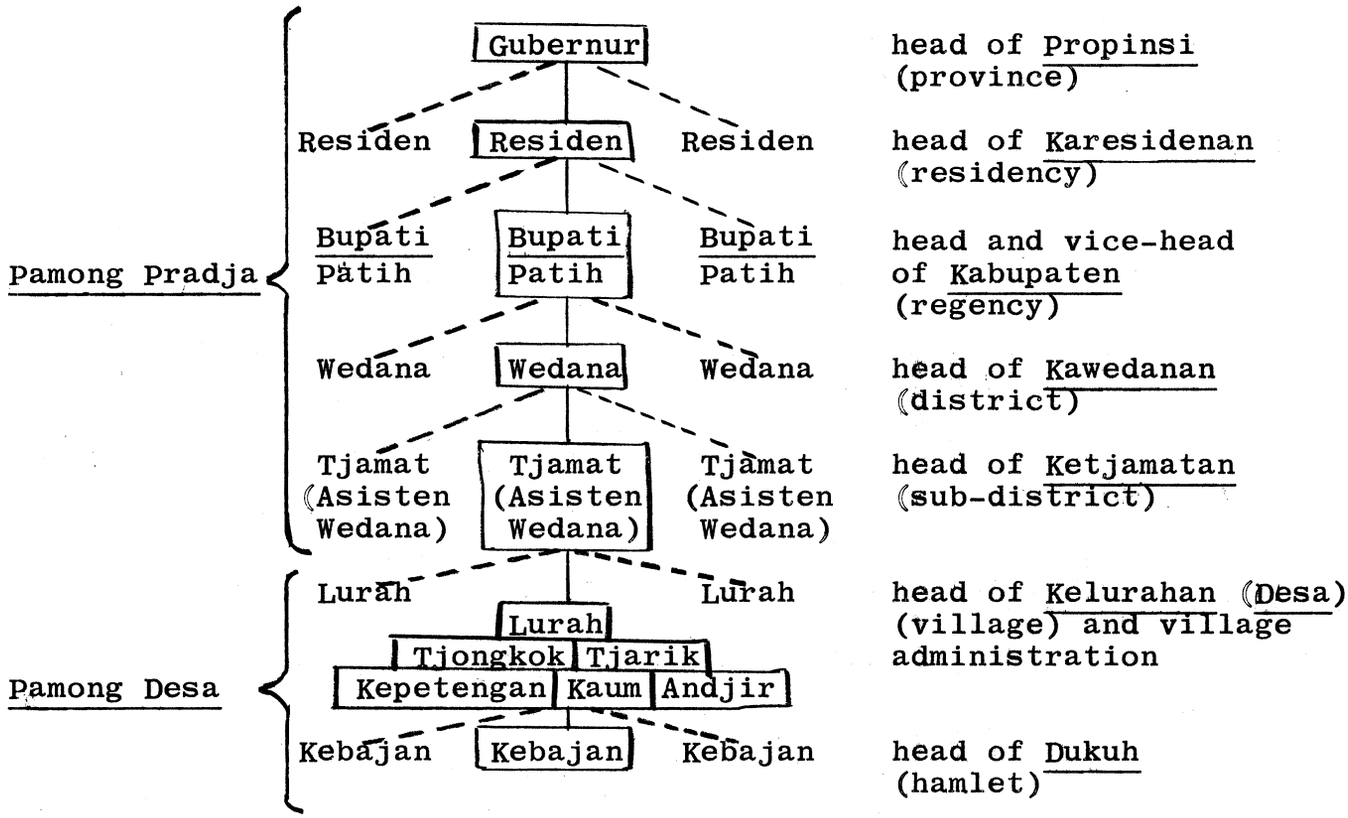
APPENDIX I

STRUCTURE OF LOCAL GOVERNMENT



The structure and terminology at and below the level of the Kelurahan does not necessarily have reference to villages other than Djabres.

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APPENDIX II

Karesidenan: KEDU
Kabupaten: KEBUMEN

Kawedanan: Pedjagoan
Ketjamatan: Sruweng

Kelurahan: Djabres No. 3
Budget for the year 1954

Itemized list of income and expenses in Djabres during 1954

No.	INCOME short description	Estimate of income during 1 year Rp.	sen	No.	EXPENSES short description	Estimate of expenses during 1 year Rp.	sen	Remarks
	Remainder in treasury this date	40.93		1	A. Office expenses			
	A. Regular income:				a. paper Rp. 50--			
	Profits from the village bondo-lands 0.428 ha. sold/rented at estimated prices etc. for one year	622.50			b. dark ink 10-- c. red ink 5-- d. stamp-pad ink 7-- e. pens 4-- f. other 39--			
	B. Irregular income:				Total:	115.00		
	a. from witness fees 2% average.....	5.00			B. Village maintenance costs:			
	b. from dissolving marriages (divorces).....	10.00			a. keeping cemetery clean.....	200.00		
	c. from sale of livestock.....	5.00			b. repairing roads	250.00		
	d. from celebrations	5.00			c. repairing bridges.....	80 00		
	e. other.....	25.00			d. other.....	27.50		
					C. Other irregular expenses:			
					a. contribution for building a public mosque.....			
					b. contribution for social welfare...	50.00		
					c. 1 writing desk and chair for the village.....			
					D. Plan of works to be carried out as described in the attached list of projects			
		763.43			Total.....	722.50		
					Surplus...	40.93		
						763.43		

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APPENDIX III

Calculation of the Cost-Price of Tile in the Village of Djabres

Since none of the tile enterprises in the village of Djabres use any calculation of cost-price in operations, we will try below to determine the cost-price on the basis of the information we collected concerning the process of tile production.

1. It is known that the risk of breakage from rubbing in the paseran is 10%, the risk during drying in the sun and putting in the tobong is also 10%, and the risk during the baking is likewise 10%. It has also been stated that for one tobong to produce 15,000 baked tiles in one baking, 17,000 raw tiles must be put into it, and this requires that 21,000 raw tiles be made up for each baking (or that 18,900 raw tiles be bought).

2. Every 1000 raw tiles require about 1 cu. m. of earth, as the main raw material, at a price of Rp. 0.25 (16), and 1/5 cu. m. of sand, as a secondary raw material when the tiles are being stamped out, at a price of Rp. 5.00.

3. The making of raw tiles requires first of all pulverized earth, which is produced on a piece-work basis at the rate of Rp. 5 in money per cu. m. plus Rp. 1.00 in the form of food once a day. This work is usually done by one man in each paseran, and in one day (±8 hours) he can produce 1 cu. m. of pulverized earth.

4. Then this pulverized earth is pressed out into a flat, four-sided form with fixed dimensions. This operation is also paid for on a piece-work basis, at the rate of Rp. 7 per 1000 pressings. Ordinarily this operation is performed by one person in a paseran, and in one day he can produce 500 pressings.

(16) One paseran rents on an average 100 ubins (=1/7 ha.= 1,429 sq. m.) of land in a year, which means about Rp. 500. The earth can only be dug to a depth of $1\frac{1}{2}$ m. Since 1000 raw tiles require 1 cu. m. of pulverized earth, this amount of earth can be supplied from 2/3 sq. m. of earth dug to a depth of $1\frac{1}{2}$ m. Thus the price of 1 cu. m. of earth is $\frac{2/3}{1429}$ x Rp. 500 = approx. Rp. 0.25.

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5. After this the pressing is rubbed until it has the shape of a tile. This process is also paid for as piece-work, at the rate of Rp. 8 per 1000 raw tiles. Usually this work is done by two women in one paseran, and together they can produce 500 raw tiles in a day.

6. Before the raw tiles can be put into the tobong they must be dried in the sun first. The work of drying 18,900 raw tiles in the sun and filling 1 tobong with them is performed by 10 persons in two days; for this they are paid at the rate of Rp. 5.00 per day each, plus Rp. 2.50 in the form of food once a day.

7. After the raw tiles are stacked in the tobong they are first heated slowly over a two-day period so that they will not crack when they are baked. This work is carried out by two persons who are paid Rp. 7.50 per day each.

8. After these preparations the baking is carried out; it lasts for 16 hours. This requires 8 gerobag-loads of coconut shells at Rp. 80.00 per gerobag. The job is paid for as piece-work; usually it is done by two persons who receive wages of Rp. 10 each, plus two meals and cigarettes of a value of Rp. 5. After 16 hours the fire is allowed to die gradually, and two days later the removing of the tiles can begin.

9. The removal of the tiles from the tobong is paid for as piece-work; it is usually carried out by 8 persons who are paid Rp. 2.50 each. Half or three-fourths of these workers are usually women. The men workers go inside the tobong and pass the tiles out to the women workers, who then stack them and separate the broken tiles from the good ones.

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Cost-price of 15,000 finished tiles:

1. Cost of making the raw tiles (18,900):

a. earth: 21 cu.m. x Rp. 0.25	=	5.25
b. sand: 4 1/5 cu.m. x Rp. 5 per 1/5 cu.m.	=	105.00
c. wages (piece-work):		
- for pulverizing the earth: wages in the form of money: 21 cu.m. x Rp. 5	=	105
in the form of food: 21 days x Rp. 1	=	21
		126
- for stamping the tiles: 21,000 x Rp. 7 per 1000	=	147
- for rubbing the tiles: 21,000 x Rp. 8 per 1000	=	166
		439
		549.25
d. risk of breakage during rubbing: (21,000 - 18,900) x Rp. 35 per 1000	=	73.50
		622.75
e. depreciation of equipment: (18,900 x Rp. 35 per 100) - Rp. 622.75	=	38.75
		661.50

2. Risk during sun-drying and putting into tobong (= cost of raw tiles which get broken): (18,900 - 17,000) x Rp. 35 per 100 = 66.50
   728.00

3. Cost of sun-drying and putting into tobong (day-wages):

a. wages for 10 persons x 2 days x Rp. 5	=	100
b. 1 meal x 10 persons x 2 days x Rp. 2.50	=	50
		150.00
		878.00

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			878.00
4. Cost of heating tobong (day-wages:			
a. wages for 2 persons x 2 days x Rp. 7.50	=	30	
b. 1 meal + cigarettes: 2 persons x 2 days x Rp. 5	=	20	
			928.00
5. Cost of baking tiles (piece-work):			
a. cost of coconut shells: 8 gerobags x Rp. 80	=	640	
b. wages of 2 persons x Rp. 10	=	20	
c. 2 meals + cigarettes: 2 persons x Rp. 5	=	20	
			680.00
			1608.00
6. Cost of renting tobong:			
a. maintenance cost	=	50	
b. depreciation cost + bonus and wages of entrepreneur	=	50	
			100.00
			1708.00
7. Cost of removing tiles from tobong (piece-work): 8 persons x Rp. 8.50	=	20.00	
8. Risk during baking of tiles (= cost of broken tiles): (17,000 - 15,000) x Rp. 35 per 1000	=	70.00	
	Rp.	1798.00	

Thus the cost-price for 1000 finished tiles is Rp. 119.86, or, to round it off, Rp. 120.00. As the price of finished tiles is Rp. 150 per 1000, the profit on 1000 tiles would be Rp. 30.

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If we look closer at the production of raw tiles, we see that in reality there is no profit at all, for the cost-price of 18,900 raw tiles (Rp. 661.50) is the same as the profits from the sale of 18,900 raw tiles (at Rp. 35 per 1000 raw tiles = Rp. 661.50). And if in the cost-price we include also the wages and bonus of the entrepreneur together with a fairly computed depreciation of the equipment (not as we computed it above, i.e., the difference between the selling price and the cost of earth, sand, workers' wages, and risk during sun-drying--a very minimum difference), then there will be not a profit but a loss. Since the independent paserans are generally operated by the owners and the members of their families, the "profits" realized are really nothing else than the wages of these workers and the costs of sun-drying risks and depreciation of the equipment. The "profits" realized by the owner of a paseran on each 1000 raw tiles would be /Rp. 661.50 - (Rp. 5.25 + Rp. 105)/ + 18.9 raw tiles = Rp. 29.20. As the production of one paseran in one year is 105,000 raw tiles, the "profit in one year would be 105,00 x Rp. 29.20 per 1000 = Rp. 3,066.00, or Rp. 255.50 per month.

Likewise, if the owner of an incomplete enterprise rents a tobong to bake his tiles he will not realize any profit at all on their sale. That is, the "profits" he obtains are nothing else than the costs noted above plus the losses due to breakage during sun-drying, putting the tiles into the tobong, and baking.

Thus the only one who can realize a net profit from the manufacture of tiles is the owner of a complete enterprise.

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