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Agrarian Class Formation in Upland Sulawesi, 1990-2010

by

Tania Murray Li

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ChATSEA Working Papers

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Agrarian Class Formation in Upland Sulawesi, 1990-2010

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Abstract

Since colonial times, there have been reports of rapid class formation on Southeast Asia’s forest frontiers, when people start to plant cash crops and became indebted to co-villagers and traders. Colonial officials were often alarmed at the enthusiasm of highlanders for the latest boom crop, and their neglect of food production. Stable mixes of food and cash crop production did emerge in some areas, especially where land was abundant, but where land was scarce, class differentiation could be steep and rapid. This paper provides an ethnographic account of class formation, tracked over a period of twenty years in one corner of highland Sulawesi.

In 1990, the indigenous highlanders all had access to ancestral land on which they grew rice and corn as food, together with tobacco or shallots for cash. By 2009, the land was covered in cacao and clove trees, and few people were growing any food at all. Some farmers had accumulated large areas of land, while many of their neighbours and kin had become landless and jobless too, as there is little demand for their labour. In contrast to lowland areas in which class-based divisions are entrenched, highlanders had no previous experience with agrarian differentiation. Hence, they had no mechanisms to prevent the accumulation of land in a few hands, claim a right to work, or spread the profits.

The paper explains why the transition occurred so quickly, and how the highlanders handled the increasingly unequal social world their actions created. It also considers the consequences of landlessness at a conjuncture where the forest frontier has closed, and there is no industrial development to generate new jobs. A truncated agrarian transition in which exit from agriculture is not followed by entry into wage work, makes livelihoods radically insecure.

Keywords
Indonesia, agrarian transition, boom crops, cacao, moral economy, land, enclosure, class formation.
1) Introduction

When I first hiked into a remote corner of the Sulawesi hills in 1990, the indigenous highlanders all had access to ancestral land on which they grew rice and corn as food, together with tobacco or shallots for cash. By 2009, the land was covered in cacao and clove trees, and few people were growing any food at all. In a very short period, some farmers had accumulated large areas of land, while many of their neighbours and kin had become landless and jobless too, as there is little demand for their labour. As I tracked these changes through repeat visits over twenty years, I was struck by the extent and rapidity of the transition, but struck also that the emergence of agrarian classes, with differential access to the means of production, had occurred with so little debate. It was not entirely smooth: there were vigorous struggles over who was entitled to enclose which piece of land, and some cacao planted on contested land went up in smoke. But there was no Polanyi-style “countermovement” contesting the justice or wisdom of making land into private individual property, nor did anyone question the legitimacy of its accumulation in a few farmers’ hands.1 The people who lost out in the transition did not make claims on their more successful kin in terms of the latter’s obligation to share land, work, or food as some kind of subsistence guarantee. For the most part, they struggled to maintain their own families as best they could, and blamed themselves for being left behind while others prospered. There was petty thieving of cacao pods that disappeared mysteriously at night, but stealing cacao was not linked to a critique that suggested owning large fields of cacao, or using chemical herbicides instead of hiring workers, was illegitimate.

When I compare the situation in the Sulawesi highlands with that in the Kedah plains famously described by James Scott in Weapons of the Weak, where landless people did engage in a class-based critique, I’m struck by the acute differences in these two conjunctures in terms of their timing. In Kedah, the land frontier had closed long before, and unequal access to the means of production had been entrenched for several generations. In the Sulawesi highlands, in contrast, the very rapidity of transformation – how quickly it occurred – helps to account for why it occurred so smoothly. Highlanders had no previous experience with a situation in which some of their number were without access to agricultural land. Hence, they had no mechanisms to prevent the accumulation of land in a few hands, claim a right to work, or spread the profits. Taking advantage of the twenty-year span of my study, 1990-2010, my chapter explains why the transition occurred so quickly, and how the highlanders handled the increasingly unequal social world their actions created.

The main actors in this transformation – the highland farmers – had good reason, in 1990, to want to change their lives. Far from living in a state of primitive affluence, they felt radically insecure due to periodic drought, famine, and lack of access to health care.2 Further, they were ashamed of living in unchanging poverty from one generation to the next, especially when they were aware that the lives of people living on the coast, 2-12 hours hike away, were changing rapidly as communications improved. The coastal road was paved around 1993, and electricity and TV followed, but in 2009 much of the highlands remained accessible only on foot. If these were the highlanders’ initial motivations, vectors of change originating outside the highlands also shaped the transition, notably the world price of cacao, and the willingness of traders to advance credit, drawing some farmers into a downward spiral of debt and land loss, while enabling others to expand their landholdings.

By 2009, the highlanders who did well out of the tree crop transition began to enjoy significantly improved living conditions: better houses, 1 On great transformations and countermovements, see (Polanyi 1944); on the emergence of agrarian capitalism, see (Wood 2002).
2 For a long historical view of subsistence insecurity, drought and disease in northern Sulawesi see (Henley 2005).
food, consumption goods, and the potential to educate their children by sending them to school on the coast. Those who joined in the transition but failed to develop stable enterprises were in a more precarious condition than they had been when I first encountered them in 1990, and their relative poverty was especially stark. Yet they had no obvious villain to blame – no big bad development project or corporation had forced them to plant tree crops. They had been drawn in by the promise of riches presented by cacao – riches that their neighbours had indeed come to enjoy, and in which they still hoped to partake, despite the difficulty of acquiring new land.

A key feature of this transition – the link to a boom crop – is far from unique to this location. Colonial officials routinely reported rapid class formation on Southeast Asia’s forest frontiers, when people started to plant cash crops and became indebted to co-villagers and traders. They were often alarmed at the enthusiasm of highlanders for the latest boom crop, and their neglect of food production. Stable mixes of food and cash crop production did emerge in some areas, especially where land was abundant, but where land was scarce, class differentiation could be steep and rapid. The current conjuncture in Central Sulawesi echoes that in northern Sumatra in the 1920s when smallholders caught “coffee fever.” Those who failed in their first attempt at coffee production and lost their land could not retreat to the forest to try again, because their own coffee-driven enclosures from below coincided with enclosure from above, as colonial authorities allocated large areas to plantation corporations and placed the remainder in the hands of the forest department. The outcome, in that instance, was strong support for the communist party, as it took up their cause and protested the expansion of plantations. In Central Sulawesi today, it is the NGO movement that supports farmers in protesting against large scale enclosures related to the expansion of oil palm and the enforcement of forest boundaries that keep smallholders out of potentially arable land. Like the communist party in the 1920s, their main focus is on state and corporate actors. They pay relatively little attention to the process of class formation that can emerge among indigenous upland farmers, and is especially acute when they are blocked from the forest frontier which has so often provided an avenue of escape. This is my focus here.

I begin with a description of the regional ecology, livelihoods and social relations linking the hills to the coast up to 1990. Together, these formed the conditions of possibility for agrarian class formation to emerge in the hills. I then delve in more detail into the motivations of the different actors involved, what they hoped to achieve; the struggles that erupted over the enclosure of land; the mechanisms of land concentration; and the ways the highlanders handled the new inequalities that resulted from their actions. I pay particular attention to a question raised sharply by this case: why the highlanders did not take steps to limit economic differentiation among neighbours, and how they reconfigured practices of kinship and community, and their sense of proper conduct, in keeping with the new form of production. Then, I give a brief overview of development in the province, to explain the rather limited set of options available to the new landless class, and also to the successful cacao farmers as their trees age and succumb to various diseases. An appendix offers some brief reflections on my research methods.

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3(Elson 1997) discusses the colonial concerns over boom crops in upland regions. (Dove 1993) describes a stable mix of food and rubber production in Borneo, enabled by abundant land.

4See (Geertz 1963:120-23; Schrieke 1955)

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5See (Sangaji 2001; Li 2007).
2) Orientation

My geographic focus in this study is what I call the Lauje area, 12 administrative units (desas) straddling the sub-districts of Tinombo and Tomini on the northern shore of the Bay of Tomini, in the province of Central Sulawesi (figure 1). The area is home to a group of about 40,000 people whose native language is Lauje (a language not mutually intelligible with Indonesian). The coastal strip is narrow, and about 70% of the population live in the hilly interior, which is quite rugged and also isolated (figure 2): there are no roads linking the hills to the coast, and the desa authorities that have formal jurisdiction over the hills have limited practical reach. The weekly rotating markets are on the coast, and schools are also concentrated there. Beginning around 2000 a few small schools were built to begin to service the hill population, but the teachers’ presence is erratic, and the standard of education low. Of the few who graduate, most still cannot read or speak Indonesian, and they are unable to transfer suc-
cessfully to the middle schools on the coast. Health care is also centered on the coast, and outreach into the hills is abysmal: few children are vaccinated, and the rate of infant and child mortality is about 50%: one child dies for each one that survives to adulthood.

Sporadic attempts to resettle hill people to the coast fail due to the lack of available farmland or other livelihood options. Desa leaders fault hill people for their scattered settlement pattern. Hill people fault desa leaders for failure to provide roads and schools in the hills where the farmland is located. The desa leadership is drawn from the coastal elite, and is not widely trusted. There are no NGOs active in the area. Nor is there any mobilization of social groups e.g. landless people, workers, highlanders. The most effective source of coordination in the inner hills is supplied by the church, steadily gaining strength, and on the coast it is the mosques and the Muslim foundation Alchairat that provide a focus for an increasingly observant population.

The study area can be divided into four ecological zones, each associated with distinct livelihood niches, which are in turn associated with

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historically embedded and culturally coded social hierarchies that stigmatize all hill people as backward, and place the Christian/animist people who live in the inner hills far from the coast in the lowest rung. Most of my discussion is focused on the people of the middle hills who are Muslim, but carry the stigma of being hill people – a stigma some of them were able to shake off as they prospered through cacao. A brief description of the four zones will provide an orientation. Box 1 provides a historical time line.

Coast

The coastal strip is very narrow, ranging from 50m to 2 km. In the wider places, there is some wet rice, but mostly the land is suited only for coconuts, established there around 1910 (figure 3). Land ownership is strongly skewed. Over the years, the coconut groves have become concentrated in the hands of the coastal elite. The poor are effectively squatters who build their bamboo huts under the coconut trees with the permission of the landowners, but have no right to build permanent houses or plant long term crops. In a few places, the owners have under planted the old coconut trees with cacao, but it is not very productive. Fishing gear, though low-tech, is still too expensive for many coastal people, and some are afraid of the sea (figure 4). There is no manufacturing on the coast, and off-farm work is limited to drying copra, transporting goods and people, and trade (figure 5).

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*I treat these historical dynamics in more detail in (Li 2001).*
Figure 4. Low-tech Fishing

Figure 5. The Fish Market
Foothills: 1-2 hours hike from the coast

The area is extremely dry. This produces the false impression, as one drives along the coastal road, that no one lives in the hills. In fact about 30,000 people live in the hills, but further inland, out of sight, where there is more moisture. Some coastal people use the foothill land for a single crop of corn in the rainy season, but the plot has to be fenced to fend off wandering cattle, owned by the coastal elite, and wild pigs. Hence the labour investment is quite high, and coastal people dependent on daily wage work in the coconut sector or low-tech fishing cannot afford the time. Until the 1950s, the foothills were prime land for “Ti-nombo tobacco” exported around the archipelago. Tobacco farmers lived on their farms to protect them from cattle and tend the crop, which requires intensive weeding, and careful drying. Tobacco farmers could also produce one or two crops of corn, rain permitting, but they were not self-sufficient in food, and were heavily indebted to the tobacco traders. Some ex-tobacco farmers migrated out of the Lauje area during the period 1970-90 as new land was opened on the fringes of transmigration sites about 100km along the coast to the east. Most, however, stayed in the Lauje area, and moved further inland to grow the new cash crops, shallots.

Middle hills: 2-5 hours hike from the coast

This area is generally wet enough to produce good crops of swidden rice, and up to three corn harvests per year. From the 1950s, farmers there also produced shallots, garlic and groundnuts on their swidden fields. They planted shallots on the steepest slopes, to ensure good drainage, and the clean-weeding of shallot plots together with burnings by the coastal elite to improve pasture created expanses of Imperata cylindrica grasslands in some areas (figure 6). In the 1980s, shallots began to be diseased, and an entire crop could fail, making investment in shallots a gamble. The biggest ecological challenge of the middle hills is the periodic ENSO drought, which

Figure 6. Cloves, Grasslands
can last up to 9 months, during which all food and cash reserves are exhausted. Swidden farmers hit by drought had three means of survival: 1) eat the wild root crop ondot (until it ran out); 2) flee to the inner hills to beg/borrow food, and ask for a corner of land to plant a corn crop; 3) flee to the coast, to look for wage work, or hike 20 km west along the coast to a large sago grove which the owners let them work for half share of the product.

**Inner hills: 6-20 hours hike from the coast**

This area has more year-round moisture, due to rain capture and altitude. Farmers grow rice and corn, but also depend heavily on taro and other relatively low-labour root crops (figure 7). They hunt for wild pigs and deer. They sell food in situ to people who hike up to buy it (with cash or by barter), but they do not carry food down to sell in the market. They grow garlic as the main cash crop. Some still collect cinnamon and dammar, and most of them collect rattan which they pare and sell in bundles for use in house construction and fishing (figure 8). During acute droughts, they rely on sago groves to which some groups have established exclusive rights. Some inner hill folk have never hiked to the coast, ashamed of their ragged clothing and lack of cash, and they do not have identity cards or appear in desa statistics. Others visit the coastal market periodically. Minimally, they all buy salt, bush knives, shorts, shirts and sarongs.

**Social hierarchies within and between zones**

One axis of social hierarchy cross cuts the four ecological zones I have described, running vertically from the coast to the inner hills. People from the coastal belt deem all hill folk to be socially inferior. The further inland, the more “backward” and primitive people are assumed to be. An especially sharp divide separates the middle hill farmers, who are Muslim, from the inner hill farmers, who are animist, or who became Christian through missionary efforts that

![Figure 7. Inner Hill Mixed Farm Plot](image)
began in the 1970s. The middle hill farmers themselves are of varied origin. Some of their families used to live on the coast, but retreated to the hills when they sold up their coconut groves, or had them grabbed by the coastal elite. Some were tobacco farmers from the foothills who were socially oriented towards Islam and the coast for many generations, but moved inland in the 1950s to start growing shallots. Some were long-time hill people who gradually shifted towards Islam, and split away from their animist kin and neighbours. Middle hill farmers carry the stigma of hill-folk vis a vis the coast, but however poor, they see themselves as superior to the inner hill folk, who wear ragged or gaudy clothes, and walk along the trails clutching their blowpipes, complete with poison darts (figure 9).

A second axis of hierarchy operates in terms of class, and distinguishes the elite of the coastal zone, with their brick houses located in the center of each of desa (figure 10), from the landless people of the coastal zone, who live in bamboo huts and lead a hand-to-mouth existence in which failure to find work as a casual labour, or failure to catch any fish, could mean not eating that day. This class axis was absent within the hills before the tree crop transition that began in 1990. Until that point, everyone had access to ancestral land for their swiddens, and their fortunes rose or fell based on individual effort, skill, and the vagaries of weather and pests. Successful shallot farmers had money to spend on better food and clothes, but there was no accumulation of advantages or disadvantages from one generation to the next. All hill farmers lived in small wood framed houses with floor and walls of bamboo or bark, most were illiterate, and very few could afford to send their children to school on the coast (figure 11). They sold labour and produce to outsiders, but extraction by traders and employers was limited by hill farmers’ access to land on which to grow their own food, a feature that gave them the ability to withdraw from transactions they found unfair.
Figure 10. Houses of the Desa Elite

Figure 11. Highland Houses

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### Box 1. Time Line

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<th>Year</th>
<th>Event</th>
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<td>Origin</td>
<td>Lauje consider themselves original people, descendents of a magical ancestor born from a clump of bamboo, deep in the hills</td>
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<tr>
<td>1780-1850</td>
<td>Slave raiding along the coast kept most of population in the hills, going to sea shore only to make salt; some trade in cinnamon, dammar</td>
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<tr>
<td>1820</td>
<td>Mention in Dutch archive of Tinombo tobacco in exports from Gorontalo</td>
</tr>
<tr>
<td>1892</td>
<td>Van Hoevell finds small permanent settlement of traders on coast, mainly Mandar, Gorontalo and Kaili. Lauje people still mainly in hills growing rice, millet, corn, tobacco; Tinombo port busy with tobacco exports</td>
</tr>
<tr>
<td>1910</td>
<td>Dutch order population down from hills to plant coconuts and padi on coastal strip; death from malaria; famine; most return to hills; some stay on coast, augmenting/marrying into the established trading settlement; obtain food by trade with hill farmers; copra exported by ship through Tinombo port; Dutch conscript labour to start work on coastal road; administration through headmen based on the coast.</td>
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<td>1920-30</td>
<td>Highlanders bring down dammar and cinnamon to pay head tax, making them “free to go to market;” majority still live in hills, unregistered and “untamed”; highlanders supply food to coastal people who hike up in large groups to barter for corn and rice</td>
</tr>
</tbody>
</table>
| 1940-90 | **Hills:** young men exit for months to work in labour camps extracting ebony; live in barracks; forced to go in order to pay taxes; also enticed by cash advance/debt bond. Later wage source switches to rattan and timber extraction. Women do most of the farm work on food and cash crops (tobacco, shallots, garlic).  

**Coast:** ownership of coconut groves on coast increasingly concentrated among elite. Rich live from copra and trade. Poor men do wage work in copra, fish on small scale, and may have seasonal corn farms in foothills. Poor women do petty trade and make coconut oil. Imports of rice become more regular, but expensive. Coastal people hike into hills to buy/barter for food. Administrative desas established segmenting the coast and adjacent hills. |
| 1970-90 | Gradual improvement of coastal road, but not paved until 1993. Tinombo port and small-scale transport of goods by boat along the coast to/from Gorontalo abandoned in favour of land transport. No roads connect coastal desa centres to hill populations. No schools in the hills. Some outmigration to fringes of transmigration sites. |
| 1990-2010 | **Hills:** farmers convert farms to tree crops, mainly cacao and clove. Push towards inner hills for more land. Food production reduced or abandoned. Land concentration and landlessness emerge. Coastal people attempt to establish hill farms and/or buy up land. Heavy debt load to cacao traders. Cacao trees age and become diseased.  

**Coast:** copra production declines due to aging trees. Poor do casual wage work and petty trade. Rich buy land to expand tree holdings in their own desas and in wider regional economy. Some buy trucks and expand trade but no investment in cacao processing or other industries |

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In 1990, when they compared conditions of life across the zones, middle hill farmers observed that they were more secure than the landless people of the coast, because they at least had farms and could be assured of their daily food. This situation changed with the tree crop transition. After the transition, those who had committed their land to particular tree crops were obliged to sell those crops and buy food, making their livelihoods subject to the vagaries of market prices. Those who had lost their land were in a situation that was just as precarious as the landless people of the coast. So why did the middle hill farmers decide to plant these trees?

3) Motivations for the Tree Crop Transition

Although desa authorities encouraged middle hill farmers to plant tree crops, arguing that they would be more stable and less destructive than swidden, the hill farmers had their own reasons for converting their fields. These were three-fold. First, their feeling that growing rice, corn and cassava under swidden agriculture involved hard work, for uncertain returns, especially in view of periodic drought. They imagined an old age in which they could pluck the cacao pods and get money, a “pension” as they put it. The second reason was the decline in their incomes during the 1980s, as their main cash crop, shallots, succumbed to fungal disease, and the income men could make from hauling rattan hardly met their own costs while in the forest. And third, there was the desire to shake off the social stigma attached to them as hill people, and emulate coastal styles of consumption, signaled by better clothing and refined foods such as rice, fish, coffee, and sugar. These desires later expanded to education for their children, more substantial wooden houses, and eventually, a brick house on the coast, equal to that of the coastal elite.

Hill farmers witnessed these benefits already being enjoyed in neighbouring districts where cacao was in production, and began to buy seedlings wherever they could. Some seedlings were supplied by a donor-funded development scheme intended to improve highland livelihoods, but cacao would not have taken off without farmer interest. The main attraction was that cacao was a perennial. Although they had long produced tobacco and shallots for the market, as long as hill farmers used the swidden system, desa officials viewed them as hopelessly backward. As soon as they planted cacao, desa officials began to treat them with more respect, as ‘real farmers’ building up a long term investment. The prestige system within the hills also shifted: before cacao, a diligent man gained status through seasonal wage labour on coastal farms or in forest product collection. After cacao, men’s migrant labour was redefined as wasteful: why work for others, when you could build up a secure future by developing a productive cacao garden at home? Women, who had suffered reduced economic independence as their shallot incomes declined, and who also bore the brunt of swidden labour, concurred that cacao was the way to go: they could use the money to buy the coastal foods, rice and fish, which they appreciated but could not afford. These were the conditions that made cacao a compelling project for Lauje hill farmers, although they did not anticipate the social transformation that would ensue.

4) Struggles over Enclosure

According to customary understandings, a man who first cleared a patch of forest land established individual ownership rights, and was free to sell the land to another who compensated him for the labour expended. But descendants did not divide up the land they inherited from the land pioneer, so it gradually became a collective resource in which many people had an interest. They used it in a loose rotation according to their needs, and lent it freely to neighbours and kin for seasonal use. Whether a swidden was used for food or cash crops made no difference to this cycle. Fruit and other useful trees were seldom planted in the swiddens and were generally sparse because the land was re-used

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and re-burned too frequently for trees to mature. Yet the short cycle of Sulawesi swiddens is not a sign of recent decline. It was observed by colonial officials as early as 1820: 2-3 years cropping with rice, corn and root crops followed by a 4-8 year fallow.\(^7\) The introduction of tree crops into the Lauje hills broke the swidden cycle, and broke the system of land circulation among kin.

The first stage of the transformation involved the privatization of land by the exclusion of co-heirs. The mechanism was concrete: planting tree crops on a swidden had the effect of enclosing it, and withdrawing it from the inherited swidden pool in a manner that was locally understood to be permanent. People argued that the investment of labour in tree planting was equivalent to the labour invested by the ancestors in the initial land clearing, and like all labour investments, it secured private rights. There was no talk of reasserting common ownership after the end of the tree crop cycle. Since everyone recognized that trees established individual ownership, the struggle focused on the question of who was entitled to plant trees on which plot of land. Highlanders began to argue that only descendents of the original land pioneer were entitled to plant trees. Non-descendents were merely borrowers, only permitted to plant annual crops. Yet the elaboration of this rule, and to some extent even the distinction between descendents and borrowers, was quite novel. Although in other parts of Southeast Asia a distinction between the “founding” family and latecomers or borrowers is important and ritually marked,\(^8\) in these hills it was muted for four reasons: although the swidden cycle was short, land was still perceived to be abundant, so detailed rules were not elaborated; a bilateral kinship system and a high rate of kindred and hamlet endogamy meant that everyone was closely related, and it was this feature, “we are all kin here,” that was emphasized over distinct ancestral lines; there was a sense in which everyone was “borrowing” the land of the ancestors who had done the initial work of clearing; and in the case of land that had been cleared several generations ago, no one really knew who had cleared which patch of land, or who was descended from which ancestor, muting the claims that might have been made in these terms.\(^9\) The etiquette for accessing swidden land had been very simple: ask the person who cleared the plot in question, if he was still alive, or ask the person who used it last, especially if residual crops such as bananas were growing there.

In the initial rush to plant trees, farmers with more capital, labour, and genealogical knowledge about where their ancestors had cleared land were able to consolidate their hold over large areas. People who were slower to get started, and those without ancestral claims, lost out. There was some randomness to this process: a person who happened to have sold a healthy crop of shallots at a good price was able to buy seedlings and hire labour to plant cacao, thereby expanding the area of land under his or her control. But there were also systematic features: senior men who had themselves pioneered land in their youth, or who claimed to know the location and boundaries of a particular ancestor’s plot, were able to make their claims prevail over those of younger men, people who had been orphaned, or those who had moved in from another hamlet. Initially, women also lost out, because they were dependent on their husbands to operationalize their claims to inherited land by clearing it for cacao, regarded as a male task. Later, they devised ways of inserting their labour into the cacao cultivation process, thereby establishing ownership rights either alone, or jointly with their husbands.\(^10\)

While the initiative to enclose land came largely from below, highlanders struggling over land enclosure did not operate in isolation. They defended their actions by invoking a blend of customary and ‘official’ legal frameworks that involved different actors, and worked across different scales. Within the hills, the customary

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\(^7\) See (Henley 2005:516-521)
\(^8\) On founder’s cults see (Lehman 2003)
\(^9\) See also (Li 1996).
\(^10\) See (Li 1998).
principle of recognizing that land pioneers and their descendants had the strongest claims did not resolve matters. Disputes revolved around the control and credibility of information about local histories of land clearing (who first cleared where, when); over subsequent transactions (gifts, purchases, devolution in absentia); and over the rights that derived from subsequent labour investments by men or women, including the labour of establishing cacao. Although there are ‘customary’ dispute resolution procedures within hillside hamlets, these were not invoked during the scramble over enclosure, on the grounds that land is the concern of ‘the government’. When desa headmen were asked to adjudicate, they drew on their own understandings of ‘customary practice’, mediated through the prism of disputed knowledge, intimidation and bribery. Other powers were also brought into play by protagonists in land disputes: the threat of using magic to cause illness or death to family members; and arson, as a protagonist would awake to find newly planted cacao seedlings scorched to the ground. In the later stages of the process, the preferred method of dispute resolution was cash. A person eyeing a patch of secondary forest for conversion to cacao would pay-off co-inheritors, to confirm the private enclosure of the land and make it final. Soon thereafter, people started to use cash payments to privatize fallow land, separating it from the ancestral pool even without the investment of labour in planting trees. Inner hill farmers who had not started to plant cacao sold off a lot of their land in this manner, tempted by the ready cash. In local understanding, a cash payment has the power to subsume tangled histories of labour investment and family ties, so treating land as a commodity was an effective way to establish private rights. Kin who had been paid for the land could not later make a claim, when the cacao started to yield.

A land dispute in one hillside hamlet will serve to illustrate several of the dynamics of the initial enclosure of land, and the hybrid of customary and quasi-official understandings that were brought into play (see Box 2).

5) Mechanisms of Land Concentration

Immediately after land had been privatized, it could be sold to another party, a transaction highlanders understood to be permanent. Many farmers facing immediate cash needs sold their newly-planted cacao groves, one parcel at a time, to their more fortunate neighbours. Some then found themselves working as wage labourers on land that used to be their own. One man who had sold some land early in the transition told me he closed his eyes whenever he walked by his former plot, which was producing a fine crop of cacao and making his brother-in-law, who had bought the land, rich. Yet it was, he said, his own fault for selling up. His brother-in-law had paid for the land, and was fully entitled to enjoy his profits.

Gambling was a significant cause of land loss, especially for men. A large number of tree plots changed hands during the 1997 ENSO drought, when farmers with cash in hand were able to buy land at distress-sale prices. Weddings and prolonged illness also resulted in land sales. Farmers unable to produce enough food after converting most of their land to cacao started to borrow money for food while waiting for their first harvest, or when the price of cacao was low relative to the cost of food, entering a downward spiral. This is the classic “squeeze” encountered by small scale farmers who can no longer withdraw from market involvement – in this case, because they had committed their land to cacao – even though the proceeds from the sale of cacao, minus interest on their debt, left them without the means to maintain themselves. In one hamlet where I kept records of land transactions from the time of initial enclosure around 1992, 50 of the 98 farm plots had changed hands through purchase by 2006. Some households had very little land left, and the men were away working outside the desa while the women and children stayed behind in their tiny huts, eating very little.

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See (Bernstein 1994; Wood 2002)

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Box 2. Land Dispute in Minogo

In Minogo, a hamlet at the headwaters of a small river about four hour’s hike inland from the coast, there is no agreement about who originally cleared the land. One version claims that it was cleared by a group from the inner hills, who subsequently moved back inland, designating a respected elder, Tamrin, to take care of it for them. For at least a generation, tobacco farmers from the adjacent foothills used the land occasionally for seasonal food swiddens, with Tamrin’s knowledge and acquiescence. Most of these families fled to the sago groves down the coast during an ENSO drought in 1982-3, and did not return. In the ENSO drought of 1987, a few ex-tobacco farmers moved in to try planting a crop of corn while their families fled to the sago groves. They found the land well-fallowed and very fertile. As their families returned, they stayed in Minogo, and began to experiment with cacao.

In 1991 as cacao fever set in, the issue of who really had the right to plant trees or transact land at Minogo became heated. Several farmers claimed that Tamrin visited them when they were working in their swiddens, and said “go ahead and plant what you wish here, even cacao, no one will disturb you.” But Tamrin died and his son-in-law tried to lay claim to the land. Tamrin’s widow seemed unable or unwilling to defend her right to land for herself and her unmarried children, or confirm the legitimacy of the transfers made by her husband, much to the disappointment of the farmers at Minogo who feared their cacao was in jeopardy. Koli, another older man from the inner hills, also claimed that his kin cleared land in Minogo. No one in Minogo except Koli’s immediate kin believed his story, arguing that he had no previous connection with this land, but Koli had powers of his own: magic, which he was reputed to have used to kill two people working disputed land - one by sudden illness, the other by a falling tree - and capital, acquired from successful shallot farming, which he used to buy off the desa headman when disputes were forwarded to him for formal resolution.

Yet another contender was Tamrin’s brother, who arrived one day bearing a letter, typed, signed and stamped with an official seal by the headman of his desa across the mountains on the other side of the peninsula. It enclosed a photograph of an older man who claimed to have cleared all the land at Minogo, mentioned a grave and some fruit trees, and demanded half of all the cacao groves in compensation. Most people at Minogo were again skeptical: the land area was much too big for one man to have cleared in a lifetime. Many ancestors contributed to the work, they argued, including their own. They also noted that the man in the photo was too young - not of the generation that had undertaken the majority of the clearing long ago. They suspected that Koli was behind the claim.

In addition to their local knowledge about particular people, places, and the labour it takes to clear a swidden, the farmers under pressure at Minogo invoked the powers of ‘the government’ to justify their claim. They argued that the activities of ancestors were too long ago to be known for sure, but they had heard of an official ruling that a person who had been absent for a significant period could not later reclaim their land. How could the rights of this old man, who had left the vicinity in 1959, trump theirs? Moreover, some time after they began planting cacao they had been asked to form an official farmers’ group, and were given free seedlings and advice through the donor-funded project implemented by the Department of Estate Crops. Many government people had visited them and seen what they were doing: if they had no right to the land, someone would have removed them before now. The case was settled with the mediation of the desa headman, with the agreement that the Minogo farmers on the disputed land would each give the claimant cash, equivalent to the value of about 20 cacao trees.
The enclosure of land made debt a new and potent mechanism of land loss. Previously, the main way highlanders could obtain credit was by pledging their labour, most often by taking an advance for their work hauling rattan or timber out from the interior, or by pledging their annual crops, especially tobacco. For more than a century (1820–1950), Lauje highlanders who produced tobacco for the local market and for export around the archipelago were chronically indebted to tobacco traders. But so long as their land was held collectively in the swidden pool, the most an individual could lose for failure to repay a debt was their crop. The land was still there to use again, in the next season. Since land became individual property, a creditor can lay claim to it, making the consequences of debt irreversible.

In 1998, the most common credit mechanism was an informal agreement in which a trader advanced cash in return for monopoly over the cacao product at close-to-market prices. Traders complained, however, that dishonest farmers sold their crop elsewhere, breaking the monopoly agreement. By 2006, other credit mechanisms had emerged. One was mortgage of the trees for a period of time, usually an arrangement among close kin or neighbours who were in a position to monitor production. The other was mortgage of the crop, as traders extended loans against a fixed quantity of cacao, priced 30–50% below the market rate. The debt was cleared when the agreed quantity of product was handed over. This arrangement freed traders from the need to monitor production as a farmer was free to sell part of the crop elsewhere at market price, so long as the mortgaged portion was handed over as agreed. Successful hill farmers who doubled as traders and money lenders also extended loans in cash or in rice to kin and neighbours under the crop mortgage system. Farmers with heavy debts received little or no cash at harvest time, obliging them to borrow again, or sell trees to clear their debts.

By 2006, some highlanders had acquired up to ten farm plots from their kin and neighbours, using capital obtained in several ways: 1) from their own production efforts growing cacao, cloves, or shallots; 2) by becoming moneylenders; 3) by becoming traders, or agents for major traders living outside the hills; or 4) by borrowing money from the major cacao traders not for consumption, the path to ruin, but as capital to invest. This fourth practice began sometime after 1998, as the major traders argued that they could no longer extend credit to the weaker farmers who never paid their debts, and were proving incapable of developing stable cacao farms with a significant volume of production. The traders did not want to foreclose on these farmers or buy their land, because they had no capacity to manage cacao groves scattered in the hills. Cacao needs continuous maintenance, and the pods, which need to be harvested weekly, are easily plucked and vulnerable to theft. Hence the traders opted to support the process of land concentration that was already taking place, by advancing capital to the more successful, loyal and reliable farmers to enable them to buy out the weaker ones, thereby reducing both their risk and their transaction costs.

The credit system for clove trees was similar to that for cacao with the same three options: sale at below market price, tree mortgage, or crop mortgage. However, unlike cacao, some traders and members of the coastal elite did find it worth their while to buy up clove trees, which require minimal maintenance. They brought in outside labour gangs and supervisors for the annual harvest period, and otherwise left the trees untended. The risk they ran was accidental fire or arson, committed perhaps by disgruntled highlanders who looked on resentfully as outsiders profit from land and trees that were once their own. The clove trees owned by outsiders were mostly in the near hills, at most 2 hours hike from the coast. If roads were ever extended further into the hills, the attraction for outsiders would increase, and one would expect to see a repeat of the land transfers that have occurred in other parts of the province, where government officials own most of the clove trees, and the local farmers are squeezed from the land.
6) The Social (Re)production of Class

The processes of enclosure and concentration I have described in the last two sections did not unfold on auto-pilot. They involved the agency of individuals who had to negotiate new relations with kin and neighbours, and reorganize households and communities on new terms. Yet the people who lost out in this transformation did not argue that it was illegitimate. There are several reasons for this.

First, and most broadly, a process of class formation that was cumulative and permanent, and based on differential access to land, was not something that had arisen in these hills before. Hence the highlanders had no institutionalized means to prevent it, nor even a moral discourse on the evils of accumulation. As I noted earlier, land had been sufficiently abundant to maintain the highlanders’ short-fallow swidden system for multiple generations, and to enable everyone who wanted to farm to gain access to land through inheritance or by borrowing. There was also the possibility for new generations to expand their holdings, by clearing new land on the forest frontiers. This situation changed quickly as land was taken out of the swidden system and put under tree crops, and highlanders rushed to enclose the remaining frontier land while they could.

Second, there was a cultural affinity between swidden farming and entrepreneurship. The highlanders had always respected individual enterprise and hard work, and rewarded the strenuous labour of land pioneering by recognizing the private property rights it created. Although solidarity among kin and neighbours was valued, they placed a strong emphasis on an individual’s responsibility for their own fate, and explained an individual’s failure to prosper in terms of moral deficiencies such as laziness, and failure to plan ahead. The difference, however, is that swidden farmers with ready access to land really can prosper through their own efforts, while unequal access to the means of production means that the emphasis on individual responsibility is ideological – its purpose is to justify inequalities. In the case of these hills, the privatization of the land meant that some peoples’ enterprise foreclosed opportunities for others to work and prosper. The valuation of the virtues of enterprise was increasingly out of touch with the situation on the ground. By 2009, landowners still sustained the view that someone who really wanted to work could surely find land. The landless, for their part, wanted nothing more than to work hard establishing cacao - if only they had land to work on. There was, in sum, no conflict over values. As I noted earlier, even the initial enclosure of land was considered to be a legitimate process, only the details of who was entitled to enclose which piece of land was contested. The problem was not that some people had enclosed and accumulated land, it was that some people did not have access to land. These two elements could be seen as integrally related, but in this case, they were not. The dream of landless households was a new frontier, not taking back land from their kin and neighbours, who were entitled to their rewards.

Third, the transformation of land use from swidden to cacao was widely supported. No one opted to retain the swidden regime as a matter of preference or principle. At the outset farmers planned to set aside some of their farm plots to grow corn for home consumption, but the lure of cacao and the market calculus won out: with the profits from cacao, they reasoned, they could buy rice. Growing food was uneconomical, and it signaled a failure to invest in the future. Hence everyone planted cacao in their swidden fields together with their corn, a practice they continued until all their fields were converted and there was no more space for corn. In 2006, when the price of cacao was low, and the price of rice high, daily living was very difficult and highlanders lamented the fact that they no longer had cassava or corn to eke out their purchased rice. A glance in the kitchens confirmed that families had very limited stocks of food. Nevertheless, there was no counter-discourse suggesting that the conversion had been a mistake. The emphasis was on finding a way to plant more cacao.
A forth set of factors was also to do with timing, here on an intimate scale. Because the process of land concentration was recent and ongoing, the protagonists in each transaction remained close to the contingency of particular events – illness, drought, a gambling debt, the high cost of rice – that led to a family’s slide. They were also close enough to their neighbours and kin to acknowledge differences in diligence and skill, and admire families that were able to pull together to support each other with loans of food or cash when needed, enabling their members to avoid land sales or high interest credit. The piecemeal nature of land concentration was also relevant. No one sold all their land at once. It happened over a period of years. Further, the uneven quality of the land meant that farmers desperate to establish a few trees could still find some very steep plots, or areas of Imperata cylindrica that had been passed over as unsuitable in the enclosure phase. Although these tiny, infertile plots did not offer a realistic prospect of producing enough cacao to support a family, nor could they produce food, highlanders who tried to develop them could still consider themselves to be farmers, and hold out hope for the future. In this way they could postpone the moment at which they would have to recognize that they had become a distinct class, whose trajectory would be quite different from that of the landowners - theirs deteriorating, while others accumulated.

The fifth set of factors had to do with displacement. The new practices of labour and consumption associated with the tree crop transition did not entail rejecting old ways of relating to neighbours and kin, they simply made them irrelevant. Under the swidden system, there were large, collective and somewhat festive work parties to clear swidden fields, and arrangements for reciprocal labour exchange. These practices disappeared, together with the swidden fields. Women’s opportunities for wage labour weeding the large shallot fields also disappeared. Cacao farmers seldom required workers, eliminating an arena in which confrontation over wage rates might have arisen. As a result of these changes in the labour process, the emergent classes seldom encountered each other. The main new occasions for meeting were Friday prayers at the small mosques that began to be built in hillside hamlets around 1995: arenas of formal equality among men, in which discussions about the difficulty some were having securing a livelihood had no place. For women and children, the new occasions for gathering were the nightly session for watching TV or video at the houses of rich neighbours - not a good arena for discussion of any kind. In the sphere of consumption, another displacement occurred. In the past, a farmer who harvested a field of fresh corn expected to give away up to a third of it to neighbours and kin, and could anticipate return gifts on future occasions. To be clear, this was never a system of generalized food distribution – the expectation was one of balance, and freeloading was despised. Nevertheless, it did help to smooth out bumps in food production, and reduced the need for loans during periods between harvests. When no more corn was grown, and all food had to be purchased at market price, there was nothing to circulate. Without debate, the whole practice of reciprocal food exchange went into abeyance.

Sixth, social awkwardness around the emerging class divide tended to be handled by avoidance rather than confrontation. Poorer households complained about the meanness of rich relatives, who were not willing to help out with loans, but not about the practices of tree planting, land acquisition, and money lending that had made these people rich. They had no overall moral critique of these practices because they wanted to participate in them. At the same time, increasingly marked differences in the standard of housing, clothing, food, and future prospects made poorer households ashamed, and they kept their distance. Richer farmers, for their part, feared the envy of neighbours that could lead to witchcraft attacks, and some of them endeavoured to keep their wealth hidden, until the temptation of showing off with a fine new house became too strong. They were also concerned to fend off requests for loans from kin.

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that would sap their savings, a concern they balanced against the prestige, and the pleasure, associated with helping others. Since the neediness of their poorer kin was potentially infinite, they tried to avoid meeting them too often. Practically, this meant that the homes of the richer families became more private domains, and there was less casual visiting. The moral critique noted above also came into play here, as landowners developed a narrative about their neighbours’ moral deficiencies, emphasizing gambling, laziness, and a preference for wage work over long term investment. As I noted earlier, gambling was indeed a problem, and many farm plots were sold to cover gambling debts. Laziness was less obvious: women in poor households took every opportunity to do wage work when it was available, and the men were “lazy” at home, but visibly exhausted and often injured from their extremely strenuous wage work outside the desa hauling rattan and timber out of the forest. Nevertheless, this moral narrative justified the landowners emerging sense that they really were different from the people around them, and should keep their distance. Notably, the narrative of the rich about the moral failings of the poor was far more elaborate than the one in the other direction.\textsuperscript{12} 

Finally, as land became scarce, landowners adapted to the new conditions by planning ahead for the inter-generational reproduction of their class position. Indeed, the desire to set up each of their children with a viable landholding on marriage was one of their justifications for continuing to acquire more land. Although some of them invested in education, sending their children down to the coast for school, they fully expected that tree crop farming would continue to be the main source of wealth for the next generation. Given the lack of economic opportunities on the coast or in the province more widely, this was an accurate assessment. As I noted earlier, the idea that parents were responsible for their children’s future was a new idea in the hills. In the past, the sign of successful parenthood was to raise a child who was autonomous and could take care of him or herself. Further, under the swidden system, young people engaged in multiple forms of labour exchange through which they developed their own, individual relationships with neighbours and kin.\textsuperscript{13} After cacao, parents with land encouraged children to stay home to plant trees and build up capital, instead of working for others. The result was to concentrate social and economic ties within the nuclear family household, which became the key site in which an individual’s class position was reproduced, and social identity formed.

Box 3 describes the links binding people within and across one household in 1993, and contrasts them with more tightly bounded households that emerged with the tree crop transition.

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\textsuperscript{12}This is a common finding in class-divided societies. See (Abercrombie and Turner 1978).

\textsuperscript{13}See my account of previous household dynamics in (Li 1996)
Box 3. Household Profile, Minogo 1993 and 2009

This account is based on my observations living with this household for a few weeks in 1993, and daily records kept by a household member for a few months after my departure. Amaisa and her husband were then in their 50s. They had three unmarried sons Amal, Dinur and Matin, and three unmarried daughters living at home, all in their teens. A married daughter Alia, and two married sons Atar and Nijo lived close by. During the study period, Amal was absent working for wages elsewhere. Dinur was at home. He employed a widow and her daughter to weed his shallots, and his sisters and mother also helped out: “if it was a proper work-party,” his sister joked, “we get some food. We just helped because our mother said come on let’s help him, another time he will help us.” Dinur held a series of more formal work-parties to clear a new garden plot, calling the labour of his brothers, brother-in-law, neighbours of his own age group, and his sisters (as cooks). He did no work at all on his parents plots of rice and corn. Matin, aged about 16, spend all his time sleeping at home, socializing, and watching TV on the coast. One unmarried daughter was weeding the groundnuts belonging to her father in return for half the crop. The groundnuts in question were planted in a field prepared by one of the married sons, Atar, who offered his father the use of cleared ground as a gift. Atar’s wife meanwhile was weeding her own crop of groundnuts on another section of the same garden. She had obtained the seeds by asking for a small amount from Atar’s mother and his three unmarried sisters, each of whom had their own plot. “If you ask for a lot you have to pay for seed,” she told me, “but not if it is just a little.”

Amaisa, meanwhile, spent more than a month weeding her rice field alone. She interspersed this work with a few days helping her son Nijo’s wife (who had a small child) to bring in her corn harvest, and she planted cassava for her married daughter Alia in her own field, noting that Alia didn’t seem to get around to it, so her five children were often hungry. Amaisa received many visits from her kinswomen asking for cassava from her garden. This she gave them, in most cases without accepting payment. Two of these visitors were widows who often did wage work in Minogo. Finally, Amaisa’s husband, a quiet but hardworking man, spend his time off in the forest collecting materials to build a guard hut for the rice ripening under his wife’s care, and finding materials to extend the house for the upcoming wedding of his daughter. He did not spend any days in the fields. During the same period, Alia and her five children came to sleep in the house every night since her husband was away doing wage work. They did not have much of a garden and the children often ate at the grandparent’s house when they arrived for the night. This late night meal was treated as an “extra,” maintaining the fiction that the family had eaten adequately at home before their arrival. Everyone seemed reluctant to acknowledge that this household, although occupying its own rather precarious house, was not providing for itself. Nijo and his family also spent a few weeks sleeping at the parent’s house, to seek comfort while their child was ill.

Neighbours admired Amaisa’s success in raising children who worked hard and independently, while also helping each other. In her household, various forms of security, co-operation, and mutual assistance drew parents and siblings together, even while economic integration and pooling were not expected. She stressed farming over wage work, especially when the tree crop transition began, telling her sons not to stay away too long. As a result, each of the unmarried children (boys and girls) established their own tree crop gardens that enabled them to start their married life with some security.
Dinur went on to become a rich man. By 2009, when he was in his early 30s, he had acquired 15 farm plots in Minogo and in other parts of the hills. He had plans to buy up more land and trees whenever anyone was selling. His annual cacao production was about 5 tons. He hired occasional labourers to help at harvest time, but he and his wife did most of the work themselves. He also had experience as a moneylender and trader, a role he had abandoned by 2009 because of default among his kin and neighbours, and because he felt uncomfortable with the tensions it introduced in his relations with others. He knew, however, that his refusal to lend money to family who needed it would be interpreted as a sign that he was mean and unhelpful. There was, in short, no way to avoid the stresses his wealth produced. The main social role he had developed over the past decade was as prayer leader and secretary of the mosque. When I stayed with Dinur for a few days in 2009, the house was silent and empty, except for the stream of children who came to buy snacks from the stall run by Dinur’s wife. Most of his siblings had done well establishing tree crops, and had built substantial wooden houses nearby. Despite this proximity, I did not see any casual visiting between the siblings, each household keeping mainly to itself.

The one sibling who was in difficulty was Alia, whose family continued to live in permanent crisis, and had repeatedly sold off or mortgaged their tree gardens, mainly due to Alia’s husbands’ chronic gambling. They had also sold the gardens given to them by Alia’s brother, Amal who had not married, and continued to help his sister and her children. Dinur’s wife mentioned that Alia sometimes came to the house, asking to borrow money, but they saw less of her since she had moved to a hamlet about a kilometer away: not far, in spatial terms, but a different world socially, where there were more landless and land poor households in a situation similar to her own. Yet Alia was not entirely cut off. In 2006, her oldest daughter married, and all her siblings put in weeks of free labour preparing for the wedding, which was held at the fine new house Dinur had built on the coast. The wedding was a remarkable demonstration of sibling solidarity, called up for this occasion, although its everyday texture was much thinner than it had been when I recorded it in 1993.

7) Consequences of Landlessness

As land prices increased exponentially, buying land in the original hamlet or in other parts of the hills became impossible for the poor: only those with significant cacao and clove harvests could afford to expand by this means. Some land poor households were able to gain access to land on a share basis, in which they worked for a landowner to clear the land and plant tree crops, with an agreement to divide the land and trees after a specified number of years. In 2006, the standard share agreement was half the land and trees after two years. By 2009, it was a third share to the worker, after three years (i.e. after another year of labour service). The shift reflected the weakening bargaining power of labour. Desperate for cash, it was doubtful if the share-farmers would be able to hold onto these plots, and some of them promptly sold their share back to the land owner as the accumulation process rolled on.

By 2006, in the more crowded, land-constrained areas, a few households had no land at all. Many households had only small plots of land, covered with cacao that was yielding very badly, because they could not afford to purchase fertilizers, fungicides and pesticides that are increasingly necessary as the trees age. They had no land for food production, not even for the old stand-bys, cassava and sweet potato. They were entirely dependent on food that they purchased at the market, or bought from the larger landowners who had purchased new land and were intercropping their cacao with corn until the tree canopy closed. When the price of rice was high in 2006, following the removal of national subsi-
dies, they were scrambling daily to find work, beg, borrow, or in some cases, steal food. There were reports of bundles of corn disappearing at night from the place they were stored. Those who still had land were relying on credit to buy food – an improvement, they argued – over the old days, when no one would advance them credit during the long, painful droughts. Now at least they had a “boss,” and land and trees to pledge to meet their immediate needs. They thought this was progress: at least they lived to work another day. No one agreed with my suggestion that they might have been better off if the transition to cacao had not occurred. Their old lives, as they remembered them, were also full of hardship and uncertainty. As I noted earlier, rather than acknowledge defeat, their emphasis was on finding a corner of land to start again, or extracting what they could from their tiny, remnant plots. To be a successful farmer was still the goal, and they had not accepted that this future was impossible.

Opportunities for wage labour in the hills were more constrained in 2006 than they had been in 1990 or even 1998. Women who used to work regularly, weeding fields on hands and knees for the more successful shallot farmers, were no longer employed. The work of clearing around the young trees with a bush knife was displaced as the tree canopy closed, or farmers calculated that using herbicides was a cheaper option. By 2009, some farmers had bought motor-powered grass-cutters, further reducing their need for workers. One task that still required labour was porterage – carrying the crops down to the coast – back-breaking work but reasonably well paid (figure 12). Porterage was also being displaced by 2006, at least from some of the middle hill hamlets, as rough roads were being carved into the hills and crops could be transported – more cheaply – by motorbike (figure 13).

Figure 12. Portering Shallots
Men continue to exit the hills for wage work, as they have done for generations, but they have a very limited range of options because they have no education and cannot speak Indonesian. The main jobs continue to be forest based – hauling rattan and timber out from the hills along the peninsula, within or not too far from the Lauje area. Many of the young men who do this work have never traveled to the nearest medium size town Kota Raya, in the transmigration belt to the east; they have not even stopped off in Tinombo town on their way to or from their places of work, since they are usually sitting in a truck organized by a labour recruiter to deliver them to the merchant who has paid an advance to contract their labour. Even if new jobs in manufacturing were to open up, their complete lack of education would make it difficult for them to gain access. The minimum education for factory employment in Indonesia currently is upper secondary level. The few jobs generated by the new prosperity associated with cacao and clove were on the coast: work building bigger and better houses for the elite, and work as motorbike taxi drivers. These jobs went to young men on the coast with the relevant capital and social networks.

The idea of moving off to another land frontier appealed to land short or landless Highlanders, but they thought it was entirely unrealistic because they lack capital to buy land and to support themselves while waiting for the first corn harvest. In theory, Indonesia has resettlement schemes to supply land to landless people. Indeed, transmigration schemes to bring in farmers from Java are still being planned for the province, but there are no plans for new land opening schemes for “locals.” There was one such scheme in the 1980s not too far from the Lauje area, but much of the land was monopolized by the landed elite, so that the poorest people who were the nominal beneficiaries were largely excluded. The other land developments schemes planned or already underway for in the province are designed to exclude people (conservation enclosures), or will employ very few. Mines offer a few highly qualified people long term jobs, but have little need for unskilled labour. A massive expansion of oil palm plantations will monopolize large areas of land, but oil palm requires only 1 worker per 10 hectares – much less than other estate crops such as tea (2-3 people per hectare) or rubber (1-2 people) (figure 14). The plantations recruit labour from adjacent villages, and import workers on contract from Java, but so far there hasn’t been any attempt to recruit labour from the Lauje area. A few landless and underemployed Lauje from the coast, who do have some education, have been recruited to work in the oil palm plantations of Kalimantan, but they were cheated by the labour recruiters and fared badly, discouraging others from attempting to take this path. Even on the coast, a resurvey I conducted in a poor hamlet

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14This information on oilpalm in Central Sulawesi comes from preliminary research I conducted together the Arianto Sangadji and staff of Yayasan Tanah Merdeka in June 20009.
showed that outmigration was remarkably rare, and the pattern was one of stasis and stagnation (see Box 4). In contrast, the coastal elite continued to adapt to new opportunities and prospered. Notably, however, their investments were in expanding tree holdings, money lending, transportation and trade, activities that did not generate many jobs (see Box 5).

**Box 4. Profile of a Poor Coastal Hamlet, Sibogi 1990-2006**

This coastal hamlet is 5km from the main town of Tinombo. The grandfather of the hamlet head once owned 400 coconut trees there, but sold most of them in the 1950s, with more sold over the years by his heirs. Hence most of the current residents are living on land borrowed from the trees owners, who live elsewhere, in Palu or in Tinombo town. In the period 1920-1980, they had supplied the principal labour force for the Tinombo dock, and some had been members of the dock-workers union, until it was banned in 1965. In the 1980s, they had another “boom” period, when 60 people were employed in a rattan processing enterprise owned by a Chinese entrepreneur (also a major land owner on the coast). Since that time, their fortunes had declined, as they survived by some combination of seasonal farming in the foothills, fishing, and casual day labour.

In 1990, I surveyed 20 of the 35 households in the hamlet. The hamlet head and a few others had wood plank houses with cement floors, but most were living in bamboo huts with palm thatched roofs. Only 9 had farms of any kind, and 6 were involved in fishing. Other sources of income were casual day labour in copra production, or more rarely, at the Tinombo dock. Their main income came from cutting firewood in the dry foothills and carrying head loads to Tinombo town to sell. Women joined in this task, and also worked as washerwomen in the town.

By 2006, a few of the original household heads had died, but only one had moved out (to the village next door). The range of livelihood strategies was almost identical, although fewer people had farms. One new enterprise had opened up, a sawmill, and about 10 people had jobs there. Among the next generation, there were 59 people aged 0-20 who I recorded as dependent children in my original survey. None of them completed secondary school. Despite the lack of opportunities in their hamlet, they have been relatively immobile. From one family, 4 siblings had moved to Palu and were married there; in another family, 1 sibling had moved to Palu and 3 were in other towns. Those in Palu had been taken there by their Chinese “boss” when he opened a new rattan factory. All the rest – 51 of 59 young adults - were still in Sibogi, or had married into neighbouring desas still within the Lauje area. Twice a labour recruiter had come looking for young men willing to go to Malaysia, and 10 people had tried this, but the recruiter failed to supply passports as promised. They ended up illegal, exploited, and far from home. Four went back a second time, but by 2009 all had returned and no new recruits had taken their place.

In 2006, as in 1990, the hamlet head was preoccupied by various government development schemes designated for “the poor”, and was trying to make sure that his hamlet – undoubtedly very poor – obtained their share of any handouts. Over the years, they had received some goats, and some micro-credit schemes. They were all receiving subsidized rice from the “rice for the poor” (raskin) scheme. About 20 households had received cash from a scheme intended to offset the cost of increased fuel, leaving the others angry about the uneven distribution. None of these schemes addressed the basic poverty problem of Sibogi: the chronic lack of regular wage work in the coastal zone, low education, and limited networks offering feasible pathways to exit for jobs elsewhere – despite their location alongside the main road. As the hamlet head lamented, “we always vote for Golkar, 100%, but still we are left behind.”

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Box 5. Profiles of Coastal Elite

Ibu and Pak Haji Acho (interviewed in 1996, 2006)

Ibu Haji was born in a coastal village in Lauje area in 1940. Her grandfather opened forest land on the coast around 1900, giving the family substantial land holdings. Her brothers were sent out to school in Makassar, a sign of their elite status. She was married at age 13 to a man of Bugis/Mandar origin who grew up near Palu. He made his living as a tailor, and she worked with him. With money saved, he began buying up coconut trees, a few at a time, and eventually owned several thousand trees. She managed the copra production, doing much of the work herself. He started to sell cloth at the rotating market, traveling by bullock cart. He acquired 3 sail boats that could carry 25 tons each, and sailed to Manado and Ternate. He transported shallots out, and brought back goods for sale at the store he opened in front of his house. People took goods on credit and paid with copra. In 1972 they bought a jeep hoping to use it as a taxi, but the road was still too rough. They had a large house with about 5 bedrooms and a copra yard. In the 1990s they expanded production into cacao. Their house was full of young people who worked as labourers on the copra. Poor relatives lived in the house to help cook for guests, and to keep the Ibu Haji company. They had no children of their own. They financed the education of numerous nieces and nephews. By 2006 Pak Haji had died, and Ibu Haji was still running the copra business.

Tony: “modern” capitalist farmer and trader, 2006

He was born in a coastal village in the Lauje area around 1970, of a Chinese father and Lauje mother. His grandfather disowned his father, so the family had to make their own way. Tony did a degree in accounting in Java, and returned to the Lauje area in 1997. He bought land in the hills and planted cacao, later expanding to cloves. He employs hill people to clear the land and maintain the trees. His regular wage workers are all landless, the young adult children of farmers who were unsuccessful in the tree crop transition and sold up. Tony’s way of farming by relying on wage workers was enabled by the building of a road in 2004 that lets him monitor his fields daily by motorbike. He has studied text books about proper planting practice, and prefers to buy empty land he can lay out correctly, instead of trees planted badly by others. In 2006 he experimented with a new crop, ginger, which he planted on a large scale, with the aim of harvesting 20 tons. His attempt at crop diversification succeeded technically – the ginger grew well – but he could not find a buyer for such a large harvest, so he lost money on the venture. He is the main trader and money lender for the hillside where he had his own farms, and prefers to use the crop mortgage system. Since he borrows his capital in the “modern” way, from the bank, he is concerned to make a good return. It is not worth his while to carry indebted farmers from year to year. He calculates all transactions in terms of their profit margin.

8) After Cacao?

A final and ironic twist on the transition I have described is the impending ecological collapse of cacao, the boom crop that sparked the privatization of land and the emergence of agrarian classes in the hills. Cacao has a disease trajectory that has taken similar forms in Africa and Asia, and has been well-researched.15 As cacao is introduced into a new area, the crop benefits from a “forest rent,” as the soil does not require fertilizer, and the disease load is low. The opportunity cost is limited, because it can be intercropped with annuals, and it starts to yield after 2-3 years. Thus in its initial stages, cacao is

15See (Ruf and Yoddang 1999; Ruf, Ehret, and Yoddang 1996)
relatively democratic: the entry cost is minimal, especially for smallholders who already have access to land. After a few years, however, the profile changes. The trees need to be fertilized, and pests and diseases require increasingly heavy inputs of chemicals. The increased costs add to the other factors separating out successful cacao farmers from those who fail, and lose their land and trees. This was the situation in the Lauje area by 2006.

By 2009, two other elements had arrived on the scene. One was a new virus, “vascular streak dieback” that kills trees outright, and thus far has no chemical cure (figure 15). According to traders and farmers, cacao harvests in the Lauje hills were down 70% compared with the preceding few years, and dead trees were increasingly common. The other element was the global recession, which caused a spike in the cacao price (apparently people eat more chocolate in a recession), and a fall in the rupiah against the dollar. The outcome was that Sulawesi cacao farmers were receiving 300% more for their cacao in 2009 than they had in 2006. The conjuncture of these two elements meant that farmers with cacao were still enjoying a good income, despite their drastically reduced production.

Young cacao trees were certainly healthier and more productive than older ones. Successful cacao farmers with capital responded in several ways: 1) they continued to buy up the land of their less successful neighbours, even if the cacao was diseased, as part of their overall accumulation strategy; 2) they stepped up their efforts to buy land in the inner hills, where it could still be purchased for relatively low prices, and

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16 The Indonesian Cacao Association made small gestures towards assistance and replanting, but simultaneously made plans to move the industry to Sumatra and Papua, abandoning Sulawesi cacao smallholders to their fate (Reuters 14/01/2009, 15/09/2008).

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Figure 15. Dead Cacao
they could get new trees into production quickly while the price was still high; 3) they diversified, including clove more systematically in their plans, alongside cacao. None of these measures will interrupt the process of class formation, and will mostly intensify it, as farmers with more capital are better positioned to survive the problem of cacao disease, and continue to prosper through cacao or other crops. Even if cacao, the crop that started the transition, disappears from the scene, there is no sign that land will be re-communalized and allocated to households to use as needed – the status quo ante. The change in the way in which people gain access to land in these hills is probably permanent, which means that the class-forming effects will also be cumulative, increasing the gap between haves and have-nots.

The success of the hill farmers who were producing tons of cacao was well known on the coast, and it did shift the stigma linking the hills to poverty and backwardness. Coastal people saw highlanders buy sacks of rice, zinc roofing material, DVD players and other consumer goods to carry home (figures 16, 17). They were especially impressed by the few hill farmers who were able to build new houses on the coast. However, the success of a few masked the failure of many to establish themselves in the new form of production. In 2009 I heard many generalizations about how well the hill people were doing, and how different from the old days. Because most coastal people had never set foot in the hills, they had no way of making sense of the range of conditions and the diverse fates of particular families, or particular hillside hamlets. They could not understand the range of what happened on market days – some hill folk buying lavish provisions, others buying just one pack of salt. Desa officials, who ought to have known better, made similar statements to the effect that “all the hill farmers have cacao these days, now it is the coastal people who are

Figure 16. New Highland House
**Figure 17.** Consumer Goods

**Figure 18.** New Road into the Hills
left behind”. What had actually happened was that the class divisions that were long established on the coast had been replicated in the hills. Both locations now had landed and landless classes. The poor in both locations, ashamed of their condition, tended to stay out of sight, and out of mind. Desa administration continued to be monopolized by the landed elites, both on the coast and in the new desas that were being formed in the hills under policies for decentralization. The result was that the more democratic climate since the end of the Suharto regime failed to open up new avenues for the poor. The main project of government officials from the district level downwards in 2009 was to extend roads into the hills, to ease access to hillside land (figure 18). Since most of these officials, like other members of the coastal elite, already had tree farms, and wanted to expand their holdings, the outcome could only be increased pressure on hillside land, intensifying the process of accumulation and land loss that was already underway in some areas, and extending it to new frontiers.

9) Conclusion

In the Sulawesi case I have described, the radical changes that occurred between 1990 and 2009 were not imposed upon highlanders by state-backed corporations grabbing their land, or by the imposition of new crops and technologies. Instead stigma, isolation, insecurity, and a desire to join in the march towards “modern” forms of production and consumption motivated highlanders to convert their swiddens to monocropped cacao. The consequence - not one they had anticipated - was a transformation in almost every aspect of their social relations, and the emergence of a class division between those who owned land and capital, the key means of production, and those who had only their labour to sell. If the boom crop had been a new annual, like the tobacco or shallots the highlanders previously planted as their source of cash, the old form of shared access to ancestral land might well have been sustained. The lure of a boom crop, combined with its perennial format, created the conditions for the rapid emergence of agrarian classes among highland farmers who had no previous experience with this phenomenon, and no mechanisms to manage it. A well established tradition of respect for individual enterprise made them treat accumulation as a legitimate outcome of work and investment. Even as the frontier closed and landlessness emerged, accumulation did not become the focus of a moral critique.

As others have argued, the emphasis on shared poverty in other parts of Southeast Asia has been exaggerated, and in some cases seriously misplaced.17 My suspicion is that where a moral discourse on the obligation to share food, or land, or work arises, it is elaborated precisely because it is often breached. It is not a description of how social life is lived, but an element of class struggle, in which the people who lack access to the means of production make moral claims as part of their effort to negotiate better terms.18 The case study I have presented here allows me to go further, and to argue that it is more likely to follow class formation than it is to precede it. Indigenous highlanders on a forest frontier lack mechanisms to prevent the enclosure and accumulation of land either because they have not encountered the problem before, as in this case, or because they have so much land (as in parts of Borneo) that the enclosure and accumulation of land by some people does not diminish the opportunity for others to continue to farm, or indeed, to prosper.19 Hence there is no need to regulate it. It may take a few decades, or generations, for people who were

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17 See, for example, the critiques of Geertz’ notions of shared poverty in rural Java (Alexander and Alexander 1982; White 1983).

18 This case has been made convincingly by (Pincus 1996) in his remarkable comparative study of three adjacent villages in Java. He showed that moral claims did have some effect on landowners’ hiring practices, but the main factor affecting how the gains from green revolution agriculture were distributed was the capacity of workers to organize collectively.

19 See (Cram 2007; Dove 1993)
once independent smallholders to recognize that their prospects for re-establishing farms are definitely blocked, and to begin to think in class terms, questioning unequal access to the means of production, together with the processes through which that inequality is produced.20

In the case of boom crops eagerly adopted by highlanders who have had relatively open access to land, class formation proceeds far too rapidly for protective countermeasures or moral arguments against agrarian differentiation to emerge. The hope expressed by people who lose out in the transition is to expand onto a new frontier – an option increasingly ruled out by the rapid pace of enclosures from above and below, not just in Sulawesi but across the Southeast Asian region. Failing this, they need jobs, but highlanders typically lack education and skills, there is very limited development of manufacturing in the province, and the large scale land uses - oil palm, mining, conservation – are not labour absorbing, leaving displaced farmers radically exposed.

References

20I develop this argument from a historical and comparative perspective in (Li 2010).
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APPENDIX

Research Methods and Units of Analysis

Units of Analysis

“The village” could not be a unit of analysis for my research in this area for three reasons.
1) The administrative desa cross cut a huge, and divided, ecological and social terrain. Understanding the social divisions, and how they were reproduced economically and politically through relations of exclusion and extraction became one of the themes of my research.
2) Even within the hills, in 1990 houses were scattered in the swiddens, sometimes a kilometer apart, so there were no convenient hillside hamlets that could be treated as village-like units. During the 1990s this situation changed for a period, as households began to plant tree crops, and stayed in one place for a few years, developing a hamlet-like centre with some basic facilities – in the case of Minogo, a mosque and much later a school. But even this grouping later fragmented, as households left their established (and often diseased) early cacao behind, and moved further into the hills to expand their holdings. In Minogo and some of the other denser areas, expanding required capital. In other parts of the hills that were less densely farmed and settled, land could still be opened “free” on the forest frontier. Either way, the result was that the more solid houses built by the successful farmers were mostly empty in 2006, their owners up in the headwaters opening new farms.
3) The idea of “the village” as a modular unit, in which one village could represent a set of similar units, perhaps with a similar “Lauje culture” did not work in this area, where there was a surprising degree of diversity from one hillside to the next. The diversity was partly vertical, as reflected in my classificatory scheme coast/foothills/middle hills/inner hills. But it was also lateral. Each of the major river systems – Tinombo, Bobalo and Palasa – had a distinctive social history, and a somewhat different ecology in terms of what crops would grow there. Differences in population density and access to the land frontier were also important, and became more so with the building of new roads into the interior, enabling coastal people to gain access to hillside land. So on each of my return visits, I went to each of these areas, and tracked the changes.

Research Instruments

My initial survey in 1990 involved a form in which I listed all the names and ages of household members. Based on this survey, I was able to track the fate of household members in the new generation by means of a resurvey, as in my summary of the coastal hamlet Sibogi. But I soon stopped using this instrument when I realized that people were very nervous about giving their names, because they feared that my intention was either a) to register them for a forbidden organization or b) to transmigrate them.
My second instrument was lists of household heads, which I generated at an early stage, and used on subsequent visits as the basis of a key informant interview in which I could ask: Is this person still living here? Have they bought or sold land? I also did wealth rankings based on these names, to see how different families were doing, and to select a sample to revisit for a detailed interview. The third instrument, which I used only in Minogo, was a map and list of all the farm plots generated in 1992, and rechecked in 1996, 1998 and 2006. This technique gave me a good sense of how land was changing hands.
Finally, my principal instrument was always observation and in depth interviews, often tape recorded and transcribed. I was assisted throughout by an interpreter who translated between Lauje and Indonesian. Taping was especially useful when the speaker was monolingual Lauje. Although I learned some of the language and was able to understand the gist of a conversation, I could not pick up on

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nuances. Over the years, I generated about 1000 pages of interview transcripts, which, together with field notes, provide a rich resource for figuring out what people were talking about at different periods.

There is no doubt that a one-time study, conducted in 2009, could not have captured the dynamics of the transition, only its retrospective rationalization from the perspective of the present. Many elements that had come to be considered normal by 2009 were completely unimaginable in 1989, and it is only by reviewing my notes and transcripts that I can remind myself of how things were, and the depth of the transformation not just in land use, but in every dimension of social life.