THREE CRISSES: MANAGEMENT IN THE COLONIAL JAVA SUGAR INDUSTRY
1880s - 1930s

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ABSTRACT

Three Crises: Management in the colonial Java sugar industry, 1880s-1920s

From the late nineteenth century until the mid-1930s the Java cane sugar industry was a major global sugar producer, an irreplaceable part of the local economy, and an integral element of Dutch colonialism. During what can be called its modern company period it was transformed into a highly industrialised and scientific twentieth century business organisation exporting into world markets.

Using a variety of sources, largely from archives in Indonesia and the Netherlands, this thesis fills in some of the details of its management in this largely unexplored period and questions some of the conventional assumptions about changes in that management in particular and some Chandlerian assertions about changes in management of large-scale industries more generally.

A central claim is that management in the industry was a historical phenomenon and, as such, subject to dynamic processes of change. In relation to its structure and personnel, there were three main periods of transition. These involved management responses; first to the commercial and technical crisis which struck the Java sugar industry in the mid-1880s, then to the economic and political challenges stemming from the First World War, and finally to the regulatory surgery imposed by the government on the industry during the 1920s.

The study describes changes in relations between ownership and management; in management structures and relations; and in sources, training, conditions and promotional patterns of management personnel. The dynamics of various levels of management are examined, as are their changing relations with the colonial state and other potential societal and industrial pressures.

It is argued that the evolution of the organisation and personnel of management of the Java sugar industry, locally strong but internationally weak, was part of the business of the peculiarly Dutch late colonial system. The great majority of its European management were Indo-Europeans and, in a dual colonial labour market, a majority were recruited locally. It was also influenced by being an integrated agro-industry of factories processing cane from a shifting, rented, patchwork resulting from limited agricultural land and protective Native land rights.

It is also argued that the industry followed Chandlerian principles in several important ways but differed from them in significant others, particularly in relation to family rather than professional management and ownership, internal competition and external marketing.
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