CHAPTER THREE

FROM CONFRONTATION TO ACCOMMODATION

In December 1928 a passenger in a Surabaya taxi asked the driver if he had joined the newly formed taxi drivers’ union. He was assured that it was safe to join. The driver was unconvinced. He replied that he had not heard of the new union, but he knew that if an organisation was bad its members would be sent to Boven Digul. The story illustrates the extent to which Indonesian workers had become wary of association with unions. Too many people had been arrested and too many threatened with losing their jobs. Workers were afraid. Rebuilding the labour movement had to start with restoring confidence that unions were safe to join.

Workers had retreated from labour unions in the face of government and employer pressure. But the world view of many had been changed by exposure to issues of race and class, fairness and justice, and by their involvement in local branches. In 1927, labour unions had a solid base on which to rebuild. Confrontation with employers and the government was no longer a viable option. They had to develop new strategies to overcome workers’ fears and convince them that they could deliver on their promises. They had to develop narratives which would encourage workers to make a long-term commitment.

**Indonesian and European Unions**

European unions had observed the rise and fall of Indonesian labour unions, their struggles to build enduring branch structures and retain worker support, and the fierce reaction of the colonial state to the strike waves of the early 1920s. The militancy of communist-led unions had alarmed them, but most still wanted strong Indonesian unions, if only to increase their own bargaining power with employers. The Suikerbond, the conservative union for European workers in the sugar industry, was one European union well aware that its successful wage campaign in 1920 owed much to support from the sugar factory workers’ union, the PFB. Fearing a

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1 *Soeara Chauffeur*, 15 December 1928.
coordinated campaign, the sugar industry bought off the Suikerbond by raising European wages significantly. European labour unions’ understanding of the importance of strong unions for Indonesian workers was, though, tempered by fears that competition from the growing number of western-educated Indonesians would sooner or later force down European wages. Strong Indonesian labour unions might hasten the process.

The ambiguities in the relationship between European and Indonesian labour unions became more apparent after the publication of the first report of the Salaries Commission in 1925. The Salaries Commission had been established to restructure public sector wages in order to reduce expenditure. The 1925 report signalled the beginning of a process called ‘Indianisation’, whereby the number of expatriate Europeans employed by the government would gradually be reduced, replaced by cheaper Indies-born European or Eurasian workers and even cheaper Indonesian labour. In creating a three-tier wages system based on race the Salaries Commission formalised what had in practice long been the norm in the colony. Tier C was for imported European workers and those for whom a European comparable wages should be paid because of their special skills. These wages, it argued, should reflect the standard of living a European would expect in Europe. For Indonesian employees the Salaries Commission established a tier A scale, based on what it called a normal Indonesian standard of living, which it defined as that of the mass of the people. This left the problem of Eurasians and Indies-born Europeans. Its solution was to create a tier B salary scale by adding supplements to the tier A scale. The supplements were on a sliding scale, ranging from 40 per cent for those on a monthly wage below 100 guilders to a flat 120 guilders for those on monthly wages of between 600 and 1,200 guilders. The Commission explicitly stated that the tier B scale was a short-term measure which would ultimately disappear as Indianisation progressed.  

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3 For a discussion of the Salaries Commission Report of 1925 see D.M.G. Koch, “De Beteekenis der Schalen in de Nieuwe Salarisregeling”, *De Vakbeweging*, 18 December 1926, pp. 156–157. In 1930 the government employed 108,906 people (excluding the railways). There were 8,305 tier C employees paid an average of 588 guilders a month. 8,085 of them were Europeans. Another 16,203 were tier B employees paid an average of 344 guilders a month. 11,153 of them were Europeans. 84,398 workers were employed on tier A wages, paid an average of 52 guilders a month. 84,101 were Indonesians and 299 Chinese. The figures are quoted by Surjopranoto in “Indianisatie”, *Orgaan SPGHB*, January 1932, p. 8.