

The Social Meaning of Money in Java¹

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I. Money in the Community

In this paper, I will not engage in a theoretical debate but discuss and interpret the concrete problems of money. My discussion is based on field research findings. Most of the discussion relies on qualitative analysis, although I do not refrain from using quantitative data as well. The latter help to support qualitative findings.

1. The People's Perception of Money

The discrepancy between self and society, subject and object, or mental ideas and material things is a general phenomenon of dualism² which can be observed in any society. It has been discussed by many classical scientists, philosophers, psychologists, and sociologists. In sociological understanding, this discrepancy has taken the form of a distinction between *Sollen* and *Sein* or between norm (mind) and fact (practice). Both of them are rarely united and commonly assumed as dual realities.

In everyday activities, people of Bantul community or what we might call the "man on the street"³ perceive that money has a dual reality: money which they mentally perceive and money which they use. To clarify this problem, the question of money as a social reality has to be addressed. What is money? What are the functions of money? Is there any connection between money and morals?

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- 1 This paper is based on the author's doctoral thesis, supervised by Prof. Hans-Dieter Evers and Dr. Heiko Schrader, University of Bielefeld, Germany. Field research was carried out during 1990-1991 in Bantul, Yogyakarta, under the auspices of the Sociology of Development Research Centre, University of Bielefeld.
 2. Any doctrine in which the fundamental forms of things, 'substance', reality, etc., are seen as of two contrasting types, without any possibility of one being reduced to the other, for example: a distinction between 'material' things and 'mental' ideas, or between individual agency and the structural determination of structural outcomes. See: Jary, David and Julia Jary, *Dictionary of Sociology*. Glasgow: Harper Collins 1991, p. 175.
 - 3 This term was coined by Berger and Luckmann to denote common people. See: Berger, Peter L. and Thomas Luckmann, *The Social Construction of Reality*. London: Penguin 1984, p. 19.

Local people perceive money as an instrument of economic exchange to meet the necessities of everyday life, not merely those of the economic sphere, i.e. food, clothing, and housing, but including social, political, cultural, and psychological needs. Table 1 below shows the local people's perception of money and its use.

Table 1: The Function of Money in Society

The function of money	Peasant (%)	Trader & Worker (%)	Others (%)	Total (100%)
1. Economic instrument	16.7	61.1	22.2	18
2. Social instrument	—	100.0	—	2
3. Political instrument	100.0	—	—	2
4. 1 & 2	24.6	54.5	20.9	187
5. 1 & 2 & 3	26.4	43.4	30.2	53
6. No answer	40.0	60.0	—	5

Source: Researcher's own data (N = 267) Explanation:

1. money as a means of economic exchange.
2. money as an instrument for meeting the social, cultural, and psychological necessities.
3. money as a political instrument means its use to influence other people or systems.

The majority of respondents (peasant 24.6%, trader 54.5%, and other 20.9%) agree that money is used not only as an instrument of exchange to meet economic needs but also as an instrument for paying for social necessities. Social goods which can be obtained by paying money are education, social status or industrial prestige, consumer goods such as colour television, luxury furniture, cars, gold, etc. It is a widespread social opinion in Bantul that the more such goods one owns, the higher one's social status will be, be it in politics, economy or culture. This is in accordance with what Bourdieu calls "cultural capital", meaning that the level of social status determines the pattern of political and economic relationships in society.⁴ Additionally, people also use money for paying social obligations, social sympathy, and other social needs.

4 "Cultural capital" is wealth in the form of knowledge or ideas, which legitimate the maintenance of status and power. See: Pierre Bourdieu, *Die feinen Unterschiede*. Frankfurt: Suhrkamp, 1982, pp. 143-145.

For example, a household of which a member has died or which performs festivities such as a wedding, circumcision, the birth of a child, etc., will receive some financial contribution from its neighbours. This financial contribution can be interpreted as a cultural expression and social habit in the community of Bantul. People who do not take part in this social custom will become a target for gossip by their neighbours and will be perceived as deviants. There is no social agreement about the size of the financial contribution that should be given. Most respondents, however, assume that the minimum contribution is about Rp 3.000,—. As an outsider, I observed that social contributions can sometimes be used as a medium for demonstrating one's social position in the community. If somebody feels that his social position is high, he will give more than Rp 3,000,—. He will also be afraid of social sanctions, if he gives less than Rp 3,000,—. Other people might call him "*wong medit*" or stingy. Based on the above argument, we can conclude that money is not merely used as an economic instrument but also as a sociocultural symbol.⁵

Most respondents agree that money has economic and social functions but that it is not for political use. It can be shown that only 19.9% of the respondents agree that money is an instrument for meeting economic, social, and political needs. The reluctance of local people to use money for political purposes points to the relationship between money and morals. The moral basis of the use of money in Bantul is the morality of personal conduct.⁶ People generally hold the opinion that political activities are a dirty business. According to the "man on the street", politics is an art through which a person forces his interests on other people by the use of all possible means (including money). Politics, therefore, is perceived as immoral behavior. If this is true, it will imply that those who have money will also be able to exert their political will. In other words, money has to be treated in line with social norms. Respondents who agree that money can also be used for political goals argue in a different way. They are more realistic, pragmatic, and rational in their perception. It is commonly known that in contacts with the government bureaucracy one often has to use small bribes. This situation has encouraged people in Bantul to use money as a political instrument separated from social norms.

5 Thus, my argument indirectly rejects the logic of the "all-purpose" standpoint, whereas it strengthens the logic of the "special-purpose" theory. Money is not only perceived as an economic instrument but also as an extra-economic one.

6 This morality refers to the norms regulating individual behavior in the community. For example, local people are not allowed to be corrupt, lie, dishonest, etc. For an elaboration of this theme see Evers, Hans-Dieter and Heiko Schrader (eds.), *The Moral Economy of Trade*, London: Routledge, 1994.

Unlike traders, who use money to bribe market officials in order to avoid official market tax, farmers are less confronted with a situation in which they have to use money for political interests. This can be seen from information given by traders, implying that apart from being an economic and social instrument money also functions as political means. Whereas 8.61% of traders confirm that money is a political means, only 5.24% of farmers included in our sample gave a similar response.

Pak Waluyo is a businessman commanding large scale capital who usually deals with government bureaucracy. In order to be awarded a contract for government projects, he always spends some money for bribes which are paid to bureaucrats. He asserted that in dealing with bureaucracy and government agencies he always needs to pay bribes. As a businessman, he argues that it is better for him to lose some money rather than economic opportunities. Personally he does not agree with these practices but social conditions have forced him to conform to them. A bribe will be used if there is no other way to get access to an economic opportunity.

Although the practical use of money sometimes implies bribes, local people usually connect money with morals that are in accordance with their normative sense. They believe that money cannot exist without moral roots in society. If money operates without moral commitment, it will corrupt social life and commoditization will take place in all spheres of society. The perception that money is identical with the power of the devil is still kept alive in Bantul. It is a social heritage of traditional society. In traditional society, trading activities had a negative connotation. They were perceived as a kind of deception conducted through the medium of money. Of interest in this respect is Marx' understanding of the role of money in traditional society.⁷

Generally, local people reject the view that money is a medium for understanding social life. Morals will be corrupted, if money is used for dealing with all kinds of social activities. Money should only be used for economic activities, no more and no less. This view is derived from the negative connotation of money in traditional society.

Ibu Parti is a young female trader and a devout Muslim who always spends her money for mosque activities. She is a trader who commands capital of medium size. She has two sons. Her husband is also a trader who buys and sells cars and motorcycles. People refer to him as a *makelar*

7 ... that money acts as a kind of acid which inexorably dissolves cherished cultural discriminations, eats away at qualitative differences and reduces personal relations to impersonality. It is only to be expected, then, that those "traditional" cultures which must for the first time come to terms with it, will represent money as a dark satanic force tearing the every fabric of society. See: Marx as interpreted by J. Parry and M. Bloch (eds.), *Money and the Morality of Exchange*, London: Cambridge University Press, 1989, p. 6.

mobil. Ibu Parti has been working as a trader since 1972. She argues that money is not a goal of life but an instrument to meet basic needs. The essential function of money is to conduct economic transactions. It should be treated in line with morals. She said that:

"For me, money is merely a medium to meet basic needs, i.e., for paying food, clothing, and housing. Anybody needs money, thus it is absolutely necessary. We cannot live without money in these modern times. Nevertheless, this does not mean that we have to be slaves of money. Actually, with money we can buy everything we want, but the use of money in social interaction should be based on social norms. Yet money has an authority to pay everything but we have to avoid to be authorized by money".

Most respondents argue that money must be treated in line with its functions. If people use money to pay everything, social disintegration will take place. Respondents hope that the use of money in society will not create social tensions. The system of mutual assistance that still exists in most Indonesian neighbourhoods should not be destroyed by the misuse of money in the community.

Ibu Wanti is a *pedagang kios* who has one son and one daughter. She has been working as a trader for the past twelve years. Ibu Wanti lives in a *santri* environment. Both of her parents are *haji*. Her father is a large-scale trader in Bantul town. Ibu Wanti's husband is the director of *Badan Koordinasi Keluarga Berencana Nasional* in Wonosari. As a *pedagang kios*, she owns a considerable amount of capital. Her main business is selling industrial products such as nails, wire, cable, cement, etc.

"Money has to be used on the basis of a moral commitment. We cannot commercialize everything with money. If somebody does it, he will be called an asocial person because he always thinks in terms of money. People have to respect social obligations. We cannot exchange social obligations with money. Social obligations, which are characterized by co-operation and mutual assistance (*guyub*) between community members in Bantul community have to be maintained. We cannot replace them with money. The distortion of the neighbourhood system has to be avoided by rejecting the use of money in all spheres of social life. For example, if a person is responsible for *ronda malam* (civil nightwatch), he must not be allowed to pay his way out".

Based on the above argument, we can say that local people from both the subsistence and the modern capitalist sector are aware that money is an

important instrument for the meeting of socio-economic needs but that it should not determine all activities of everyday life. In certain situations, people in Bantul already use money as a substitute for some types of social obligations. Thus, money is not only a medium for conducting economic transactions but also for paying "social obligations" e.g. financial compensation for lack of participation in and contributions to local neighbourhood networks of mutual assistance. We should, therefore, discuss the relationship between money and morals as a social reality. What kind of social norms guide the use of money in Bantul society?

Pak Sukarjo is an Islamic scholar who has many followers in the community of Bantul. He argues that:

"money as an economic instrument has two features which contradict each other. On the one hand, money is used as an instrument for economic transactions. If people have enough money, they can buy the necessities of everyday life but if somebody has no money, he can not buy anything. This means that money has a potential value for buying any commodity. On the other hand, this potency has encouraged people to have a greedy character or *takabur*. With money one can fulfil all of one's wishes and with money one can achieve everything one needs. Thus money not only creates affluence but also "social decadence" (*kemudharatan*) in the world. To avoid "social decadence" the use of money must be confined by religious norms. These religious norms include *zakat* and *sedekah*. *Zakat* is a financial contribution and has to be paid by any Muslim. It should be approximately 2.5% of his/her monthly income. This contribution will be used for religious activities. *Sedekah* is a voluntary financial contribution for overcoming poverty. If we implement these norms, people will be prevented from *kemudharatan*".

From local statistics one can see that most people in Bantul (94.3%) are Muslims.⁸ The majority of traders who own shops in front of the market are *santri*. The *santris* command large-scale capital and tend to be respected by local people in the community of Bantul. They use their money not only for gaining profit but also for supporting Islamic activities such as Islamic co-operatives, *kelompok pengajian*, and the construction of Islamic schools and prayer houses. Most *santris* are aware that sometimes their business activities push them towards a situation of greed in which they merely think about profit. This perception is based on the reality of trading which demands of each individual trader to get as much profit as possible in order not to become bankrupt. Occasionally, it is even necessary to use

8 Statistics of Bantul subdistrict 1989.

means like deception. Islamic teachings explicitly prohibit these practices. In order to keep Muslim traders from committing sins, the *santris* compensate their business activities by contributing some money to religious affairs.⁹

The Islamic petty traders use similar arguments in their dealings with money. They are convinced that in order not to become sinners, they have to perform good deeds (*beramal*) and spend their possessions in accordance with Islamic rules. This can be achieved by contributing some money (2.5% of their income) to the mosque. The petty traders also involve their own association (*kelompok pengajian*) in the discussion of everyday affairs from an Islamic perspective. They argue that people who have enough money but are weak in their faith tend to fall into sinful behaviour because they will become slaves of money. They will violate God's will, which will lead to a situation of decadence (*kemudharatan*) in the world.

Scholars of Islam, *santri* traders, and petty traders hold similar opinions about trade and money. According to them, trade and money cannot be separated because they complement each other. Money cannot exist without trading and trading will not function without money. Both have the capacity to create greediness in man. To avoid this condition people should firmly believe in Islam and use their money in line with Islamic morals.

According to secular scholars, sociologists, anthropologists, and historians, the above-mentioned arguments of respondents have been influenced by the mode of production in traditional society. This society was based on subsistence production. Households were not oriented towards profit maximization but towards the meeting of basic needs.¹⁰ Under these circumstances, value rationality (*Wertrationalität*) was more dominant than instrumental rationality (*Zweckrationalität*).¹¹ In a transitional situation like that of Bantul community, people face the dilemma of whether to use the first or the second type of rationality. This dilemma does not only emerge-in connection with money and trading but also in other social spheres. Thus, it has to be faced not only by traders and moneylenders but also by ordinary people in Bantul. According to my own observations, the population of Bantul can not solve this dilemma. The transitional situation is maintained in order to limit social tensions.¹²

9 Hans-Dieter Evers, "The Traders' Dilemma", in: Hans-Dieter Evers and Heiko Schrader (eds.), *The Moral Economy of Trade*, p. 8-9.

10 More details on the mode of subsistence production can be found in James Scott, *The Moral Economy of the Peasant*, New Heaven, Yale University Press, 1976, pp. 5-40.

11 The concepts of value rationality and instrumental rationality were elaborated by Max Weber in *Economy and Society*, Berkeley: California University Press, 1978, p. 86.

12 See Evers and Schrader (eds.), *The Moral Economy of Trade*, p. 10.

Pak Darmo used to work as a soldier but now has been pensioned off. Presently, he earns some additional money as a pedicab driver. He takes customers from *pasar* Bantul to their homes. He works every day from 07:00 a.m. until 4:00 p.m. He asserted that:

"there is no correlation between money and social honour. Rich people will be respected by their neighbours not because of their wealth but because of their social behavior. This means that a rich person who does not socially use his money in the community will create misery for himself. Money has to be spent in accordance with social norms".

The above statement provides further evidence for the argument that although monetarization has spread in Bantul and money has become the most important instrument in social life, it is expected by local people that the latter will be used in line with morals. In practice, this implies that the use of money has to be controlled in every household and family in order to avoid social decadence (*kemudharatan*).

2. The Management of Money in the Family

The control of money is related to the question of who should manage money in a family. In Bantul, either husband or wife or both of them can do so in accordance with the respective agreement between them. From my empirical data, three different answers emerged: money should be managed by the husband; the wife should control financial resources in the household; the money should be managed by both of them together.

Table 2: Who Manages Money in a Household?

The manager of money in a household	Peasant		Trader		Other	
1. Husband	6	(8.9%)	27	(19.2%)	8	(13.6%)
2. Wife	19	(28.4%)	58	(41.1%)	16	(27.1%)
3. Husband & wife	41	(61.2 %)	54	(38.3 %)	30	(50.8 %)
4. No answer	1	(1.5%)	2	(1.4%)	5	(8.5%)
Total	67	(100%)	141	(100%)	59	(100%)

Source: Researcher's own data (n = 267)

The distribution of answers shows that money should be managed by both husband and wife (peasant 61.2%, traders 38.3%, and other 50.8%). This points to the social change presently, taking place in the community of Bantul. According to the traditional view, the full responsibility for managing money in a household rests with the wife. The husband did not know anything about the use of money in the family. His obligation was to work and to give the monthly income to his wife. The wife, then, would spend it on household necessities.

There is an obvious tendency in a trader family for the wife to manage money (41.1%), while in farmer households the management of money is beyond the wife's authority (28.4%). In trader families wives are generally also involved in trading. As traders women have been familiar in their every-day life with managing money and, thus this habit is retained in their family life. In farmer households on the other hand money is collectively managed by both the husband and wife, except in the case of old couples where money tends to be managed by the wife. This can be found in the statement by Pak Wikro, a poor farmer who owns 0.9 ha of wet rice fields. He also works as pedicab driver in Bantul town at night because his income is not enough to meet his household needs. He has four sons who work in Yogyakarta city:

"My obligation as head of the family is to work. Every day I give my income to my wife. Everything that deals with household affairs is managed by my wife including the management of money. I don't know how she manages the money. If my income is not enough, I will go to a moneylender to lend money."

This statement is based on the traditional view of money. According to the new perspective on money, its management in a household can be done by either husband or wife. This new view reflects the change of social habits in Bantul which is particularly widespread among young couples. The latter argue that the control of money in only one hand (wife or husband) is not effective. The joint management of money by wife and husband will avoid its misuse. Husband and wife often divide the monthly income. For example, there is "*duwit lanang*" which is the money that can be used by the husband for buying cigarettes, fuel, and other private needs. "*Duwit wedok*" is the money managed by the wife to meet household needs. "*Duwit bocah*" stands for the money which the wife needs for taking care of the children.

The division of control over money in a household is essentially a result of the changing role of women in social production. This social change includes the rejection of the old myth that a woman is only a *konco*

wingking.¹³ Nowadays, the new view has been established that being a wife implies being partner of the husband. Many wives also work outside of the household as traders. In other words, many wives make an economic contribution to their family's income.¹⁴

From the above research findings one has to conclude that in the opinion of local people money should be used for the meeting of economic and social necessities. The use of money in the community has to be based on morals. If it is not related to morals, society will become corrupted, i.e. there is a close correlation between morals and money in the normative sense, although in practical life money and morals have often been separated. In order to avoid the misuse of money, differentiation of control over money has to be established between wife and husband in every household. Nevertheless, some of the older people still maintain the traditional view that money has to be managed by the wife.

3. The Practical Use of Money

The previous section has primarily discussed the moral connotations of money. The practical aspects of money in everyday life will be analyzed in this section. People in Bantul believe that money should not merely be used for paying for economic necessities but also for satisfying socio-cultural needs. In this context, it is interesting to know which socio-cultural activities are measured with money and the impacts of this on social relationships. If some social obligations can be compensated with money, does this lead to social disintegration or does it create a new social order? The following section will try to answer these questions by drawing on empirical data.

This difference in the understanding of money is essentially a reflection of processes of social change that have been experienced by people in Bantul. Social change in the community is mainly a result of Bantul's cultural integration into Yogyakarta city through the implementation of development projects. In the following, I will try to describe and analyze the different purposes for which money is used by the inhabitants of Bantul.

13 A Javanese term which means that the obligation of a woman or wife in a household is merely to cook, to take care of the children, and to serve the reproductive needs of her husband.

14 See also: R.L. Stirrat, "Money, Men and Women", in: Parry, J. and Bloch, M. (eds.), *Money and the Morality of Exchange*, pp. 94-116.

Table 3: The Use of Money in Practical Everyday Life*

Economic Instrument	Socio-cultural Instrument	Political Instrument
for paying food	for paying social contributions	for paying bribes
for paying clothes	for paying social obligations	for paying fines
for paying housing	for paying religious obligations	for influencing public opinion
and other economic needs	for attaining social status	

* The information contained in this table provides a further specification of the categories established in Table 1.

Table 3 reflects the various opinions of respondents about the use of money in practical life. They include both practical and normative notions. Money as an instrument of economic change will not be discussed, since most local people accept this function of money, whereas its use as an instrument for meeting social, cultural, and political needs will be the main topic of this section. This discussion is necessary in order to understand the formation of social relations in Bantul. Money can be an entry point for the understanding of social relationships in a community.¹⁵

In its function as a medium of economic transaction, money has also been used by local people as a symbolic expression of sympathy in the form of sociofinancial contributions. These financial contributions include those for wedding celebrations or for birth and death rituals. Although they are voluntary, people often perceive them as a part of social obligations. Mutual contributions among neighbours are a social habit which has existed for a long time and tends to be maintained as a social institution up to the present day. According to Scott, these institutions are a heritage from traditional times and can be interpreted as a kind of "social insurance"¹⁶ or "gift".¹⁷

This social insurance can function in a community without any formal regulations. For example, somebody who has given money to another per-

15 According to Simmel, money can be an entry point for the understanding of the culture of a community. See: Georg Simmel, *Philosophie des Geldes*, Frankfurt a.M.: Suhrkamp, 1977.

16 See: James Scott, *The Moral Economy of the Peasant*.

17 Marcel Mauss, *The Gift: Forms and Functions of Exchange in Archaic Societies*, London: Cohen and West Ltd., 1954.

son as a social contribution will create a condition of *hutang budi*¹⁸ for the receiving party. It requires that the person who received the contribution will return the money to the contributor on a similar occasion. How many rupiahs the receiver has to give back depends on the amount of the contribution. People in Bantul understand this institution as the institution of mutual help (*lembaga tolongmenolong*) among neighbours.

Pak Parto used to be a teacher at the local senior high school but has been retired for ten years. Now he owns a little shop near the market of Bantul. He has three sons, the third one is still a student at the local junior high school. He provided the following comment:

"The mutual financial contributions among neighbours are a traditional custom which has been maintained until now, although the social environment has changed. Contributions both in money and goods are basically perceived as an expression of sympathy and experienced like that by people. Social change has transformed the shape of contributions. Previous contributions took the form of goods and were given while the contributor was present during the respective festivity. Nowadays, contributions tend to be made in the form of money and the contributor will immediately leave afterwards".

Monetarization is a widespread process in the rural areas of many developing countries, among them Indonesia. Monetarization leads to a situation in which money is used for all kinds of socio-economic purposes. Money as a unit of calculation makes it possible to count precisely how many rupiahs one has to pay as social contribution. Before monetarization spread to rural communities, social contributions took the form of voluntary work or gifts in goods, i.e. rice, sugar, oil, etc. The use of money has made it easier to express personal sympathy as well as social contributions in quantitative or objective terms.

Formerly, sympathy could only be articulated in subjective forms but now the impact of monetarization on human relations leads to an objectification of expression. The articulation of sympathy can be manifested in arithmetic form and is more objective than previously. In Bantul, the standard for social contributions lies between Rp. 3,000,— and Rp. 5,000,—. People with high socioeconomic status, however, tend to pay more. As a result, the amount of financial contributions given can be interpreted as the expression of one's social status in the community.

The second phenomenon of monetarization which has developed in the everyday life of Bantul community is also related to the meeting of social

18 *Hutang budi* means to be grateful and in social debt to another person.

obligations. Local people tend to pay social obligations by means of contributing money. They point to the fact that money is more convenient than goods and claim that sometimes they have not enough time to take part in activities of mutual assistance for the development of public facilities. This means that the mutual assistance among neighbours has taken a new form, i.e., the presence of individuals can be replaced by money. Thus, money can be interpreted as a symbol representing the participation of individuals in social activities.

Social obligations which can be paid with money are mostly related to mutual assistance activities for the building of public facilities such as toilets (*kakus umum*) and meeting halls (*balai rukun kampung*) or for the cleaning of the neighbourhood (*bersih desa*). In Javanese communities, these activities are commonly called *gugur gunung*. Another social obligation which can also be compensated by money is the system of civil night-watch or *ronda malam*¹⁹. Older residents in Bantul assert that before monetarization spread in the community all social obligations had to be fulfilled by individuals themselves. Young men, for example, were obliged to participate in *ronda malam* every Saturday night. They were supposed to go on nightwatch without financial compensation. If somebody was unwilling or unable to do so, other members of the family would be required to replace him. *Gugur gunung* is obligatory for community members. If a person continually does not take part in these activities without a reasonable argument, he will become a target for gossip. As a consequence, people will be reluctant to attend a ceremony organized by him. Recently, a reverse development has taken place. Social obligations can increasingly be compensated with money, especially by people who claim to be busy with their commercial activities. The following is a statement from Pak Wakijan who serves as village head (*lurah*):

"I am very confused about the recent social development. Old people like me are confused by the use of money in all sectors of social life. Javanese people call these times a crazy era or *jaman edan*. I observed that all social obligations can be paid with money. This means that rich people get the power to buy anything they want. Thus, the more money one has the more one can free oneself from social obligations."

Criticism of monetarization in rural areas mostly comes from old people who find it difficult to deal with social change. The old generation faces a dilemma in which they have to choose between accepting monetarization in social life or maintaining old values. They are still convinced that old

19 *Ronda malam* is a part of village community (*Siskamling*) activities

values are best and that they have to be continued into the future. This situation has alienated members of Bantul community from each other and from their culture. Some anthropologists have referred to this condition as a "cultural lag". According to Simmel²⁰, this kind of social change leads to the alienation of individuals from their community, i.e., they are partly inside and partly outside of it. In line with Marx' theory on money, this shows that commoditization will equate a number of previously different phenomena in social life.²¹

"...money was thus an irresistible and "radical leveller," invading all areas of social life. By homogenizing all qualitative distinctions into an abstract quantity, money allowed "equation of the incompatible".

The above argument represents the most pronounced opposition against monetarization in rural areas which can be encountered among the older generation. The majority of the young generation asserts that monetarization does not necessarily lead to social decadence in the community of Bantul. Young people generally hold the opinion that monetarization is an unavoidable consequence of modernization in rural areas and that it has freed individuals from social restrictions. They can accept this social change as a natural process, but demand that it has to be limited to certain aspects of life. The young generation calls this process a "step-by-step social monetarization". On the one hand, money should be used as a medium of communication in social life (such as compensation for being absent in activities of mutual assistance among neighbours) but, on the other hand, certain spheres of life which are related to morals should be protected from the negative impacts of monetarization.

Yanto is a young man majoring in Indonesian literature at the public university in Yogyakarta. He commutes between campus and Bantul by motorcycle every day. Yanto argues that:

"a social agreement about monetarization should be reached among local people in order to cope with the negative effects of this phenomenon. This could be achieved by the respective village councils. monetarization tends to create social disintegration which can be seen from its damaging impact upon many traditional institutions. The social decadence in the community of Bantul is essentially a result of the change in people's life style, that is, the change from communalism to individualism. Individualization becomes a general tendency in modern times

20 See: Georg Simmel, "Der Fremde", in: *Das individuelle Gesetz*, Frankfurt: Suhrkamp, 1987.

21 Karl Marx, *Capital Vol 1*, New York: International, 1984, p. 132.

when people tend to concentrate on economic needs. However, social obligations which are linked to institutions of mutual assistance or *lem-baga keguyuban* should be maintained despite the process of monetarization".

The emergence of conflicting opinions between young and old creates social tensions in Bantul – a condition frequently experienced by transitional societies. As a result of monetarization, social relations between people in Bantul tend to become more distant and aloof; Individuals are no longer directly involved in social obligations and can compensate their non-involvement with money. Local people who are lacking in time because of their professional activities have been allowed to be absent from voluntary social work by making monetary contributions. A businessman, for instance, is allowed to be absent from *ronda malam* by paying money. There is a process towards the liberation of people from social obligations. At the turn of the century Simmel discussed the impact of monetarization on the character of human relations in modern society. By using money in all spheres of social life, an individual becomes free from social obligations and tends to be alienated from other people. Social relations become measured in money and assume the shape of arithmetic phenomena. This means that the subjective relations between people are transformed into objective ones.²²

4. Islam and the Use of Money

Money is also used for religious celebrations like the payment of *zakat* and *sedekah*. These religious obligations have to be fulfilled by every Muslim in line with Islamic rules, whereas Catholics and Protestants have other procedures for collecting money to be used for charitable purposes. In this context, I will not deal with the practices of the two Christian churches since they are only of minor importance in Bantul (5.4 % of the population). In the following, I will concentrate on the use of money and its social meanings in the framework of Islam.

The above-mentioned *zakat* is a financial contribution that has to be paid to the mosque by every Muslim at fixed intervals. The amount of *zakat* is about 2.5 % of the monthly income. Muslims who own valuable

22 Simmel asserts that "the objectification of life caused by its determination through money makes it, furthermore, possible that relations between human beings, no matter how effective or far-reaching, will allow the individual a hitherto unknown degree of freedom ..." See: Georg Simmel, *Philosophie des Geldes*, pp. 721-723 (translated from German by the author).

goods such as gold, silver, diamonds, etc. are obliged to pay 2.5% of their property as *zakat* per year. *Zakat fitrah* is an obligation which has to be paid by every Muslim either in the form of money or in natural goods. The amount of *zakat fitrah* is 2.5 kg rice and paid at the end of Ramadhan. If a Muslim is unable to conduct the fast during Ramadhan because of bad health, pregnancy, long-distance travelling, etc., he or she must donate a certain amount of money to the poor in accordance with the number of days during which the fast has been broken. *Sedekah* is a voluntary financial contribution to help poor members of the community. The amount of *sedekah* depends on the generosity of a Muslim.

Pak Achmad is a 55-year-old Islamic scholar or *ulama* who works for one of the Islamic foundations in Bantul. Every Friday, he preaches at a different mosque in Bantul. As an *ulama*, he has a strong influence on the perceptions and attitudes of the Muslim community in Bantul, especially with regard to the observance of Islamic regulations. Pak Achmad emphasized that:

"Muslims have to engage in *jihād* by spending their money in accordance with Islam rules. Man is originally individualistic and materialistic. He merely strives to obtain consumptive goods and other worldly pleasures. This human nature sometimes creates social decadence in a community. For avoiding it, every Muslim has to learn *ikhlas* (sincerity, devotion). This is a kind of psychological training which involves the paying of *zakat*, *zakat fitrah*, and *sedekah*. Muslims believe that everything in the world is owned and controlled by Allah, including valuable property, and that they must be ready to give it up should Allah ever ask for it".

Most respondents perceive money as an economic instrument which causes people to commit sin. They are also aware that money and valuable property can be a source of conflict within families when it comes to inheritance matters. People who own much money and are not firm in their religious belief are in danger to violating religious rules by frequenting prostitutes, gambling, and drinking alcoholic beverages. In order to avoid this, Muslims have to undergo a "psychological training" (*ikhlas*) by contributing money in the form of *zakat*, *zakat fitrah*, and *sedekah*. These three types of contribution support the implementation of religious obligations. Money as a medium of exchange is used to transform a profane situation into a

sacred one.²³ Muslims in Bantul always give some money to the mosque at Friday noon as *infak*²⁴.

S²⁵: What is the function of money with regard to religious activities?

H²⁶: As Muslims, we can use money to improve our faith in God. One has to be aware that after death all money will be lost. Money is a profane good.

S: Why should Muslims use their money to improve their faith in God? I think, we can improve our faith without spending money, for example, by fasting.

H: I don't agree with that. As Muslims, we have to sacrifice our property, be it in the form of money or in goods. If we help other people with our money, we will indirectly become *ikhlas* and Allah will reward us (*pahala*).

S: Then, what is the meaning of money for a Muslim like you?

H: Muslims have to refrain from becoming greedy and stingy. We all know that money can be a source of greediness. By spending our money in a way prescribed by Allah, we will be prevented from moral decadence such as greediness. Money is not a goal but a means to improve our faith in God. Allah will forgive us our sins, if we spend our money in appropriate ways and we will be rewarded in the hereafter and after our death go to paradise.

Based on the above argument, we can say that the more money a Muslim owns, the more opportunities he has to deepen his religious faith. Through a process of objectification money is used as an instrument to achieve religious purposes. Money has changed the subjective meaning of religion into a more objective one. Thus, religious obligations do not only reflect the subjective obedience to Islamic rules but are also objectified so that they can be measured through the amount of money that a Muslim has to spend. The spending of money can be interpreted as a symbol of *keikhlasan*. Religious obligations, therefore, can be simplified with the help of money.

23 In this process, money sometimes performs economic functions by serving as a medium of exchange, but it also functions as a social and sacred "marker", used to acquire or amend status or to celebrate ritual events. The point is that primitive money is transformable, from fungible to nonfungible, from profane to sacred.

24 A voluntary financial contribution whose size depends on the capability of each individual Muslim.

25 Researcher.

26 Interview on November, 21 1990 with Pak Dalijo, who usually attends the "*Juma't sholat*" every Friday in Bantul mosque.

5. Money as Status Symbol

According to Simmel, the social process toward monetarization is a transformation from subjective to objective culture.²⁷ Thus, money has not only an economic function but also a symbolic one which is referred to by Mary Douglas as "special purpose money".²⁸

Most inhabitants in Bantul view money as a means to attain social prestige. They use money or other valuable property as a measurement to judge social status. If somebody owns considerable material property, he will automatically occupy an outstanding social position in the community. Possessions like color television, stereo equipment, car, gold, diamond, silver, etc. are generally used to determine social status since, according to economists, they have "demonstrative effects". In order to buy the above-mentioned goods, the demand for money is increasing among people in Bantul. In line with Merton's functionalist theory²⁹, money has two functions in society, a manifest and a latent one. While the manifest function of money is to serve as an instrument of economic exchange, the latent one is to measure social status. People in Bantul agree with the statement that "the more money somebody has, the higher one's social status will be". The reasoning behind this statement is that rich people have the economic ability to buy the symbols of social status.

Pak Tarjo is an honoured member of Bantul society. Local people call him "*juragan*" because he runs a large-scale business and owns many valuable possessions. He argued that:

"money is sometimes useful as a means to show our social position or status in the community. It has been used as *projo-projo*³⁰. We can buy many goods with money. If somebody has a lot of valuable possessions, he will be called a *wong nduwe*.³¹ As a *wong nduwe*, one consequently has to help neighbours who need assistance. If a *wong nduwe* financially supports his neighbours, other people will respect him. On the other hand, if he rejects to help them, they will call him a *wong medit* or 'stingy man'".

Other valuable possessions which also serve as symbols of social status are expensive goods like birds, plants, and ornamental fish for the aquarium.

27 Georg Simmel, *Philosophie des Geldes*.

28 See: Mary Douglas, in: Raymond Fürth (ed.), *Themes in Economic Anthropology*, London: Tavistock, 1967.

29 Robert K. Merton, *On Theoretical Sociology*, New York: The Free Press, 1967.

30 *Projo-projo* means an instrument to demonstrate one's social status.

31 *Wong nduwe* is the Javanese term for a rich man.

Such animals can be bought only in the city of Yogyakarta. If somebody owns them, neighbours will refer to him as *wong nduwe*. Another symbol demonstrating social status is the capability to carry out a party which includes the performance of traditional arts, i.e. *wayang kulit*³² and *gamelan*³³. These traditional arts are usually performed on the occasion of weddings, circumcision, or other festivities. Due to a lack of money, poor people are unable to include *wayang kulit* and *gamelan* in their celebrations. Instead, they use music from a tape recorder. In conclusion, one can say that a high social status can obviously be attained through money and that a high status makes it easier to receive more money. People who have a lower social status in Bantul will consequently find themselves in a condition of lacking money. Thus, a situation has developed in which money transcends its mere economic function.³⁴

In Bantul, money is also utilized in the process of village head elections (*pemilihan lurah*). Many respondents mentioned that in the election of village heads, money is employed to influence the voting behaviour of local people. Without money a candidate can not carry out a campaign and consequently will have no supporters. A candidate has to spend considerable money in order to reach his audience. In this case, money can be perceived as an instrument to politically influence other people.

Pak Sutoyo works as the *secretaries desa* in Bantul village. He argued that:

"in *lurah* elections one can not only rely on moral commitment. A candidate without money will be defeated. Thus, money is absolutely needed in the election process. A candidate who spends a lot of money for his supporters will win the election. An old aphorism says that money is power".

Thus, money can be interpreted as a means to fulfil political necessities or demands. The more political wants one has, the more money one has to spend.³⁵

In the community of Bantul I observed that the utilization of money in many social spheres has gradually increased the social distance between

32 *Wayang kulit* is a kind of traditional which performs tales from the Indian Mahabharata epos with leather puppets.

33 *Gamelan* is the term for traditional Javanese orchestral music.

34 Money can be used as a means to understand social interaction. Frisby argued that "...money meant more to him [Simmel] than money, because it became for him a symbol of the world, an image of exchange as a whole, of the infinite interrelationship which ultimately extended itself into the dominant principle of a world view". Simmel, Georg, *The Philosophy of Money*. London: Routledge 1991, Introduction by D. Frisby, p. 3.

35 See: Georg Simmel, *Philosophie des Geldes*, pp. 720-723.

individuals. The nature of social relationships among local people used to be dominated by subjective interactions, whereas nowadays have objective ones become more important. Monetization has essentially changed the character of social relationships by transforming them into abstract ones controlled by the arithmetic symbol of money. Social interaction is no longer guided by value considerations but rather by instrumental rationality. This does not mean, however that social disintegration is occurring in Bantul. Rather, the type of social integration has changed from communal to functional integration. As a result of this new form individuals gain a significantly higher degree of freedom than in the communal system. This individual freedom can be discovered in the social use of money. In consequence, people tend to depend more on money than in former times.

II Conclusion

1. Is Money a Means of Rationalization? From Rationalization to Alienation

This section intends to answer two questions related to the meaning of money. Firstly, is money a means of social rationalization in the community of Bantul? Secondly, does the use of money in a transitional society like Bantul result in individual alienation?

Simmel and Weber agree that money is a product of modern culture and that it is a manifestation of social rationalization.³⁶ Money functions not only economically as a unit of accounting but also sociologically as a means of communication among individuals. It has also been argued by sociologists that money equalizes different types of social affairs and relationships.³⁷ In Indonesia, money as a society-wide phenomenon dates back to the times of Western colonial domination. The aim was to integrate the subsistence sector into the market economy. Recently, money has also been used as an instrument of social communication, for example, in order to connect a particular economic context with a larger one in accordance with market integration. Until now, monetization still continues in Bantul as indicated by the integration of local economic activities into the national economy.

36 Bryan S. Turner, "Simmel, Rationalization and the Sociology of Money" in *Sociological Review*, 31, 1 (1986), pp. 93-114.

37 For a more detailed discussion see Heiko Schrader, "The Origin and Meaning of Money: A Discourse on Sociological and Economic Literature", Sociology of Development Research Centre, University of Bielefeld: Working Paper no. 136.

Credit packages, for instance, have been offered to the inhabitants of Bantul by government banks. The aim is to expand the use of money as an economic instrument among villagers. Through the use of money, residents of Bantul can conduct economic transactions with people living in cities or other areas. Thereby, economic activities in rural areas are integrated into a wider context. Money is not only an instrument for paying but also an instrument for communication. From the colonial era until present times money has primarily been employed as an instrument of economic transaction but the intrinsic value of money also symbolizes non-economic values such as social status. Thus, money is needed not only to satisfy economic necessities but also to gain social status which, in consequence, leads to a phenomenon of alienation in Bantul (*projo-projo*).

Most respondents expressed the opinion that money is similar to power. There is an aphorism in the Javanese language which continues to be used to this day and which says that if somebody owns much money, he will also have power (*duit iku kuwoso*). The power of money is seen in its ability to buy any kind of commodity, either economic or non-economic. I observed a general tendency in the changing use of money. Money is no longer a means of economic transaction but is becoming an end of social activity in itself. Thus, people earn money not in order to obtain economic but social power. This was already pointed out by Marx who argued that the pursuit of socioeconomic power through money will lead to social alienation.³⁸

Money is an incarnation of social power, since it transforms social, economic, and political activities into a numeric system. If someone owns much money, he will also command much power. This power becomes personal property. There is a general tendency in modern society for people to obtain money not only because of its economic function but because of socio-political power.

Thus, the main purpose of work is to obtain money not only in order to meet basic economic needs but also to fulfill social, cultural, and political ones. Since people work for money, social behaviour tends to be guided by monetary considerations. As a result, money is not only a means but is becoming an end in itself.³⁹ This process is associated with what Simmel

38 "Just every qualitative difference between commodities is extinguished in money, so money, on its side, like the radical leveller that it is, does away with all distinction. But money itself is a commodity, an external object, capable of becoming the private property of an individual. Thus social power becomes the private power of private persons. The ancients, therefore, denounced money as subversive of the economic and moral order of things. Modern society ... greets gold as its Holy Grail, as the glittering incarnation of the very principle of its own life". Karl Marx, *Capital*. London: Lawrence & Wishart, 1974, Vol 1, pp. 132-133.

39 See: Karl Marx, *Grundrisse, Foundation of the Critique of Political Economy*, London: Penguin Book, 1973, p. 146.

called the "cultural tragedy" of modern society.⁴⁰ Money has changed people's consciousness. For example, if people in Bantul feel hungry, they will also feel the need or "hunger" for money. If somebody wants to achieve socio-political prestige, he will feel the need for money.⁴¹

Monetarization is a secularizing process which leads to the predominance of money in all spheres of social life. Money serves as main instrument for the control of social relationships. The transaction of modern trade takes the form of an impersonal relationship mediated by money. The numerical value of money, in other words, functions as an objective measurement which guides social relationships among traders. Subjective symbols of traders thus play a lesser role in determining the pattern of their relationships.

The above-described tendency also characterizes other social spheres. Money as a symbol of trust functions not only in the trading sector but also in other social relationships. In the community of Bantul, money is commonly used as a substitute participation in social activities, i.e., *ronda malam*. By general consensus, people are allowed to compensate their non-participation in social activities (i.e. *siskamling*) by financial contributions. Therefore, one can say that money becomes a symbol for the presence of people in communal life and tends to objectify social responsibilities.⁴²

There is a traditional aphorism in Bantul which says that "rich people will have an honoured status" (*wong brewu mulyo uripe*). We can conclude therefore that if somebody has a lot of money (*brewu*), he will also be respected in most spheres of communal life. There is not a single inhabitant of Bantul who does not want to be a *brewu* (rich man). Most local people want to find an attractive job in order to make much money and become a *brewu*. Ironically, their efforts to obtain money are contradictory to prevailing social norms. Corruption and bribes are a general phenomenon in the community. Life tends to be oriented to the accumulation of money in

40 Georg Simmel, *Philosophie des Geldes*, p. 177.

41 The intellectualization of life and the quantification of human performance thus are also linked with a process of secularization; money as the symbol of value replaces natural law as the metaphysical basis of conduct. Simmel as interpreted by Bryan S. Turner, *Simmel, Rationalization and the Sociology of Money*, p. 99.

42 While money increases the range of economic dependencies through its infinite divisibility and flexibility, social interaction on the basis of money exchange removes the personal element in social relations as a result of the abstractness and indifference of money. Although money liberates people from personal dependencies, it also makes the quantitative regimentation of individuals more precise and reliable as an aspect of social control. In this account of the negative consequences of money, we begin to detect in Simmel's sociology a definite perspective on the three dimensions of estrangement: reification, alienation and objectification. See: Bryan S. Turner, *op cit*, p. 100.

order to acquire the symbols of power. In sum, people will do everything for money, although this will destroy social and religious values which have guided life in Bantul society for a long time.

2. The Impact of Money on Social Life

In this final section, I will attempt to derive some major conclusions from the previous discussion.

The process of monetarization in Bantul has in several ways affected the basic patterns of social life in the community. Money, which by most economics has been treated as a mere instrument of economic exchange, is perceived by people in Bantul as a complex reality with multiple faces. Economically speaking, of course, money is used in Bantul as a medium of exchange and accounting in activities like trade and moneylending. Sociologists, however, have also pointed to the social significance of money in rituals and ceremonies and as a means of compensation for social sanctions and obligations. Additionally, it has been shown that in political life money is used as an instrument to influence other people and to further one's own interests through the payment of bribes. Thus, money and monetarization do not only affect economic reality but most spheres of social life.

From the findings of my empirical research it must be concluded that a contradiction or dissonance exists between perceptions and norms related to money and maintained by residents of Bantul and their concrete daily behaviour. According to dominant values, the use of money as an economic means should not be separated from ethical standards. Money has to be used in accordance with social and religious norms that govern daily interaction. If this is not the case, money will not lead to prosperity in the community but to social decadence in the form of corruption, gambling, and fraud.

When we look at social reality in Bantul, however, we observe that the use of money is not only guided by traditional cultural values but often by personal intentions of the owner. Money is usually spent in order to achieve practical purposes in trading as compensation for social responsibilities, or for the payment of fines and bribes. In other words, the use of money is not always subject to social norms but in certain situations follows personal interests. Thus, there is a significant gap between social perceptions and reality.⁴³ People in Bantul face the dilemma of deciding

43 The gap between perception and reality reflects the general contradiction between *Sollen* and *Sein* which can be encountered in most spheres of social life.

when to relate the spending of money to moral conventions and when to separate the two spheres.⁴⁴

According to the opinion expressed by respondents, money has not only to be acquired because of its function as a means of exchange or as a unit of accounting but also because of its potential to achieve socio-cultural capital.⁴⁵ A traditional Javanese saying which I quoted before emphasizes that "money has power" (*duit iku kuwoso*). The power connected to money is symbolized by the number printed on a coin or bill. The higher the number, the greater the power will be. In other words, the more money a person owns the more power he or she will command. The power contained in money becomes – like the money itself – the personal property of its owner.

Because of its various capacities, people generally strive to attain and to accumulate money in different ways – both socially acceptable and unacceptable ones. In this context, one can discover pronounced Machiavellistic traits, i.e., the struggle for money justifies all means. As a consequence of the power associated with it, people start to feel a "hunger for money" not because they are in economic need but because they want to attain the power related to money. The process of monetarization has changed the consciousness of people and led to a situation in which individuals who are hungry no longer think of how to produce food but of how to acquire money. A phenomenon like this was described by Marx as a sign of alienation. People no longer strive for money as a simple means of economic transaction but as an instrument of power. With it they can buy food, social honour or respect, personal freedom, and even political power. Money is transformed from a means serving clear-cut ends into an end in itself which motivates a variety of activities. Thus, monetarization does not increase the freedom of social life but leads to alienation. Simmel, in this context, spoke of the "cultural tragedy" of modern society.

Another consequence of the increasing use of money in all spheres of social life in Bantul is the emergence of an objective culture, i.e., social activities can be measured in quantitative terms. This applies both to social responsibilities, voluntary financial contributions, feelings of sympathy, and to religious requirements. All of them can be expressed in rupiah. A resident who does not participate in a communal activity can compensate his absence by paying a certain amount of money. Thus, a social phenome-

44 This is probably a dilemma experienced by most countries presently undergoing the transition from a subsistence to a market society. People have to decide whether they follow moral or economic considerations in their everyday activities. See: Evers and Schrader (eds.), *The Moral Economy of Trade*.

45 Respondents expressed the view that money is used for the satisfaction of human needs which include economic, social, cultural, and political ones.

non which used to have a subjective quality has been objectified through an arithmetic system. This does not mean, however, that money is an impersonal medium and that its spending is free from subjective concerns. On the contrary, money – besides being a unit of accounting – is embedded in social life and does reflect the specific intentions of its spender. For that reason, money does not only corrupt social values by quantifying them but acquires a meaning in social life which transcends its mere economic functions.

Money takes the form of both "all-purpose money" and of "special monies". A wealthy Muslim, for example, will spend a part of his income on tithe and alms in order to prevent himself from becoming greedy. The result is an objectification of religion by using money as a profane instrument for the achievement of sacred purposes. Some religious obligations are more accessible to objectification than others, since they can be expressed in monetary terms and thereby be made known and demonstrated to other people. It is, however, far from sure that a person who contributes a lot of money to religious causes is also more devout and pious than others. The strength of faith still has to be measured by qualitative means.

Money paid for the compensation of absence in social activities represents or symbolizes the involvement of people in the respective activity. Individuals who neither participate nor pay money in compensation are considered to be not involved at all. In consequence, they will be sanctioned socially through the gossip of neighbours and be classified as asocial. People in Bantul try to avoid those sanctions by finding an agreement on the amount of money to be paid as compensation for absence in social activities. This amount depends on the importance or social significance of the respective activity. The more crucial the social occasion which was not attended, the higher the amount of rupiah that has to be paid by the absentee. This situation certainly leads to a process of quantification and objectification in social affairs. The advantage of monetarization lies in the facilitation of compensatory behaviour, its disadvantage in the escape of people from social responsibility. Money is necessary for freeing oneself from communal activities. Thus, money is also what everyone is striving for. Since the acquisition of money has become a general goal in society, it is no longer the individual who controls it, but money which starts to determine individual behaviour and social relations.

Besides the above-described functions of money, it is also used as an instrument to acquire socio-cultural capital with the purpose of increasing a person's monetary resources. By commanding the status symbols characteristic of the upper classes, a person will automatically be received as a member of these echelons of society. As a result, he will also have access to

the socioeconomic networks which control resources in a certain community. In this context, money is employed as a means to enter into the core of political and economic power. Thus, socio-cultural capital can be used for the increase of economic resources.

Monetarization generally transforms relations between individuals such a way that they can be accounted for in monetary units, thereby making them more objective. Sociologically speaking, personal relations become more distant, since social integration is no longer based on values of communality and togetherness but on the value of functionality. Monetarization which intends to bring about rationalization in the economic sphere at the same time tends to create social alienation. This can be seen from the fact that people no longer struggle for money because of mere economic purposes but in order to attain the power associated with it. For that reason, individuals become increasingly separated and isolated from each other by their predominant concern for money and their neglect of social affairs. This is one indication of the "hunger for money" which affects most people. They strive for money by all possible means, be it decent work, debt, or other activities not in accordance with generally accepted norms. Thus, one can say that monetarization effects the social consciousness of people. The struggle for money is one of the important factors leading to the emergence of moneylending activities.