Sugarcane Plantation in Indonesia after the Collapse of the New Order Regime The Case Study from Comal Subdistrict

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Place of fieldwork: Comal, Central Java, Indonesia

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Keywords: Sugarcane, Smallholders, Low Productivity, Comal

Research background

Sugar was an important commodity from Java and produced high revenue for the colonial government. Under Soeharto, the New Order regime attempted to sustain high productivity of sugarcane through Tebu Rakyat Intensif (TRI), a smallholder intensive program, by Presidential Instruction No. 9 of 1975. However, instead of enchancing the peasants' economic performance, TRI led to exactly opposite result: smallholder peasant became marginalized and sugarcane plantation reached its nadir; furthermore, the cultivation area declined from 304.000 hectares in 1996 to 195.000 hectares in 1998. Several months prior to the economic and financial crisis that led to the collapse of the New Order regime, TRI was withdrawn by Presidential Instruction No. 5 of 1998. The end of the coercion and repression regime gave the peasants lavish opportunity to plant their own land with more profitable crops. Interestingly, the area of sugarcane tended to increase after 2002, but a question remained to be answered: Why was the expansion of sugarcane cultivation not followed by an increase in its productivity?

Research purpose and aim

The problem of low productivity of smallholder cultivation is often attributed to the sluggish adoption of high yield varietas and the ration system, lack of capital, or the closing cultivation frontier. While I do not totally agree with this explanation, I argue that the low productivity of smallholders could be related to their economic calculation, resource constraints, and changes in the macro economy.

Results and achievements by fieldwork

My research has shown that after 1998, especially in Comal subdistrict, sugarcane cultivation is more popular in dry fields. Nevertheless, this was not the main reason for the decrease in productivity. Production data from the Cempogo sugar factory show that sugarcane cultivation, whether in wet field or dry field, faced similar problems. My interviews with smallholder peasants show that consequent to the decrease in household members and high level of migration, they could not devote enough labor to sugarcane cultivation. When they are forced to optimize their workday, it could lead

a decline in income, or even loss of income. The Cempogo sugar factory and smallholder sugarcane cooperatives have a similar view on this problem: low productivity, whether of smallholder or big farmer, is the consequence of low labor input.

Implications and impacts on future research

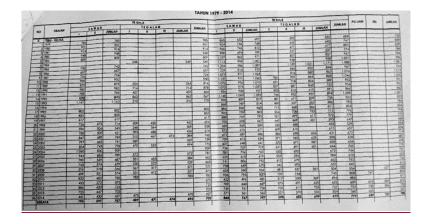
This research could be used as milestone to evaluate the government policies on subsidies and credits since both the programs have failed to increase sugarcane productivity. Finally, since the main problem is related to labor, we could ascertain as to at what point the calculations to maximize land productivity shifted focus to labor productivity and the impacts and consequences for the changing rural economy of Java.



Sugarcane plantation before harvesting in Pesantren village, Comal



Ratoon system: burning the sugarcane plantation left after harvesting



Production data of the Cempogo sugar factory, 1979-2014