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**Tourism and Built Environment Changes
in Traditional Communities**

Kuta and Nusa Dua, Bali, Indonesia as the Case Studies

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ABSTRACT

In many of the changes that are occurring in the world today, tourism has a significant role in many areas developed mainly as tourist destinations. Among other changes, spatial and land development engendered by tourism has not been researched widely. One of the most obvious impacts of tourism is on the physical landscape, especially because of change in the built environment. Most studies on the impact of tourism in developing countries are focused on the social and economic impacts of tourism. This research will specifically focus on the impact of tourism on the built environment.

Accepting that tourism and land development are complex phenomena, which are idiosyncratic to the context of the particular communities, this study focuses on the traditional communities of Bali. Although faced with significant socio-economic change, especially brought about by tourism, these communities are culturally conservative and possess several highly developed traditional institutions, which maintain, guide and regulate many aspects of environmental change.

This approach is constructed by investigating and problematising the theoretical model for this study; considering Bali tourism development generally; developing case studies from built environment change in two resorts in the same regency: Kuta, with integrated development, and Nusa Dua, with enclavic development, and comparing Balinese traditional and current government institutions within a planning discussion.

The research uncovers that, there are multiform development mechanisms found in various tourism projects in Kuta and Nusa Dua. The challenge to the analysis is to recognise the common theme in land development processes, which differentiates these two cases. Most likely, the only commonality, which may be drawn out from them, is that nothing in development mechanisms can be generalised. Realising the complex disparity, the analysis is conducted by dichotomising the informal and formal development mechanism. The Nusa Dua resort is an example of a purely formal development mechanism. In contrast, most of built environmental changes in Kuta represent informal and/or semi-formal mechanisms, except starred hotels and other tourist facilities built by large capital investors.

Considering planning for changes to the built environment in Bali is practised by two distinct sets of institutions: traditional institutions (*desa adat*) and more recent official institutions which are created and controlled by the central state government, the supplementary analysis exercise is comparing these two sets of institutions, which apparently have contrasting characteristics and processes.

The concern with 'institutions' suggests an understanding of the land development process as social products, and therefore embodiments of context-and historical-specific practices. Built environment processes and their outcomes are seen as the complex result of economic, social and cultural processes from which geography and history cannot be ignored. Simultaneously, this research is another contribution to the empirical investigation of the role of 'institutions' in explaining development processes and the characteristics of the resulting built environment. In planning discipline, especially land development studies arena, most economic-institutional-approach-research has been conducted in developed countries. This research has partly been based on a sociological-institutional-approach to analysing built environmental changes arising from tourist development in traditional Balinese communities.

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GLOSSARY AND ABBREVIATIONS

Only key terms and those used frequently in the text are listed here. Indonesian terms are in italic font. Balinese terms are marked (B).

<i>adat</i>	Local customary law, institutions, ritual; connected with customary practices
<i>awig-awig (B)</i>	<i>Adat</i> basic regulations (of <i>banjar</i> , <i>desa</i> , <i>subak</i> , <i>seka</i>)
<i>BAKN</i>	<i>Badan Administrasi Kepegawaian Negara</i> , Civil Administration-Board
<i>Banjar (B)</i>	Hamlet; local customary (<i>adat</i>); part of <i>desa adat</i>
<i>BAPPEDA I</i>	<i>Badan Perencanaan Pembangunan Daerah Tk. I</i> , Provincial Development Planning Board
<i>BAPPEDA II</i>	<i>Badan Perencanaan Pembangunan Daerah Tk. II</i> , Regencial Development Planning Board
<i>BAPPENAS</i>	<i>Badan Perencanaan Pembangunan Nasional</i> , National Development Planning Board
<i>Bendesa (B)</i>	Head of <i>desa adat</i>
<i>BKKN</i>	<i>Badan Koordinasi Keluarga Berencana Nasional</i> , National Family Planning Board
<i>BKPMD</i>	<i>Badan Koordinasi Penanaman Modal Daerah</i> , Regional Capital Investment Board
<i>BKPMN</i>	<i>Badan Koordinasi Penanaman Modal Nasional</i> , National Capital Investment Board
<i>BKTRN</i>	<i>Badan Koordinasi Tata Ruang Nasional</i> , National Spatial Planning Co-ordination Agency
<i>BPN</i>	<i>Badan Pertanahan Nasional</i> , National Land Agency
<i>BPN II</i>	<i>Badan Pertanahan Nasional Tingkat II</i> , Regencies Land Agency
<i>BPS</i>	<i>Biro Pusat Statistik</i> , Central Statistic Bureau
<i>BTDB</i>	Bali Tourism Development Board
<i>BTDC</i>	Bali Tourism Development Corporation
<i>bupati</i>	Regency (<i>kabupaten</i>) head of government
<i>camat</i>	District (<i>kecamatan</i>) head
<i>darma (B)</i>	Characteristic of <i>adat</i> order
<i>desa</i>	Village; local customary unit (<i>desa adat</i>) or government unit (<i>desa dinas/kelurahan</i>)
<i>dinas</i>	Government; official; connected with bureaucracy/administration
<i>DPR</i>	<i>Dewan Perwakilan Rakyat</i> , Public Representatives at national level
<i>GBHN</i>	<i>Garis-garis Besar Haluan Negara</i> , Broad Outlines for State Policies
<i>DPR</i>	<i>Dewan Perwakilan Rakyat</i> , Public Representatives at national level
<i>GBHN</i>	<i>Garis-garis Besar Haluan Negara</i> , Broad Outlines for State Policies
<i>Gotong royong</i>	Mutual aid; community labour
<i>Gubernur</i>	Head of Provincial Governor

<i>kabupaten</i>	Regency
<i>Kahyangan Tiga</i>	Village temple complex
<i>Kanwil</i>	<i>Kantor Wilayah</i> , Branch of Ministerial Office
<i>kecamatan</i>	District
<i>kelurahan</i>	Non-autonomous village; sub district unit of government
<i>kepala</i>	Head (of <i>dusun</i> , <i>desa</i> , <i>lingkungan</i> , etc.)
<i>Klian (B)</i>	Head (of <i>Banjar</i> , <i>pura</i> , etc.)
<i>LKMD</i>	<i>Lembaga Ketahanan Masyarakat Desa</i> , Village Public Security Council
<i>lurah</i>	Head of <i>kelurahan</i>
<i>masyarakat</i>	People, society, the public
MOF	Ministry of Finance, <i>Departemen Keuangan</i>
MOHA	Ministry of Home Affairs, <i>Departemen Dalam Negeri</i>
MOPW	Ministry of Public Works, <i>Departemen Pekerjaan Umum</i>
MOTPT	Ministry of Tourism Post and Telecommunication, <i>Departemen Pariwisata Pos dan Telekomunikasi</i>
<i>musyawarah</i>	Deliberation; discussion
<i>NDADP</i>	Nusa Dua Area Development Planning
<i>Negara</i>	The state
<i>Niskala (B)</i>	Worlds that are invisible or intangible
<i>pariwisata</i>	Tourism
<i>Pura</i>	Temple
<i>Pemda</i>	<i>Pemerintah Daerah</i> (Government in a particular provincial/regency/local level)
<i>RDTRK</i>	<i>Rencana Detail Tata Ruang Kota</i> , Detailed Urban Spatial Plan
<i>Repelita</i>	<i>Rencana Pembangunan Lima Tahun</i> , Five Year Development Plan
<i>RTRK</i>	<i>Rencana Teknik Ruang Kota</i> , Technical Urban Spatial Plan
<i>Rupiah</i>	Indonesian currency
<i>RUTRK</i>	<i>Rencana Umum Tata Ruang Kota</i> , General Urban Spatial Plan
<i>RUTRP</i>	<i>Rencana Umum Tata Ruang Perkotaan</i> , Urban Structural Plan
<i>Tri hita karana (B)</i>	Literally translated to ‘three’ ‘happiness’ ‘sources’

CHAPTER 1: INTRODUCTION

1.1 Research Background

This is a study of the built environment in Balinese traditional communities driven by tourism development in the context of the Indonesian State and planning system. The significance of the research is emphasized by awareness that tourism will be the biggest 'industry' in the world in the next century. International tourism, especially that which takes place in developing countries, is characterized by asymmetrical power relationships. It brings social and cultural impacts, the commodification of culture and the falsification of place and time. On the other hand, many developing countries do not have any choice other than to rely on tourism to obtain development funding.

One of the most obvious effects of tourism is on the physical landscape, especially because of built environment changes. An increasing number of domestic and foreign tourists visit host communities and expect 'international standard amenities' to be provided. This creates immense and expansive built environment changes in the host communities. Initially, existing properties may be adapted to accommodate visitors, but increasing numbers soon prompt the construction of new buildings, perhaps in tourist 'enclaves'. The distinction between physical and social impacts soon becomes blurred. There are debates over the style ('traditional' or 'modern'?) and appropriateness of physical development and over the institutional changes that are occurring in the process of development as international or non-local agent(s) become involved.

Most studies of tourism in developing countries focus on its social and economic impacts. This study aims to carry out research on the impact of tourism on the built environment, an issue that has hardly ever engaged tourism and planning scholars. Focusing on the built environment, in terms of process and product, will thus reveal other issues rarely addressed by tourism impact studies in developing countries.

Briefly Indonesia is an archipelago nation with more than 300 ethnic groups. Locals face significant changes in all aspects of their lives. One major source of change is the dramatic growth in tourism. During the next Five Year Development Plan (REPELITA – *Rencana Pembangunan Lima Tahun*), tourism is expected to be the most important source of development funding for Indonesia. Some of Indonesia's islands, Bali among them, have shown rapid changes in the physical landscape and the built environment since they have become established tourist destinations and have attracted international as well as domestic tourists.

1.2 Research Questions

The general aim of this research is to answer the following three sets of questions. The first set of questions concentrates on tourism and land development. How has tourism and land development processes been studied? How is tradition and change in the built environment linked in these studies? What are the major theories that link tourism, tradition, and change in the built environment and how appropriate are they for this research? How are tourism developments influencing changes in traditional communities?

Tourism and land development are complex phenomena. The processes and outcomes of tourism and land development are idiosyncratic and contingent upon the context of the particular communities in which they occur. This research concentrates on Bali, a provincial island of Indonesia with very apparent and distinct traditions, to explore the research questions. The study focuses on the traditional communities of Bali which are faced with significant socio-economic change, especially that brought about by tourism. These communities are culturally conservative and possess several highly developed traditional institutions that maintain, guide and regulate many aspects of daily life (Geertz 1959, Warren 1993, Pitana 2000). The location of Bali Island is presented on the following page. (Figure 1.1)

The second set of questions concentrates on more detailed changes in the built environment driven by the development of tourism in two contrasting contexts: an integrated resort (Kuta) and an enclavic resort (Nusa Dua). Here questions such, as 'what form of built environment has been created by tourism development in these case study locations' will be examined. What roles have planning institutions played in determining and changing current environmental conditions? How have locals perceived the environmental changes brought about by tourism?

The third, and final, set of questions centres on the process of change in the built environment. How is land-use planning, as it relates to the built environment, traditionally conducted in Bali? What are the locals' traditional social, economic, and political relations with their built environment? In the face of tourism development in Bali and in the context of the Indonesian State, how is formal planning of the built environment conducted? As such, in the face of tourism development, how are the locals' social, economic, and political relations with their built environment articulated through the formal planning process?

Currently, the researcher is not aware of any study that makes an explicit connection between tourism development, traditional institutions and the built environment. This research is thus an effort to make this connection, exploring the importance of tourism development and traditional institutions in determining and/or changing the built environment in Bali.

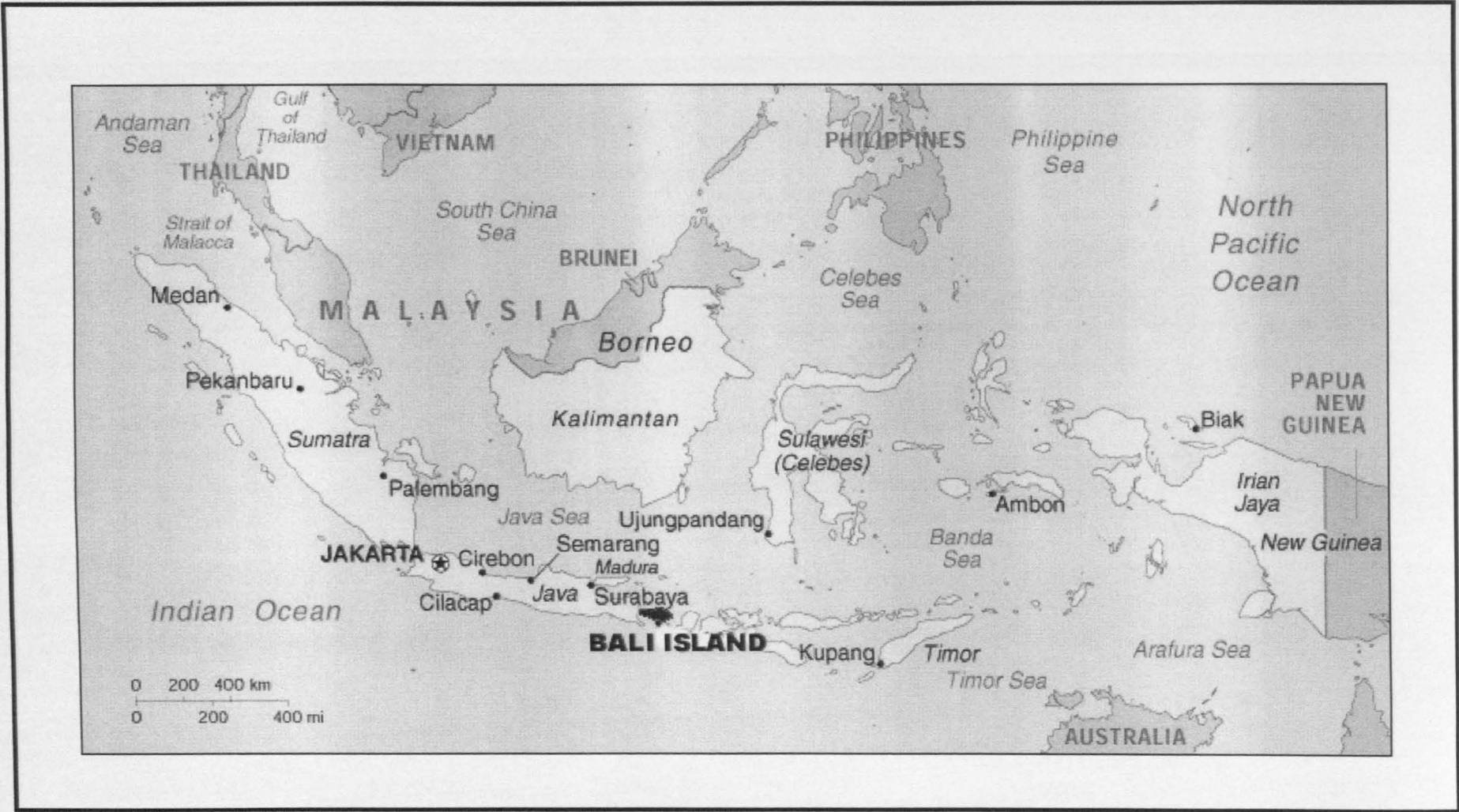


Figure 1.1. The location of Bali Island in Indonesia and South East Asia

In addition to this, an investigation of current planning practice, a practice embodied in Indonesian state regulation, may also be able to elaborate the mechanisms of change in the built environment due to tourism development in Bali.

1.3 The approach

This study is therefore an attempt to investigate the impacts of tourism that are poorly addressed in literature related to Bali and to built environment and planning subjects. Furthermore the impact of tourism processes on traditional communities can be examined from many perspectives: the anthropological, the sociological, the political, the geographic and so on. This study adopts the approach of the planning discipline because one of its main concerns is the process of physical development. Consequently, this disciplinary perspective determines fundamentally the way in which the work is presented and written-up in this thesis.

Overall then, the approach considers tourism development in Bali, develops case studies of built environment changes in Kuta and Nusa Dua in Badung Regency, Bali, and compares Balinese traditional and state government (current, formal) institutions for planning. The material in the detailed case studies has been explored to interpret the data through descriptive illustration and analysis. For the purposes of this study, to guide the case study analysis, the researcher sought to develop a description of planning's influence – through traditional and formal institutions – upon the development process and its outcomes, in an effort to explain built environment change.

Utilising an institutional model of physical development

Tourism is an industry that changes the physical landscape and generates land development. The application of an institutional model of physical development in this study is justified in Chapter 3. This model treats the process and outcome of change in the built environment as the complex result of economic, social and cultural influences.

The notion of institutions gives the scholar the flexibility to incorporate a personal understanding and interpretation of 'institutions' in the research. It stresses the potential productiveness of examining agencies in land development. Useful analyses of local land development processes are likely to result from the application of this model. A concern with 'institutions' suggests a conceptualisation of the land development process as a social construct that is an embodiment of context- and historically-specific practices. Healey's institutional model is based on an analytical framework which incorporates three main elements (see Figure

1.2): a basic empirical account of a specific development, combining event-sequences and agency considerations; an institutional analysis of the wider strategies and interest of the actors which relates them to the resources, rules and ideas which they employ; and a political economy framework as a setting for development.

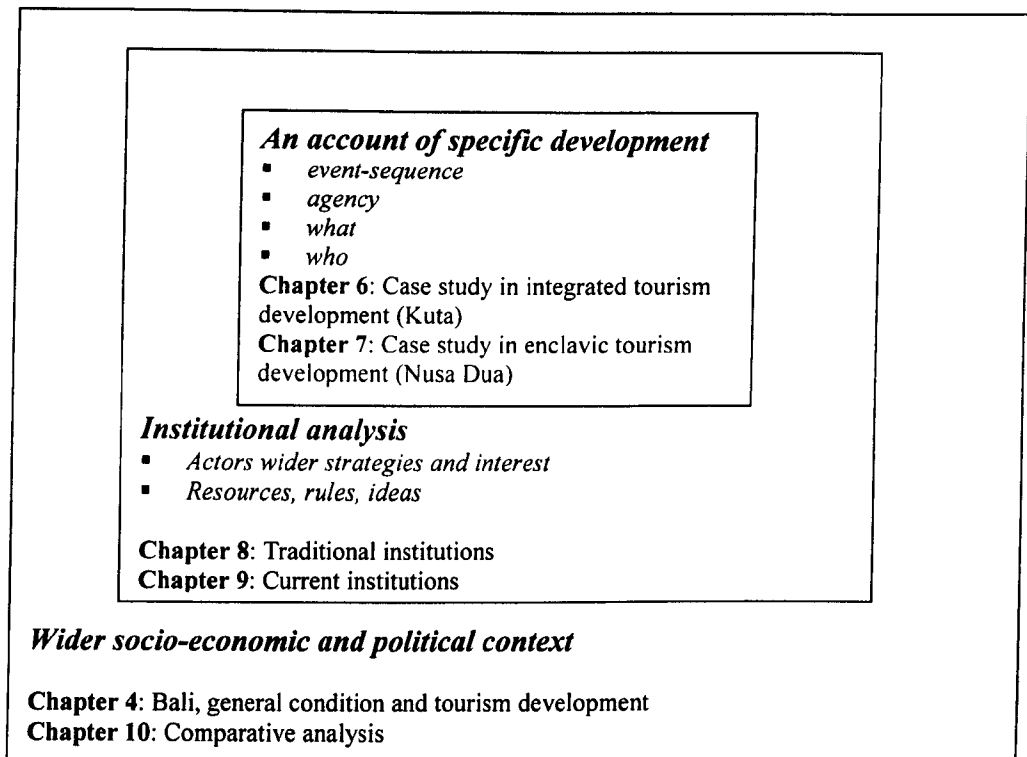


Figure 1.2. The position of each chapter in Healey's institutional model

This framework was used to structure the writing up of the findings of this empirical research in the following way: Chapters 6 and 7 discuss the empirical description of development in the two case studies and Chapters 8 and 9 deal with more extensive institutional analysis to show how interests of actors and the political economy framework as a setting for physical development works.

Chapter 3 demonstrates that the analytical approach pursued in this thesis is based on insights from contemporary institutional theory as applied to planning. It seeks to identify inductive-versus-deductive perspectives and normative-versus-regulative dimensions of institutional analysis. The framework is intended to be part of a more comprehensive investigation of tourism and built environment changes in Bali. The inductive (structural/historical) perspective and normative dimension of institutions are the basis for writing Chapter 8. The deductive (agency) perspective and regulative dimension of institutions are the foundation for writing Chapter 9. Chapter 5 (especially Figure 5.4) explains how these perspectives and dimensions of institutional analysis are operationalised in the writing of Chapters 8 and 9.

Several assumptions have been made. First, tourism is a driver of change in Bali's traditional environment. Second, tourism will continue to evolve in Bali in the future. Third, tourism does not exist in a vacuum. To understand its full meaning, it is necessary to examine the history of tradition and then to consider the present in a context of social, political, economic and environmental change, especially within contemporary state structures.

1.4 Thesis Structure

The three sets of questions raised in this study structure the thesis (see Figure 1.3). The organisation of the thesis is thus described as follows:

Chapter 2 highlights theories that relate to the first set of questions on tourism development, including the study of the impacts of tourism, of the spatial pattern of tourism development, and of the land development process. Contextual material regarding tourism's impact in developing countries, and concerning debates over tradition, culture, globalisation and modernity in relation to tourism are examined in order to provide background theoretical information.

Chapter 3 considers the literature and previous theoretical work on change in the built environment and especially on land development models, which are particularly pertinent to the third set of questions. The chapter is divided into parts covering, respectively: built environment change, land development models, the applicability of these models to the study of traditional communities, problematising the institutional framework, and a discussion on linking the model and traditional institutions.

Chapter 4 describes and discusses Bali Island in general, focusing on tourism development in an attempt to provide a background for the rest of the thesis. It starts with the Balinese physical setting, population, and land use; followed by tourism development; and ends with a conventional treatment of tourism planning.

Chapter 5 justifies and explains the importance of conducting empirical research in Bali, the selection of case studies, Kuta and Nusa Dua, and the detailed research design, including the institutional framework applied in this study. Following the explanation of the research design, methodology and method in this chapter, the subsequent ordering of chapters is unusual but was driven by a set of interrelated theoretical, methodological and practical imperatives. Healey's model as the initial theory adopted in thesis necessitates a detailed empirical account of particular events from which the researcher works outwards.

Chapter 6 presents findings from the case study of integrated tourism development in Kuta. The chapter covers: history, current conditions, spatial system and land use, building patterns, a

review of the Kuta Tourism Master Plan, tourism facilities, and locals' viewpoints on tourism development. The writing style for this chapter is to tell the story – as far as possible – from the interviewees' viewpoint, rather than the researcher's perspective.

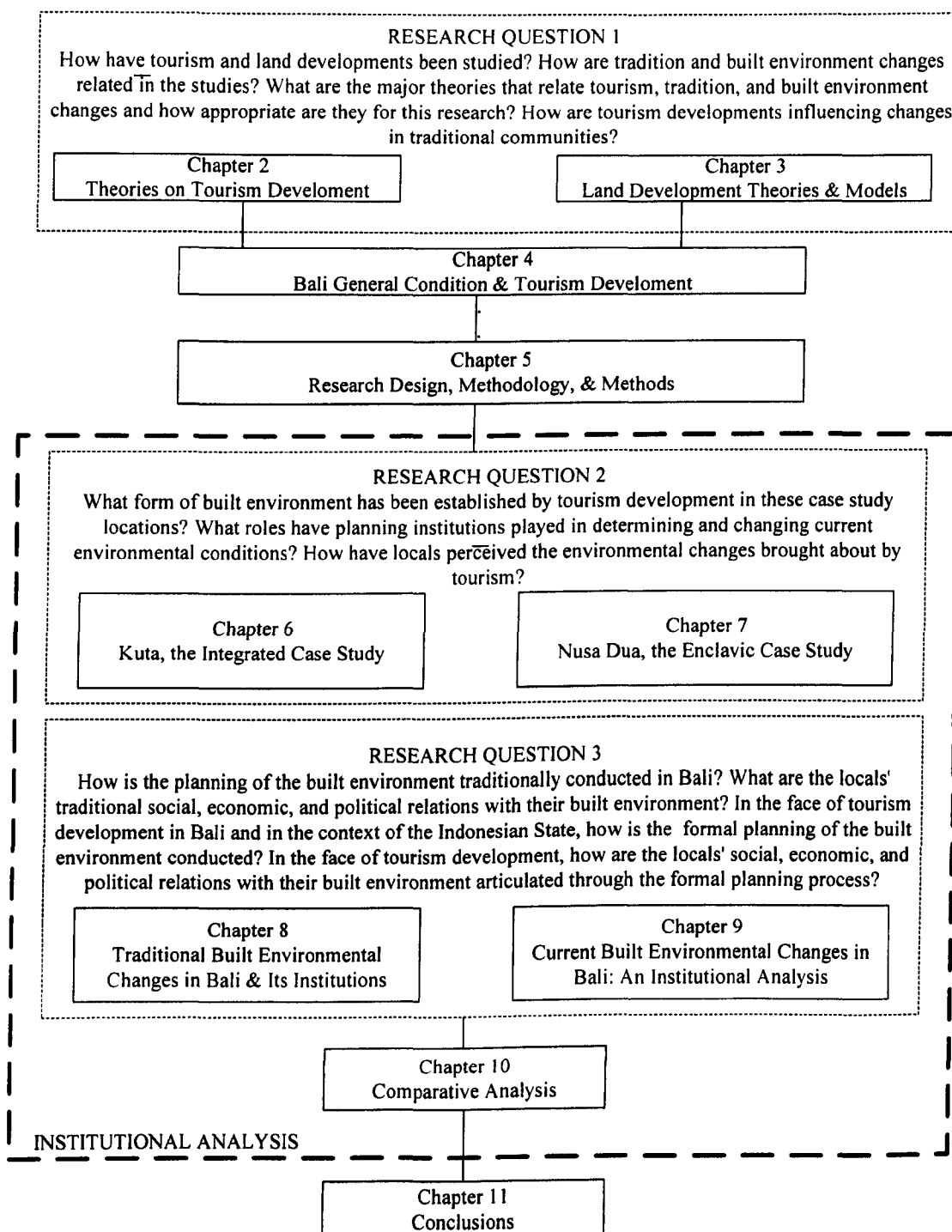


Figure 1.3. Thesis structure in relation to: Research question, institutional analysis, and content of each chapter

Chapter 7 presents findings from Nusa Dua, an enclavic tourism development constructed away from, but beside Balinese traditional communities. Five aspects of tourism development in Nusa Dua are investigated, namely: chronological development, review of the master plan, built environment changes in surrounding villages, current tourism facilities, and locals' viewpoints on the tourism development.

Chapter 8 addresses the first two of the third set of research questions that enquire: How is planning for the built environment conducted in Bali traditionally? What are the locals' traditional social, economic and political relations with their built environment? In order to answer these questions, an inductive (historical/structural) application of institutional analysis is conducted. The first part of Chapter 8 (section 8.1) starts with a discussion on how the Balinese traditionally view the material world, the nature of Balinese cosmological space, and aspects of traditional Balinese villages. Further, section 8.2 presents an explicit treatment of planning institutions in the traditional Balinese village and tries to connect the roles of *adat* and *dinas* values in the changing contextual circumstances of Balinese life. For a system of beliefs to be an element of a planning institution it has to be shared by members of the community. Therefore, section 8.3 explains the Balinese village as a political entity, an entity with a shared system of beliefs. It ends with an explanation of how the changing economic system in Indonesia has influenced traditional planning practice in Bali generally.

Given that built environment change in Bali currently is under the influence of formal state policy and planning processes in Indonesia, **Chapter 9** addresses the last part of the third set of research questions: In the face of tourism development in Bali and, in the context of the Indonesian state, how is formal planning of the built environment conducted? In the face of tourism development, what are the locals' social, economic and political relations with their built environment, as articulated through the formal planning process? In line with these questions, a deductive (agency) perspective of institutional analysis is applied. **Chapter 9** is organised within the three main aspects of built environment change. These are the processes of land development, spatial planning/regulation, and construction.

Chapter 10 presents the comparative analysis. In comparing the two case study locations, the analytical challenge is to recognise the common theme in the land development process that differentiates these two cases and the regularity of institutional elements that can be used as the comparative items in analysing the phenomenon in the two case studies. For this reason, the dichotomy of formal (current) and informal (traditional) development mechanisms is utilised in this comparative analysis. Nusa Dua resort is the product of a purely formal development mechanism. Most of the built environment changes in Kuta arise from the operation of informal

and semi-formal mechanisms, except starred hotels and other tourism facilities built by large capital non-local investors. The formal and informal development processes are described in section 10.1.

The comparison of these sets of institutions is concealed during the writing of the institutional analysis in each traditional (Chapter 8) and current (Chapter 9) planning institution chapter. Such a contrasting analysis has a specific cognitive value that hopefully enlarges knowledge about the planning institutions in Bali. While Chapters 8 and 9 contain analyses of Balinese traditional and current planning institutions, that were written independently, this chapter (Section 10.2) compares the two. Chapters 8 and 9 of this thesis explain that, in Bali, planning for the built environment is practised by two different sets of institutions: traditional institutions (*desa adat*) and more recent official institutions which were created by the central state government. The analysis in this chapter compares these two sets of institutions. This comparison (in section 10.2) brings out the contrasting characteristics and processes which otherwise are hidden in the particulars of the systems described earlier. It completes the institutional analysis (see Figure 1.3).

Chapter 11 sets out the conclusions of the research. This chapter gives a retrospective view on the main accomplishment of this thesis. It starts with some further thoughts on dichotomising traditional and current planning practice; followed by addressing the general question of how the application of built environment change theories and models to research on other similar issues may be further developed. It ends with some reflections on change in the built environment in Bali.

CHAPTER 2: THEORIES OF TOURISM DEVELOPMENT

This chapter provides a summary of the literature and previous theoretical work on the theme of tourism development that are deemed pertinent to this research, including studies of the impact of tourism and studies of the spatial development of tourism. Contextual information regarding tourism's impact in developing countries and concerning debates over tradition, culture, globalisation and modernity in relation to tourism is examined in order to provide a background for the study.

2.1 The impact of tourism on the built environment: A paradox of multiple factors

There is a large and expanding literature on the consequences of tourism for destination areas; unfortunately, it contains many contradictions and paradoxes. It originated with a primarily economic focus and has expanded to include environmental, social, cultural, political and other dimensions. It addresses both the benefits and costs of tourism as a whole and the specific dimensions of tourism impact. However, there is still debate concerning the ability of tourism to stimulate or destroy economies, to contribute to the enhancement or degradation of environments (Newsome, Moore & Dowling, 2002) and to revitalise or threaten cultures (Wall 1996). In a geographical context, Bryden (1974) gave early recognition to the fact that tourism took different forms and, more importantly, that its impact was conditioned by the environment within which development took place. Similarly, it is argued that tourism development can only be understood within the context of the developmental stages that particular countries have entered.

Research on the impacts of tourism has also relied heavily on individual case studies, with the result that the accumulation of knowledge and understanding has been less than it might otherwise have been. The website <http://www.geog.nau.edu/tg/contents/support/phds-1987-2000.html> (visited in 30 April 2004) which presents more than 300 thesis and dissertations on tourism research within various disciplines demonstrates this condition. Generalisations, as well as the assessment of consequences in specific situations, are frustrated by the complexity of the tourism phenomenon. The consequences of tourism are likely to vary with the magnitude of certain factors. Among others these include: the type of tourism, the activities which are undertaken, the settings in which they occur, the characteristics of the destination area, the roles of travel intermediaries and culture brokers, the provision of infrastructure and superstructure, the success of measures to lessen the negative impacts, the stage of tourism development, and the policy and management contexts in which tourism occurs.

Faced with the multitude of factors that influence and condition tourism's impact in a particular area, a number of authors have used comparative studies (Pearce 1993, Tosun 2002). For example: Meyer-Arendt (1990) compared the recreational business districts of six resorts on the Gulf Coast, Soane (1993) compared the histories of a number of European resorts and Wilkinson (1997) compared trends in small-island destinations in the Caribbean. Such studies constitute a very small proportion of the total and few concentrate upon impacts. There have been a number of attempts to tabulate the consequences of tourism of particular scales and types, such as Wall (1993) and Weaver (1993). However, the empirical backdrop of such tables is not sufficiently strong for one to be confident in their findings.

As such it is paradoxical that while mass tourism has grown extensively, research attention is focusing increasingly on small-scale initiatives such as eco-tourism. The literature also tends to look back at the (negative) impacts, whereas the needs of decision makers and the compilation of environmental impact statements (including economic and social impact assessments), which are now legally required for many developments, rest on the ability to project and predict. Tourism is still seen by many as a passport to development and competition for both tourists and investors in the industry continues.

In considering tourism development at a smaller spatial scale, scholars often use the terms 'resort' and 'tourism environment'. The idea of constructing a tourism environment is obviously not new, for some of the older traditional seaside resorts quickly acquired fun fairs and piers to 'sell' tourism. This also means that it is increasingly difficult to talk about environments or tourist resorts, since tourism touches almost every type of place. What is new, however, is the scale, nature, and diversity of these concepts. The ideas of theming -- which may involve 'falsification' of both 'place' and 'time'-- are highly commercialised forces within the modern tourism and leisure industries. Moreover, such ideas and their associated development, cut across many of the more traditional typologies of tourist environment. The theme park, shopping mall and heritage centre are as likely to be found in rural areas as in urban ones.

These geographical shifts in activity and the concentration of tourism resources also produce structural changes in developing economies. Winpenny (1982:218) mentioned that '... tourism displaces existing sectors of the economy and makes it more difficult for new ones to develop.' One example of such sectoral change is tourism's competition for labour, and sometimes, land, with traditional agriculture (Young 1983). However, Jenkins (1982) argues against it by saying that much of the data emanates from the peak years of international tourism in developing countries (1960-74) and there seems to be little hard evidence that tourism has been the main cause of agricultural decline in many developing economies.

2.2 The complex issue of tourism's impact in developing countries

There has also been a parallel and linked series of changes in tourism in the developed world in the post-1950 period. Mass tourism only came into existence in the 1950s, but it was part of a major shift that occurred in consumption, including expectations regarding consumption. This was to change further in the 1960s with the growth of mass international tourism, particularly from Europe and the USA. At first, the destination countries were mainly in the Caribbean or Europe. However, by the 1980s mass tourism from these countries, and from new sources such as Japan, were affecting a wide range of countries in the developing world.

For most developing countries, the main reason to develop tourism was to boost their economic development (Brohman 1996, Faulkner 2001, Harrison 2001). However, reliance on international tourism as a strategy for the growth of developing economies has been criticized because it is often associated with a dependency upon external sources of capital and expertise (Carlsen and Jafari 1996). It is also claimed there are significant structural and geographical dimensions of tourism dependency. Hills and Lundgren (1977) argue that there are powerful hierarchical dimensions in the spatial networks of tourism, and subsequently that these may be explained by dependency theory (Britton 1982). Moreover, these hierarchical relationships are, according to Lundgren (1977), a clear expression of metropolitan hegemony, being a function of the technological and economic superiority of large urban areas in developed countries (Pearce 1989:93-94). Furthermore tourism moves people rather than goods between developed and developing countries. Basically, as such, 'there is no other international trading activity which involves such critical interplay among economic, political, environmental, and social elements as tourism' (Lea 1988:2).

With the above in mind there are five general issues, relating to tourism development in developing countries, that can be delineated. Firstly, international tourism is characterised by asymmetrical power relationships, with most of the power and influence residing in the more developed countries. This is symbolised by the nature of the exchange that takes place (Teo, Chang, and Ho 2002). Tourists from developed countries demand high levels of luxury at prices below those that they are willing to pay in their home countries. These are generally provided by indigenous labour (and some enterprises) who require 'hard' foreign currency, and that whom (the indigenous groups) have no other way to obtain it (Brohman 1996).

Second, the relationships between developing countries and the tourist market in the developed world are mediated by a group of organisations such as travel agencies, tour companies and airlines (Dwyer et al 2003). Even more than the semi-peripheral economies, such as Greece and Mexico, the developing countries lack the means to develop their economy partly due to the inadequacies of indigenous capital. The result is not only structural dependence but also a high

level of income leakage. For example, Kuntjorodjakti (1989), estimated that local Indonesians retained only 17 per cent of gross earnings from tourism. This is reinforced by the enclave nature of many tourism developments, which limits the spatial and social dispersion of expenditure.

Thirdly, tourism brings both positive and negative economic effects. It impacts upon other sectors of the economy, the demand for and development of facilities and infrastructure (affecting the local population), foreign exchange earnings, employment, and net government revenue (Parnwell 1993b, OECD 1999).

As a fourth, there are also both the social and cultural effects of international tourism. The social impacts mainly revolve around the modernisation and polarisation of society, the effects on the family, and the broadening of social horizons. The cultural impact on indigenous culture includes effects on the natural environment, landscapes and the built-environment (Parnwell and Bryant 1996).

Finally, the assessment of the economic, social and cultural impacts listed above has been left open-ended at this stage because of the difficulty of making generalisations about the impact of tourism. This is related to the complex nature of tourism (Cohen 1988). Tourism may be rooted in the indigenous economy and society and grow organically, or its growth can be externally driven. This, together with variations in the nature of tourism inflows and the economic, social and cultural character of the recipient areas, means that the impacts of tourism in the developing countries are highly contingent (Teo, Chang, and Ho 2002).

For the impact of tourism in a particular region in developing countries, the conclusion of Wilkinson & Pratiwi (1995:289) could partially represent the complex condition:

‘The change brought by tourism for the local people in Pangandaran [case study location] can be understood only within the context of the complex social and economic system of the village: the predominance of property, the lack of employment options, the top-down development policy, the lack of local political power, the class structure, and the local people’s ideology of gender.’

The majority of tourism research in developing countries is concerned with case studies of economic, cultural, social and environmental impacts (Parnwell 1993a, Mithchell and Smith 1989; Harrison 1992; Singh 1989; Lea 1988). A few studies, however, do discuss aspects of tourism development over time and space (Britton 1982; Butler 1980). Most of them can be assigned to development theories that have originated outside the specific field of tourism studies. Among the existing theoretical studies of tourism we can distinguish between those belonging to the diffusionist paradigm (Butler 1980; Browett 1979) and those belonging to the

world dependency paradigm (Britton 1982; Hills and Lundgren 1977; Hoivik and Heiberg 1980; Husband 1981; Alipour 1996; Freitag 1994; Tosun and Jenkins 1996). Most of these studies are general enough to include developing countries, and some specifically address them. A few theorise the actual spatial distribution of tourism within developing countries, but they usually ignore important aspects; for example, the existence of two different sectors, formal and informal, within the tourism industry (Kermath and Thomas 1992; Wahnschafft 1982). This may be partly attributed to the neglect of the travel patterns of international tourists within the destination areas (Oppermann 1992).

2.3 Relating tradition, the built environment and tourism studies

None of the approaches to the study of tourism's impact in developing countries reviewed above thus considers the connection between tourism, tradition, and the built environment; a connection which is considered in this thesis. The following section tries to make this link using the concept of culture. It starts by positioning tradition within culture, in particular 'place', and follows this by contrasting tradition and globalisation/modernisation. Later it discusses different scholars' arguments on tourism's impact on Bali's traditions.

Understanding tradition

'Tradition' is not a fixed entity. It may mean different things to different people, including any researcher who uses this term. Usually, scholars discuss tradition as the antithesis of 'modernity', but a scholar can give a definition for tradition that differs from others. Any community can claim that they have a 'tradition' that could mean something 'modern' to other communities. However it is defined, the notion of 'tradition' is very adaptable. This is perhaps especially the case when considering tourism development.

Embedded in the discussion of tourism and the built environment is the complex phenomenon of tradition. Tradition can be defined as the handing down of customs, beliefs, and ideas inter-generationally (Costello 1992: 1413); however, it carries much more philosophical 'baggage' than this simple definition illustrates. For example, Eisnstadt describes tradition as 'a society's receptacles for symbols and behaviours,' (Eisnstadt 1973:3) and insists that tradition is fluid and constantly changing. Furthermore, tradition has been described as a reservoir or symbolic source (Vogel 1991:11); a cognitive corpus (Glassie 1995: 402); a 'collection of inherited cultural patterns' that has been temporarily interpreted and adjusted (Rubin 1975:39); or as 'a local set of possibilities generated by technique and technology' (Glassie 1995:410). However what appears significant to the concept of tradition is two things. First, there is the elastic nature

of tradition (Vogel 1991:32). In a given time and space, tradition can respond to internal and external forces that may be characterised by evolution, interpretation, transformation, or unexpected shifts in direction, and thus change. A second characteristic of tradition is its ability to 'hold' countless potential combinations of traits drawn from the past and present, whereby some elements are selected and others not.

Similarly Glassie describes tradition as a continual process where the past is drawn upon (selectively) to create the future (1995:395). The selective process is of interest here because any cultural artefact, such as a built environment, is comprised of particular dimensions selected from many possibilities. Therefore, over time, the selection and interpretation of cultural elements defines the ongoing tradition (Williams 1977: 115) and simultaneously illustrates the cultural construction of tradition (Glassie 1995:398). Additionally, the selection of cultural elements emphasizes the potential influence of dominant groups or individuals. Thus, selective tradition places added emphasis on the selector as the determiner of tradition (Littrell, Anderson and Brown 1993).

Related to this notion of tradition (as a selective process) is the idea that tradition may also be legitimated by a selector and also that the role of the selector is legitimised. That is, the one who selects from a tradition in some cultures may be determined by gender or position within a community. Therefore, the sanctioning by a particular individual can support a tradition as well as validate their role as selector.

A further point concerns 'invented' versus genuine tradition. Glassie (1995) describes both as existing on the same continuum since 'tradition contains aspects of invention' (Glassie 1995:399). Appadurai (1986:47) refers to tourist arts as existing on a continuum where traditions of fabrication exist at one end and at the other end are souvenirs and mementoes, which reflect large-scale production and reorientation to foreigner consumers. Glassie describes the existence of multiple 'traditions' related to continuity, modernisation, and revival that 'blend and contend and meet in confusion' in contemporary societies (1995:405). A related concept, authenticity, may also exist on a continuum from the completely authentic to the false (Cohen 1988: 374, 378-380). Scholars note that authenticity is also socially constructed, hence cannot be defined by precise characteristics. Rather, it is interactional and negotiable, not unlike characteristics of tradition (Littrell, Anderson and Brown 1993; MacCannel 1994:175).

Related to this is the idea that the process of change in the built environment – no less than change in tourist arts - is a complex interaction of possibilities that is not simply uni-linear; instead, it is multidirectional, emphasizing the variety of forms that can emerge (Graburn 1984:395). As ethnic arts encounter change, they may be transformed such that they are

distanced from meaning relevant to indigenous cultures or, through innovation and incorporation of novel meaning, they are re-embraced by indigenous peoples. MacCannel (1994:175) asserts that the negotiative process of cultural artefacts supports the emergence of unique cultural forms.

As such the majority of people are now part of the market aimed initially at visiting outsiders. More or less everyone lives in a region where the growth of tourist development has altered the pattern and impact of leisure in extreme ways (Urry 1990). Ironically, 'local' people are now more exposed to the archaeologies of tourism – to more knowledge about their locality, their past, geography, economy, literature, nature and so on (Smith 1989). Because such knowledge is more meaningful to them, it may have all sorts of political and cultural implications. Schools and other institutions take advantage of the increasing availability of local knowledge, of the characteristic procession of innovations with local cultural materials and of the use of narratives that derive from their (local individuals' and institutions') role as entertainers. The unintended consequence of this may be to intervene in the construction of local identity: to constantly create and recreate a sense of belonging, past, place, culture and ownership (Wilson and Dissanayake 1996). It may be that there is a shift away from a notion of any 'authentic place', corrupted by tourism and rather towards 'cultural involution', loosely used, where tourism promotes local awareness. This self-knowledge is linked to personal and institutional practices so it may be that the living tradition of an area is preservation – as when Richard Handler noted that folklore preservation, rather than folklore, was the traditional practice in Quebec (Handler and Linnekin 1984).

Thus, the impact of tourism of everyday life is not simply a function of changing local cultures caught in the stream of globalising flows or the touristification of localities (Wilson and Dissanayake 1996). Tourism is not necessarily exogenous to localities. The idea of local and threatened culture may be intensified or created through a cultural tourism that needs an object to visit. Extensive studies have suggested that while tourism does very often produce undesirable effects, it is not enough to say that 'cultural changes arising from tourism are produced by the intrusion of a superior socio-cultural system in a supposedly weaker receiving milieu' (Picard 1996:108). Touristic culture is more than physical travel, it is the 'preparing' of people to see other places as objects of tourism, and the 'preparing' of those people and places to be seen. So, although most of us may not go to most of the places advertised and, for the majority, the 'holiday of a lifetime' is but a brief moment in the middle of a succession of more ordinary tourism experiences, the touristic gaze and imagination shape and mediate our knowledge of and desires about other parts of the world. The proliferating discourses of tourism can reduce places to interchangeable snapshots that circulate, giving the impression of culture coming in 5 x 4 glossy packages (Hutnyk 1996). Desmond (1999: viv) argues, 'tourism is not

just an aggregate of commercial activities; it is also an ideological framing of history, nature and tradition a framing that has a power to reshape culture and nature to its own needs’.

Tradition is thus rooted in ‘culture,’ and culture is rooted in ‘place.’ The customs and practices that are passed from generation to generation are bound in cultural evolution (Ley and Duncan 1993). Culture manifests the ideology, beliefs and values of civilisation, be this political, social, religious/spiritual, philosophical, environmental, ethical, or other (Archer 1996). It represents a continuous ‘process of refinement’ of a civilisation or a society/community. Tradition and culture bind society, and combine collective values with individual values to establish an overall value system and framework.

Understanding culture

There has been a great deal written about culture. It is important to think about the many dimensions of culture to improve an understanding of culture, the built environment and tourism development. First, culture can be tangible in the form of buildings or artefacts or intangible in terms of people's values, attitudes and way of life. Culture can be manifested in buildings, areas, dance, food, dress, events, values, lifestyles and handicrafts. Secondly, culture can also be significant at varying geographic levels from the international to local level. It is managed and owned by a number of different actors, thereby creating the need for various interest groups to work together at different levels. Thirdly, the re-use or utility of culture in both tangible as well as intangible forms can be at times economic; whilst at other times it is not economic. Fourthly, at times culture can be well preserved and well managed, whilst at other times it may be faced with extinction.

Recently, tourism scholars have tended to correlate culture and tourism within the notion of cultural heritage. The word ‘heritage’ covers a range of subjects, including a variety of ‘material’ and ‘symbolic’ inheritances, and acts as ‘a vital source of legitimacy iconography’ (McCrone 2001). Heritage has been identified as a mixture of ‘history, ideology, nationalism, local pride, romantic ideas or just plain marketing’ (Herbert, 1995: 56). ‘Cultural heritage’ is concerned with the conservation and restoration of the past, preserving an important version of identity and history. ‘Cultural heritage tourism’ focuses attention on the reciprocal influences between tourism and cultural heritage. It appears to be an important development area in tourism that could attract visitors.

Within the western world, the current status of many post-industrial cultures may be termed as changing from modern to post-modern with a dissolving of boundaries between different cultural forms such as tourism, heritage and education. Ryan (1995) emphasises that heritage tourism can be perceived as the example ‘par excellence’ of the products of post-industrial

society. It is argued by McCrone et al. (1995) that we have more heritage than history, more invention than reconstruction, more plausibility than truthfulness. For them the postmodernist world is not one of history and does not operate on the plane of heritage. It has become 'infotainment', a sort of entertainment with artefacts not speaking for themselves but interpreted from a created past (McCrone et al., 1995: 31).

Simultaneously, culture is a product/factor of historical development, environmental conditions, natural resources, social evolution, intellectual and spiritual enlightenment, developed in the permanency of a geographic boundary (Fiero 1995, Harvey 1989). Studies in history clearly show how the origins of one culture differ from those of another as geographic distribution changes. No two cultures in different locations are alike in all their characteristics. Their values and belief systems change continuously because they operate in changing conditions.

These dissimilarities between cultures are due to the way cultures adapt to natural surroundings, and to their perception and understanding of nature and patterns of thinking (Hawkes 1996, Hitchcock & Teague eds. 2000). Communal or group living provides a commonality to a specific cultural pattern of thinking and as such a common belief system evolves. In many societies one can notice subtle changes, sometimes even distinct changes, within a distance of 100-200 miles. The question is how does this occur? Well 'place' is an important factor in these subtle changes. The continuation of place and history of social evolution give a unique identity to each culture and society. The physical form, the built environment, manifests itself in a culture's value system, resources, adaptiveness, and other characteristics (Hawkes 1996).

Place, culture and locality

So why are 'place' and 'culture' so important? The answer to this is because there is always an adaptation of 'society/culture' to and in a particular 'place' (Gupta and Ferguson 1997). There is on-going evolution and change, and the refinements in culture are made through experimentation over centuries. As many researchers indicate, the concept of place is not a bounded entity, nor is it a spatial equivalent of 'community' (Pred 1986; Agnew 1989; Anderson and Gale 1992). Place is not a locality, nor is it simply a more local version of region or nation. These terms may assume a distinct territorial quality, defined by a bounded unity of some sort, more as 'abstract space' that transcends scale. Other researchers suggest that place is more about action than about scale or region. This emphasis on 'action' and 'agency' is suggested by what Massey (1992, 1993) has called a 'progressive sense of place,' and what Dirlik (1994: 108) terms 'critical localism.' Place is where subject-formation occurs in encountering this constellation of relations. Such a subject, Dirlik (1994: 112) suggests, is not limited to a particular scale of action, but is 'translocal.'

The placed subject, for example a person, thus acts as part of a collective, rather than as an individual. Therefore, the placed subject is perhaps less rooted in a body (as suggested by Pile and Thrift 1995: 11) than in a collective of actors. The placed subject articulates a sense of loss in the face of modernity, but also sees many opportunities for new forms of action, pleasure, inventiveness, and creativity in this experience. This subject does not travel as a tourist, for example, for a break from the fragmentations of modernity, but struggles to create places of difference from those fragmentations, combining them together through mobility-induced encounters (Duncan and Ley 1993). Tourism offers a rich set of resources for this project, and so it is in tourist encounters that the impact of modernity is clearly articulated.

In many developing countries the idea of 'feasting' on places and landscapes may indicate a strong tradition of place-based identity. However, the 'consumption' of places by the tourism industry is often regarded with considerable suspicion by social scientists critical of tourism development (Urry 1995). Tourism is more often regarded as robbing places of meaning, turning them into standardised imitations of tourists' own expectations. Tourism consumes places, and this issue becomes a concern for the scholars. Tourists have been compared to mass consumers of places, leaving nothing for locals to consume (Urry 1995).

A similar note of concern is articulated by Connell (1993) who finds that for all the attract' on. in Bali, the place itself is 'conspicuously missing'. It has already been 'used up' by the millions of tourists that visit the island each year. Britton (1991) wrote that tourism's consumption of commodified places generates 'flatness', where any depth of appreciation, understanding, and especially meaning, is replaced with a 'new kind of superficiality in the most literal sense'. In this sense, the consumption of tourism is only part of a more general cultural phenomenon. As Urry (1990) has observed, the post-modern culture of post-industrial societies makes it increasingly difficult to distinguish tourism from other forms of behaviour; lately, 'people are much of the time tourists whether they like it or not' (Urry 1990: 5).

So scholars (Urry 1990 1995, Dredge 1999, Duncan & Ley 1993) who are interested in tourism and 'place' issues have indicated that culture, exoticism, and aesthetic experience have increasingly been an interest of those societies involved in post-industrial commercial production. In everyday patterns of consumption, people act more and more like tourists eating up cultural experiences, identities, and aestheticised representations of reality. However, the tourist's consumption of place cannot be completely understood without a more careful examination of how places and landscapes are 'prepared', by locals, for consumption by outsiders. In this preparation, a place-based sense of identity may be articulated as an on-going process, rather than as a set of 'essential ingredients' whose consumption is not for locals. Increasingly, scholars have been approaching the relationship between tourism and culture in

these terms. As Urry (1990) states, the tourist gaze becomes incorporated into wider social life whilst others have begun to recognise that tourism - whatever scholars may think of it - is not a universal agent, destroying everything in its path in the intentional or unintentional service of global homogeneity and uniformity. Many studies have documented how individuals and groups have responded actively to both the constraints and the opportunities brought by tourism development (Wood 1997:5).

Tourism is thus increasingly recognized as a force that gets inserted into the local dynamic of social relations and cultural politics. Tourism's role in breaking into local identities is not straightforward. Tourism can be an agent in promoting state-sanctioned regional ethnic, cultural, or national identities, but may also become a resource in local resistance to or manipulation of these identities. It can be a vehicle through which new conceptions of culture and place can be conveyed to, imposed upon, or even appropriated by, locals. Tourism can be a resource for inter-group rivalries as well.

Globalisation, culture and locality

Alternatively, tourism can also be viewed as one aspect of globalisation. Globalisation has captured the world's attention in the late 20th century and the new millennium (Parnwell and Rigg 2001). The explosion of new technologies and information tend to form the core of most discussions and debates about globalisation. Still, depending on the particular discipline, the way the term is viewed or defined varies immensely. Taylor and Flint (2000), for example, identify eight major dimensions of globalisation: financial, technological, economic, cultural, political, ecological, geographical, and sociological. However as these eight dimensions are interconnected in many ways, so a clear depiction cannot be made within the scope of this sub-theme. Therefore a focus on the cultural perspective is necessary.

As in other fields of contemporary life, culture has been profoundly affected by globalisation (Knox and Marston 1999). Although globalisation has not produced a homogenized culture, it has differing effects on the various societies and geographical areas as global forces are modified by local cultures. Cultural ecology has been one way used to examine the distinctive impacts that societal developmental changes have on culture. As cultural impacts occur, land use practices change. Likewise, land use practises cause a certain level of cultural change (Knox and Marston 1999).

Furthermore globalisation has had a dramatic impact on culture, which can be seen in the emergence of the export of culture as a trade industry (Douglas 1995). Globalisation has presented opportunities for countries to promote their cultures internationally through various

means such as tourism. Within this opportunity, globalisation has enabled culture to be projected, printed, screened and worn in the endless quest for a lucrative industry. Culture, as briefly defined above, is the traditions, language, heritage and way of life that has been handed down through generations, and that encompass national pride and uniformity. 'A country's culture, therefore reflects its history and traditions, its social movements and class struggles and the configurations of political power, internally and in the world at large.' (Douglas 1995: 5).

Globalisation, however, gives a country the opportunity not only to promote but also to exploit their culture and national foundation in return for increased investment, business and, of course, profit (Fiero 1995). The international promotion of culture through clothing, symbols, fabrics, music, literature and geography has been seen to increase a country's revenue quite markedly (Wahab and Cooper 2001). Tourism development in Bali is one example. Over the last decade Bali has used its culture as an export, and now the island has become accustomed to 'success' in this area. Through materialisation in emblems and symbols an industry has been created aimed at all ages that promotes the culture of Bali to the world. These emblems and symbols are identifiable elements of a particular culture and are transferred onto other products such as clothing items, accessories and bags. The island exports these unique cultural products to various places around the world in return for money or goods. In this way, cultural purity and preservation may be overlooked for the sake of revenue.

This international promotion of culture is pursued most successfully and profitably through tourism. The exportation of culture is thus not limited to the 'exporting' of material goods to foreign countries but the 'exporting' of projected images and information that increase tourism (Gupta and Ferguson 1997). Tourism over the decades has become one of the world's fastest growing industries. With the advantages of increased media coverage – travel documentaries, television shows, video series, newspapers and magazine coverage - tourism has become rapidly more global and integrated aiding an industry which has generated great success out of the export of culture (Carlsen and Jafari 1996).

Yet international exposure of a tradition or culture may result in its various elements being falsely projected and becoming stereotyped. Any culture that is exposed through varying media sources needs some fundamental characteristics that an audience can recognize and associate with it. These characteristics, for example the monarchy in England, the colonial history of Australia or popular culture in America, exist to promote a country's culture and to gain tourists' attention. In the context of globalization, any culture that is exploited in a world where single, individual cultures are collectively combined (usurped) and integrated with others, is vulnerable. Globalization enables a culture to be exploited through various means to a point

where a culture is consumed, watched, worn or even ridiculed by people who are not part of it (Boniface 1998).

Globalization has also produced the opportunity for tourism to exist on a large scale, which has made the international promotion of a culture possible (Gupta and Ferguson 1997). Tourism is an industry based on promotion and advertising, and culture plays a large part in this process. A person cannot promote a particular place to another person if the latter does not have any prior knowledge of that place and cannot identify particular cultural aspects of it. So the international promotion of tourism involves the international promotion of a country and its culture (Carlsen and Jafari 1996). A person generally visits a country to experience and to embrace its culture and history. But whilst doing that a person is indulging in local business, spending their currency, using their transport and resources. That culture is embraced. But tourism is now such a common experience that each year thousands more people will visit a place to experience its culture. They offer the country an opportunity for greater economic growth and a stronger currency but they also have the potential gradually to erode its historical and cultural foundations and its geographical purities. It is evident now that countries are able and willing to exploit their culture through tourism and its export.

The nature of globalisation can include the countless characteristics of culture: factors such as attitudes, beliefs, values, and so on (Wilson and Dissanayake 1996). But the trend towards globalisation, instead of operating within the mechanism of flexibility and adaptation, usually ignores particular cultural values and systems (Fiero 1995). The effects of such globalisation can be seen in development patterns, where tradition and culture have been ignored.

As a result of globalisation, many problems may thus emerge. For example changed patterns of land use; a universal pattern of design, construction and material use; inappropriate uses of the gridiron systems of planning; wasteful patterns of social consumption; the rise of a corporate culture; and the development of environmental problems. The problems are self-evident yet the effects are illustrated in every aspect of physical form that closely ties into the social and cultural changes. The classic example is the disappearance of vernacular practices of construction: of materials and methods that are specific to their culture and environment.

Cultural identity and continuity of tradition in built forms is essential. It is a basic tool of innovation, growth and progress, and it reflects the nature of freedom (Sivanandan 1997, Korten 1996). Yet globalisation tends to disregard individual cultural expression. It displaces it with mass culture, majority thinking, and monotony. In fact the most threatening aspect of globalisation may be the destruction of the process of cultural evolution, which operates within a value system (Fiero 1995). The proponents of globalisation may argue that such aspects as

economy and affordability, speed and efficiency, convenience, and an improvement in the lives of the masses are the benefit of globalisation (Wood 1997). The question is what cost do these benefits give rise to, and do the benefits outweigh the losses? Drastic change alters the value system drastically, and thus affects other things. Culture is sensitive, consisting of many elements, and the role of tradition and culture must be considered in change, growth, and development. The short discussion above is very relevant when applied to the impact of tourism development in developing countries.

Modernity versus traditionalism

In developing countries, when a destination is advertised as a tourist venue, its traditions are emphasised whether or not the publicity emanates from the locals. For example in Swaziland:

‘Ancient traditions mingle with up-to-the minute amenities: Swaziland is a fascinating blend of contrasts and contradictions, old traditions mingling with 20th-century technology ... and the conservative and tradition-loving people are proud to wear their national dress of which feathers, skins, cow-tails and brilliant colours are such a memorable feature’ (Swaziland Chamber of Commerce 1987: 94-5)

In many promotional publications, tourists are advised that the arts and crafts in developing countries are one of the ways in which the culture and traditions of the people are kept alive.

In a sense, this is true: material artefacts, whether produced for decoration or everyday use, for sale or for the producer, are reflections and expressions of culture. This includes the built environment. However, it can be said that many of the supposedly ‘traditional’ items produced for sale to tourists have only recently been introduced to the locals. For instance, a grass woven by rural women into baskets and mats is made of a traditional material but the items themselves have little to do with locals, and much more to do with what it is hoped the tourist will buy. They are the ‘memorable materials’ regarded by visitors, as ‘authentic evidence of their journey to foreign parts’ (Littrell and Brown 1993: 202).

These ideas of ‘modernity’ and ‘tradition’ are often contrasted, both by modernisation theorists, who focus on the beneficial effects of Westernisation, and their competitors, who tend to regard tradition as helpless in the face of attacks by modernity. Nevertheless, such positions are falsified by the reality of present-day tourist destinations in developing countries, where ‘tradition’ legitimates ‘modern’ material artefacts.

As an aspect of modernisation, tourism has also influenced social institutions. With new sources of income, some groups have gained status and others have lost. On occasions, a decline in the extended family and the influence of male elders has been noted. Pre-existing social and

political institutions have been given new roles, old trading relationships have been confirmed and new ones established.

The effects of tourism on ritual, the heart of 'tradition', have been discussed widely (AlSayyad ed. 1997, Dahles 2001, Timothy and Boyd 2003). The tourist industry has been portrayed 'as a vast school for the modernisation of a people's values' (Greenwood 1972: 90). In many destinations major rituals have degenerated into tourist shows and, by being commodified, are no longer regarded as significant by the locals. The ritual becomes a tourist attraction, and is used as a source of income, undergoing changes in the process. However, whether it loses meaning for the local people is debatable.

A similar argument has centred on the effects of tourism in Bali. Countering the view that tourism degrades culture, McKean and Noronha (1989, first published 1978:165) assert that it led to a strengthening of Balinese arts, crafts and tradition. A similar position has been taken, somewhat guardedly, by Pitana (2000). According to McKean and Noronha, 'economic interaction between Balinese and tourists bind the two in a common field' (1989, first published 1978:98), whereas Noronha suggests that 'the Balinese want tourism; they also want to be involved in it' (1979:201). For him, Balinese traditions are only marginally affected by tourism. Indeed, through profits made in tourism, they are strengthened:

"Tourism has thus affirmed these most important ties which link the past with the present and the future and which form the boundaries through which no outsider can penetrate, not even Balinese who are not members of the same *bandjar* (village section)" (Noronha 1979:202)

The story may not be so simple. Dances traditionally performed in temples may become tourist entertainment (Picard 1990:52&61), thus blurring the distinction between the 'sacred' and the 'profane', as when dancers continue to wear blessed masks and obtain religious benefit when dancing specifically for tourist audiences. 'In short, while the regional authorities endeavour to 'disenchant' arts of the world, the dancers continue to move in a totally 'enchanted world' (Picard 1990:70). The entire situation is made even more confusing because the Balinese authorities', faced with the continued threat of 'Indonesianisation' of their culture, use tourism to assert their national identity. In other words, their culture has become, for the Balinese, on the one hand what characterises them as a specific society, and on the other what provides their tourist product with its distinguishing feature (Picard 1990:74).

2.4 Tourism development theories and models

This thesis focuses primarily on the impact of tourism on the built environment. Therefore, the following review of tourism development theories and models in this section is predominantly

examining tourism development from a physical development perspective. In the field of the scholarly debate concerning the physical development of tourism facilities, the resort cycle model (Butler 1980) is the dominant theoretical approach. However, as will be elaborated further in this section, the model has limited applicability and coverage. Consequently, physical tourism development processes are under-studied.

To begin with general reviews of tourism development theories, and models, have been previously elucidated by Pearce (1987 and 1989a), Din (1990), Debbage (1988) and Brohman (1996). Pearce discusses development theories exhaustively; however, he does not consider the heterogeneity of tourism in developing countries. Din (1990) refers mostly to the varying economic impact of tourism on the different ethnic sectors of the economy in Malaysia. Brohman (1996: 10) considers tourism as

“Other outward oriented development strategies, including: excessive foreign dependency, the creation of separate enclave, reinforcement of socio-economic and spatial inequalities, environmental destruction, and rising cultural alteration.”

Yet the nature of tourism-environment relationships is obviously contingent on the particularities of the area. As such much of the literature on tourism's impact has emphasized its negative aspects because of a tourism industry entering and despoiling some undeveloped, natural area. Although this view may reflect the experiences of many countries and regions, it is clearly a simplistic perspective. To enable tourists to experience a destination's primary resources, secondary resources such as accommodation, transport facilities and service infrastructure have to be provided, resulting in the major physical restructuring of the destination by the extension of its built environment (Cater and Goodall 1992).

In addition to this attempts to investigate tourist destination areas such as resorts are a constant theme of tourism research. A number of models and typologies has been suggested to explain development, including that of the seaside resort in England (Gilbert 1939 in Soane 1993), studies of changing beach resort morphology (Barret 1939 in Soane 1993), studies of travellers' personalities (Plog 1973), evolutionary cycles (Butler 1980), analysis of resort development of Maltese farming-fishing villages (Young 1983), analysis of hierarchies of control and capital (Keller 1987) and investigation of the changing land patterns (Smith 1992). Keller (1987) for example, focused on the hierarchies of control and capital input that appeared to determine both the rate of development and the level of benefits flowing back to the community. From these observations, a model was created based on development stages determined by the source of tourist arrivals. Keller (1987) also parallels the stages of development to the typologies suggested by Cohen (1972) and Plog (1972).

The first resort development models focusing on developing countries were created by Miossec (1976). According to Miossec (1976), the development of tourism starts with a pioneer resort. Multiplication of resorts leads to the establishment of a hierarchy and a functional specialization of resort. In the last stage, tourism resorts are distributed almost evenly across the country. The connectivity of the resort with respect to transportation linkages reaches its maximum. Associated with the functional change of the resort is a change in its clientele. The original visitors leave for more peripheral destinations. Other types of visitor populate the resort. This progression is also alluded to in work by Cohen (1972), Thurot (1973), Butler (1980), and Tosun and Jenkins (1996).

Pearce (1989), however, notes one weakness in Miossec's (1976) model. Tourism development typically occurs 'within an existing socio-economic structure where some forms of urban hierarchy and transport network are already found' (Pearce 1989:18), and not in an 'empty space.' A further aspect that has been overlooked by Miossec is that tourism development in developing countries often occurs in the form of isolated resorts, which do not form a highly interconnected hierarchical structure. Thus, the transportation linkages between the resorts remain sparse. This enclavic structure of resorts has been noted by several other researchers (Britton 1980; Jenkins 1982; Matznetter 1979; Freitag 1994; Long and Wall 1996). However, not all resorts are enclaves.

Of the models developed to explain tourism destination area growth, the Tourism Area Cycle of Evolution proposed by Butler (1980) has received the most attention and has been adopted by many researchers.

The strength of the model arises from its longevity and its continuing popularity in the face of substantial criticism (Agarwal 1994, Bianchi 1994, Getz 1992, Haywood 1986). However, although the model's popularity has endured for about two decades, it continues to show a number of weaknesses that ultimately limit its usefulness as an analytical tool. For example, Agarwal (1997: 65) noted that 'despite the large volume of research reviewing the resort cycle, its validity, applicability and universality have yet to be successfully proven.' Butler's (1980) 'resort life cycle' model is an approach borrowed from marketing where the product life cycle is used to describe a product's S-shaped evolution through stages of introduction, growth, maturity, and decline. In Butler's resort cycle, destinations go through the six stages of exploration, involvement, development, consolidation, stagnation, and decline or revival (see Table 2.1 and Figure 2.1).

Thus, based on the concept of the product life cycle, Butler's model has been extensively tested in a number of locations including Malta (Oglethorpe 1984), the Isle of Man (Cooper & Jackson

1989), the Caribbean (Weaver 1993), Majorca (Morgan 1991), Niagara Falls (Getz 1992), Minorea (Williams 1993), small island nations (Wilkinson 1987), Alpine areas of Australia (Digance 1997), mountain regions (Tooman 1997) and Swaziland (Harrison 1995). Results of these studies have led to attempts to refine or enrich the original model (di Benedetto & Bojaic 1993; Strapp 1988). However, although studies by Wilkinson (1987) and Meyer-Arendt (1985) appear to confirm the shape of the curve in Butler's model, others have found points of divergence (Cooper & Jackson 1989; Getz 1992, Hovinen 1981).

Table 2.1. Hypothetical stages of resort cycle, after Butler (1980)

Exploration	Small numbers of 'allocentrics' or 'explorers' Little or no tourist infrastructure Natural or cultural attractions
Involvement	Local investment in tourism Pronounced tourist season Advertising of the destination Emerging market area Public investment in infrastructure
Development	Rapid growth in visitation Visitors outnumber residents Well-defined market area Heavy advertising External investment leads to loss of local control Man-made attractions emerge to replace natural or cultural 'Mid-centrics' replace explorers and allocentrics
Consolidation	Slowing growth rates Extensive advertising to overcome seasonality and develop new markets 'Psychocentrics' attracted Residents appreciate the importance of tourism
Stagnation	Peak visitor numbers reached Capacity limits reached Resort image divorced from the environment Area no longer fashionable Heavy reliance on repeat trade Low occupancy rates Development peripheral to original developments
Decline	Spatial and numerical decrease in markets A move out of tourism; local investment might replace abandonment by outsiders Tourism infrastructure is run-down and might be replaced by other users
Rejuvenation	Completely new attractions replace original lures or new natural resources used

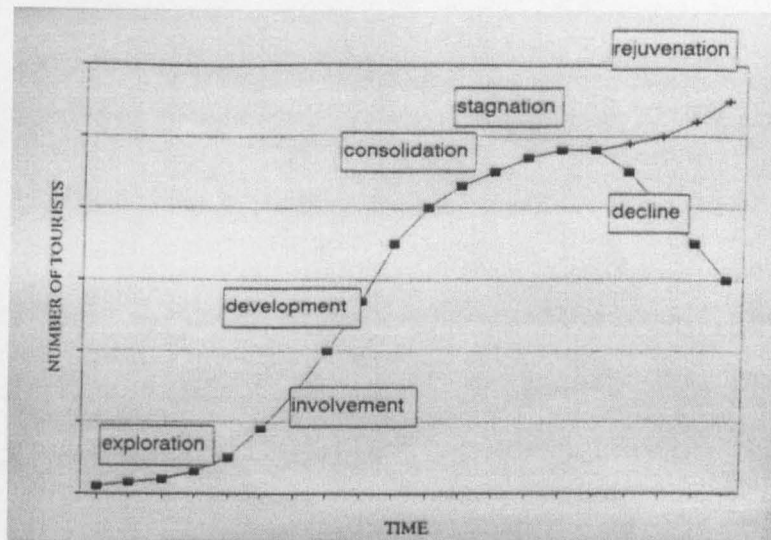


Figure 2.1. Hypothetical Stages of Resort Cycle after Butler (1980)

With this in mind, an initial difficulty in the application of the model is the identification of the various phases of the cycle. The phases delineated in the model are: exploration, involvement, development/aggregation, consolidation, saturation, stagnation, and rejuvenation or decline. A destination resort cycle's points of phases are only evident after the phases are over, especially as its form depends on both internal and external factors (Haywood 1986). Therefore, the life cycle is a hypothetical development path, not an independent mechanical process (Ioannides 1992). It is generally recognised that the identification of the phases of Butler's cycle is based on capacity levels and demand/visitor numbers (Debbage 1990) and that 'decline is rooted in visitor numbers exceeding capacity levels at the destination' (Cooper and Jackson 1989: 382). However, the concept of carrying capacity is problematic as it involves subjective perceptions (Wall 1982, Wilkinson 1990). Cooper and Jackson (1989) consider that the changing pattern of demand should be taken not as an independent variable but as one dependent upon marketing and managerial action.

Another difficulty is that the life cycle approach is destination specific and there are difficulties identifying stages and turning points (Brownlie 1985, Haywood 1986). The latter can be identified by using leading indicators such as growth rates of visits, level of visits compared to market potential, percentage of first time visitors, numbers of competitors, level of prices and profits, advertising, promotional, and price elasticity, and the emergence of new destinations that fit customer needs more effectively (Day 1981, Doyle 1976, Haywood 1986, Rink and Swan 1979). Cooper and Jackson suggest that the stage of the cycle reached by a destination can be identified by plotting the rate of change of visitor numbers, visitors expenditure, type of tourist, market share, or profitability (Cooper and Jackson 1989:381). Moreover, the level of

aggregation is not clearly defined (Brownlie 1985, Kotler 1980, Rink and Swan 1979, Weaver 1990).

Another concern is that geographical scale is important for the tourism area life cycle, as each destination area may consist of many resorts, which comprise different elements (hotel, facilities, etc.), each of which exhibits a separate life cycle. The unit of analysis is therefore crucial (Cooper and Jackson 1989:381). Similarly, domestic and international markets can produce different demand patterns and hence differing curves (Brownlie 1985, Haywood 1986). This has been shown by Strapp (1988) in his study of second home development in Sauble Beach, Ontario.

A number of other researchers have identified problems with the model, including its failure to take into account the effect of a range of significant economic factors, including the role of the market. Debbage (1990), for example, found that corporate strategy and competitive economic behaviour were significant factors in resort development in the Bahamas. Haywood (1986) stated that the true test of the importance of the life cycle must be based on its ability to be operationalised as a tourism-area planning and management tool. Cooper and Lockwood (1992) identified a number of problems with the life cycle, identification of stages and length of stages. Commenting on the life cycle approach suggested by Butler, Cooper and Lockwood (1992:15) states that it has 'much to offer researchers and rather less to offer the tourist practitioner'.

Originally Butler did not conceptualise the model as a prescriptive tool and efforts to use it in this way have caused problems particularly when trying to identify stages and their turning points (Brownlie 1985, Cooper & Jackson 1989, Haywood 1986). In a recent publication, Butler (1993) acknowledges that the model is only one of a number of tools that can be used to conceptualise the dynamics of change in tourism destinations. In a review of the model Butler (1997: 112) noted that

'At the time at which it was presented, the purpose of the model was relatively simple, to argue the case that destinations had a life as a product and this life would proceed through stages and at some point likely end. It attempts to relate growth, change, limits and intervention in a tourism context, and brings together the demand and supply sides of the equation'.

As the model stands then, its simplicity is both its virtue and its weak point. It explains the process of growth yet it remains to be demonstrated how the model can be satisfactorily operationalised. Application of Haywood's (1986: 37) conceptual and management criteria to Butler's model appears to confirm that the Tourism Area Cycle of Evolution model does not provide a sufficient basis for developing planning or policy in tourism areas. Moreover, the Tourism Area Cycle of Evolution does not consider the effect that competing areas can have on

the shape of the curve, nor does it state if an undesirable self-fulfilling prophecy such as decline is likely to occur. Results of most of the tests of Butler's model appear to support the general theory of development cycles but many deviations from the idealised model have been noted (Cooper 1992, Kermath & Thomas 1992).

As such problems identified with the model fall into general scepticism over the ability of one model to explain tourism development (Bianchi 1994, Choy 1992, Prosser 1995), problems with the concept of the product life cycle (Hart, Casserly & Lawless 1984), conceptual limitations of carrying capacity (Haywood 1986, Getz 1992), the use of the cycle concept in tourism planning (Haywood 1986, Getz 1992), a lack of empirical evidence to substantiate the concept (Choy 1992), determining the shape of the curve and turning points (Cooper 1992) and problems in applying the life cycle concepts in tourism destinations (Agarwal 1994, Shaw & Williams 1994). Finally to these general areas of concern should be added the failure to take into account the operation of the economic market in destination areas.

Butler's Tourism Area Cycle of Evolution model can thus be described as tourism's first and perhaps only widely recognised paradigm and it continues to be used extensively in the tourism destination literature. In spite of numerous applications of the model in a host of settings, however, researchers have failed to demonstrate that the cycle can be used to predict the development path of resort areas. The model has limitations, not least that it cannot be operationalised (Agarwal 2002, Haywood 1985). However, it is likely that the Tourism Area Cycle of Evolution will continue to be used to explain the concept of development. However, regardless of future modifications, it is likely to continue to suffer from criticisms about its ability to be applied as planning tool.

Apart from the spatial and physical development of tourism that is modelled in the Tourism Area Cycle, this research takes into account the issues of traditional communities and cultural manifestation of tourism development. The Tourism Area Cycle is inadequate in incorporating these issues. Therefore, it is necessary to examine another thematic discipline to acquire a model that may provide a basis for describing and analysing physical development, integrated to tourism and tradition issues. The discipline that may be appropriate to this subject matter is the field of land use planning. Chapter 3 explains the land development models that have originated in the planning discipline, to be used in this thesis.

2.5 Categorising resorts: integrated and enclavic

The meaning of the term resort varies from author to author. The word commonly refers to a place to which people go for vacations or recreation, and may be used in conjunction with adjectives such as health, inland, seaside, mountain, or ski. In North America in particular, it is

often used to describe a hotel that also provides extensive entertainment and recreational facilities (Medlik 1994:126). Therefore, a resort may be a town, or an establishment within or outside of a town. While there is potential for confusion, the context in which the word is used usually makes the meaning clear. This section is an attempt to explain the nature of 'integration' as that concept is generally used in the tourism literature and in this research.

From an economic perspective, integration usually refers to the establishment of links between enterprises. Thus, Medlik (1994) suggests that integration refers to the merging of two or more firms. He distinguishes between horizontal integration, when the firms are in the same line of business, such as two hotels, and vertical integration, where the merger consists of firms in different kinds of business but the same chain of production and distribution, such as a merger between airline and hotel companies. He also refers to backward and forward integration. When a firm integrates to secure a source of supply, such as a restaurant acquiring a food manufacturer, this is backward integration and in the case of a tour operator acquiring a retail travel agent, this is termed vertical forward integration (Medlik 1994:81).

The above discussion emphasises relationships between firms involving economic linkages, take-overs and mergers between enterprises. Bull (1995) suggests that this is usually done for one of the following reasons: to create economies of scale in large-scale operations; to facilitate the control of inputs and markets; and to enhance the opportunity to use existing different advantages to operate profitably. These perspectives on integration are similar to those commonly adopted by economists. Similar discussions can be found in many tourism texts (Bull 1995:71-74, Pearce 1989:35-37).

Further more it is possible to change scales from the level of the enterprise to examine linkages between tourism and other economic sectors. The description of such linkages is found in economic base theory (Tiebout 1962), input-output analysis, and economic impact assessment (Archer 1977; Mathieson and Wall 1982:60-86, Walsh 373). For example, if the tourism industry acquires many of its inputs from other local firms, it may be regarded as being well integrated into the local economy. Conversely, if many supplies are brought in from outside and local suppliers are under-utilised, then the tourism industry may be viewed as being poorly integrated into the local economy. In the latter case, leakage will be large and multipliers will be small.

The above observations have policy implications. Some authors stress the importance of the nature of economic linkages, particularly the extent to which inputs are acquired locally (Jenkins 1982, Rodenburg 1980). It is argued that the extent of local economic linkages is a critical influence on the extent to which tourism promotes local economic development. Thus, if

inputs are derived locally, more money is retained within the local economy and local economic impacts are improved, even if the numbers of tourists and their expenditures remain the same.

According to Helber (1995), these integrated destination resorts were first found in Hawaii in the late 1950s and centred on the development of a master plan for a total site that integrated resort accommodations and facilities to form a self-contained visitor destination. Such a process can be viewed as an attempt to provide a carefully planned, controlled, and well-defined tourism product and as a reaction against the development of unplanned coastal areas. The planning of such resorts is a specialised field involving experienced professionals who are employed to carry out the planning and related market and economic feasibility analysis (Inskeep and Kallenberger 1992:124).

Similarly Inskeep (1991:162) has described integrated resorts as being developments planned for special use by tourists. They vary in size from one hotel to several hotels and other types of accommodation totalling thousands of rooms. Typically, they are self-contained and include a variety of tourism facilities and services, and extensive open space and landscaping. Although planned as integrated developments, actual construction may occur in stages over a long period of time depending on market and other conditions. Inskeep and Kallenberger (1992:1) have further suggested that an 'integrated approach to resort development' implies the controlled planning and implementation of resort projects in order to achieve a balanced development that satisfies economic, environmental and social objectives. The success of an integrated resort depends on: (1) good transportation infrastructure with easy access to the resort for guests and staff; (2) an architectural design that blends into the surrounding natural environment and reflects traditional local designs and uses as many local materials as possible; (3) utility services, such as water supply, electric power, telecommunications, sewage and solid waste disposal systems. Successful integrated resorts are also planned within the framework of a regional environmental, economic, and socio-cultural setting.

One key word that is repeatedly used in writings on integrated resorts is 'self-contained.' Such resorts are often also termed resort enclaves and even resort ghettos by those who are cynical about such developments (Britton 1981, Goonatilake 1978, Jenkins 1982). This section is not designed to evaluate the appropriateness or the strengths and weaknesses of such developments. However, the term enclave is another fuzzy concept that is used at a variety of scales from a single hotel to an area, in terms of tourism developments within a country. Resorts, regardless of scale, cannot be entirely self-contained or self-sufficient. By definition, the tourists come from elsewhere and they usually use airports and other transportation facilities that tourists need. However, resorts retain a large proportion of visitor spending. In fact, resort managers may do all that they can to encourage visitors to remain within the resort, because temporary

movement to other locations may mean loss of potential spending. Furthermore local people may be prevented from entering the resort by constructing walls and fences and by hiring security guards. This discourages the development of links with the local economy and, if the resort is owned externally, leakage may be high. Thus, enclavic resorts that exhibit a high level of internal integration are often poorly integrated into the local economy.

Thus it is concluded that enclavic resorts have some of the characteristics that result from horizontal and vertical integration in that they provide a wide variety of interrelated services within one establishment. They often exhibit limited links with the local economy and furthermore the development of such links may be actually discouraged by physical barriers (fences, guards and so on). Conversely, those developments that provide a limited range of services on-site – that is, possess a low level of internal integration - require their visitors to acquire them from elsewhere, spreading expenditures into the neighbouring community and enhancing integration with the wider local economy. To some extent the balance between internal and external integration is related to the scale of the individual resort (whether an establishment or a town). Larger resorts may be associated with minimal economic linkages to the surrounding area, whereas smaller establishments lacking a diversity of services may be highly integrated into the local community. Thus enclavic resorts, which tend to be large, are often less well integrated into the host economy than smaller resort developments. This is not to negate the important role that enclavic resorts can play in satisfying the demands of tourists and in contributing to economic development. Rather, it suggests that one should be cautious when interpreting the meanings of integration and its derivatives when those words are used to describe resorts. Subsequently in this research, the term ‘enclave’ will be applied to larger, internally integrated tourism developments, such as Nusa Dua case study (Chapter 7) and the term ‘integrated’ will be applied to smaller, externally integrated tourism developments such as Kuta case study (Chapter 6).

2.6 Tourism development planning and policies in Indonesia

Tourism in Indonesia is promoted for various reasons, such as to generate the economic benefits of foreign exchange earnings, income, employment, and government revenues, to serve as catalyst for development of other economic sectors such as agriculture, forestry, fisheries, and manufacturing, and to help pay for and justify infrastructure. Tourism can also justify applying measures for the conservation of important natural areas, archaeological and historical sites, and for the improvement of environmental quality, and so on. Socially, tourism in its best form provides recreational, cultural, and commercial facilities and services for use both by tourists and also by residents that might not have been developed without tourism.

The economy of Indonesia is planned by a series of Five Year Development Plans (FYDP). Until 1970, Indonesia did not have an explicit policy for tourism, but rather a series of actions that aimed to develop the sector. After the 1980s, tourism was emphasised as one means of combating economic problems. Economic targets for tourism are set out in the FYDP.

Most research on tourism in Indonesia has been undertaken at the national and international levels. Data has been relatively easy to collect at the international level and this has enabled studies to be undertaken at these scales. Analysis of tourism at the national scale has been based on secondary data from central government (such as the Directorate General of Tourism, the Central Bureau of Statistics, and the Directorate General of Immigration), on interviews with experts in tourism in Indonesia, and has been supported by other studies.

However, tourism is not evenly distributed throughout countries, it is concentrated in localised resort areas. Generalisations derived from studies at the national scale may be misleading if applied to more restricted areas. There is thus a need to undertake additional investigations in destination areas where most of the impacts of tourism occur. Furthermore, no tourism and planning scholars that the researcher is aware of have been doing research specifically on the built environmental impact of tourism, and relating it to the planning process and its institutions.

Types of tourism development in Indonesia

One important aspect of tourism planning in Indonesia is a consideration of the non-economic impact of tourism development on host communities. An important consideration is whether tourism development should be integrated into an existing community-based site or developed as an enclave project. Both approaches have been pursued in Indonesia.

Enclave development

There are three basic characteristics of enclave development. First, the site location is separated from an existing community or development, with the chosen site intended to generate its own transient tourism community. The facility is operated with minimum trading and social links to an existing community. Second, the specific infrastructure is not intended to benefit directly the resident-indigenous community. Any spill over is purely exogenous; emphasis is placed on the provision of infrastructure facilities for tourism development. Thirdly, the facility is mainly, if not exclusively, used by foreign tourists. In this circumstance, a level of demand and services will be generated which the indigenous community could not afford to buy, even if it so wanted. These phenomena can be found in developed and developing countries, but are intensified in the latter because of wide disparities in the living standards of residents and visitors.

The tourism enclave in Indonesia (*Nusa Dua*, Bali) was developed as a consequence of market forces rather than as a derivative of formal planning decisions. A foreign consultant (French) appraised potential sites then selected the most suitable from their viewpoint. Once approval for development is given, the tendency is for a successful project to 'suck-in' new investment; the original project acts as a growth point. Other examples can be seen in Penang (Malaysia), Pattaya (Thailand), and Montego Bay (Jamaica).

Physically, resort enclaves are structural entities (either single hotels or clustered groups of hotels) which may be physically isolated from the host community by barriers (for example, fences, green zones, walls and limited access routes which are guarded) and/or structurally segregated by the very nature of their infrastructure (such as luxury hotels and associated facilities/infrastructure versus the impoverished or underdeveloped landscape of the local community). The resort infrastructure is not intended to directly benefit the indigenous community, and any spill over to the community is seen as strictly gratuitous. This physical/structural isolation is emphasised even more by socio-cultural and economic segregation.

Socio-culturally, tourists in a resort enclave are segregated from the local people by their cultural differences (dress, language, clothing, customs, behaviour, etc.) and differences in activities occurring within and outside the resort (leisure and recreation activities for those within the resort versus basic survival activities for the local people). A resort enclave has its own transient tourism community that partakes in minimal or regulated trading and social links with the existing community, frequently confining their social interaction to other tourists and locals ('behaving' like Westerners).

Economically, there is a large gap between the wealth of the local community and that of the resort enclave and its tourists (particularly because such luxury resorts cater for up-market tourists). This is especially true in developing country destinations. Jenkins (1982) notes that the resort enclave is used almost exclusively by foreign tourists, with the resident population not being able to afford the services or facilities of the resort enclave.

However, it should be noted that social and economic segregation occurs within most types of tourism, from integrated resort to enclave resorts. However, in a resort enclave, this segregation is likely to be greater because of the greater differences in wealth between tourists and locals and because of the physical/structural isolation of the resort. Hence, what makes a resort enclave distinct is the physical/structural isolation in addition to the degree and concentration of socio-cultural and economic separation.

Integrated development

In this type of development, planners attempt to match the scale of the project to the existing community norms. Based on the case of Indonesia, a number of common features of integrated development are as follows:

The unit scales of facilities are smaller than in enclavic projects. In Bali, the small hotels have an average of only 25 rooms. These small units are more easily absorbed by an existing community and served by general infrastructure. Where new infrastructure is required, it spills over to the community within which the tourism facility is located.

Because of the relatively small scale of development, more indigenous capital and management would be attracted to this sector; barriers to entry are lower. Because of lower prices, the type of tourists attracted to these facilities are likely to have different expectations from those tourists staying in international class hotels. It may be that this type of tourist is more assimilated into the host community. The encouragement of smaller scale development will attract indigenous investors thereby reducing, if not eliminating, the need to import foreign capital. A second characteristic is that small-scale developments are often served by existing infrastructure, and use spare capacity. Where specific infrastructure is built as an extension to an existing provision, it is less expensive than providing it on a 'green-field' site. A further important characteristic is that any new development is based in the community. What is needed is a policy on the appropriate scales of development for particular regions and locations, and the political will as well as support to implement such a policy. As this type of facility tends to emerge from the indigenous community, tourists' acceptance by the host community is a lesser problem.

So as the facilities are essentially small-scale and related to local economic and social norms, price enclavism may not be a feature. In practice this smaller scale integrated development will usually coexist with large-scale development and indirectly benefit from the external economies that only this scale can bring. Yet this type of development still requires co-ordination between all levels of planning authorities. Without this co-ordination many of the problems will be neglected. Too often in Indonesia (and other developing countries) the planning process is very fragmented, one authority being concerned with the impetus for development, with others being expected to manage the impact of the development.

As such then it is recognised that the tourism environment in Indonesia can be classified into two categories, integrated and enclavic. The choice of case studies representing these two categories, Kuta (integrated, see Chapter 6) and Nusa Dua (enclavic, see Chapter 7), will enrich

the discussion on the built environmental impact of tourism in Bali especially and in Indonesia generally.

2.7 Epilogue

This chapter has thus examined the existing literature of relevance to this thesis, exploring theories, models, and concepts in tourism, scholarly discussions which relate to issues studied in this research especially tourism and the built environment in traditional communities. Like development in general, tourism development is moving forward, spreading out spatially around the world while operating without a generally accepted and fully codified body of formal theory. Yet is it true that tourism development has no codified body of formal theory? Or is it more correct to assume that tourism development actually has a body of theory, but that the corpus of those theories consists of innumerable individualized and informal models residing one by one in the minds of some or other practitioner in tourism development?

Essentially tourism is a very complex phenomenon making it difficult to settle on any formal modelling approach to theorizing tourism development. Simultaneously it is crucial to understand the impact of tourism on the built environment. The built environment embodies, in concrete terms, the interaction of tradition and modernity, locality and globalisation, cultural preservation and commodification, consumption and creation of place. Section 2.3 which links tourism, tradition, and built environment highlighted that the discussion of these issues abound with individual/scholar qualitative theorising based on respective perspectives and disciplines which do not facilitate to design further and workable research, especially in developing countries where the data and information are relatively difficult to find. Moreover, they may be inconsistent in documenting the data and literature of tourism as well as built environmental changes among the agencies involved in the research effort.

On the other hand section 2.4 which adopted a simplified perspective of tourism-led physical development (resulting in a formal theorizing such as the Tourism Area Cycle) is also difficult to apply. On the surface, this dilemma would seem to leave 'tourism development theory' in a bind between what is difficult and inapplicable. Therefore it would perhaps be constructive to build on models from other disciplines that may offer an approach to research on tourism and the built environment that could accommodate flexibility in explaining empirical research, such as a case study approach. In this regard, this research will then consider the planning discipline, and especially the institutional model as outlined in the following Chapter - 3.

The discussion in this chapter, therefore partly shows how tourism development has been discussed within the social sciences generally. Section 2.3 indicated key features ingrained in tradition/culture, relating to the built environment and to tourism-led physical development.

These included efforts to understand: the localised construction of tradition and 'place' and further empirical accounts of how tourism affects localities, the nature and patterns of social mechanisms that may construct the local traditional landscape as well as a tourism-led built environment, or the common theme of the processes that differentiate the localities. If these themes can be consolidated, and dealt with as one research project, there may be the possibility of finding a more fruitful way of theorising tourism and built environment. The challenge is the difficulty in researching them, especially the lack of methodological interplay provided, generally, by the social sciences to operate such research. One way to approach this challenge is to use a mix of methodologies and to combine them in a way that helps the researcher uncover the particularities of tourism-led development in the built environment. This challenge is subsequently addressed in Chapter 3 (Section 3.4-5) and Chapter 5.

CHAPTER 3: LAND DEVELOPMENT THEORIES AND MODELS

This chapter provides a summary of the literature and previous theoretical work on the theme of built environmental change, and especially land development models deemed pertinent to this study. The chapter is divided into seven parts. It starts with the study of built environmental changes, followed by a review of land development models. Next, the applicability of these models to the study of development in traditional communities is considered prior to problematising the institutional analytical framework. Following this, a discussion on linking the model with traditional, as well as current/formal institutions, is presented. Finally, there is a conclusion that primarily presents the modification of Healey's institutional model to be implemented in this thesis.

3.1 Studying built environmental changes

The built environment is a complicated subject. It can be studied from many social science disciplines, such as architecture, geography, planning, psychology, sociology, anthropology, and so on. To some extent, the websites <http://www.hw.ac.uk/library/howtobuilding.html> and <http://www.cebe.ltsn.ac.uk/resources/index.html> (accessed on 1 May 2004) present the efforts of the scholars to set up database in this subject. Some scholars even use sub-disciplines rooted from single and/or multiple disciplines to study the built environment, for example: historiography, human geography, behaviour-environment studies, semiotics (which views the environment as a 'language'), urban conservation studies, rural development studies and many others. This research is conducted from the perspective of the planning discipline, with an emphasis on an institutional analysis of the development process.

The review of the tourist destination area development theories in the previous section shows that efforts have been made by tourism development analysts to create a model that is applicable to different types of tourist destination. However none of the existing models makes any explicit link to land development process models that have primarily originated from spatial planning theory. Yet enduring efforts have been made by scholars of the development process to create models that may be utilised in different kinds of property development research, and what follows next is a review of development process models and a consideration of their potential as a vehicle to achieve a better understanding of the impact of tourism development on the built environment.

3.2 Land development process models

Many models of the land development process have been developed and applied, such as partly shown at the website http://www.virtualref.com/uncrd/_sub/s139.htm (accessed on 15 January 2004). These models have been used broadly in researching industrial area development and property development, mainly in developed countries. Viewing tourism as an industry that also changes the physical landscape, these land development process models are perhaps the most appropriate theoretical frameworks for research on built environmental changes arising from tourism. Some scholars, such as Gore & Nicholson (1991) and Healey (1991) have provided reviews of these land development models.

Academic concepts are commonly articulated using diagrams or mathematics. This particularly happens in economics, the disciplinary framework used extensively by land development analysts. Scholars and practitioners have found it natural and useful to produce diagrams of the property development process. Gore and Nicholson (1991) and Healey (1991) have each produced classifications of numerous models of the land development process. From these reviews it can be seen that models have been developed for different purposes, that they can rarely be categorised by a single label and that there is limited agreement on terminology. It also shows the diversity of theoretical, conceptual, and analytical frameworks used by the scholars to explain and rationalise the land development process.

The first of the above, Gore & Nicholson (1991), classify land development models into sequential descriptions, behavioural models, production-based analyses, and the structure-of-provision approach. At the end of their review Gore & Nicholson express their preference for structure-of-provision approach because

“It involves the investigation of historically and geographically specific situations by means of a common set of theoretical propositions ... The end result would be a range of different structures of provision, each covering a sector or sub-sector of the development industry. Rather than a general model supposedly applicable to all development...” (Gore & Nicholson 1991: 724).

In addition to this the models reviewed in Gore & Nicholson (1991) and Healey (1991) have extensive heterogeneity in terms of the cases being studied and their conceptual frameworks. It is not enough simply to categorize the models reviewed in terms of economic theoretical assumptions (Marxist and Neo-classical) and grouping the models into categories based on the reviewer's assumptions (see Healey 1991:236). The broader context of the socio-political environment where the empirical applications of the models takes place needs to be explained and understood well. Healey's ambiguity over the creation of a universal theory for the development process and specified theory for particular situations supports Gore and Nicholson's conclusion.

However, broadly, the development process has also been analysed by neo-classical economists such as Jack Harvey (1996) and Marxists such as David Harvey (1978, 1985). These 'structural' models that do not go deeply into the specifics of development may be termed 'one-dimensional'. However, since structural conditions, actors and sites differ so widely, such models can never be made generally applicable. Ball's notion of structures-of-provision (1983, 1986) covers both the socio-economic structure surrounding development and the relations between actors within it, and may therefore be said to be 'two dimensional'. Similarly Goodchild and Munton (1985) recognise that actors play a variety of roles, that sites vary and that events do not follow a set sequence; they therefore address 'three dimensions' of the process. The model produced by Barratt et al. (1978) is primarily a description of a typical sequence of events. Yet the input of the site is, however, briefly acknowledged and the roles of some actors and external forces in society are acknowledged. This model, although incomplete, does address four distinct dimensions of the development process.

Examples of articles that create a land development model or use such models eclectically can also be found in the writings of Coakley (1994), with a case study of London, Leitner (1994) in the United States, and Ganderton (1994) in Basingstoke and Deane district. These three articles discuss the development process and development models in a more restricted case compared to the general discussion of the development process in Gore and Nicholson (1991) and Healey (1991 & 1992). Nevertheless these three examples enrich the empirical analysis of the development process and in their own way support Gore and Nicholson's statement that the development model is idiosyncratic.

For example Coakley (1994) argued that the key to understanding the nature of links between the real estate and financial market is the complex nature of property as a commodity. The case study describes London's experiences of the rise and fall of the property market corresponding to the government's regulation of the financial system, deregulation, and the transformation of the banking sector. One of the lessons learned from Coakley's article is that even the development models can differ from one era of a financial system to another, which, once again, supports Gore and Nicholson's statement about the uniqueness of development models.

Leitner's (1994) article is an analysis of interurban differences in the volume of building activity. It suggests ways in which powerful international and national trends are mediated by specific local economic and political structures and conditions. The article is also an attempt to explain the spatio-temporal evolution of office construction in the United States from the early 1960s to the mid-1980s. Despite a convergence in the timing of urban office development cycles, distinct interurban differences in the relative volume of office construction activity remained; individual cities showed different degrees of activity relative to national trends at

different times. The factors causing these differences, however, should be included as part of evolutionary analysis, which pays attention to the specific historical and geographical context. Finally, she concludes that such a contextual approach does not subscribe to a theory of single-factor causation, or neither to a conception of an unchanging cyclical mode of development. Leitner's article in a sense shows that even in one nation for a particular era, differences in development experience result from different economic and political structures and conditions.

Ganderton's (1994) study of the land conversion process presents an alternative model based on a case study in Basingstoke and Deane District and uses a realist approach (Levi Strauss in Gregory 1978, Johnston 1986) which argues for three layers of structure: deep-structure, infra-structure, and superstructure. He does not appear to argue for a specific model for the particular case. Ganderton argues that the adoption of his particular model and classification does not suggest that other models are wrong. He agrees with Gore and Nicholson's (1991:705) statement: 'In this sense, such models are essentially different ways of representing the same thing; there is no question that one may be considered correct, and all others wrong.'

In 1998, Ball, et al. attempted to address the inadequate microeconomic foundations for the modelling of supply and demand in the property market and the need to establish a formal theoretical link between the macro-economy and the property market. The general principles outlined in the book apply to all commercial property markets. The perspectives adopted are largely British informed, to an extent, by views from the US, Europe, the Far East and Australia. This partly reflects the significance of Britain and the United States in the development of these subject areas.

In reviewing models of the land development process then, Healey (1991) classifies the models into four types: equilibrium models, event sequence models, agency models and structural models.

- The equilibrium model focuses on quantities of demand and supply. This model is widely utilised in the real estate literature and is based on the mainstream economics paradigm, but does not express the inherent complexity of the development process (Healey 1991:223).
- Event-sequence models which describe development as a simple, serial production process and include: Cadman and Austin-Crowe's model (1978) of evaluation, preparation, implementation; Goodchild and Munton's (1985) model, based on Lichfield (1956); the 'development-pipeline' model by Gore & Nicholson (1985) and the Couch and Fowles (1990) model.

- Agency models, for Healey, include models that emphasise the importance of the actions and motives of development actors, including: Craven (1969); Kaiser and Weiss (1970); Drewett (1973); Bryan et al (1982); a descriptive model of land development by Goodchild and Munton (1985); Barret et al. (1978); Mc Namara (1988); Massey and Catalano (1978); Lauria (1982); and Rydin (1986).
- Finally in the category of structural models, Healey includes the models by Ambrose (1986), Boddy (1981), Ball (1983), and Harvey (1985) which root the relationships in the development process into the wider political economy.

In the conclusion of her first article Healey argues that none of the models achieve the ideal:

“An approach which would enable the detail of agency relationship in the negotiation of development projects to be captured while at the same time allowing generalisation about how these relationships might vary under different conditions... Nor do these models adequately address the way the interest and strategies of actors are actively constituted as circumstances change and how this relates to broader structural shifts” (Healey 1991:236).

It can be concluded then that the articles reviewed use a classification of the development process or create an alternative model based upon the individual or upon epistemological/ontological perceptions and their selected philosophical approach. Other reviewers who are interested in constructing a development model could use other justifications for their classification of alternative models and/or construction of new models, based on other methodological frameworks (for example, Adams, 1994 and Ganderton, 1994). Adams (1994) would confine the categorization used for explaining the development process in the urban planning context to a focus on event-based models and agency-based models. In general though the problems for development process models are as follows:

1. Theory and practice are not easy to correlate. The theory may be too boundless to be applied in practical context, at the same time practice may not give enough data from which valid generalisations can be made.
2. The development process is idiosyncratic and complex. Agents who are involved in the process could be involved in more than one role in more than one situation, and these roles may conflict. Any model needs to address the complex situation of agents, their relative importance, the difficulty of separating the agents from their roles, and the indefinite shifting ‘political’ links that bind them. The implication is that the model should address the duality of context as well as structure and agency.
3. Every development process could involve a different planning process. To a large extent events depend on the type of the agents involved and the socio-political environment.

- Given the uniqueness of each development at the site level, there must be a greater awareness of the spatial element in modelling and a balance between the spatial and the socio-economic environment.

Healey's Institutional Model

Roles in consumption: 1. Material values: production, consumption, investment 2. Property rights 3. Guardian of environmental quality		
Factors of production: Land Labour Capital	Events in the development process: e.g. Identification of development opportunities Land assembly Project development Site clearance Acquisition of finance Organisation of construction Organisation of infrastructure Marketing/managing the end product	Products/outputs <i>In the buildings</i> Material values Bundles of property rights Symbolic/aesthetic values <i>In the production process</i> Profits Jobs Demand for related goods/services <i>Impacts</i> Wider economic, political, environmental, socio-cultural effects
Roles in production 1. Land: ownership rights; use/development rights 2. Labour: physical production; supplier organisation 3. Capital: money; raw materials/machinery		

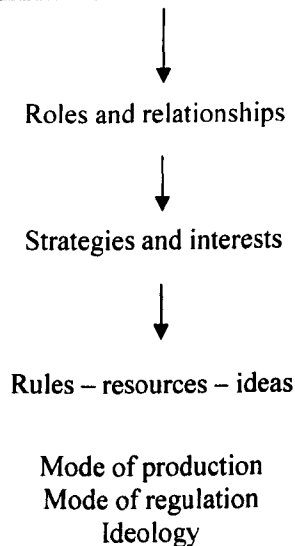


Figure 3.1 Healey's institutional model
 Source: Healey (1992)

So in order to challenge the weaknesses of the models reviewed, Healey (1992) proposed 'an institutional model of the development process.' This model involves four levels (Healey, 1992:33):

1. A description of the events which constitutes the process, and the agencies which undertake them;
2. Identification of the roles played in the process and the power relations between them;
3. An assessment of the strategies and interest which shape these roles and the way they are shaped by resources, rules and ideas; and
4. The relation between these resources, rules and ideas and the wider society.

Healey named this alternative model an institutional model of the development process. The model itself is different from the models reviewed in her first article. This alternative model is more like a guide for research on a particular case, condition and environment. The general principles of Healey's model are outlined in Figure 3.1.

Healey's institutional model is thus intended to be applicable to any land use, economy or stage of development. The model is centred on actors, relating them both to events that take place and to the wider society via sets of resources, rules and ideas. This model therefore highlights three 'dimensions' of the process.

Healey's institutional model has received attention from other land development scholars and has been tested by many researchers (see Ball 1998, Fainstein 1994, Pryke 1994, Healey et al 1995, Olds 1995, Guy and Henneberry 2000). However they mainly agree with Guy and Henneberry's (2000: 4) view of:

The need to develop an understanding of property development processes which combines a sensitivity to the economic and social framing of development strategies with a fine-grain treatment of the locally contingent social responses of property actors.

3.3 Applicability of land development models to traditional communities

So with this in mind can scholars use an institutional model to study land development in traditional communities? To answer the question, it is essential to step back and think of research as an effort to understand and explain reality. Reality in its full complexity can never be fully understood. Scholars can create their own images or models of reality. Most models are not necessarily created to serve all research subjects in the particular field. They are created by scholars and professionals alike to explain complex, but related observable events, and to identify chains of cause and effect in a particular context. Once a potential model is created, other scholars may adopt it to identify issues related to their own research. For example, holders of traditional knowledge can make their own models in their minds. When scholars or research scientists conduct studies, they can formulate hypotheses and construct formal models (thought

models, flow diagrams, mathematical models of various kinds, and so on) as can be observed in the land development models explained in Section 3.2. Such models, which were created and applied to land development in advanced market economies, seem perfectly appropriate to such a context. Yet are they applicable in the contexts of traditional communities and developing countries? Are these models useful in studying (tourism) development in such places?

So how can theoretical modelling be relevant to the study of traditional communities? Although many scholars interested in studying traditional communities have a college education, their main reluctance in using theoretical model is because it is too complicated to be useful. Even, for example, the widely known problem-solving models are rarely used in practice when it comes to the topic of traditional communities. The information required is not easily available and only a specialist can really understand the models. This is particularly true in academic models, which tend to be complex, usually require knowledge of higher study and are intended to help provide new insights into the objects studied or to identify information gaps. These models deal with parts of a social system or try to integrate the different components of such systems.

This thesis is written with the view that there is no intrinsic contradiction between the use of complex models and studies of traditional communities. In many instances, these can be complementary. The above-mentioned land development models, which are highly related to economic models, are ordinarily beyond the understanding of scholars who specialise in traditional communities commonly found within the disciplines of sociology and anthropology. At the same time, the research on literature related to the operationalisation of land development models have shown that these models have not previously been used in linking the issues of traditional communities, tourism, and land development before. Therefore, the approach taken in this thesis is following Healey's model, and combining it with contemporary institutional analysis, there is potential to add to a general understanding of traditional or formal institutions' interrelations with physical tourism development.

In examining Healey's institutional model, Ball (1998) labels it an agency-structure model. Ball (1998) characterises the problem of applying Healey's institutional model as a problem of sociological theory in general, not only of this approach. How can a researcher deal with the relations between structure and agency? Social and economic ('structural') explanation of agencies' role and existence may be criticised for determinism. On the other hand, structural change cannot be greatly affected by agency behaviour, even if the feedback effects of agency actions on structural dynamics are recognised. This is particularly true and important when the scholar is analysing institutions in local traditional communities with a strong cultural background, which is juxtaposed with international institutions such as tourism. The structure

and agency formulations make it hard to avoid misleading explanations, because the causality of change is unclear.

Ball (1998) also suggests the application of Healey's institutional model can incorporate many different theoretical approaches. However, the point just made about the fundamental difference between its methodology and that of mainstream economics suggests that this is not true. The focus in Healey's institutional model is on behavioural differences between agents, while in mainstream economics it is on behavioural regularities across different agents. Making the two compatible is problematic.

However, as has been noted in the previous discussion on institutionalism, the notion of institutions in Healey's model gives flexibility for a scholar to frame his or her own understanding of an institution. It stresses the potential productiveness in examining agencies in property development. Useful analyses of local land development processes are likely to result from using this model. The difficulties in applying it depend on what is attempted with the model.

3.4 Problematising the institutional framework

So, with this in mind, one objective of this section is to substantiate an analytical framework to capture important aspects of the inter-relationships among various institutional elements that can be applied to this research subject: tourism and built environmental changes in traditional communities. This framework is aimed at highlighting and fostering the analysis of how various institutional elements constitute inter-related parts of a larger whole within which a particular regularity of social behaviour is associated, especially in the context of the planning process in Bali.

The interpretative procedure carried out in this thesis is based on insights from contemporary institutional theory in seeking to point out normative, regulative and cognitive dimensions of institutionalisation, as an ongoing process. Special emphasis is given to normative-regulative dimensions and inductive-deductive perspectives. The framework is intended to underpin an investigation of tourism and built environmental changes in Bali.

The challenge of institutional analysis

In economics, political science and sociology it is widely accepted that institutions matter. There is less agreement, however, about what institutions are and how to study them. In economics, institutions are defined, for example, as rules, beliefs, norms of behaviour, or regularities of behaviour, or organizations (such as firms, courts, parliaments, social networks,

and communities). Furthermore, the main approaches to institutional analysis also differ in their basic methodological assumption regarding institutions' origins, dynamics, and implications. Because distinct definitions of institutions have been treated in the literature as mutually exclusive and because of the above methodological divide, institutionalists still have a limited ability to address three questions that are at the heart of social science and history: What are institutions? Why do societies evolve along distinct institution paths? Why do less successful societies often fail to adopt the institutional structures of those that are more successful?

There is thus a wide diversity within and across disciplines concerning how they define 'institutions' and why they study them. That diversity derives, to a certain extent, from the tendency for each social discipline to look for a definition that is somehow 'internal' to the practices they describe. While institutionalism has been widely studied since the 1950s, in recent decades social scientists have created a term 'new institutionalism' to differentiate the current discussion on institutional theory from the 'old version'. One of the difficulties in applying an 'institutionalist' approach is that the new institutionalism is itself disparate and diverse, its central elements often vague and ambiguous. Although it may cross the social science disciplines of economics, political science and sociology, there are still significant differences between the forms that institutionalism takes in each of these areas. Nevertheless, all are united by the common idea that 'institutions matter' to individual and social actions and interactions because they provide the structure in which that action and interaction itself occurs (Levi 1990).

Among the difficulties for analysis of institutions over time is the vague nature of the concept of institutions. There are many, alternative definitions of the term 'institutions' and the approaches to their study within various disciplines, such as economics, political science and sociology. The following are some commonly used definitions.

Institutions are:

'The rules of the game' in a society (North 1990: 4) and 'the sets of working rules' that 'contain prescriptions that forbid, permit, or require some action or outcome,' and that are 'actually used, monitored, and enforced' (Ostrom 1990: 6);

Organizations such as firms, parliaments, tribes, families, communities, and universities (for example, Williamson 1985; Granovetter 1985; North and Weingast 1989);

Beliefs. These may be cultural or shared beliefs about others' behaviour or about the world around us, and the relationships between actions and outcomes in it (for example, Weber 1958 [1904]; Denzau and North 1994; Greif 1994, Calvert 1995, Lal 1998)

Norms of behaviour that have been internalised by members of a society, and hence, influence their behaviour (for example, Ullmann-Margalit 1977; Elster 1989; Platteau 1994).

Regularities of behaviour or 'social practices that are regularly and continuously repeated' (Berger 1977; Schotter 1981; *The Penguin Dictionary of Sociology*: 216; Young 1998: preface.)

Therefore institutions comprise cognitive and moral structures, rules or norms that are regarded as socially binding but which may not be obvious (Apter 1991). They have a behavioural dimension, providing norms or rules of behaviour that reduce the need for individuals to 'reinvent the wheel', thus constraining and enabling action and interaction. Essentially, according to Powell and DiMaggio (1992), the new institutionalism in the social sciences shares key philosophical roots: notably Simon's (1951) behavioural model of bounded rationality, accepted by the disciplines of political science, economics and sociology (North 1990, Ostrom 1991); the balanced nature of the relationship between institutions and individuals or organisations; and the stabilising and facilitating nature of institutions.

Where sociological analysis is concerned, works in the tradition of Weber impart that institutions reflect the interactions among individuals, while works in the tradition of Durkheim consider institutions to be societal features that impose themselves upon individuals. Within economic history and evolutionary economics, it is common to identify institutions with history-dependent, and not necessarily functional, behaviour (for example, North 1990; Hodgson 1998). Rational choice analysis in political science examines institutions as instrumental outcomes using equilibrium analysis, while historical institutionalism emphasizes that they reflect a historical process (Thelen 1999).

The thematic discipline to which the institutional model developed by Healey (1992) is most relevant is perhaps political science. New institutionalism in political science is a reaction to behaviouralism, which was itself a reaction to the old institutionalism of the 1950s (Dowding 1994). Old institutionalism saw the role of political science as detailing the political structure: the legal framework, the detailed rules of procedure, and as describing and prescribing systems of accountability and participation. Behaviouralism reacted against this formal and highly prescriptive tradition, focusing on what really happened, how systems really worked. In so doing it removed the focus from the institutions and placed it on individual actors within the political structure and on their relationships with those outside: the roles of interest groups and the development of corporatism (Grendstad and Selle 1995). New institutionalism in political science can be seen, at some levels at least, as an attempt to integrate the two lines of analysis: that is to say that the actions of individuals and the goals that they have are shaped by the institutional structure. Its own history and focus mean that the definition of the 'institution'

adopted differs from that of organisational theory and sociology. 'Institutions' in political science's new institutionalism include the central organisations of government, that is, the executive, the legislature, bureaucracies, and the electoral process.

The main thrust of the new institutionalist argument in political science is that political institutions are not simply mirrors of social forces, but are themselves significant players in the policy process, which have the capacity for autonomous action (Hall 1986). Furthermore, Hall (1986:233) mentioned that: 'The state is expected not simply to reflect the struggle between competing interests, but to act as a distorting mirror, reproducing a highly imperfect reflection of these conflicts and one which imprints its own image on their resolution'. The pressure from groups is thus mediated through the organizational dynamic, which imprints its own image on the outcome. In effect the institutional structure of government shapes the interest of political actors and structures their actions in pursuing those interests. The emphasis is placed on what Hall calls the 'relational character' of institutions; that is, how they structure the interactions of individuals. Institutional factors in Hall's analysis play two roles: the organisation of policy making affects the degree of power that any one set of actors has over the policy outcomes; and the organisational position an actor occupies influences that actor's definition of his or her own interests by establishing his or her institutional responsibilities and relationship to other actors. Institutions thus affect both the degree of pressure an actor can exert on policy and the direction of that pressure.

Common aspects in different approaches to institutional analysis

Despite obvious differences, approaches adopting various definitions of institutions have a lot in common. First, all of them are concerned with the behavioural implications of factors (such as rules, beliefs, norms, or organisations) that are social in the sense that they are neither determined by technology nor by human genetics. Furthermore, institutional analysis is not concerned with social factors that are temporary in nature or relate to particular individuals. Institutional analysis is concerned with social factors that have an extensive and long-term influence and that govern the relations among individuals who occupy particular social positions (such as parents and children, lenders and borrowers, or employers and employees). In other words, institutional analysis is concerned with social factors that generate regularities of behaviour among individuals who occupy particular social positions.

Second, a certain approach to institutional analysis emphasises the assumption that these social factors are external to each of the individuals whose behaviour it influences, although this factor is internal to the society. These social factors are external to each of the individuals whose behaviour they influence in the sense that they are beyond the control of each of them. But these social factors are yet internal to the society and reflect the interactions among the individuals

whose behaviour they influence. For example, planning regulations are external to each of the individuals whose behaviour they influence but they are nevertheless internal to the society as a whole. They reflect the regulatory, administrative and political processes of planning and rule making in which the individuals whose behaviour they regulate, or other individuals, take part.

Similarly, the norms into which a society's members had been socialised are external to each of them, but reflect internal social processes. The common focus on social factors external to each individual but internal to the society reflects a third aspect common to all the approaches to institutional analysis. All of them consider institutions as social factors that generate regularities of behaviour by guiding, enabling, and constraining individuals' actions.

Thus, institutions have to be social factors external to each individual whose behaviour they influence, because whatever is under the direct control of an individual - whatever one's choice variable - is not a social factor that constrains, directs, and enables behaviour. One's choice is made within the limits set by the relevant institutions and it is part of the regularities of behaviour that these institutions imply. For example, the social factors that influence the selection and enable the use of various contractual forms by a firm constitute the relevant institution while the contract a firm actually offers its employees is the behaviour this institution implies.

The institutional analytical framework is based on the assumption that the key to utilise institutional analysis progressively is understanding the common aspects of various definitions of institutions, developing a unifying concept of the object of study, and exploring the complementary relationships among the above two perspectives. This assumption is inspired by various studies of historical institutions and their dynamics that indicate the deficiency of each of the above definitions of, and perspectives on, institutions.

Defining institutions: one definition

Although apparently distinct, various approaches to institutional analysis share a basic concern: they are directly or indirectly concerned with social factors that generate a regularity of behaviour while being external to each of the individuals whose behaviour they influence but internal to the society. Different approaches to institutional analysis concentrate on distinct social factors. Each gives different content to the same definition. In fact, it seems appropriate to give distinct content to this definition.

Each of the various approaches to institutional analysis focuses on a particular institutional element. The approach used in this thesis recognises that to explore the social foundation of behaviour - specifically, achieving the objective of all approaches to institutional analysis -

requires research to go beyond the analysis of a particular institutional element, for example formal planning institutions in the research area. As various recent theoretical considerations and analyses of historical and contemporary institutions indicate, understanding the social foundation of behaviour requires examining the inter-relationships among various institutional elements.

For example, formal or informal social rules will not generate regularities of behaviour unless they are enforced. Therefore, the analysis of rules and the process through which they are generated has to be complemented by an analysis of how they are enforced. Considering enforcement, however, often requires examining such social factors as beliefs, norms, and organisational features (such as a community or a court). Similarly, identifying organisations as institutions often provides an incomplete understanding of the social foundations of behavioural regularities because organisations only provide an entity within which distinct behaviour can be generated and prevail as an outcome.

It is misleading, however, to examine an institution considering each institutional element in isolation from the others. For a system of institutional elements to add up to an institution they have to complement each other in generating particular regularities of behaviour. Rules should be based upon beliefs that actually influence behaviour. Behaviour should lead to the emergence of these rules and reinforce their underlying beliefs. Organisations should facilitate the specification of these rules, enable these beliefs, and, whenever appropriate, be the internal result of beliefs and behaviour. To capture the inter-relationships among various institutional elements that combine to generate regularities of behaviour, the approach advanced here requires that for a system of rules, beliefs, norms, and organisations to constitute an institution generating regularities of behaviour, the system has to be self-enforcing and (weakly) self-reinforcing.

The normative, regulative and cognitive dimensions of institutions

With respect to traditional communities that maintain traditional culture such as are commonly found in Bali, it is arguable that the communities' culture affects individuals' behaviour through its impact on preferences and beliefs (see Casson 1993). New institutional theory highlights the importance of the wider social and cultural environments within which organisations or agencies are rooted (Scott 1995). The influence of laws, values and beliefs, as cultural elements, on communities' traditional construction and on planning institutions, may be explored through Scott's (1995) three institutional dimensions. For Scott (1995:33) these

“ ... Consist of normative, regulative, and cognitive structures and activities that provide stability and meaning to social behaviour. Institutions are transported by various carriers cultures, social structures, and routines and they operate at multiple levels of jurisdiction.”

These regulative, normative and cognitive structures and activities are defined as 'the three pillars of institutions' and different schools normally emphasise different pillars. So, the structures and activities that are believed to provide stability and meaning to social behaviour will differ according to whether one or another pillar is emphasised.

The normative pillar

The normative pillar emphasises values and norms, which introduce prescriptive, evaluative and obligatory dimensions into social life. Values are conceptions that point out what is preferred and desirable while norms express and specify how things should be done; they define legitimate means to pursue valued ends (Scott 1995).

A dimension of individual expectations, of others and of what they are supposed to do, becomes central in the normative pillar. Depending on the role of the individual actor, certain action is expected to follow. Roles can arise formally or informally. Formal roles are particular positions defined to carry out specific activities while informal roles are developed over time through interactions that guide behaviour. Norms impose constraints and enable social action at the same time, for example through rights and responsibilities, privileges and duties, or through licenses and mandates. In the normative pillar, institutionalists begin to move away from the instrumental perspective of rational behaviour. Instead, values and norms constitute a logic: what it is appropriate to do out of a social obligation.

Normative pillars concentrate on the institutional element that motivates individuals to either follow or ignore rules. These are beliefs and internalised constraints such as norms. For a system of beliefs, such as found in the Balinese belief system, to be an institutional element it has to be shared by members of the society. Such shared, cultural beliefs can be of two kinds - behavioural beliefs and internalised beliefs. The first are beliefs that individuals hold regarding the behaviour that others will pursue in various contingencies that may or may not actually transpire. The second are internalised beliefs regarding the structure of worlds and the implied relationships between actions and outcomes. Such beliefs reflect, for example, humans' tendency to try to understand the world around them, the cosmology.

The regulative pillar

Scott's regulative pillar is concerned with rule setting, monitoring and sanctioning activities (Scott 1995). The processes of establishing rules and inspecting others' conformity to them may operate through informal traditions or formal rules and laws.

The usual approach to institutional origins and development selected by the scholars emphasises the regulative pillar. It focuses on the way that organisations constrain and regularise individual

behaviour by rule setting, monitoring and sanctioning activities. This includes the capacity to establish rules, inspect individuals' conformity to them and, if necessary, manipulate sanctions like rewards and punishment to influence future behaviour. The primary mechanism of control is implemented by force, fear and expedience, either in the light of informal customs or by formal rules and laws. It is assumed that individuals have a natural interest in acting rationally and that they are motivated to make their choices according to practical cost-benefit logic when calculating the effect of rewards and penalties; it is in the actor's self-interest to conform.

So, for example, scholars supporting the regulative pillar give prominence to rule setting, monitoring and sanctions. Economists, it may be argued, are likely to view institutions as being situated primarily in the regulative pillar. This view is based on a conception of decision-makers as acting in instrumental and self-regarding ways, basing their actions on expedience. The primary mechanism of control is compulsion. Legitimacy is based exclusively on legality.

The role of agencies such as national and local planning institutions is dealt with in Chapter 9 of this thesis. Yet briefly, agencies exist to produce and maintain rules that co-ordinate behaviour, contribute to the continuation of internalised constraints, and influence the set of thinking that can prevail with respect to a particular planning process. Agencies can influence the set of (planning) regulations that can prevail in a society mainly by linking distinct processes. For example, a necessary condition for penalising people for ignoring planning regulations and demolishing a building, is the existence of a planning institution that establishes and enforces planning regulations. Hence, organisations alter the rules of the game relevant to the decision makers in the original operation under consideration by, for example, introducing a new player (the agency itself), by changing the information available to players, or by changing payoffs associated with certain actions.

The cognitive pillar

The final pillar, Scott's cognitive pillar, emphasises cultural systems and constitutive rules that are involved in the creation of categories and the construction of typifications that support collective action (Scott 1995). The cognitive approach stresses the legitimacy that comes from adopting a common frame of reference or definition of the situation, which is taken for granted (Scott 1995). The cognitive pillar emphasizes the cognitive issues that constitute the nature of reality and the frames through which meaning is made. Here action is seen as a function of individuals' own mental representations of reality. Symbols, language, signs and gestures enhance the creation of meaning through interaction between individuals. To understand or explain individual action one must take into account not only the objective conditions but also the individuals' own subjective interpretation of the stream of ongoing situations. These subjective and symbolic social systems are treated as objective and external from the individual

actor in institutional theory. Individual action is seen as a result of the creation of individual collective categories that are taken for granted. We instantly recognise and feel comfortable, and are able to take meaningful action, in relation to familiar collectives of actors such as those extant in schools, companies, restaurants and so. Routines are followed because they are taken for granted, as the way we do these things. The most obvious mechanism that identifies the cognitive dimension is isomorphic processes like imitation. Uncertainty is handled by imitation of other actors, who are used as models for action. We seek to behave in conventional ways that keep us from standing out, or being treated as different. We attempt to imitate those who are regarded as superior or more successful.

However, the distinction between the three dimensions of institutional thinking (Scott 1995) is not so clear cut as this description may indicate. First of all Scott acknowledges all three pillars as properly belonging to a general theory of institutions but, according to his view, one is better advised to take one's departure in one of these approaches rather than trying to combine all of them. Secondly, just to give an example of Scott's argument, the normative theorist has his or her focus on roles understood as normative expectations guiding behaviour, while the cognitive oriented theorist has his or her focus on social identities – but this does not in all circumstances constitute a dividing line. March and Olsen (1995) for example stress roles as well as identities. Furthermore, the cognitive approach, stressing the importance of scripts as guidelines for sense-making and meaningful action, does not contradict the normative approach, according to which appropriateness constitutes action. To the extent that 'constitute' means more than just constraining action and includes defining, enabling and empowering action, norms and values play an important role in sense making and in the choice of meaningful actions.

Inductive and deductive perspectives

The distinct definitions of institutions and approaches for their analysis have been treated in the literature as exclusive, thus reducing the ability to advance institutional analysis and to benefit from integrating various approaches. Each approach is appropriate for addressing particular issues, but sometimes fails to provide a comprehensive understanding of the regularities of behaviour and their dynamics that are driven by the social environment. At the same time, works on historical institutions has revealed that various definitions can share all sides of the framework. Furthermore, various approaches complement each other. Thus, furthering institutional analysis beyond the limitations of each approach and exploring, for example, institutional statics and dynamics within the same framework requires that commonality, distinctions and inter-relationships among the various approaches to institutional analysis be revealed.

The need for and the potential benefit of integrating various lines of institutional analysis has been noted by many institutionalists, such as North (1990) and Coleman (1990). Nevertheless, despite recent issues in inter-disciplinary institutional analysis, little interaction exists among scholars following distinct definitions of, and perspectives on, economic institutions. This situation is reflected in the fact that important works on economic institutions either reject the existing definition of institutions or advance a particular definition at the expense of alternative ones (for example, North 1990, Eggertsson 1990, Furubotn and Richter 1997, Weingast 1996, Young 1998).

The above discussion thus reveals how the main approaches to institutional analysis in the social sciences differ by more than how they define their object of study. Yet they also differ in their basic methodological claims regarding institutions' origins, dynamics, and implications. Some advance an inductive (historical/structural) perspective while others advance a deductive (agency perspective).

Inductive (historical/structural) perspective

Approaches that adopted the inductive (historical/structural) perspective emphasise that institutions are structures that do not reflect agents' needs and possibilities but shape these needs and determine these possibilities. Institutions structure human interactions and shape individuals and their social and cultural worlds. They therefore go beyond the situation that led to their emergence and constitute part of a society's historical heritage. Beliefs, norms and social structures that were created in the past, for example, are part of the structure within which individuals interact. This approach involves the study of institutions inductively, utilizing dynamic, historically contingent models in which past institutions can have a lasting influence. The point of departure for such institutional analysis is therefore at the macro-level of the historically determined structure within which individuals interact.

Deductive (agency) perspective

Approaches that adopted the deductive (agency) perspective consider the individual decision-maker at the centre of their analysis and study institutions deductively as outcomes reflecting the relationships between individuals' objectives, possibilities and the environment within which they interact. Institutions are considered as reflecting human actions and social process and are suggested not to live beyond the conditions that led to their emergence.

Professional planners, for example, want to create the rules that serve their planning objectives best. If these objectives or the planning process and rule formation change, so will the resulting rules. Similarly, conventional rules of behaviour appear spontaneously through the interactions of individuals in a given environment and will change following an environmental change. The

starting point for such institutional analysis is therefore at the micro-level of the individuals whose interactions in a particular environment give rise to an institution. These two perspectives the inductive (structural/historical) perspective and the deductive (agency) perspective separate the main approaches to institutional analysis in the subject matter selected for this study, tourism and built environmental changes in Bali. Further applicability of inductive and deductive perspective in this study is explained in Chapter 5 (Subchapter 5.6 The analytical framework).

3.5 Linking the models and traditional institutions

The term and concept of 'institutions' has thus been discussed in the previous section. Yet how can it be related to 'traditional institutions'? In the light of this, it would be valuable to understand how lay people and scholars view 'tradition'. Whilst lay people may see 'tradition' in a negative light, this section tries to challenge this view.

Scholars studying traditional knowledge for sustainable development come to an understanding that 'tradition' is something important, special and essential for many indigenous communities. To many in the development and planning field, 'traditional' denotes the incorporation of the simple, the savage and the static, in a hangover of 19th-century attitudes to the term. Scholars who are interested in communities' use of indigenous knowledge for sustainable development have made efforts to find a term that could replace 'traditional' for the last two decades. Brouwer (1999) stated that a negative view of tradition seems to continue to date. But, in the 1980s, the Traditional Ecological Knowledge Working Group of the International Union for the Conservation of Nature (IUCN) was born, and its members produced books with such titles as *Traditional ecological knowledge: Wisdom for sustainable development* (Williams & Baines eds.1993). These scholars were obviously not writing about the simple, savage and static.

In the dictionary sense, 'traditional' refers to cultural continuity transmitted in the form of social attitudes, beliefs, principles and conventions of behaviour and practice derived from historical experience. Hunn (1993: 14) explains that:

New ideas and techniques may be incorporated into a given tradition, but only if they fit into the complex fabric of existing traditional practices and understandings. Thus traditions are enduring adaptations to specific places ... Traditions are the products of generations of intelligent reflection tested in the rigorous laboratory of survival. That they have endured is proof to their power.'

Lewis (1993) points out in the same volume that 'tradition' may be dismissed or denigrated because the custodians of such knowledge are no longer considered 'traditional' by outsiders, particularly those in positions of power and authority. In this regard, it is particularly risky to refer to 'true tradition' or to level charges of 'reinventing of tradition' against a group of people.

Therefore, it can be concluded that 'traditional' does not mean an inflexible adherence to the past; it simply means time-tested and wise.

An interesting finding here is the positive connotations of 'tradition' held by many groups of indigenous peoples, not only in the developing countries, but also including native-Americans and Canadians, Australian aborigines, and New Zealand Maori. For example, when the Inuit (Eskimo) participants in a 1995 conference were asked to describe traditional knowledge, there was consensus on the following meanings:

'Practical common sense; teachings and experience passed through generations; knowing the country; rooted in spiritual health; a way of life; an authority system of rules for resource use; respect; obligation to share; wisdom in using knowledge; using heart and head together.' (Mathias 1995: 17)

So what is the relation between this positive connotation of 'tradition', 'traditional institutions' and the land development process? The concern with 'institutions' suggests an understanding that built environmental changes and their processes and outcomes, is seen as the complex result of economic, social and cultural processes from which geography and history cannot be removed. Therefore in researching traditional communities with respect to the local indigenous understanding of tradition, it is necessary for scholars to deepen their understanding of traditional institutions. This means an investigation and analysis of institutions that are evolving by adaptive processes and practices that have been handed down through generations by cultural transmission. The result is a cumulative body of knowledge, practice and belief about the relationship of human beings with their environment (including the built environment) and with one another.

Considering Scott's (1995) institutional analysis, the influence of laws, values and beliefs as cultural elements, on communities' tradition construction and on planning institutions may be explored through Scott's (1995) normative institutional dimensions. The normative pillar emphasises values and norms, which introduce prescriptive, evaluative and obligatory dimensions into social life. Values are conceptions that point out what is preferred and desirable while norms express and specify how things should be done; they define legitimate means to pursue valued ends (Scott 1995). Once internalised, policies based on these rules and norms - such as traditional planning systems and regulations - tend to persist because they are integrated within people's thinking and behaviour. Behaviour is guided by a sense of what is appropriate and by social obligations to others. Legitimation follows from the pressure to conform to accepted norms.

Scholars emphasising the normative pillar turn their attention to norms and values specialised and incorporated in roles and identities. As pointed out by Scott (1995:38), normative rules do not only impose constraints on people's behaviour: they also empower and enable social action.

In addition to this the logic or the reasoning that informs action is not one of instrumentalism, but rather one of appropriateness as suggested by March and Olsen (1995). The basis of legitimacy is morally governed.

Similarly, internalised constraints such as norms are the socially constructed behavioural standards that had been incorporated into one's superego hence influence one's behaviour by becoming a part of a person's preferences. Together, behavioural beliefs, internalised beliefs and internalised constraints constrain one's behaviour. At the aggregate level, therefore, they determine which rules of behaviour will indeed be followed. Therefore, Chapter 8 in this thesis is an effort to delineate normative pillars of institutions within the traditional Balinese planning process.

The previous section 3.4 has explained that, in social science generally, institutional analysis can adopt opposite perspectives - the deductive (agency) perspective and the inductive (structural/historical) perspective. Institutional analysis of change in the traditional built environmental can be considered from an inductive perspective. To study institutions inductively means utilising dynamic, historically contingent models in which past institutions can have a lasting influence. The point of departure for such institutional analysis is therefore at the macro-level of the historically determined structure within which individuals interact. Approaches that adopted the inductive (historical/structural) perspective emphasise that institutions are structures that do not reflect agents' needs and possibilities but shape these needs and determine these possibilities. Institutions structure human interactions and shape individuals and their social and cultural worlds. They therefore go beyond the situation that led to their emergence and constitute part of a society's historical heritage. Beliefs, norms, and social structures that were created in the past, for example, are part of the structure within which individuals interact. Chapter 8 of this thesis titled 'Traditional Built Environmental Changes in Bali and Institutions' examines traditional institutions that play a role in the built environment in Bali.

3.6 Linking the models and current-formal institutions

"Institutions are the rules of the game in a society or, more formally, are the humanly devised constraints that shape human interaction. ... In the jargon of the economist, institutions define and limit the set of choices of individuals." (North, 1990:3-4). Such constraints may be informal ones (e.g., social norms, conventions, moral codes), or formal ones that are consciously designed or articulated. Formal rules include political rules (constitutions, regulations), economic rules, and contracts. Economic rules define property rights, that is, the bundle of rights to use and dispose of an economic resource and to derive utility (income) from it.

Contracts are (enforceable) agreements, embedded in property rights rules, regarding the use or exchange of goods. Considering Bali as the case study location, the following Chapter 4 and Chapter 6 demonstrate that informal rules are apt to be analysed and discussed as distinctive but interrelated entities from formal ones. Those informal rules that are constructed within traditional institutions can be analysed using the inductive approach or the normative pillars of institutions, as discussed in the previous Subchapter 3.5. On the other hand formal rules, those constructed within the contemporary Indonesian state system, can be examined with a deductive perspective or through regulative pillars of institutions.

For example, in operating regulative institutional elements, the viewpoint here is that the formal rules of land development or planning institutions cannot be constructed and/or changed by the actors of the game themselves while they are playing their roles, but need to have been determined prior to playing the game. If an analytical framework is concerned with the origin of institutions, a question then immediately arises: Who determines the land development rules? It is here that North (1995) draws a distinction between the rules of the game and the players of the game (organizations and their political entrepreneurs) who can act as agents of institutional change, that is, as rule-makers.

According to North (1995), the existing rules of the game shape the incentives of the players as to how to relate and what to innovate, ultimately generating effective demands for new rules in response to changing arrangement. The new rules will then be negotiated and determined in the 'political market' that is structured according to political rules. North claims "[i]t is the polity that defines and enforces the property rights." (North 1995: 23). Therefore, the rule above can be considered as representing a belief of the ruler as well as that of the actors. This is an example of regulatory institution in which there is a belief that a sanction constrains the actual action choice of agents. As suggested, institutions of this type may be analysed as using the concept of regulative pillars (see Subchapter 3.4, the section on regulative pillars). Within the dichotomy of the inductive-deductive perspective these institutional analytical concepts are included in a deductive perspective. Taking into account the institutions involved in land development influenced by tourism in Bali, these formal or state-extensions institutions are the contemporary regulatory organisations that will be examined in Chapter 9 in this thesis.

Although in institutional theories enforcement of formal rules is made exogenous to the game by a 'third party', the performance of the game would depend upon the effectiveness of monitoring and sanctions. North (1990:101) asks: "What happens when a common set of rules is imposed on two different societies? ... The results, however, are not similar ..." Although the rules are the same, the enforcement mechanisms, the way enforcement occurs, the norms of behaviour, and the subjective models of the actors are not. Hence, both the real incentive

structures and the perceived consequences of policies will differ as well. Thus, a common set of fundamental changes in relative prices or the common imposition of a set of rules will lead to widely divergent outcomes in societies with different institutional arrangements. He therefore invokes a more comprehensive notion of an 'institutional framework,' which includes 'legal rules, organizational forms, enforcement, and norms of behaviour' (North 1991: 33. See also 58, 101).

A more technical formulation of this 'rules-of-the-game' view is presented by Hurwicz (1993, 1996), who focuses on the issue of enforcement. In this approach, the rules of a game can be expressed by specifying who plays the game, what actions players can choose ('a choice set') and what physical outcome corresponds to each profile of the players' choices ('an outcome function'). He calls such a triplet of specifications a 'mechanism' or a 'game form.' For example, consider the mechanism of land development in which a designer or architect is constrained by planning regulations, which is set by the government. In this case constraints on his or her 'choice set' can be represented by a specific enforceable law, i.e., spatial planning regulations, location permit and building permit approval (see further example in Chapter 9, Subchapter 9.2).

Furthermore a major feature of an institution may be represented in some explicit, codified symbolic forms, such as statutory laws, agreements, social structures or organizations as systemic arrangements of differentiated roles, and so on. However, the point is that a certain representation is an institution only if the agents believe in it. From this perspective, statutory law and regulations per se are not institutions, if they are not necessarily practicable and realistic. For example, even if the government prohibits tourism facility construction in a particular area by a statutory law, if people believe it effective to bribe planning officers to circumvent the law and make it a prevailing practice, then it seems appropriate to regard the practice rather than the ineffectual statutory law as an institution. On the other hand, certain practices, if not formalized, can be institutions as long as the agents believe in them as relevant representations of the internal state of the domain; they cease to be institutions when the agents' beliefs in them are shaken. As an example, Chapter 6 will highlight that the Balinese land development system for most of Kuta are institutions composed of a particular system of beliefs, but not by explicit statutory laws, and that this belief system came to exist through the interactions of the players in formal, informal and traditional domains under changing tourism development environments. On the other hand, in Chapter 7, the Nusa Dua case study shows the domination of formal planning institutions, as compared to informal ones.

3.7 Conclusion

Healey's institutional model which tries to be applicable in any case study location provides an enlightening starting point to learn about contemporary institutional analysis as has been discussed in Subchapter 3.4. The economic base of Healey's model is clearly shown by the features to be analysed further in land development processes, such as: production, consumption, products/output, value, marketing, etc. Land development scholars in developed countries have traditionally been engaged in analysing the workings and implications of the market mechanism. Undoubtedly, markets can be considered one of the most important institutions that human beings have ever produced. However, recently it has been increasingly recognized that 'institutions matter' not only within the economic discipline but also in order to understand the diverse phenomena of different societies, institutions are thus not limited to the economic sphere.

The last decade of the twentieth century has witnessed various institution-relevant events and phenomena that have had, and in many cases will continue to have, significant impacts on the way scholars build an analytical framework to study economic related performance and beyond. For example, tourism, as part of global economic phenomena, has highly influenced the indigenous institutional nature of tourist destinations in developing countries. In this case, it would be remiss to apply institutional analysis within the economic sphere only. Not only is quantitative economic data usually not available to detail the features of the institutional economic model, but also there are some aspects of traditional institutional systems that are not suited to analysis through economic systems. These may include the characteristics, mechanisms, and structural differences in traditional institutional settings. Subchapter 3.5 explains and elaborates this notion.

Healey's institutional model does not define its scope (analytical level) or schema of social system. With an awareness of these weaknesses embedded in Healey's model, this thesis tries to modify the model through a different analytical level, the case study level and the societal (or Balinese community) level.

So in the case-study analytical level, Healey's model helps us to construct an analytical framework for the different possibilities of land development. However, in working out this framework abstractions are needed within the objects or case studies themselves. The framework thus attempts to apply features of the concept of the model—for example: production, consumption, and events in the development process. This is the first level of Healey's model that contains 'an account of specific development' (see Figure 1.2 in Chapter 1). In constructing the case-study analytical framework, the considerations include highlighting the common aspects of institutional features found in Healey's model and contemporary

institutional theory, the linking of concepts and information on the object of study, and dealing with the interrelationship among features and information. The framework thus exists as a simplification of the Healey's model. The production and consumption processes are detailed in the sequences of input, process, and output. In the production process, the input is land, labour and capital, whilst in the consumption process the input is the tourism industry.

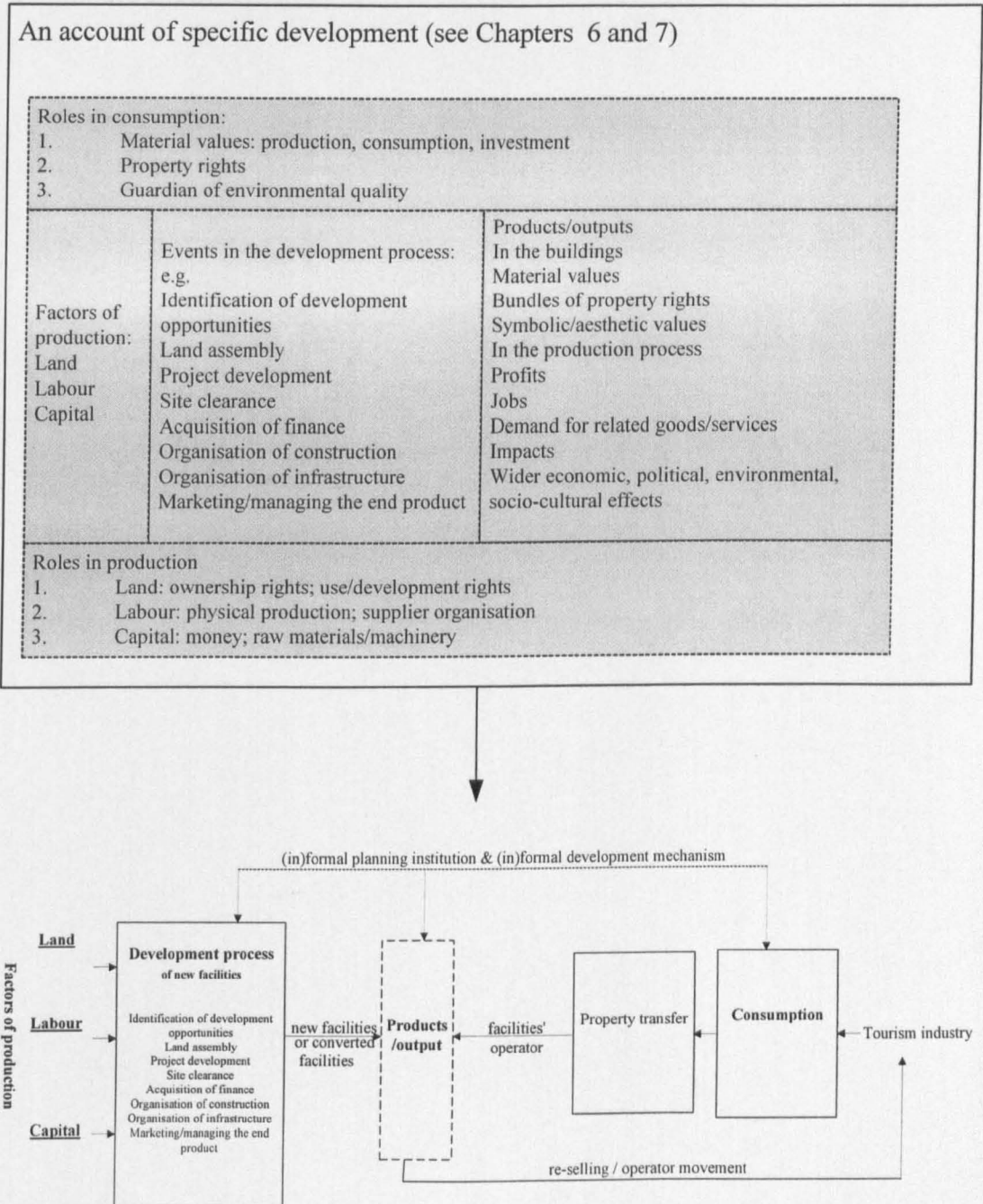


Figure 3.2. Modified Healey's institutional model to analyse case studies
(based on Figure 3.1 and see further Figure 6.36 and 7.21)

The product/output of these processes are the same as the inputs, for the operationalisation of a tourism-led built environment. The modified institutional model (from Healey) for the case-study-level can be seen in Figure 3.2. In that way, the framework can be applied and exercised in the selected case studies: Kuta (Chapter 6) and Nusa Dua (Chapter 7).

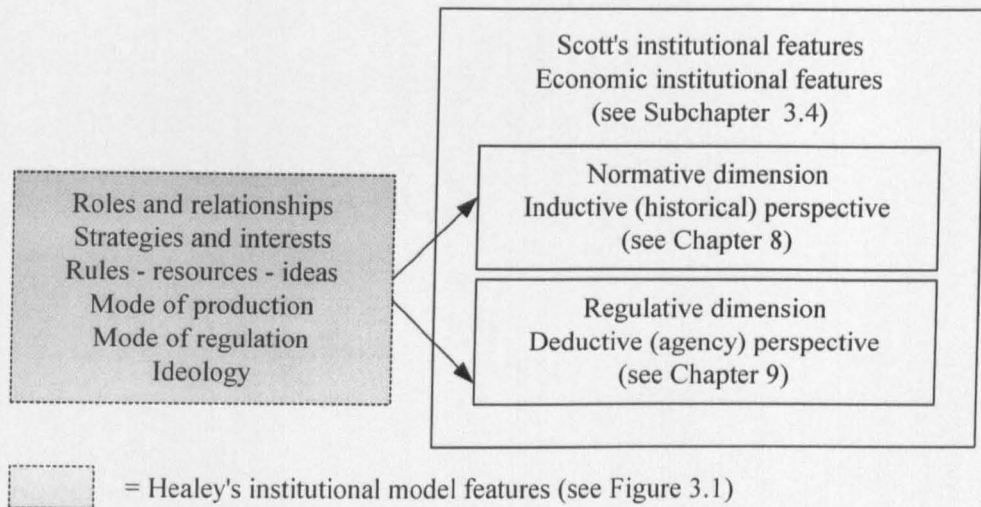


Figure 3.3. Combining Scotts' and economic institutional features with Healey's model (Based on Figure 3.1 and see further Chapter 8 and 9)

The second level of Healey's model consists of institutional analysis, namely actors' wider strategies and interests; and resources, rules, ideas (see Figure 1.2 in Chapter 1). This is the societal level, where Healey's institutional model fuses with Scott's model, plus economic institutional concepts to construct an analytical framework for land development in Bali. The institutional analytical framework at the societal level is based on insights from contemporary institutional theory, in seeking to point out normative-regulative dimensions and inductive-deductive perspectives of institutional analysis (see more explanation in Subchapter 3.4). Chapter 8 and 9 will be presented as the elaboration of this analytical framework. The third level of Healey's model the wider socio-economic and political context (see Figure 1.2 in Chapter 1) is presented in Chapter 4 and Chapter 10.

As mentioned earlier in this chapter the concern with 'institutions' suggests an understanding of the land development process and property markets as social products, and therefore as embodiments of context- and historically-specific practices. Rather than manifestations of a universal and context free profit-maximising rationality, change in the built environment (their process and outcomes) is seen as the complex result of economic, social and cultural processes from which geography and history cannot be removed. There is much theoretical and empirical research based on variants of institutional approaches to property markets and the development

process. These demonstrate how 'institutions' constitute and frame those markets and how they are paramount for the understanding of how the built environment is produced and used (see Ball 1986 1994 1998, Savitch 1988, Healey and Barret 1990, Healey and Nabarro 1990, Healey 1991 1992, Fainstein 1994, Pryke 1994, Healey et al 1995, Olds 1995). All are based on case studies in developed countries. Essentially then, in this context, this particular research project is a contribution to the empirical investigation of the role of 'institutions' by explaining the development process and the characteristics of the resulting built environment, based on the experience of a developing country, using a focus on tourism development. The following chapter discusses the general condition and nature of tourism development in Bali. It serves to 'set the scene' for the empirical study and provides background information for the later chapters.

CHAPTER 4: BALI, ITS GENERAL CONDITION AND TOURISM DEVELOPMENT

Bali has for a long time been the subject of social scientific research and in more recent times, tourism in Bali has become a focus for study. This chapter describes and discusses Bali Island in general, emphasising tourism development, in an attempt to provide a background for the rest of the thesis. It starts with the Balinese physical setting, population, and land use; followed by tourism development; and ends with an explanation of tourism planning.

4.1 General description

Physical setting

The Republic of Indonesia comprises more than 16,000 islands, less than a thousand of which are inhabited. Indonesia is aptly defined not just in terms of land area, as is generally the case for nation states, but in terms of land and water. Bali is therefore just one of thousands of islands. A mere 563,286 hectares, its reputation worldwide is clearly not a function of size. Indeed, on world maps Bali is barely a point to the east of the island of Java, of which geologically it is a fragment. Furthermore Bali is separated from Java Island by the narrow, and in places very shallow, Bali Strait. In some locations the strait is fewer than four kilometres wide and fewer than 20 metres deep. Java, itself, is the 'most developed' and populated island in Indonesia. The nations capital city, Jakarta, is in Java as are the three next largest cities in Indonesian. At a lesser scale Bali is the most westerly of the Lesser Sunda group of islands. Lombok is the next major island in the group, which extends as far as East Timor. The dominant feature of the Balinese landscape is the chain of volcanic mountain peaks extending from east to west across the northern part of the island.

In 1997 when the preliminary fieldwork was conducted, there are 27 provinces in Indonesia, of which Bali is one. The website <http://www.bali.go.id/bankdata/bali2003.pdf> (visited on 20 March 2004) provides the most recent data on Bali. Administratively, Bali province consists of eight regencies and one *kotamadya* (regency level of government which has authority in a city spatially). These are: Buleleng, Jembrana, Tabanan, Badung, Gianyar, Klungkung, Bangli, and Karangasem, and *kotamadya* Denpasar which is the province capital. Kuta and Nusa Dua, the case studies for this thesis are located in the Badung regency.

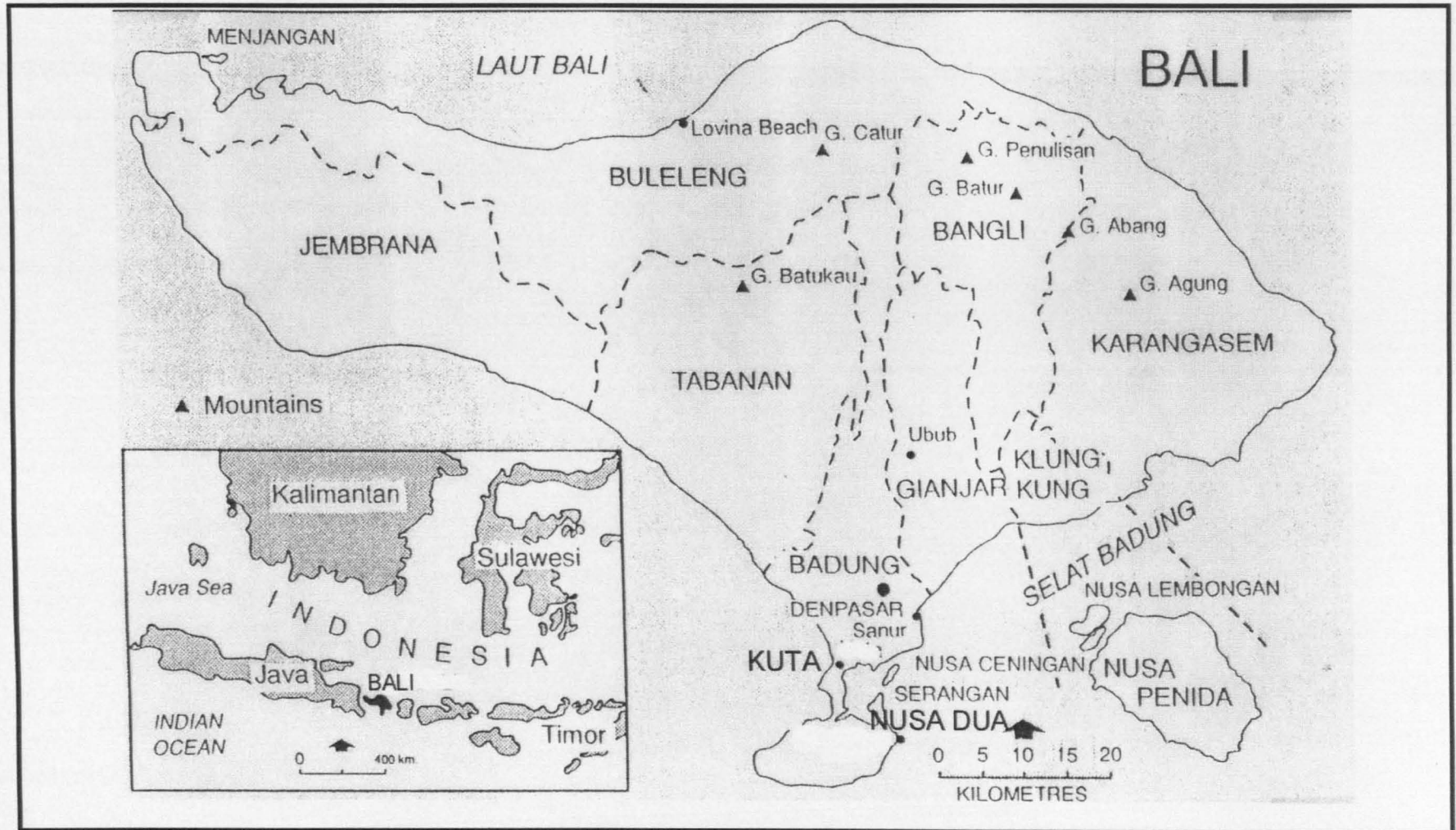


Figure 4.1. Bali and its regencies
 Source: *Bappeda Tingkat I Bali*

Population, economy, and religion

A century ago Bali, like Java, was presumed to be one of the most densely populated parts of the world. While no census existed before the twentieth century, the total population was estimated to be about three-quarters of a million in the 1890s. Long part of the Dutch colonial empire, most of Bali remained somewhat removed from the direct impact of this 300-year colonial rule. The Dutch first established direct administrative rule in Bali only in the mid-nineteenth century and then only on the little populated north coast. Using the north coast's only safe harbour at Buleleng, not far from the royal seal of Singaraja as a base, they soon established control over trade in agricultural cash crops destined for market outside Bali, and over the sale of opium on the island. This enterprise was profitable, but few Balinese ever saw the Dutch colonial master in person. Most Balinese lived on the other side of the island, south of the mountains and ridges, which so influenced the natural environment from the standpoint of human occupancy.

Dutch involvement in south Bali then increased toward the end of the nineteenth century, but at first via the island of Lombok. Administrative control over Lombok brought the Dutch into contact with the ruling Balinese royal kingdoms, which had been long established, on Lombok. This resulted in treaties in south central Bali where the vast majority of the island's population lived. However, for most Balinese the daily and seasonal rhythm of life and labour carried on much as it had for centuries, largely undisturbed by Dutch colonial rule. Allegiance to the nine royal houses was sometimes challenged, battle often ensuing, and kingdom boundaries altered in response to military victories and defeats. Political authority declined accordingly. Eventually, the attraction of Balinese wealth, yet untapped or taxed, focused Dutch attention on Lombok and Bali, where the 'status quo' was judged both administratively disorderly and financially unsatisfactory. Military invasion replaced diplomacy as the means used by the Dutch colonial forces. The process of finding any excuse for military intervention in Bali began soon after (Pitana 2000: 6-12).

In 1908, the Balinese tradition of salvaging ships wrecked on reefs offshore led to an incident where 'international' law, and Dutch authority, were challenged by the Balinese. The demand by the Dutch colonial administration that compensation be paid to the ship's owner by the royal house, on whose territory the ship had gone aground and been subsequently looted, was rejected. Military invasion followed. Resistance led to war. Rather than surrender to the final assault by the Dutch forces, which again pressed for advantage from the south coast near Denpasar, more than 1,300 members of two Balinese states engaged in *puputan*, a form of ritual mass suicide. Resistance continued off and on for several years, and it was only in 1914 that a police force replaced the military on Bali. For the next three decades, Dutch colonial

bureaucrats applied a system of administrative regions, which, ironically, bore a close relationship to the territories of the Balinese royal houses they had only recently conquered. For some local government administrative purposes, the Dutch continued to rely on traditional Balinese institutions such as the *desa adat*, or traditional village, the *banjar*, or hamlet, the *subak*, or irrigation association, and the *seka*, or voluntary work association. Much of the administrative legacy of Dutch colonial effort during the first half of the 20th century was adopted by the Government of Indonesia when Bali became part of the United States of the Republic of Indonesia in 1949 (*Republik Indonesia Serikat*) and the Republic of Indonesia in August 1950. Later political developments included occupation by the Japanese military, post-war efforts by the Dutch to reclaim their colonial rule and widespread state resistance to such efforts. Through all of this and much more besides, the Balinese Hindu religion remained permanently part of life, labour and landscape.

In 1996, more than 93 per cent of Bali's population was officially listed as professing the Hindu faith. Islam accounted for about 5 per cent. However, almost a third of the near 141,000 Muslims so registered were concentrated in Jembrana regency. Given its closeness to Java and the fact that much of the Northwest coastal zone of Bali was sparsely populated, migration there of Muslims from overpopulated parts of Java and Madura is not too surprising. In addition to this, there are also small numbers of Buddhists and Christians (*Bappeda* 1996).

In some respects Balinese Hinduism is something of a religious and cultural relict. Hindu beliefs were widely held throughout Java and much of Sumatra for centuries before the collapse of the Hindu Majapahit Empire in the mid-sixteenth century. Islam replaced Hinduism everywhere except in Bali. Over time, a distinct Balinese Hindu religion has evolved. Compared to Hindu religious practices in present-day India, there are probably as many differences as similarities. There are common deities and rites, but from the caste system to the calendar, the Balinese capacity to adopt from and adapt to other cultures has given rise to a unique religious ritual.

Bali's population likely doubled between the 1890s and the formation of the Republic of Indonesia in 1950, but the lack of censuses makes accurate numbers difficult to obtain. In the late-nineteenth century it was claimed that Bali, along with Java, were among the world's most densely populated regions (Reclus 1980: 196). From 1950 to 1971 the population increased from nearly 1.48 to 2.12 million, an annual growth rate of nearly 2 per cent. By the end of 1991 there were 2.72 million people living in Bali (*Data Bali 1991 VII 1*; *Statistik Bali 1992 41*). By 1996 it was 2,879,831 (*Data Bali 1996*) and in 2002 was the population had reached 3,216,881 (<http://www.bali.go.id/bankdata/bali2003.pdf> page 34). The average annual growth rate is now about 1.2 per cent, less than half of what it was during the first half of the century. The decline is not only partially because of a successful family planning program introduced by the

government in the early 1970s, but also due to a lessening in the rate of annual population growth which has been characteristic of the post-war period in general. Assuming no further decline, Bali's population will continue to increase. Pressure on resources, land, and water will inevitably increase if current standards of living are to be maintained, let alone improved.

Population has a direct relation to resources. Population density is not uniform across the island. The most densely populated of the eight *kabupaten*, or regencies, is Denpasar followed by Gianyar. In 1996, Badung regency, where the case studies of this thesis are located, it was noted that more than 750 people per square kilometres lived there. This same data indicates that the least densely populated regency is Jembrana in north Bali. For the island as a whole, population density was 571 persons per square kilometre in 2002, up from 482 in 1991, 465 in 1987, and 511 in 1996.

Table 4.1. Population characteristics in Bali 1996

Regency (<i>Kabupaten</i>)	Area	Population Density				Average no. of persons per household
	Km2	Per (km2)	Male	Female	Total	
Jembrana	841.8	267	110.364	114.342	224.706	4
Tabanan	839.3	421	172.810	180.428	353.238	4
Badung	418.5	743	154.427	156.473	310.900	5
Gianyar	368.0	939	171.221	174.448	345.669	5
Klungkung	315.0	480	72.948	78.222	151.170	5
Bangli	520.8	344	89.664	89.710	179.374	5
Karangasem	839.5	416	174.040	174.318	349.358	5
Buleleng	1365.8	107	271.305	246.300	555.605	4
Denpasar	123.9	3.507	217.320	217.488	434.808	5

Source: *Statistik Bali*, 1996, p. XII-5

Most Balinese still live in villages, although not necessarily garnering a livelihood from the land. Whilst at dawn everyday hundreds of thousands of farmers can be seen walking from village to field, substantial numbers of 'villagers' now climb aboard buses, motorcycles, and on occasion into cars, for the journey to work in factory, shop, or office. Barely a quarter of the total reside in an urban setting, but the rate of growth of the urban population is about three times that of the population as a whole. Plus the impact of urbanization is far more extensive than simply the share of urban population. The capital city, Denpasar, and the urbanised area surrounding it, is by far the largest centre. With about 434,808 inhabitants in 1996, it was more than four times larger than Singaraja, the administrative centre of Buleleng regency in northern Bali, and the next most populous city.

Land use

The landscape of Bali is an integral part of the culture and of the people. It is this traditional landscape that is one of the more impressive images of Bali in the mind of the foreign, if not

also the domestic, tourists. However the modernisation and industrialisation of the economy obviously have not occurred in a vacuum and not all are compatible with what the foreign tourist expects, nor indeed with what the Balinese wish.

Although no fully reliable statistics exist regarding land use change over time, there has been great urban invasion into agricultural areas. The almost daily physical expansion of Denpasar alone, the capital province, is sufficient indication of the general process occurring. This is heightened by urban development in Bali being predominantly low density and therefore space consuming. From the perspective of changes in the area devoted to agriculture, the nature of this process may be implied from a few statistics. In 1980 *sawah*, or wet rice cultivation, occupied 99,219 hectares in Bali. Dry field agriculture accounted for another 264,405 hectares. These figures represented 18 and 49 per cent respectively of Bali's total area. By 1990, the area under *sawah* had dropped to 93,292 hectares, or just 17 per cent of the total. Dry field agriculture had declined to 258,508 hectares, or 46 per cent of the total area of Bali in 1992. While in 2002 the wet rice cultivation, occupied 81,416 hectares in Bali.

Direct observation of the degree to which changes in land use are consistent across the *Kabupaten* (Regency) of Badung makes it clear that even within these relatively small regions the pattern is very uneven. In general, it is the coastal and/or downhill parts of the regency that have become built-up, while land use just to the north and/or inland remains as it has always been. The uneven changes occurring in the Regency of Badung are a microcosm of the uneven socio-economic changes occurring island-wide. Denpasar urban area and the coastal tourist-belt of Bali are the primary location for changes in land use and are also associated with urbanisation and tourist related land conversion. During the period 1987-90 changes in land use have been concentrated in the Denpasar area, with changes in Kuta being on a much smaller scale (in part because of long-term impact of land use changes in Kuta that have taken place since the early 1970s).

The increase in built-up areas, during 1987-90, has been significant, with almost all of the growth of some 1,800 ha concentrated in three *Kecamatan* plus Kuta. In general, it appears that almost all of the land converted to urban land-uses during the period 1987-90 has been characterised as conversion from rice fields to land classified as 'other.' This marked difference within one *Kabupaten* is a clear indication of the spatial concentration of urban and related land use changes that occur in southern Bali.

4.2 Tourism development

The first explicit advertising of Bali as a tourist destination took place in 1914. KPM (the Dutch government steamship line) brought tourists to the island in the inter-war years. The numbers of

visitors remained small until 1969 when the international airport was opened, following the opening of the first large coastal hotel, the Bali Beach, at Sanur in 1966 (MacRae 1992).

Although it is relatively small, the island of Bali is still far from 'overrun' by tourists, as it is often said. The majorities of tourists are concentrated in a very limited zone from which they disperse along quite strictly defined itineraries. Nonetheless, as tourism develops, it makes itself felt on an ever more extended portion of Balinese territory. One may distinguish three kinds of tourist regions, which differ according to their functions: resorts where the tourists stay; the sites they visit and the routes that take them there; and finally the villages specialising in tourist handicrafts.

The projection studies carried out in the 1960s with a view to planning the development of tourism on the island considered *only international luxury-class tourism*, and it was with this market in mind that the Tourism Master Plan was set up. At the onset of the growth of Western 'Hippie' travellers, who were beginning to flow through Asia, their 'non-conformist' ways made them unpopular with the authorities, which were anxious about the bad influence that these might have on the youth of the island. As for the local populations, who were more pragmatic, they rapidly captured the commercial opportunities that this new clientele represented, and adapted themselves ingeniously to their requirements.

Toward the end of the decade, however, the hippie travellers, having become more 'respectable' with time, were viewed more positively. This is partly because of deluxe tourism, which was slowing down. Certain Balinese officials spoke of the 'new tourist', whom they presented as a young, educated clientele with a limited budget, less concerned about comfort than with local culture, and keen to mingle with the Balinese. They advocated responding to this demand by encouraging the construction of small hotels integrated into village life, which offered the *advantage of requiring only modest cash investments and no imports of equipment (thus no foreign currency spending)* and could therefore be more easily owned and run by Balinese. The provincial government, for its part, pushed up the rates on goods and services for this market with the intention of rendering the tourist enterprise more profitable for the population.

In spite of the undeniable size of this market, the official position in Jakarta as well as in Denpasar continued to prioritise deluxe tourism, which was clearly more prestigious, easier to standardise, and was considered more viable in terms of foreign exchange earnings. Nevertheless, a number of Balinese economists argued that the international hotel industry remained beyond the reach and control of the Balinese, that it has only a slight effect on the regional economy, and that it was expensive and required considerable imports (Erawan 1994). Foreign analysts had different opinions as to the advantages and obstacles of these two markets.

Some held that the small enterprises offered a better chance of profit for the Balinese, and also fitted better into the island's physical and socio-cultural environment (Rodenburg 1980). Others implied that the decline in expenditures per visitor -- noticeable since the beginning of the 1980s because of the increase in the number of low-budget tourists -- was not compensated for by the lower content of imports in their spending (Gibbons and Fish 1989). These differences of opinion do not only bring out the respective value of both sorts of tourism development. They are also an expression of conflicting interests, between foreign operators and the Indonesian tourism industry, between the investors in Jakarta and those in Denpasar, and between the entrepreneurs and the Balinese population who wish to gain some financial benefit from tourism.

This diversification of the Balinese tourist market may be seen clearly in the different resort areas. These resorts include Nusa Dua, Sanur, Kuta and Ubud, which go from large-scale, capital-intensive tourism, financed and operated by foreign agencies and relatively isolated from the host population, to small-scale, labour intensive tourism, financed and operated by local agencies and relatively integrated into Balinese society.

Most tourists stay at the beach resorts of Nusa Dua, Sanur and Kuta, to which now must be added the new resort area of Jimbaran, in the southern regency of Badung. Besides these, two coastal zones have been gradually built up that cater to tourists wishing to escape the crowds -- the first on the North coast around Lovina, West of Singaraja, and the second in Ubud, in the regency of Gianyar, for those who have an interest more in culture rather than the beach.

Regarding the resort areas, a network of excursion routes was built giving access to the main sites of natural or cultural interest. Along these itineraries, the rice fields have reduced rapidly to incorporate a host of souvenir shops and art galleries. The development of these buildings -- often adorned with the flashy signs -- has seriously degraded the beauty of the surrounding landscape, even though most of the tourist excursion routes have been classified as 'green belts' (*jalur hijau*), where no construction is permitted. Moreover, the growing number of tourists visiting the island has led to traffic jams on the main roads. This is worsened further by the rapid increase in the number of private and commercial vehicles on the roads.

This simple picture of tourist resorts is undergoing intense change due to the increase of tourists in the 1980s and the concurrent boom in hotel investment, stimulated by the Visit Indonesia Year in 1991. In 1988, responding to the necessity of reducing the development pressure from the southern coast, the Provincial Government revised the island's tourist map by announcing a 'Spatial Arrangement Plan for Tourist Areas'. This new plan created 15 'tourist areas' (*kawasan wisata*) and cancelled the restrictions imposed by the Master Plan, which limited hotels of more

than 20 rooms to the Nusa Dua - Sanur - Kuta triangle only. In 1993, the tourist areas covered 1,437 square kilometres, a quarter of the total surface of the island -- which many Balinese opinion leaders have charged as excessive.

The regencies previously less favoured than Badung have thus competed for a bigger share of tourism wealth, racing to discover and exploit the rich natural and cultural heritage. This attitude has spread amongst the villagers who wonder what they can do to get the tourists to visit them. This competition between regencies and between villages is manifested in areas trying to make themselves more distinctive. In recent years one has seen monumental statues erected at the edge of villages situated on a tourist route. Whilst some of these signify the artistic reputation of the particular village (a dancer for Peliatan, a barong for Batubulan, etc.), others are quite odd, and visitors wonder why they are there, for example: the giant baby at Sakah, or the elephant lying by the road to Klungkung.

It is in this context that an agreement was signed in 1990 between the Directorate General of Tourism (DGT) and the United Nations Development Program (UNDP) with a view to revising the Master Plan, whose timescale had expired in 1985. The UNDP undertook a study of the island's carrying capacity, as well as a plan for the development of tourism between 1995 and 2010 (Office for Project Services, 1992; Hassal and Associates 1992).

During the same period, a project of scientific collaboration was launched with the aim of helping the province of Bali to formulate its Sixth Regional Plan (1994-1999), while setting guidelines for a sustainable development of tourism. This project is called the Bali Sustainable Development Project, financed by the Canadian International Development Agency and the collaboration of Canadian and Indonesian scholars Bali (BSDP 1992; Martopo & Mitchell 1995).

Tourists numbers and origin

As an island, one might expect that it would not be difficult to generate statistics on the numbers of visitors to Bali but, in fact, accurate figures do not exist. This is because although many international visitors fly directly into Bali, others enter Indonesia in Jakarta, the nation capital. These foreign tourists are making their way to Bali later, either using domestic flights or crossing by ferry from Java. In addition, domestic visitors should be added to the number of international visitors to get a complete visitor profile. Nevertheless, the general picture is clear: few visitors prior to the completion of the international airport in 1969, followed by very rapid growth that is projected to continue into the immediate future.

Picard (1992) has suggested that 11,000 foreign visitors arrived directly in Bali in 1969, rising to 120,000 in 1979, and 436,000 in 1989. To these should be added an unknown number of indirect foreign visitors plus perhaps 400,000 domestic visitors, for a total which likely now exceeds 1 million annually, and which has been projected to increase at 15 per cent annually for foreign visitors, and 5 per cent annually for domestic visitors. According to Hassal and Associates (1992), the number of visitors to Bali increased at an average annual rate of 7.6 per cent between 1981 and 1990. This visitor increase consisted of 12 per cent for international visitors and 3.4 per cent for domestic visitors, so that there were 1.9 million visitors in 1990, 60 per cent of which were foreigners. In 1990, the visitors came predominantly from Australia (18.7 per cent), Europe (36.3 per cent) and Japan (14.6 per cent), with the proportion from other ASEAN countries expanding rapidly, and the proportion from Australia declining somewhat in recent years. Data collected by the local government shows the number of international tourists who came to Bali directly in 1996, the number of international tourists is 1,140,988 of which 16.8 per cent are Australian, 33.9 are European and 14.41 per cent are of Japanese origin. The change has fluctuated each year, compared to the previous year the growth record shows: 32.84% in 1992, 19.90% in 1993, 25.90% in 1994, (-)1.66% in 1995, and 12.00% in 1996. There is no record for the number of domestic tourists (*Kantor Wilayah Deparpostel* 1996).

While the political and social conditions in Indonesia were experiencing unrest, the Bali travel news (in its end of 1999 edition) reported that the number of tourists coming to Bali is still increasing steadily. Up until the end of August, the 1999 figures were a staggering 935,663 visitors, or an increase of 30% compared to previous year. In August alone figures reached 143,968 - the busiest month in this year.

In Indonesia, Bali is still the most favourite tourist area to be visited as shown in data of foreign persons visiting this place, occupancy rate of hotels, and length of stay. Compared to other provinces in Indonesia, the highest average tourist's length of stay is in Bali. For foreign tourists, the average stay in Bali was 4.14 days, while that of domestic ones was 3.72 days. The occupancy rate for star hotel was the highest in 2000: 55.87 %.

The Bali tragedy, the bombing of Legian street in Kuta in October 2002, has been worrying many (formal as well as informal) institutions and actors involved with tourism development locally and nationally. The direct impact of this tragedy is that foreign tourist visits decreased by 15 %. This can be seen in the data highlighting 440 thousand delayed visits and exodus of tourists of all nationalities, Germany, France, Italy, Japan, Singapore, Hong Kong, Taiwan, Korea, etc. To overcome the damaging effects of the Bali bomb blasts, the government has taken some strategic steps and applied recovery policies, for both the short and long term.

It is hoped that the impact of the tragedy will not last for a long time with the introduction of anticipatory efforts made by formal and informal institutions in co-operation with all entities related to the tragedy. The mass media reports that in the World Tourism Market (WTM) held in London on November 11-14, 2002, whole-sellers and tour operators from all over Europe still sold tickets to Indonesia including Bali, showing that Bali is still the most wanted destination.

Economic impact of tourism development

The growth of tourism in Bali is evident. It is shown in the transformation of the landscape; development has boomed with the rise in tourist arrivals on the island and the growth of the tourism industry at the announcement of Visit Indonesia Year 1991. Nevertheless, it is difficult to evaluate tourism's actual contribution to the Balinese economy, because available figures are 'unreliable' which also means inadequate and contradictory. In the first place, one may disagree with the procedure for gathering the statistics. But the confusion is worsened by the various government agencies, each occupied with collecting and interpreting data according to different methods and in different frameworks. Thus just as there is still no way of knowing how many foreign and domestic tourists visit Bali each year, there is no precise data on how much money they spend or how they spend it. It is then very difficult to have an exact figure of the revenues or the number of jobs created by tourism. As a result, most of the available information on this matter is the product of more or less speculative extrapolations drawn from surveys. In these conditions, the provincial government is thus unable to ascertain the effective contribution of tourism to the island's development.

The reports published by Bali's Statistics Office indicate a strong increase in the province's Gross Regional Domestic Product (GRDP) since 1969. The increase is above the national average, that is 10% per year in adjusted prices for the First *Repelita* of the 'Five Year Development Plan' which is set by the national government, 12% for the Second *Repelita*, 9% for the Third *Repelita*, 8% for the Fourth *Repelita*, and 8.4% for the Fifth *Repelita*. In 1994, the GRDP exceeded \$2 billion, and the average income per capita reached \$900 (a little more than the national average). During this period, the structure of the Balinese economy underwent a considerable transformation, highlighted by a rapid decline in the relative importance of agriculture, an increase in the importance of industry, construction and administration, and more recently, a large increase in trade, transportation and the hotel industry. According to the Regional Capital Investment Board (BKPM), private investment in tourism related facilities have ranged from 55% to 95% of all investment in Bali during the first five Regional Plans.

Two studies by Balinese economists give an idea of the economic importance of tourism, although because of its multi-sectoral character, it has no specific category in the province's

accounts. While the value added by tourism was estimated in 1983 at 10.3% of the GRDP, it reached 32.8% in 1987, the year that tourism really took off (*Bappeda* 1985, Nehen et al. 1990). The authors of this last study concluded from this progression that tourism's contribution would soon pass that of agriculture. In fact, according to the *Regional Development Planning Broad (Bappeda)*, in 1994, tourism accounted for 42.2% of the GRDP while agriculture barely reached 28%. Furthermore, according to the estimations of a Balinese economist, the tourism income multiplier increased from 1.2 % in 1984 to 1.5 % in 1994, about average compared with island destinations in the Caribbean and the Pacific (Erawan 1994).

More generally, a study carried out for the Indonesian Government by foreign consultants, under UNDP technical assistance, attributed the value of tourism to the Balinese economy in the 1980s, basing it on a number of indicators: a strong growth of the GRDP; lower unemployment; wide distribution among the population of the revenues of growth; and a redressing of the island's trade balance (Hassal and Associates 1992; see also Daroesman 1973; Bendesa & Sukarsa 1980; Jayasuriya & Nehen 1989).

The data from the Internet (Balipost 2000) also shows impressive development of capital investment in Bali. *Bank Indonesia* record 275 million dollars of foreign investments in 1998, and increasing to 543 million dollars in 1999. These foreign investments are notable, especially in the tourism sector: for 180 million dollars for the hotel industry, 178 million dollars for export-oriented-small-industries, and 28 million dollars for tourism facilities, such as water skiing have been seen. Meanwhile, domestic investment has increased from 811 billion *rupiahs* in 1998 to 1,400 billion *rupiahs* in 1999. This is mainly for the hotel industry (946 billion *rupiahs*) and small/craft industries (172 billion *rupiahs*¹).

The hotel industry and travel agencies

The tourism industries in Bali have also undergone evolution as visitor numbers have increased. The figures show a rapid increase up to the mid-1970s, followed by a decline that required restructuring in the whole industry, and finally an accelerated recovery in the 1990s years. This restructuring has been partly in response to national and provincial objectives to promote a form of tourism that contributes to greater capital accumulation within Indonesia, and partly the result of global economic and social changes that have transformed the structure of the tourism industry world wide.

This process is most evident in the boom of hotel investments. The large international hotel chains have recently settled in Bali, because of deregulation of the banking system, and interest

¹ One dollar is equivalent to more or less to 10,000 rupiah. The value of rupiah, Indonesian currency, is fluctuated since 1997, following political reformation in the end of Suharto's presidency era.

by Asian investors, most of them supported by Jakarta-based conglomerates. While the SCETO report counted fewer than 500 rooms in 1970, there were more than 3,000 in 1975, 4,000 in 1980, and 10,000 in 1985. From then on, Bali's hotel capacity grew at an annual rate of 7%, and jumped 64% in 1990 in anticipation of Visit Indonesia Year. In 1989, investments in hotel construction exceeded four-fifths of the total investment in the province.

Table 4.2. Supply of hotel rooms and occupancy rates 1985 – 1990

	1985	1986	1987	1988	1989	1990
Starred Hotels	3,730	4,120	4,670	4,760	4,780	8,490
Occupancy Rate	52	56	71	76	83	51
Others	6,500	6,950	7,150	7,390	8,060	12,540
Occupancy Rate	27	28	32	34	35	25
Total	10,230	11,070	11,820	12,150	12,840	21,030
Occupancy Rate	36	38	47	51	53	36

Source: Analysed from *Data Bali Membangun* 1991

According to the *Kanwil I Pariwisata* (Provincial Branch of Tourism Ministerial Office) Bali, in 1990 there were some 50 starred hotels operating on the island, with 8,490 rooms, as well as 900 unstarred hotels and homestays with 12,540 rooms, giving an overall capacity of 21,030 rooms, compared to 12,840 the previous year. In 1994, hotel capacity exceeded 30,000 rooms, with close to 17,000 in some 90 starred hotels and the rest in more than 1,200 unstarred hotels and homestays. This number was steady until 1996. By comparison, for the whole of Indonesia the Directorate General of Tourism counted in 1994 more than 600 starred hotels with a capacity of about 60,000 rooms, to which could be added some 6,000 unstarred hotels with a capacity of around 110,000. It forecasted some 100,000 additional rooms in starred hotels by the end of the Sixth Plan in 1999. Regarding restaurant facilities in 1994 the record showed that there were more than 500 restaurants in Bali, which amounted to about 34,000 seats.

Because tourist arrivals lagged behind projections until 1988, hotel occupancy rates remained lower than the 70% predicted by the Master Plan. After 1988, the average rate of occupancy rate in starred hotels passed this figure, whilst the unstarred hotels and homestays (most of them owned by Balinese) registered a much lower rate, barely 35%. But the following year, the hotel building boom caused over capacity, bringing a rapid fall in occupancy rates, which dropped to 51% and 25% respectively for starred hotel and unstarred hotels in 1990. The situation was judged serious enough that, on the eve of Visit Indonesia Year, the Director General of Tourism decreed a moratorium on hotel construction on the island's south coast which, it is believed, was already threatened with saturation. But, being purely advisory, this measure was disregarded by certain investors and the fact remains that two years after this statement by the Director of DGT was made, more than 20,000 rooms were under construction or being planned, which brought the already projected hotel capacity of Bali to more than 52,000 rooms. As the difference in the rates of hotel capacity and tourist frequentation has continued to worsen, over-capacity has

induced a price war. It is the small Balinese hoteliers who are the first to bear the costs. In 1994, occupancy rate was around 60% for starred hotels and 35% for un-starred hotels.

As with the hotel sector, travel agencies also followed the fluctuation of the island's changing fortunes in tourism. The *Kanwil Pariwisata Bali* records that the number of agencies decreased from 42 in 1970 to 29 in 1980. This was largely because of Balinese bankruptcies, gradually reducing Balinese ownership of agencies. In the mid 1990s, however, many new agencies opened, totalling 178 in 1994, and other records mentioned about 30 undeclared agencies. These Balinese agencies remain weak in relation to their foreign partners who are able to lower their prices competitively: they are too numerous, have constant cash flow problems and suffer from a lack of professionalism.

Many of the agencies operating in Bali are also regional branches of firms based in the national capital, Jakarta. Their activities consist mainly of taking care of the tour groups sent to them either by their office in Jakarta or by foreign tour operators with whom they are associated. The travel agencies also organise dance performances and excursions around the island. They employ nearly 3,000 licensed guides and maintain an operation of buses, minibuses and taxis, numbering 3,200 vehicles by 1994. In addition, there are some 1,600 rental cars available to tourists.

Tourism revenue

The only data for an evaluation of foreign exchange earnings from tourism are derived from the volume of transactions registered by the regional branch of the Bank Indonesia in Denpasar. Previous research on the economic impact of tourism in Bali highlighted a big increase from \$2.13 million in 1970 to \$1.22 billion in 1994 representing more than a quarter of tourism revenues for all of Indonesia. But no matter how great this figure is, it offers only an estimate of the gross foreign exchange earnings attributed to tourism. It gives hardly any information on the net foreign exchange earnings that tourism brings to the province, which depends in particular on the amount spent on imports directly related to tourism. Presently, no reliable study exists on this subject, and the estimates are highly variable.

The creation of jobs

According to the projections made in the SCETO report (1971), tourism was to create 78,500 jobs, directly or indirectly, by 1980. This figure has proven far too high, mainly due to delays in the construction of Nusa Dua. In 1980, the Tourism Office estimated at 7,500 the number of jobs created directly by tourism including 4500 in the hotel industry. In 1987, when tourism activity was growing rapidly, the Provincial Tourism Office (*Diparda* 1987) estimated direct created jobs at about 18,000, with 11,000 in the hotel industry, 2,300 in the restaurant business,

and 1,700 in travel agencies and transportation. In 1994, jobs directly created by tourism were estimated at 47,000 of which 32,000 were in the hotel industry, 8,300 in the restaurant business, 1,800 in travel agencies, 1,900 in transportation and 3,000 employed as guides. To this number must be added the artists and craftsmen working in a more or less permanent way for the tourism market or for export (these numbers are difficult to estimate), as well as workers employed in the garment industry. In this respect, the previously mentioned study conducted by the UNDP (1992) estimated that in 1989, 310,000 people were employed in tourism-related activities, that is, about 20% of the active population in the same year (Hassall and Associates 1992:67).

As to revenues obtained from having a job in tourism, they are extremely variable, depending on whether the job is that of craftsman or gallery owner, chambermaid or director of a travel agency. Wages for unskilled labour, as well as in handicrafts, presently range from 120,000 to 300,000 *rupiah* (\$20-60 per month in current currency) that is also about twice that for similar labour in Java. It is also important to mention that (apart from several hundred foreign nationals employed in tourism) the majority of skilled jobs are filled by non-Balinese Indonesians, mostly Javanese. Workers from Java also provide most of the labour on construction sites. In this regard, intending to guarantee priority in employment to the Balinese, the Governor issued a decree in 1973 forbidding any non-Balinese coming to work on the island unless assured in advance of a job and lodgings. It is not known how many immigrant workers are presently in Bali, although the estimated number is more than 100,000.

The distribution of tourism revenue

One of the fortunate consequences of tourism and of the economic activities that it generates has been to reduce urbanisation. This is particularly true of the regency of Gianyar, where the handicraft industry has been able to accommodate a population that subsistence farming can no longer support. Bali's success in the production of clothing, sculpture and jewellery is today presented by economists as an example to be imitated in other regions of Indonesia and more generally in the Third World, with a view toward absorbing the over-abundance of rural manpower.

On the other hand, tourism has worsened regional imbalances. The concentration of seaside resorts in Badung, the regency where Kuta and Nusa Dua located, which has nearly four-fifths of the island's hotel capacity², has accelerated urbanisation and consolidated the wealth of that

¹ In 1994, the distribution of accommodation and rooms among the regencies was as follows: Badung, 329 and 16,641; Gianyar, 370 and 2,500; Bangli, 25 and 220; Klungkung, 28 and 200; Karangasem, 150 and 1,800; Buleleng, 120 and 1,600; Tabanan, 34 and 380; Jembrana, 25 and 260 (source: *Diparda* Bali 1995).

regency. This is partly because the province capital, Denpasar is also located in Badung Regency. During the first five Regional Plans, over 90% of all private investment has been concentrated in Badung. Thus Badung's GRDP per capita is nearly twice that of the rest of the island. To reduce this imbalance, since 1972, the Governor has required that Badung redistribute 30% of its revenues to the other regencies (BKPM 1994).

At the same time, tourism tends to increase social inequalities, determining more and more who in Bali is rich and who is not. Although big portions of revenues from the tourism industry are spread out among the population, the gap is widening between those with direct access to tourist money, and the others. The newly rich, such as real estate speculators, hoteliers, restaurant owners, travel agents and art dealers, guides and taxi drivers accumulate symbols of their social rise. These days the Balinese most favoured symbols of social status include, for example: driving in BMWs or in Mercedes Benzes and building themselves houses that imitate the style of Americans or Hollywood.

As a sign of prestige, those who have more money earned from tourism conduct spectacular ceremonies, which also provide new attractions for tourists. Thus, despite commercialisation and commodification of traditional Balinese values, the rich use their extra money in a most traditional way: to affirm their newly acquired social position and to display their rank according to ancient codes. On the other hand, they also help to undermine the traditional social hierarchy by competing with the nobility, particularly through their spending on ceremonies.

The development of the economy is bringing obvious changes to Balinese society by drawing a part of the population away from its traditional occupations. The organisation of agricultural activities is breaking up as those Balinese employed in the tourism industry no longer participate in the rice harvest. This now tends to be done by specialised groups who work for cash. This change in the village economy is blamed for more individualistic behaviour, the loosening of social ties and weakening in the systems of obligatory co-operation within *banjar*. Land speculation brings more stress to the social order: it makes land a matter of individual property; and it turns it into a commodity, one whose price has grown extraordinarily. This provokes conflicts that threaten the *banjar* and break up families.

Above all, tourism alters Balinese society with its capital, especially the national and international capital that enters the Balinese social sphere. It is difficult to identify the economic agents that control the tourism industry in Bali because they do not always operate openly. Most of the capital is multinational in origin. Indonesian businessmen serve as intermediaries to their foreign partners. The Balinese generally serve only as titleholders. According to BKPM, between 1969 and 1994, investors from Jakarta and other Indonesian or foreign sources

accounted for around 75% of investments in hotels and tourism related activities, and over 55% of the total number of investments in Bali. The provincial government receives only indirect revenues from tourism by way of local taxes, building permits, and development funds. In 1994, these revenues accounted for less than 20% of the province's budget, the rest of which being mostly financed by subsidies from the central government.

The province of Bali seems dependent on international tourism and the national government. However, the promotion of their island as the 'show window' of Indonesia has considerably increased the prestige of the Balinese. At the same time, the growing importance of tourism in the Indonesian economy has correspondingly strengthened Balinese bargaining position with the state government.

4.3 Tourism development planning

With the realisation that tourism was likely to have an important role in the future of Bali, planning for its development began at an early stage. A Tourism Master Plan was produced in 1971 that promoted the concentration of development to a limited number of locations. The aim of the plan was to ensure that the development of tourism did not take place at the expense of local culture, environment, etc. However, despite the adoption of this approach, the pattern of hotel development that emerged in the proceeding years largely did not conform to the pattern outlined in the plan. In 1988, the provincial Government decided to abandon this approach in favour of a dispersed approach. The following discussion focuses on how tourism development planning is done, and changes from centralised to dispersed development in Bali.

Centralised tourism development

The Bali Tourism Master Plan (SCETO Report) was produced in 1971 with funding from the United Nations Development Programme (UNDP). The Master Plan provided a physical development strategy at a time when tourism was just beginning to grow on the island. It developed the concept of rapid and concentrated development of tourism oriented towards high-spending international visitors.

The Master Plan was published in April 1971, and was adopted the following year by Presidential Decree and ratified by the Provincial Assembly of Bali in December 1973. During this period, foreign firms conducted a series of technical studies on the feasibility and modalities of development of Nusa Dua (Pacific Consultant International 1973). At the same time, the SCETO report was submitted to the World Bank for evaluation, with a view to obtain financial aid. The Bank engaged a foreign consultant, anthropologist Raymond Noronha, to assess the impact of tourism on Balinese Society. His report was fairly critical and was kept confidential

(Noronha 1973). Following Noronha's study, an evaluation team from the World Bank went to Bali and published its conclusions in May 1974 (IBRD/IDA 1974).

The World Bank was more reserved than SCETO regarding the prospects for tourism development in Bali. Starting with an estimate of 95,000 foreign tourists in 1973, its report forecast 290,000 arrivals to 1978 and 540,000 in 1983, showing an annual rate of increase of 26% until 1978 and 14% afterwards. The tourists' average daily expenditure was estimated at \$46 and their length of stay at 3.5 days.

The main thrust of the master plan was to restrict tourism to three centres in Southern Bali. One would be a totally pre-planned tourist estate on the dry and sparsely settled peninsula of Nusa Dua, while the other two would be more spontaneous developments within the existing settlements of Sanur and Kuta. The Master Plan also proposed a variety of institutional and management arrangements to guide and control tourism investment and development on the island.

The main lines of the Nusa Dua project were retained, but the first phase was limited to 2,500 rooms of international standard to be built by 1985. A site of 425 hectares was to be developed by public agencies, and parcels of land were leased to private hotel developers. The number of rooms to be built in Sanur, Kuta and Denpasar was limited to 1,600, making a total of 4,100 international classrooms. The building of accommodation would be authorised with the condition that they were Balinese in style and had no more than 20 rooms. Employment created directly by the Nusa Dua resort was estimated at 6,000 jobs, plus 4,000 indirect jobs. As to net foreign exchange earnings, these were to reach \$8.5 million by 1978 and \$36.2 million by 1985.

The project included improving the road network and building an expressway bypassing Denpasar that would give direct access from Nusa Dua and the airport to the main tourist sites throughout the island. A training centre for hotel staff was to be built at the edge of the resort area. The plan encouraged the use of local building materials and construction styles inspired by traditional Balinese architecture. Building height was limited to 15 metres, so as not to surpass the tops of the coconut palms, and the local population was to be assured access to the sea.

An institution to support the implementation of Master plan was established. The Bali Tourism Development Board (BTDB) was set up in 1972 by Presidential Decree, as the first step in implementing the policies in the Master Plan. The board was given the responsibility for the co-ordination and management of tourism development throughout Bali. In particular, its main responsibilities were:

- To advise various Provincial Government Agencies on the practical application of the plan;

- To co-ordinate the activities and projects of the various sector agencies to maximise benefit and minimise social and environmental damage;
- To acquire land for development;
- To apply zoning regulations in tourist areas;
- To create priority zones where special regulations would be enforced (i.e. Kuta, Sanur and Nusa Dua); and
- To create links between government agencies, private tourist enterprises and Balinese community organisations,

However, for financial and other reasons, the BTDB was closed after a short period of operation. The main responsibility for the management of tourism was officially transferred to the newly created Department of Tourism, but in practice, responsibility was divided between a number of agencies with no one agency having overall power.

The plan developed by SCETO focused upon tourism with only a limited attempt to link tourism with other sectors of the economy. Furthermore, the study was designed to set guidelines for development to 1985, but this date arrived without the plan being adequately updated. Therefore, following adoption of the Master Plan, it rapidly became outdated. While the Nusa Dua Area Tourism Development Plan was produced in 1973 and the Bali Tourism Development Corporation (BTDC) was created to implement the development plan, work progressed at a far slower rate than expected. In contrast, unregulated development at Sanur and Kuta progressed at a far more rapid rate than was predicted and showed dissimilarity to that proposed in the plan. This was particularly the case for Kuta which experienced a massive increase in budget class tourism, a type of development totally unforeseen and not addressed in the plan.

The Master Plan completely misjudged the real market for development, resulting in the rapid and almost completely 'unplanned' development of Kuta. Further unplanned tourism development later occurred in many other locations on the island such as Candidasa, Ubud and Lovina, out-pacing the rate of development in Nusa Dua. Furthermore, the Master Plan's emphasis on 'high-class' tourism left the island's tourist industry vulnerable to changes outside the control of the Government (world economic recessions, regional conflicts, etc.) since it is the high-class market that is the most sensitive to such changes.

Based on recommendations in the Master Plan, a series of stopover plans were prepared and excursion routes planned in mid 1970's for a large number of tourist destinations. The aim was

to try and 'guide' those tourists wanting to travel on day trips from Nusa Dua, Sanur or Kuta to see the island's many attractions. This would be achieved by designating certain routes as tourist circuit roads, with a limited number of convenient stopping places where low cost overnight accommodation was to be encouraged, with the aim of eventually developing them into tourists' centres. Thus, the attempt was made to limit the amount of contact between locals and the tourists and thereby minimise the adverse effects on the local community, their culture and environment.

However, these plans were rather ambitious, being produced in a more prosperous time and few were implemented. Doubts have also been expressed about the validity of adopting such an approach. One detrimental effect of designating 'tourist routes' has been excessive ribbon development all along the road frontages. This in effect has provided a continued line of development for a large part of many excursion routes, concealing from view the natural beauty of the landscape for long distances. However, this problem cannot solely be blamed on the designation of these routes. The mechanisms for control of development were not strong enough to prevent it from occurring.

Dispersed tourism development planning

In what has been seen as a parallel move to the national policy in *Repelita V* of promoting tourism in all parts of Indonesia, the Provincial Government of Bali changed its approach to tourism development planning in 1988 and adopted as part of its policies the aim of spreading economic benefits of tourism to all parts of the island.

The main policies relating to tourism in *Repelita V* are as follows:

- To mobilise and direct tourism in order to accelerate its development over the whole of the island and to strengthen the island economy;
- To encourage the development of Bali with the aim of spreading benefits to all parts of the island; and
- To minimise and overcome the negative impacts of development on the natural and human environment

With this in mind, a number of tourists' areas were designated in locations spread over the island. It was envisioned that from each of these centres benefits would be passed on to surrounding areas.

In the Bali General Development Master Plan (GDMP) produced in 1989, the stated aim of tourism was to increase the number of visitors to the island, increase their length of stay and improve its quality, in conjunction with increasing local incomes (although it is not specified how these aims would be met). There was also recognition of the need to protect yet at the same time 'sell' the local culture and landscape (though again, no identification was given on how they would be protected).

With regard to the need to protect and market the local culture and landscape, the Provincial Government often cites 'cultural tourism' as forming the basis for fostering and developing tourism. According to the GDMP, this involved preserving the cultural aspects and natural beauty of the island for the enjoyment and pleasure of the tourists (note: according to GDMP, the emphasis was on preserving the culture and the island for the sake of the tourists and not for the sake of Balinese themselves).

The change in approach to tourism development planning by the Provincial Government can also be seen as an acknowledgement for what had been happening in reality. Despite the government previously adopting the approach of restricting hotel development to southern Bali, rapid and uncontrolled development of *losmen* and homestays occurred over the whole islands almost from the moment the SCETO proposals were adopted. It is also worthwhile noting that despite Provincial policies to the contrary, individual *kabupaten* (regency) authorities actively pursued policies of attracting as much tourism development (i.e. hotels) as possible to their own area in order to capitalise on the tourism boom.

Table 4.3. Centres officially designated as areas of tourist development

	Location	<i>Kabupaten</i> /Regency
1.	Nusa Dua	Badung
2.	Sanur	Badung
3.	Kuta	Badung
4.	Kedonganan & Jimbaran	Badung
5.	Ubud	Gianyar
6.	Kintamani	Bangli
7.	Nusa Penida	Klungkung
8.	Ujung	Karangasem
9.	Candidasa	Karangasem
10.	Lovina	Buleleng
11.	Teluk Terima	Buleleng
12.	Gilimanuk	Jembrana
13.	Candikusuma	Jembrana
14.	Bedugul	Buleleng/Tabanan
15.	Tanah Lot	Tabanan
16.	Medewi	Jembrana

Source: *Bappeda* Tingkat I Bali

In response to the decision to adopt a dispersed approach to tourism development, the Governor of Bali, in Decision Letter Number 15 (1988), designated 15 centres spread over the island, where all future tourism development would be directed. Shortly after this decision one further area (Medewi) was added. Table 4.3 highlights all 16 areas, which have been officially designated as centres for tourism development.

The areas were selected by a multi-departmental team headed by the governor based on a set of criteria. These criteria originated from the Ministry of Tourism and were adapted to fit local conditions. According to the Governor's Decision Letter, an area had to satisfy the following criteria in order to be designated:

- Obtain tourism either in the form of cultural or natural attractions which are prominent in the area;
- Have sufficient land available to support the activities of the tourism industry (at least 100 hectares); and
- Be in a strategic location with good transportation links with the currently developed centres on the island.

Unfortunately, these criteria are somewhat vague. First of all, there is no clarification of what is meant by 'tourism potential' or a set of criteria used to assess 'potential'. Nor is the level of potential as a centre for tourism development clear. There is little documented evidence available to suggest that detailed feasibility studies were ever carried out to assess the tourism potential of these centres before they were designated. The selection criteria above are inadequate to be used as a basis for allocating centres for future tourism development. In reality, the decision relating to the choice of location for these tourist areas was based largely on political considerations. This process ensured that each authority had at least one officially designated tourist area within its boundary.

It is also unclear as to what constitutes 'sufficient land' for tourism-related development, as there is no explanation of why the figure of 100 ha was chosen as the minimum amount of land necessary for an area to be designated. Furthermore, the boundaries of each centre were largely based on the existing *desa* (village) boundaries rather than relating more specifically to the extent of tourism potential in an area. In practice, this resulted in a number of areas influenced by tourism (for example, those that already possess hotels or exhibit potential for development) being left outside the original boundaries officially designated in the Governor's Decision Letter No. 15 (1988).

In an attempt to give a more realistic interpretation of the influence of tourism in an area, the boundaries of tourist areas in a number of the SAPTA's were revised. As a result, the new boundaries differed with those declared in the Governor's Decision Letter, which added to the confusion over the designated areas. For example, the boundaries of tourist areas in Kuta, Ubud, Cadidasa and Teluk Terima were extended, while in Nusa Penida, Ujung, Lovina, Candukusuma and Tanah Lot, boundaries were reduced. To date, there has not been any determination as to which boundaries are correct or more appropriate.

For a more realistic and economically viable selection of centres for tourism development there has to be a feasibility study undertaken before any area is designated. In order to be able to assess the type of development (if any) that is appropriate for an area, feasibility studies should consider the interrelationship of economic, environmental, social, cultural and political factors.

If enough thought were given to this process, most areas in Bali could benefit from tourism in some way. This does not necessarily mean the development of a hotel resort, which is a common misconception, but the development of other activities, to take advantage of the particular characteristics of an area. When the fieldwork was conducted, no feasibility studies and reports could be found.

The future direction of tourism development planning in Bali is likely to be influenced by two projects, which were undertaken in 1992. It is in this context that an agreement was signed in 1990 between the Directorate General of Tourism (DGT) and the United Nations Development Program (UNDP) with a view to revise the Master Plan, whose term had expired in 1985. The UNDP undertook a study of the island's carrying capacity, as well as a plan for the development of tourism by 1995 and 2010 (Office for Project Services, 1992; Hassal and Associates 1992). The reasons for this study were:

- The increasing stress on the environment;
- The incapacity of the provincial authorities to regulate the construction of tourist facilities, and;
- Seeing a decline in the quality of Bali's tourism product in the 1980s.

Both projects are funded by the United Nations Development Programme. The first involves the production of a Comprehensive Tourism Development Plan for Bali, and has two main aims:

- To undertake assessment of the level of tourism development that is appropriate for Bali, in both the short and long term, to achieve sustainable and balanced development. In conjunction with the adoption of appropriate strategies and programmes, this will enable

both Bali and Indonesia as a whole to receive an optimum level of socio-economic benefits, and;

- To produce detailed integrated plans and environmental programmes and projects for designated tourist areas (with an emphasis placed on Kuta, Ubud, and Candidasa)

The project will focus on tourism development strategies and programmes, with special attention given to the improvement of the tourism product itself, the physical environment, the preservation of the social and cultural environment, and the integration of other sectors of the economy. In this way, development form tourism is expected to increase the welfare and income of the people throughout the island.

The second project focuses on the management of tourism in Bali. This project also has two main aims:

- To improve the management and institutional structure, finance, information systems and co-ordinating mechanisms in order to facilitate an improved and more integrated system for economic, social and environmental planning in Bali, and;
- To produce policies and strategies which will encourage the development of complimentary economic and tourism activities outside of Bali and therefore relieve some of the environmental and social pressure on the island.

The combination of both projects is, in effect, more than just a revision of the original Tourism Master Plan for Bali. They attempt to focus on a wider sphere of influence than just tourism itself, which the previous plan failed to do.

During the same period, a project of scientific collaboration -- the Bali Sustainable Development Project, financed by the Canadian International Development Agency and linking Canadian and Indonesian scholars -- was launched with the aim of helping the province of Bali to formulate its Sixth Regional Plan (1994-1999), while setting guidelines for a sustainable development of tourism in Bali (BSDP 1992; Martopo & Mitchell 1995).

4.4 Epilogue

Bali is blessed with much strength, all of which can contribute to the continuation and enhancement of its tourist industry. They include a rich and colourful culture, diverse natural environments, and an attractive landscape. Positive attitudes are widely held towards tourism and there is widespread desire among residents of Bali for more tourists and more involvement

in tourism. Mass tourism is a new growth force in the long history of Bali. It has stimulated economic development but at the cost of some environmental degradation and, for better or for worse, may also be a stimulus to cultural change.

There has been a great deal of development of tourist facilities that has invaded agricultural areas. Amongst the eight regencies in Bali, Badung regency has experienced the most change. Changes in land use vary across the *Kabupaten* Badung. The main influence on long-term land use change in Kuta is small-scale labour intensive tourism developments, financed and operated by local agencies and relatively integrated into Balinese society. Such developments have taken place since the early 1970s and will be described illustratively in Chapter 6. In complete contrast Nusa Dua, a large-scale, capital-intensive tourism development, financed and operated by foreign agencies and relatively isolated from the host population, will be presented in Chapter 7.

The tourism and socio-economic impacts of the Bali bombings in October 2002, compounded by the effects of the war in Iraq and SARS disease, have worsened since January 2003. Direct tourism arrivals in the second quarter only increased to above 3,000 per day in mid-June 2003, the government's estimated 'breakeven' point for the Bali economy. While daily direct foreign arrivals for the peak months of June to September between 1997 and 2001 averaged 4,140 arrivals per day. Even under optimistic scenarios, in the absence of any other unanticipated shocks, it seems unlikely that numbers will return to normal before 2004, thereby deepening the lingering impacts of the 'crisis'.

Despite the significance of these impacts from the crisis in tourism, government, industry, and other agencies involved in tourism in Bali try not to lose sight of the long-term agenda of tourism and sustainable development in Bali. Much of the growth of tourism in Bali has been spontaneous and has occurred outside of a well-regulated planning framework. The process has often involved opposition from local people who felt that their interests were not given sufficient importance in the decision-making process. This thesis which concerns itself with tourism and changes in the built environment partly presents the 'entire picture' of how the indigenous locals and their institutions have participated in the land development and planning mechanisms of Bali.

The traditional institutions of Bali as mentioned in section 4.1, such as *adat*, *banjar*, and *subak* have evolved in a predominantly agrarian society. Currently, crucial decisions are made primarily by central government, often with little consultation with the people likely to be most affected, and existing policies are not always enforced. It is, at present, unclear whether the combination of these two institutions is well suited to the management of the powerful forces of

change that emanate from outside the island. The character and operation of the traditional, informal and current, formal institutions – and particularly of their planning roles – will be considered in Chapters 8 and 9 respectively.

CHAPTER 5: RESEARCH DESIGN, METHODOLOGY AND METHOD

The theoretical reviews in Chapters 2 and 3 have examined how tourism and changes in the built environment have previously been addressed. This highlighted the complexity of the nature of previous work, especially those issues as discussed within the subject of land-use planning. *Work on tourism development, in developing countries, is idiosyncratic. As such this makes it difficult to develop an approach that can be applied extensively. This is the case even though enduring efforts have been made by tourism development analysts to create a model that is applicable to different types of tourist destination. Furthermore, so far, none of these existing models shows any links with land development process models arising from planning theory.*

The description of Bali's general condition and tourism development in Chapter 4 has explained how tourism became a force for change in the built environment, from both a supply and a demand perspective. In addition to this the previous chapters have focused on the impact of tourism and found it was inadequately covered in documents concerning Bali, and considered traditional, informal, current, and formal institutional influences on land development. This chapter justifies and explains the importance of conducting empirical research in Bali, the selection of the case studies, Kuta and Nusa Dua, and the detailed research design, as well as the application of the institutional analytical framework used in this study.

5.1 Methodology

Mixing qualitative and quantitative methodology

Besides the complexity of linking the substantive issues examined: tourism, tradition and the built environment; in practice, the primary difficulty faced in this research project is the limited data available on the subject at hand, in developing countries and especially in Indonesia. This means the most appropriate methodology therefore, in the circumstances, is qualitative. However, in order to understand the context of the local population affected by tourism development, during a relatively short visit to the research area, it was necessary to construct a guideline for interviewing, and to select specific geographical sites to be used. This was important for consistency and to attain comparable information among key-persons interviewed or sites observed. (See Appendix 2 List of Informants and Topic of Interviews).

Given the complexity of the research topic and the conditions encountered in practice, constant tensions and contradictions over the research process were expected, relating to methods,

findings and their interpretation. Yet the qualitative methodology chosen made it possible for the researcher to engage in a multi-disciplinary approach during the research process. This is because qualitative research design has an elastic quality. It can be adapted, changed, and 'redesigned' as the study proceeds, to reflect the complexity of social realities. So a series of decisions were made at the beginning, middle, and the end of the research project, and during the description and explanation, and as such all research design decisions were taken in this context.

Written documents

The aim of social research is to describe and explain the actions of agents and the structures that they produce and reproduce in the course of their lives (Creswell 1994). But neither 'actions' nor 'structures' are actually observable: they are inferred from behavioural and other observational evidence, through which they are manifested. It is important therefore to examine the types of evidence available to the social scientist as source material for data construction (Creswell 1994).

Besides the use of case studies that will be explained in the next section, some aspects of this research are grounded in written documents. For a study of a community located half a world away from the researcher's location, it is obviously the case that continuous interviewing and observation are difficult, and that documentary evidence provides an alternative source of information. The expansion of the state and the growth of the economy, in more recent times, have generated a great deal of written material which appears to give a direct insight into Balinese social events. These documentary sources are regarded as especially valuable because they may be seen as the objective residue of the past. It is, nevertheless, recognised that such documents do not speak for themselves. A document is only a starting point. The social researcher has to place the document in the context of its conditions of production before an appraisal of its message can be made (Hakim 1992).

Therefore a substantial proportion of the material for this research project is based on written documents and, subsequently, three different classes of written documents can be delineated: secondary literature, official documents issued by the government, and media reports.

However in Indonesia, considerable difficulties must be overcome in order to obtain reliable documentary information. The trouble with official documents is that these are either not freely available, particularly those generated for internal purposes, or poorly registered. Therefore, much time and effort are required before a comprehensive and reliable overview of the relevant legislation, policy documents, and official statements on a particular subject emerges.

Information in these official documents then needs to be compared with viewpoints incorporated in the literature on similar issues in developing countries, specifically Indonesia.

So given the variety of subjects that are examined in this study, it is difficult to get all of the 'true facts' of a particular case at one's disposal and as generally government publications are vague about these issues we require more. To this end research and media reports provide much needed extra information and case material. Naturally, the analysis of this information needs to be done carefully and repeated crosschecks made with official documents, and with information obtained by word of mouth, so as to remove any suspicion of subjective interpretation of such documentary sources.

Secondary literature

So, in the first place, most studies by Indonesians are written in *bahasa* Indonesian and are primarily aimed at a domestic reading public. Similarly, many centres of research and education in the tourism and built environment field that serve as think-tanks for the government, or as training centres for future senior officials are also useful for material. In addition to this some basic issues have been disclosed through the works of foreign academics and planning consultants. This work largely draws upon experience of regional government in Indonesia, and has received considerable attention within Indonesia and abroad. MacAndrews et al. (1986), for example, focuses on development project planning, not, however, without revealing useful information about the system at large. There is also a great deal of other secondary literature on Bali (see for example, *Bibliography of Bali publication from 1920 to 1990* (Stuart-Fox 1992)). Several of these are produced by collaborative efforts between foreign nationals and Indonesians. With regard to planning in Bali, the literature consulted is a mixture of anthropological/ sociological based research considering circumstances prior to Indonesian independence in 1945, and of other literature of the post-independence era.

Official documents

Where official documents are concerned, the first category consists of legal and other regulatory mechanisms, as issued through governmental sources. The principal regulations, of importance for this study, are national laws on regional government and spatial planning. However in order to describe the content and significance of these laws, these written documents also, usefully, cover previous legislation and the implementation of these regulations and laws that were in force at time of their publication. In addition, other regulations relating to this research project have also been taken into account, such as regulations on land rights. Likewise, at the Bali-provincial level, regulations here are also of importance, and need to be considered.

Another category of regulations are those lacking official legal force, due to irregularities in the law-making procedure, but which are nevertheless used for everyday public administration, formally as well as informally. These are widespread and are particularly important in relation to regional by-laws. For example, it is not unusual for the period of approval of regional by-laws to pass without any signal from the relevant authority that they are no longer operative. It is also the case that certain issues are not determined by regional by-laws, even though this is a statutory obligation. This is of particular importance in the field of spatial planning. Urban spatial plans, if not determined by regional by-law, are not legally binding and, consequently, these plans attain the status of insignificant policy documents.

A third type of document is produced at the national level. The Indonesian government makes extensive use of policy documents, for its pursuit of long- and medium-term planning strategies for development, in virtually all government sectors. Most significant in this context are the five-yearly Main Lines of State Policy (*Garis Garis Besar Haluan Negara*, abbr. *GBHN*). These are issued by the People's Consultative Council (*Majelis Pemusyawaratan Rakyat*, abbr. *MPR*) - the country's highest decision-making authority. A similar strategy is then endorsed by regional government, to follow these national guidelines. In annual plans, which are usually related to the annual budgets, operating schedules are also laid down.

The final category is documents for internal use, such as work plans, job ratings, reports of fact-finding committees and the like. These provide important information about the operation of government units, and serve as vital material for assessing the actual value of regulations and policy documents.

Media reports

The final classification of written sources consists of Indonesian media reports. Even though the Indonesian media do not enjoy full freedom of the press, newspaper articles and magazine surveys are valuable sources of information. At the University of Sheffield, through the Internet, it is possible to access the latest issues of several newspapers – for example, *Kompas*, an Indonesia National Newspaper and the *Balipost*, a Bali Regional newspaper.

Regarding the examination of newspaper reports, it should be stated in advance that systematic (that is, daily) reading was confined to the period 1997 to 2001, the analysis and writing time of this thesis, not to the period 2002-2004 during the refinement of the thesis after the PhD oral exam. Major developments relevant to this study, which entered the national and regional newspapers are thus considered.

5.2 Case studies

Case studies are probably the most flexible of all research designs. At the simplest level they provide descriptive accounts of one or more cases. Although there are numerous definitions, in defining the scope of a case study Yin (1994:13) said ‘A case study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident’.

The case study is thus the social research equivalent of the spotlight or the microscope; its value depends crucially on how well the study is focused (Stake 1995). After a body of research evidence has accumulated on a topic, selective case studies can focus on particular aspects, or issues, to refine knowledge. For example, case studies can be used to provide a more richly detailed and precise account of the processes at work within particular types of case, highlighted by surveys. Whether typical or anomalous types, they can be used to substantiate or refine causal processes that are thought to underlie observed patterns and correlations (Yin 1994).

Case studies take as their subject one or more selected examples of a social entity – such as communities, social groups, organisations, events, roles or relationships – that are studied using a variety of data collection techniques (May 1997). The criteria at hand inform the selection of the case, or cases, for this determines the case-studies location on the continuum between the descriptive report of an illustrative example, at one end, and the rigorous test of a defined thesis, at the other. It also uses a variety of data collection techniques and methods that allow for a more rounded, holistic, study than with any other design. At the minimum, a case study can provide a richly detailed ‘portrait’ of a particular social phenomenon.

This diversity of case study designs is further compounded by the variety of methods used, whether the focus is a single case or multiple cases. Case studies are typically based on two or more methods of data collection. Well before Denzin (1978) formalized the logic of multiple triangulation, the use of multiple sources of evidence allowed case studies to present more rounded and complete accounts of social issues and processes. Whether the case study is descriptive, explanatory, or is concerned with rigorous tests of received ideas, the use of multiple sources of evidence and, very often, multiple investigators makes the case study one of the most powerful research designs. The fieldwork for case studies may incorporate the analysis of administrative records and other documents, in-depth interviews, larger scale semi-structured surveys (either personal interview or postal surveys), participant and non-participant observation and collect virtually any type of evidence that is relevant and available. Therefore, case studies potentially overlap with virtually all other research designs, offering their combined and complementary strengths.

The enormous variations in case study designs makes it difficult to summarise their key strengths and weaknesses; so much depends on the degree of fit between the questions to be addressed and the particular case, or cases, selected for the study. Some degree of prior knowledge may be necessary for suitable cases to be selected, especially if focused sampling is used. Case studies can provide those strengths associated with the research programme on a smaller scale, combining different types of complementary evidence and, potentially, the advantages of a full-disciplinary approach as well (Yin 1994).

Another source of flexibility and diversity lies in the option of focusing on a single case or covering multiple cases (May 1997). Multiple case designs can be limited to two or three settings or extend to dozens of cases, either to achieve replication of the same study in different settings or to compare and contrast different cases. The flexible character of the case study design makes for very diverse types of study. Probably the most widely used classification distinguishes between individual case histories, community studies, studies of social groups, studies of organisations and institutions, and those concerned with specific events, roles, relationships and interactions.

Given the mixed nature of research questions as explained in Chapter 1 of this thesis, especially the idiosyncratic nature of tourism and land development, as well as the small amount of secondary literature relating to this specific research, the main research method used in this study will be case studies.

5.3 Selecting case study locations

If we return to section 2.6 it explained that tourism development planning and policies in Indonesia focus on two categories of resort, integrated and enclavic. Choosing case studies representing these two categories, such as Kuta and Nusa Dua, we may be able to enrich the discussion of the impact of tourism on the built environment impact - in Bali especially and in Indonesia generally. The case study locations within the South Bali context are presented in Figure 5.1.

The empirical case studies in this research, then, are intended to explore changes in the built environment of traditional communities in Indonesia, with Kuta and Nusa Dua as examples. This research thus aims to enrich an academic discussion of the interrelation between 'traditional and modern' planning in a traditional area, which has been extensively developed due to tourism.

The theme for this research is tourism development and changes in the built environment in traditional communities. The preliminary research in Indonesia shows that the areas or villages

where a great deal of tourist accommodation has been developed represent appropriate examples for the case studies. The landscape of Bali is characterised by traditional communities that have been strongly influenced by tourism development. Traditionally, in developing their built environment and the physical landscape, the Balinese rely highly on traditional institutions, *desa adat*. Yet, currently, tourism development imposes different planning processes, institutions, and land use patterns in these areas, and influences changes in the built environment.

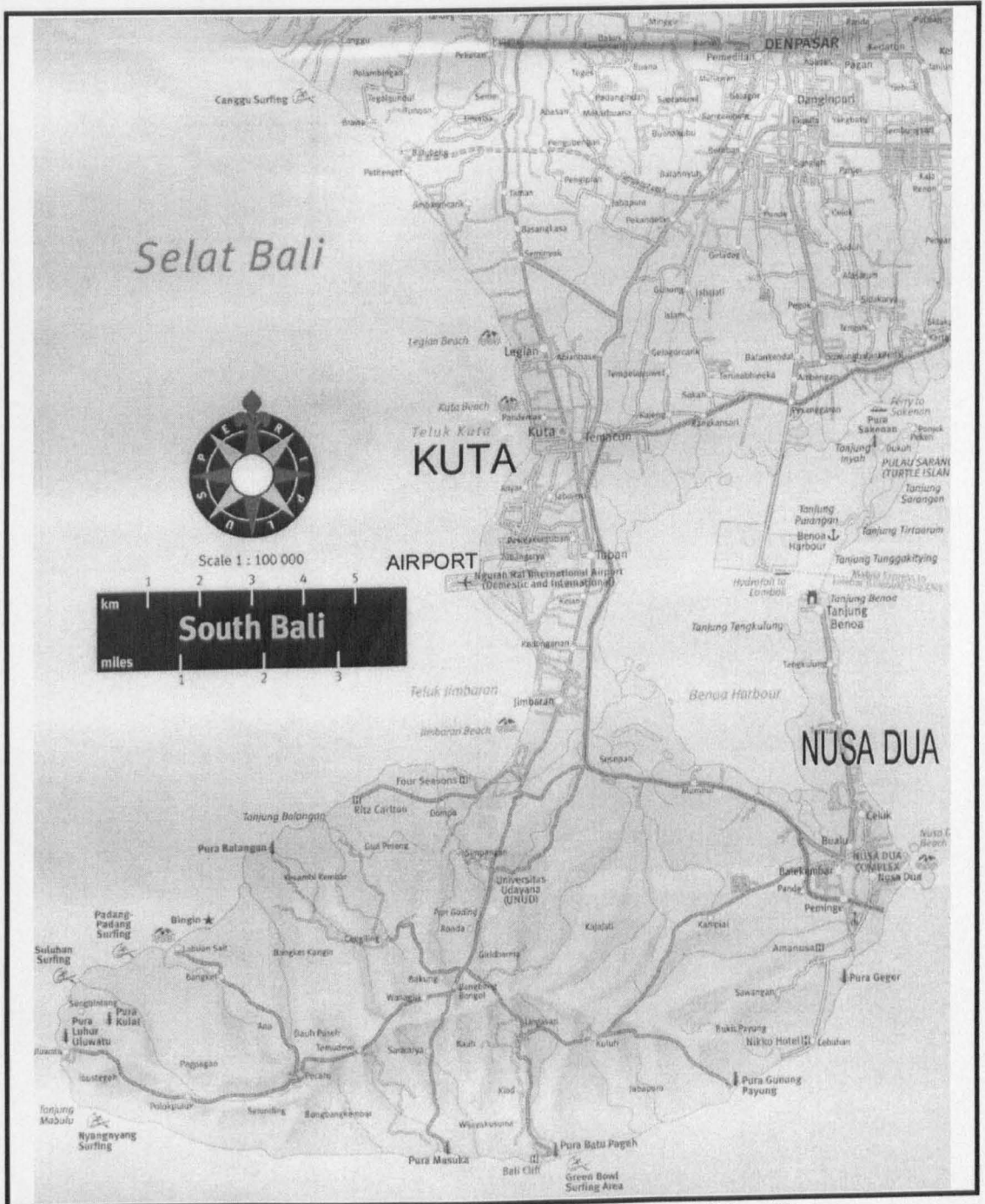


Figure 5.1. Map of South Bali and location of Kuta and Nusa Dua
Source: Periplus 1994

So selecting an area highly developed by tourism, such as *Kuta*, gives more understanding of how integrated tourism developments are influencing change in the built environment (Chapter 6). On the other hand, the case study in *Nusa Dua* illustrates the impact of enclavic tourism development on the built environment (Chapter 7). As such the contrasting characteristics of the two case study areas, that have similar cultural backgrounds, may provide the researcher with a representative and comparative window with which to examine tourism and the built environment in Bali.

5.4 Field research

The importance of research in the field, in-situ, follows as a consequence of the research questions. As far as this research is concerned, the emphasis has been on qualitative methods, meaning that for the production of research empirics in this study no fully developed schedule for observation and registration has been employed (Wester 1995: 12). This is an accepted method in social science, notably for ethnographic or cultural studies, and is employed specifically in the so-called 'case-study approach' pertaining to community studies. The basic focus of the study is the local community or town. It seeks to describe and analyse the pattern of, and relationships between, the main aspects of community life: community activities, politics, religious activities, work, and so forth. The term sociography is sometimes used for such studies, to denote the social 'mapping' of the community's institutions, structure and patterns of relationships. This type of case study is heavily used in social anthropology for research on non-industrialised societies, but it is also used to study towns and communities in industrialised societies. Community studies commonly provide a great deal of descriptive material on the particular community and the pattern of social life in it, but they may also address specific questions and issues. The amount and nature of research empirics depend on the circumstances and relationships developed in the field, in-situ (Ten Have 1977: 50). Or, in Ten Have's (1977: 5, 17) definition, qualitative field research is 'fundamentally improvisatory and exploratory'.

Still, when embarking on such an undertaking the researcher should not completely avoid such issues. Conditions permitting, adequate knowledge about the field must be acquired beforehand, for example, by careful study of the available literature and news bulletins, and through preparatory conversations with well-informed insiders. The larger the reservoir of knowledge and ideas, the better the protection against biased opinions and easy conclusions (Ten Have 1977: 22). Yet the outcome of this preliminary field research cannot but produce rather vague notions that need to be concretised by field research. During field research, the initial study outline is constantly tested and sharpened through the continuous alterations of observation,

registration, analysis, and reflection (Ten Have 1977: 79, Spradley 1980: 26-29, Wester 1995: 78-79).

Qualitative field research is particularly suitable for this study. Semi-structured interviews may provide more reliable information than surveys or structured interviews. Government officials, who form the largest group of respondents, are not accustomed to answering direct questions about the relationship between tourism, tradition, and the built environment. Notwithstanding the open character of field research activities, things are also geared to acquire valid and objective research data, which is accomplished by means of triangulation and replication (Wester 1995: 120). Triangulation means the compilation of different viewpoints and the examination of their mutual correlations. These viewpoints can be obtained by approaching different categories of respondents, by raising a variety of questions and topics of conversation with respondents, by connecting information from interviews to observation records, or by linking qualitative research data to documents produced by the respondents themselves (Wester 1995). The information collected can then be compared with information found from other sources and 'cross-checked' for validity.

However the systematic and detailed recording of interviews and observations is often a laborious activity. Similarly 'in the field' research may involve working with many, extensive, contacts and the researcher may evoke resistance on the part of those observed or interviewed. As such, it is best to make concise field notes, which are worked out into a detailed account soon afterwards. This account should comprise both the collation of facts in addition to how the researcher interprets them, as 'research in the field' is a theory-generating activity (Ten Have 1977: 61, Spradley 1980: 64-72, Babbie 1995: 292). At a certain point, as recalled from the researcher's experience, it also becomes frustrating to re-experience the day's events and describe them in detail. Furthermore, the longer one remains in the field, the more likely there will be the recurrence of events and opinions already seen and/or heard, which can be wearisome for the researcher (Ten Have 1977: 62). It should always be remembered, however, that the objectivity of field data derives from precisely this repetition of facts and viewpoints throughout the process of field research.

With this in mind, this study undertakes a comparison of two contrasting tourist destinations in Bali. It is based on a research design that provides two carefully selected case studies with similarities and differences, and places them in a regional and national context. The comparative element is obtained by drawing together the case studies with a focus on the same issues. These are tourism development and change in the built environment.

5.5 Survey and data collection methods

The research method combines qualitative and quantitative data and involves triangulation. Denzin (1978) states that there are several types of triangulation that can be adopted in research: data triangulation (the use of a variety of data in a study), investigator triangulation (the use of several different researchers or evaluators), theory triangulation (the use of multiple perspectives to interpret a single set of data), methodological triangulation (the use of multiple methods to study a single problem), and interdisciplinary triangulation (the use of variety of disciplines in the research process). This triangulation allows for multiple angles of framing the problem, selecting the research strategy, and extending discourse across several fields of study. Cohen and Manion (1989:269) indicate that 'Triangulation may be defined as the use of two or more methods of data collection in the study of some aspect of human behaviour.'

So using more than one method to examine the same research question enables researchers to strengthen the validity of their findings, if both are shown to provide mutual confirmation (Bryman 1993). Furthermore qualitative approaches can assist quantitative work in a number of ways: by providing hunches or hypotheses to be tested by quantitative research; as a mechanism for validating survey data; for interpreting statistical relationships and resolving puzzling responses; to help construct scales and indices for quantitative items; and to offer case study illustrations. At the same time, quantitative data can identify individuals for qualitative study and to identify unrepresentative cases (Bryman 1993; Fielding and Fielding 1986).

Data collection techniques

Data and information are collected mainly to answer the research questions. Therefore, the methods for data collection will be explained as based upon the research questions.

First set of questions:

The **first** set of questions concentrates on tourism development. How has tourism development been studied? How are tradition and changes in the built environment linked in these studies? What are the major theories that link tourism, tradition, and change in the built environment, and that are appropriate for this research? How is tourism development influencing change in traditional communities, especially in Bali as the chosen location in this instance?

To answer the first three questions, the data was primarily collected from written documents: books, journals, seminar reports and the like. Since there is no one theory obtainable that deals with the three issues (tourism, tradition and the built environment) explicitly, the challenge was to create connections among them, and to conceive a theory that may be applicable to this study. The data for the final question was collected as primary data during fieldwork (interviews with

officials and traditional leaders, scholars in Balinese studies, direct observations in the area) and from secondary sources (see Chapters 6-9). For this, the secondary sources, there are many tourism development reports for Bali, relating to the regional as well as the local level. For example the reports documented by local governmental offices, such as the *KANWILPAR – Kantor Wilayah Pariwisata (Regional Office of Tourism)*, the *DIPARDA – Dinas Pariwisata Daerah (Local Office of Tourism)*, and the *Dinas or Kanwil PU – Pekerjaan Umum (Public Works Office)*.

Second set of questions:

The **second** set of questions concentrates on detailed changes in the built environment driven by tourism in two contrasting areas: an integrated (Kuta) and an enclavic (Nusa Dua) tourist resort. So what is the effect of tourism development on the form of the built environment in such areas? What roles have planning institutions played in determining and changing current environmental conditions? How do locals perceive the environmental changes brought about by tourism? This set of questions is the primary reason for undertaking the descriptive, illustrative case studies presented in Chapters 6 and 7.

Primary data

So to begin with, questionnaires were designed and distributed to agents involved in the establishment of tourist facilities in the selected case study areas, Kuta and Nusa Dua. Interviews were then conducted with selected agents involved with current changes to the built environment and with tourism development. At the same time, systematic observations (mapping major tourists facilities, keeping a diary, recording and discussing the observations) were made. Information was also collected on chronological changes in the built environment resulting from tourism.

Questionnaires were also developed and distributed to indigenous locals, especially those who experienced the Kuta and Nusa Dua prior to mass tourism and the resultant change in the built environment. Further, interviews were conducted with key local actors such as the *kepala desa* (village head), governmental and religious leaders.

Thus, in general, primary data was compiled through fieldwork during which questionnaires and interviews were administered. Before visiting the case study area, a preparatory process of developing the semi-structured interviews and designing questionnaires was conducted. A list of interviewees and the topics of discussion can be found in Appendix 2.

The surveys and semi-structured in-depth interviews were then undertaken to obtain an understanding of the research themes. The selection of the interviewees was based on purposive sampling. That was, the sample was not specified a priori; rather, each sampled unit was selected on the basis of the researcher's experience with previously sampled units. The primary criterion for the sample selection was to maximise variety and viewpoints.

To highlight the steps taken in getting answers to each question, the key issues for the interview (guidelines for the interviewer/researcher) and questionnaires are listed. Considering the complexity of tourism phenomenon in developing countries and the relatively limited research on this subject, the elaboration is based on the issues of tourism development in developing countries explained in Chapter 2.

Secondary data

Much research has been conducted on the social and economic impact of tourism in Bali. The university, NGO office(s), and research centre(s) have compiled reports and can partly supply the data needed to describe these two case studies. Records of the process of establishing tourist facilities are also collected by planning and design consultants and private companies, as well as public institutions. Collecting and analysing these reports will help to answer the questions above.

So, in general, secondary data was drawn from books, reports, seminar papers, periodicals and government publications.

Sources for secondary data were:

- Local/regional/national government offices, especially offices related to construction of built environment (Department of Public Works; Department of Tourism, Post & Telecommunication; Department of Transportation, etc.)
- Mass media
- Private companies that were involved in tourism development or change in the built environment
- Local university library(s)
- Research centre(s)
- NGO office(s)

It should be noted, however, that collecting secondary data in developing countries, especially in Indonesia, is not as easy as in developed countries. Written material is not always available in expected sources or place. One possible solution to resolve the difficulties in finding information is by tracking down persons or interviewees who are well versed in the themes

central to this research, or have an interest in them, and asking them for detailed information on places to find the materials, or for access to their own personal libraries.

Third set of questions:

The **third** set of questions centres on the issue of change in the built environment, addressed in the following questions: How is land-use planning conducted in Bali traditionally? What are the locals' social, economic, political relations with their built environment traditionally? In the face of tourism development in Bali currently, and in the context of the Indonesia State, how is planning of the built environment conducted? In the face of tourism development, what are the locals' social, economic, political relations with their built environment?

The questions on traditional Balinese land-use planning, the institutions involved, and the locals' social, economic, political relations with their built environment will be answered primarily through the analysis of written documents, and is addressed in Chapter 8.

The traditional Balinese landscape has been a common subject for many scholars. International scholars as well as the local university, Universitas Udayana, have conducted research on Balinese anthropology widely. Secondary data for these questions were thus investigated by collecting, and collating, literature from the Sociology, Anthropology, and Architecture Departments' libraries and information resource centres.

Information on the current process of change in the built environment in Bali, the institutions involved, and the locals' social, economic, political relations with their built environment were mainly obtained through the fieldwork. The results can be found in Chapter 9.

Primary data was collected by interviews that were conducted with actors, agents, and institutions associated with the planning of the traditional built environment and with those involved in current change in the built environment/tourism development. These included scholars with a multi-disciplinary background who are knowledgeable in the traditional (Balinese) built environment or decision makers who made regulations that applied to the development of tourism facilities. Secondary data obtained from information resource centres (official offices and the local university) in Bali were also used to address these questions.

Work plan

After finishing the research proposal, **the first** action taken was to develop the detailed interview guidelines, and the questionnaires based on each research question. This was thus the preliminary research, and the collection of secondary data, and was conducted during the summer of 1997. The result of this stage was a list of detailed questions relating to each research

issue. **The second** task involved the rearranging of the questionnaires and interview guidelines as-per what was found in the first stage. This produced the final guidelines for different types of interviewee and the final questionnaires for those actors involved in change in the built environment and for the locals. This was done for all the research questions. In short, all necessary ‘tools’ for the fieldwork were completed. **The third** action was the preparation of the fieldwork. During this third phase, efforts were made to contact many research centres and potential interviewees. **The fourth** task was the execution of the fieldwork in the selected case study areas, Kuta and Nusa Dua in Bali, Indonesia. After the fieldwork, the pre-analysis process was undertaken. In this phase, primary and secondary data were managed, categorised, and classified to facilitate the analysis process. Then the analysis was conducted. This involved defining the analytical framework, interpreting secondary data, and analysing primary data. The final action was writing up, which was also a cumulative process, from the beginning of the research.

5.6 Analytical framework

Analysing and presenting the case studies

The case studies selected for this research were Kuta and Nusa Dua in Badung Regency, Bali. The interpretive process and analytical framework applied to these cases is inspired by phenomenological analysis and writing. Phenomenology is ‘always a bringing to speech of something’ (van Manen, 1990: 32). The art of writing phenomenologically brings meaning to the surface. ‘Phenomenology is the application of logos (language and thoughtfulness) to a phenomenon (an aspect of lived experience), to what shows itself precisely as it shows itself’ (Manen, 1990: 33). Essentially to tell a story based on the interviewee’s viewpoint, not the researcher’s perspective. It is a process of interpretation through descriptive illustration. It is an interpretive movement around, through, beneath, into searching for meaning and the essence of the experience. For application purposes, van Manen (1990) has developed a framework for hermeneutic phenomenological research that involves a basic methodological structure of a dynamic interplay among six research activities (van Manen 1990: 30-31):

- (1) Turning to a phenomenon which seriously interests us and commits us to the world;
- (2) Investigating experience as we live it rather than as we conceptualise it;
- (3) Reflecting on the essential themes which characterize the phenomenon;
- (4) Describing the phenomenon through the art of writing;
- (5) Maintaining a strong and oriented pedagogical relation to the phenomenon;
- (6) Balancing the research context by considering parts and whole.

In interpreting information obtained for the Kuta and Nusa Dua case studies, the selection of a qualitative design for this study has the problem that the data must be interpreted by the

researcher through an intuitive processes (Bogdan & Taylor 1975). It may thus be subjective. For this study the researcher's intuition is guided by the planning discipline rather than other social sciences such as sociology and anthropology. However, it is recognized that 'the case study has long been stereotyped as the weak sibling among social science methods' (Yin 1989: 104) and is often criticized as being too subjective and even pseudo-scientific. Likewise, 'investigators who do case studies are often regarded as having deviated from their academic disciplines, and their investigations as having insufficient precision (that is, quantification), objectivity, and rigor' (Yin 1980: 110). Erickson (1986) states that 'the object of interpretive research is action ... [and] because actions are grounded in choices of meaning and interpretation, they are always open to reinterpretation and change' (p. 127).

Yet, regardless of this, many researchers view analysis of qualitative data as the most difficult aspect of conducting case studies for several reasons. Typical concerns with conducting case studies are the intensity of the data collection process and the overload of information obtained. Part of the intensity is related to the fact that in case studies, data analysis begins in the field during data collection as notes are recorded; initial interpretations are made during interviews.

Yin (1994) challenges the assumption that individual interviews should be 'written up' at all, believing that the more relevant task is to demonstrate converging evidence from various sources and to document such convergence (and divergence). Finally, in analysis of case studies, there are inevitably more variables than cases, or data points, so traditional statistical analyses cannot be applied. Therefore, different techniques need to be used to organise and systematically review large amounts of information.

In order to look for patterns among the data and to look for patterns that give meaning to the case study, Yin (1989) suggests two general strategies for the organization and presentation of case data: relying on theoretical propositions and developing case descriptions. For the purpose of this study, to guide the case study analysis, the researcher relied upon the development of the case description, based on an attempt to explain change in the built environment, especially the impact of traditional and formal planning processes.

The dominant mode of case analysis is that of typologies and time-series analysis, specifically, chronologies (Yin 1989: 118). Considering the complex nature of Kuta case study, the use of typologies is advantageous for the analysis. Nusa Dua, that has a relatively uncomplicated land development process, is analysed and written using chronologies. However, to some extent, both modes are used complementarily and interchangeably in analysing and presenting data on both case studies.

As Hammersley and Atkinson (1995: 209) point out, 'The initial task in analysing qualitative data is to find some concepts that help us to make sense of what is going on in the scenes documented by the data.' This process is often called 'conceptualisation.' Extrapolating 'concepts', and relating these to other concepts may produce typologies. The empirical research in Kuta revealed that variety of tourism facilities was too wide, with too many unrelated, dissimilar change in built-forms for them to be dealt with individually. Consequently, the discussion is based on six typologies of tourism facilities. These are: shopping facilities; accommodation; eating facilities; recreation and entertainment facilities; physical care facilities; and facilities for tourist transport (see section 6.6).

Time-series analysis, specifically, the arraying of events into a chronology (Yin 1989: 118) permits the researcher to determine causal events over time, because the basic sequence of a cause and its effect cannot be temporally inverted. However, unlike more general time series approaches, the chronology is likely to cover many different types of variables and not be limited to a single independent or dependent variable. The analytical goal is to present the sequence of land development within an enclavic resort that can be perceptibly understood by the readers. This analytical mode is used to describe the development of tourism facilities in Nusa Dua (see Chapter 7.4).

It was the researcher's aim to write descriptive case studies that may be used for illustration. The writing is intended to guide the reader through the processes relating to change in the built environment, within a conceptual framework that uses planning and land development terminologies, and ways of thinking. It is realised that one problem in producing case studies is the tendency to write 'for' something rather than to write a description. Researchers write for other people. Writing can therefore become too 'compartmentalised in one academic discipline,' with technical jargon and obsessiveness. However, the way the cases are written in this thesis is through the use of modest English, as it is arguable that anything else adds too much to (or takes away from) the phenomenon.

Operationalising the institutional analysis of land development processes

To start with, most 'operationalisation', the application of a certain model as an analytical framework, usually takes place through case study analysis of a particular research question. To bridge the link between an analytical model and particular cases, various scholars have contributed to more operational concepts and, classificatory categories, and typologies of certain theories or models in land development, planning, as well as institutional analysis (see for example Subchapter 3.2 Land Development Process Models). However, a great deal of the

literature does not succeed in adequately operationalising. They have not ‘triggered’ a broader debate about methodological issues, or resolved the practicalities of doing new forms of institutional analysis.

At a broader level, the production of an analytical framework is intertwined with the availability of information suitable for be analysis. As a result, the success of an analytical framework depends on the effectiveness of the writer. The institutional analytical framework exercised in this thesis is trying to develop a simple, and thereby admittedly uncomplicated framework. It starts with Healey’s institutional model, is inspired by contemporary institutional theory (such as North 1990 and Scott 1995, see Subchapter 3.4 Problematising the Institutional Analytical Framework), and is added to by some pragmatic thinking, in applying the institutional model for knowledge development.

So what is the contribution of linking an institutional model within the planning discipline with contemporary institutional theories? Don’t forget that scholars should be aware of the challenges and risks posed by extracting ideas from other disciplines and theories. To be effective, the development of such a model will necessarily involve generalization and simplification, and, at best, a partial transfer of the ongoing debates surrounding the original concept or theories within different disciplines. As proven by any (planning) scholars trying to apply institutional analysis readers cannot expect the link between two theories to be comprehensive. Yet, one could expect application of joint theories to be accompanied by a reflection on how they are constructed, as well as a continued monitoring of the relevant debates in the original domain. A useful analytical framework would thus require an in-depth analysis, or a theoretical translation, across the different disciplines involved. Knowledge of previous work, however, indicates a somewhat less than positive view of transferring concepts from one discipline to another. For example the ‘slippery’ conception of ‘institution’ is viewed as ineffectual by some scholars in the social sciences (see for example Ball 1998 in Subchapter 3.3 Applicability of Land Development Models to Traditional Communities).

In this thesis, the initial reflections of Healey’s model are outlined in section 3.4, tourism is viewed as an industry that through its establishment and operation changes the physical landscape and generates land development. After reviewing theoretical models of land development, Chapter 3 substantiated the applicability of Healey’s institutional model to this study. It presented a revised version of the model, more applicable to address the specific research questions of this study. Processes initiating change in the built environment and the outcomes of these are depicted in the model as the complex result of economic, social and cultural processes from which geography and history cannot be excluded. The notion of institutions in Healey’s model gives flexibility for a scholar to frame her own understanding of

institutions. It also stresses the potential productiveness of examining agency in property development. As such useful analyses of local land development processes are likely to result from the use of this model.

As discussed in section 3.4 titled 'Problematising the Institutional Analytical Framework', the framework developed and applied in this thesis is an attempt to capture important aspects of the inter-relationships among various institutional planning entities that can be applied to the research subject, tourism and change in the built environment, in traditional communities. The framework is aimed at highlighting analysis of how various institutional elements constitute inter-related parts of a larger whole, with which a land-use planning system is associated, especially in the Balinese context. The framework is thus intended to facilitate an investigation of tourism and change in the built environment, in Bali, within the perspective of the planning discipline.

While each of the various frameworks for institutional analysis focuses on a particular institutional element, the framework used in this thesis appreciates that achieving the objectives of institutional analysis requires going beyond the analysis of a particular, specific, institutional element. For example, the research must include more than just formal planning institutions in Bali. As various recent theoretical considerations and analyses of historical and contemporary institutions indicate, understanding the social foundation of social behaviour requires the examination of the inter-relationships among various institutional elements. It is misleading to examine an institutional entity in isolation from the others. For a system of institutional elements to add up to an institution they have to complement each other in generating particular regularities of social behaviour.

Operationalisation of the modified Healey model

Healey's model is primarily based on institutional economics. The discussion in subchapter 3.7 has explained the model as using an institutional analytical base from the social sciences. With an awareness of the constraints embedded in any analytical model, developed by combining different disciplines as explained in previous section, this analytical base will be applied to the context of the Balinese community.

Furthermore chapter 3 explains that, in this thesis, Healey's model emphasises different levels of analysis, namely the case study level and the societal (or Balinese community) level. To operationalise the model at the case study level, the simpler model consisting of production, consumption, and events in the development process is developed such as illustrated in Figure 3.2.

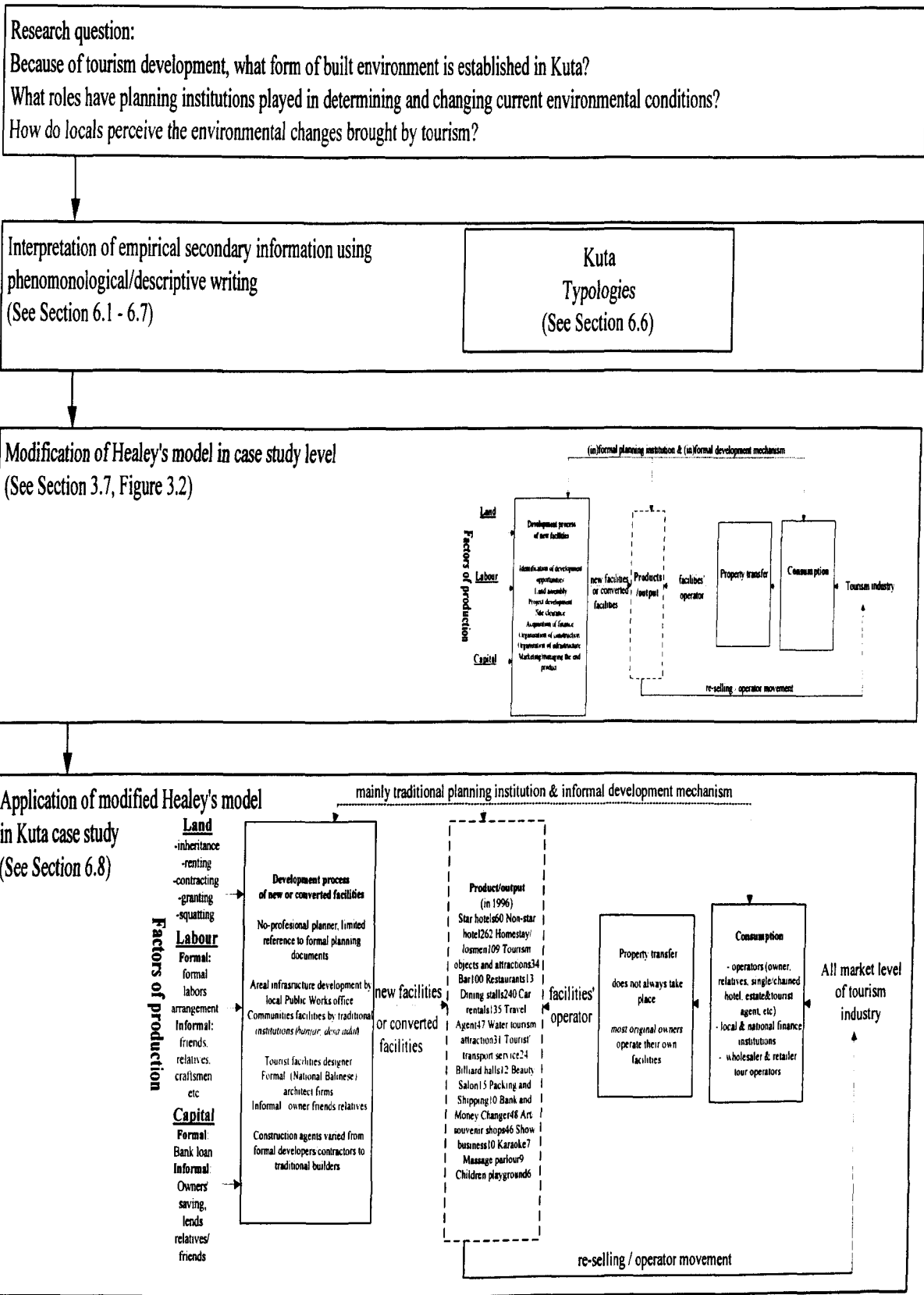


Figure 5.2. The writing up of Kuta case study

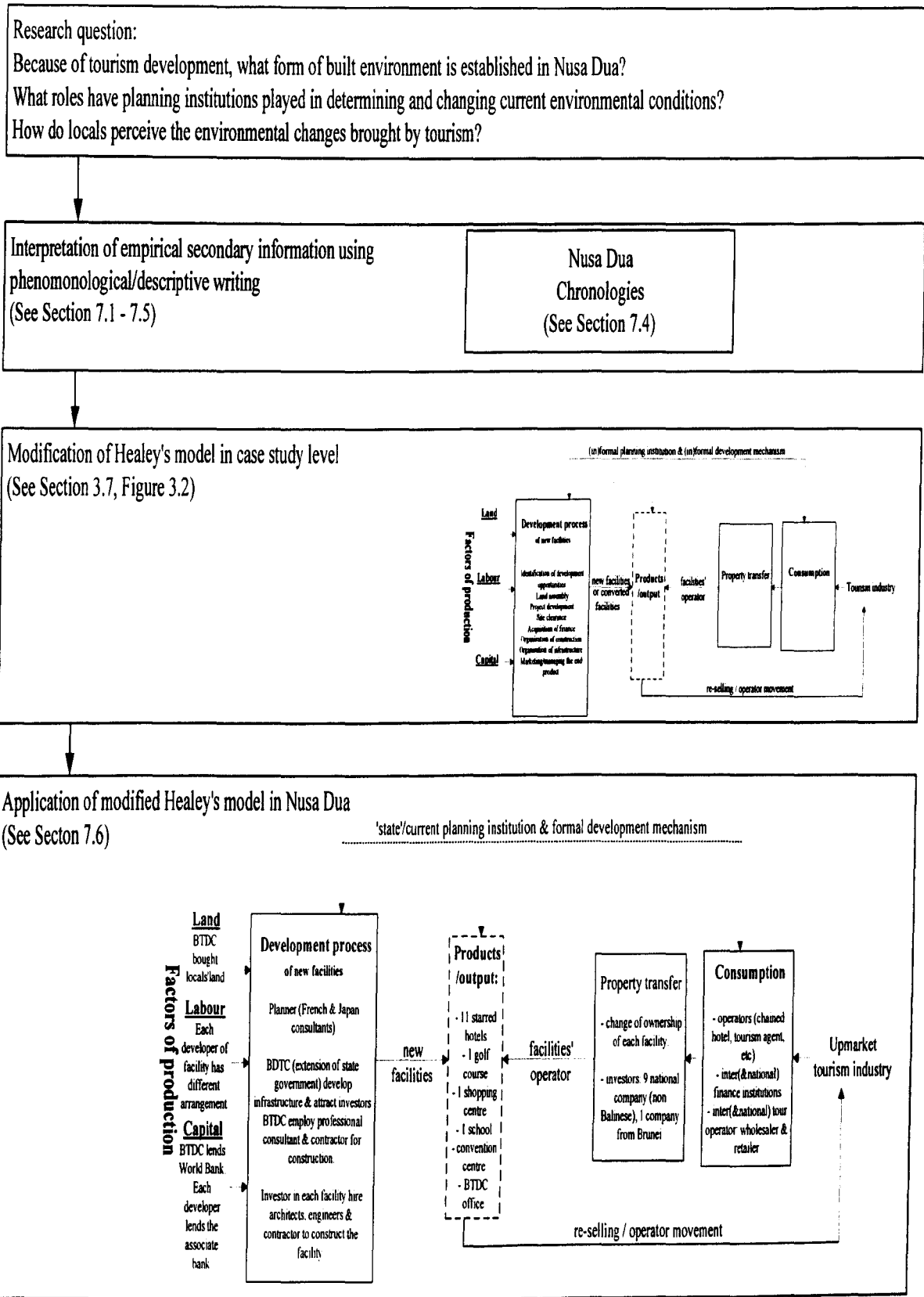


Figure 5.3. The writing up of Nusa Dua case study

Although there have been numerous studies on tourism in Bali from an anthropological and sociological perspective, the interpretative procedure carried out in this thesis, such as written in chapters 8 and 9, is based on insights from contemporary institutional theory in seeking to point out the *normative-regulative dimensions and the inductive-deductive perspectives* of institutional analysis (see more explanation in Subchapter 3.4).

The analytical level of the case study

Here, abstraction is done by applying features of Healey's institutional model, such as production, consumption, and events in the development process and summarising it in the sequence of inputs, processes, and outputs. The input into the production process is land, labour and capital, whilst in the consumption process the input is the tourism industry. The operationalisation of a tourism-led built environment is the product/output of these processes. Figure 3.2 that highlights this process is elaborated further for the selected case studies. The assignment of applying the modified Healey's model for each case study will be written at the end of Chapter 6 and Chapter 7. The composition/methodology of the case studies in those chapters is illustrated in Figure 5.2 and Figure 5.3.

The analytical level of the society/community

This thesis also attempts an institutional analysis at the Balinese community level; especially focusing on issues related to the process and production of changes in the built environment, driven by tourism. Here normative, regulative, and cognitive institutions can operate at different levels of analysis. The normative and regulative institutions typically operate at the field or organizational level, but the cognitive could also apply to the individual. However, the normative and regulative dimensions, with inductive and deductive perspectives, are attempted at the Balinese community level, as the result of combining Scott's model and the economic institutional features of Healey's model. Figure 5.4 shows how the operationalisation of a modified Healey model is exercised in discussing Balinese society. This analytical level is elaborated in Chapters 8 and 9 as an attempt to explain the wider strategies and interests of actors as well as the resources, rules, and ideas of the Balinese community, especially with regard to changes in the built environment as a result of tourism development.

It is necessary to emphasise that the analysis of traditional and formal planning institutions, written in Chapter 8 and 9 in this thesis, are based on an understanding obtained by the researcher after the empirical works were conducted in the case study areas. After carrying out the fieldwork, the researcher become conscious of the existence of traditional and current planning institutions which simultaneously created change in the built environment in Bali.

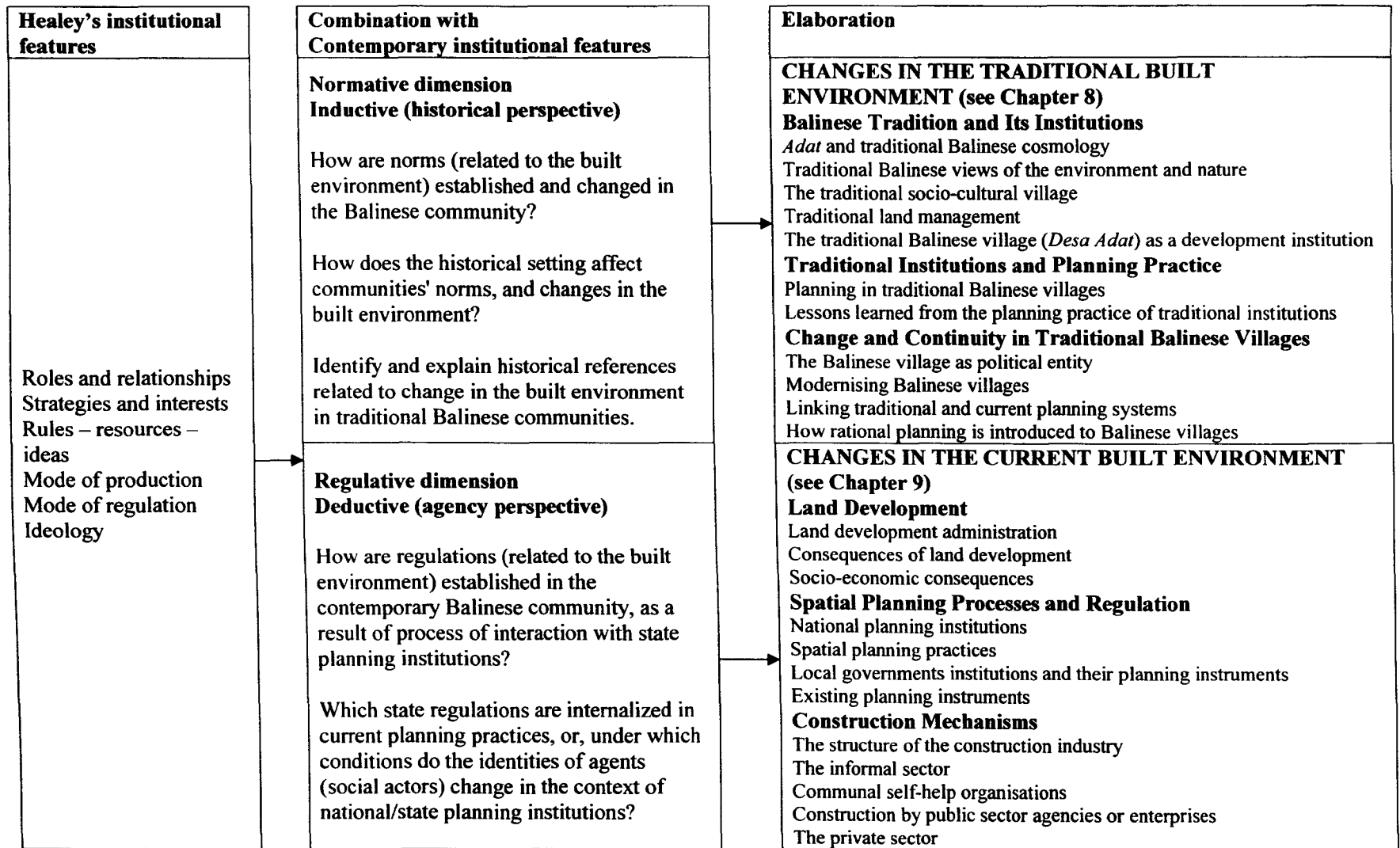


Figure 5.4. Operationalisation of Modified Healey's Model in Balinese Society Level

Chapters 8 and 9 are not to be seen as the background to empirics and case studies, therefore, and are not reflected in the way the interview guidelines were structured, as highlighted in Appendix 1 – The interview guidelines for each type of interviewee.

Inductive (historical/structural) perspective

The first two of the second set of research questions enquire: How is built land-use planning conducted in Bali traditionally? What are the locals' social, economic, political relations with their built environment traditionally? In order to come out with some sort of answers to these questions, an analysis adopting an inductive (historical/structural) perspective of institutional analysis will be conducted. Scott (1995) used the term normative pillars to describe this traditional normative element of institutions.

The inductive (historical/structural) perspective is concerned with institutions as the structure of agents' needs, and determines their possibilities but does not reflect the agents' particular needs and possibilities. Traditional Balinese institutions structure agents' interactions and shape their social and cultural worlds, such as manifested in the built environment. Individuals interact within part of the structure that, for instance, consists of traditional beliefs, norms, and social structures that were created in an earlier period. The point of departure for the traditional institutional analysis is therefore at the macro-level of the historically determined structure. Internalised beliefs regarding the structure of worlds and the implied relationships between actions and outcomes. Such beliefs reflect, for example, human tendencies to try to understand the world around them, the cosmology. To elaborate on the writing of chapter 8, questions that need to be kept in mind are: How are norms (related to built environment) established and changed in the Balinese community? How does the historical setting affect communities' norms and changes in the built environment? Any explanation here requires the identification and explanation of historical structures, as related to changes in the built environment in traditional Balinese communities. The first part of Chapter 8 (section 8.1) describes traditional Balinese cosmology and its view of the environment and nature. Further, section 8.2 deals explicitly with planning institutions in the traditional Balinese village. For a system of beliefs to be an element of a planning institution it has to be shared by members of the community. Therefore, section 8.3 explains the Balinese village as political entity, an entity that shares the same belief system.

Deductive (agency) perspective

The last two of the second set of research questions enquire: While tourism is being developed in Bali currently, in the context of the Indonesia State, how is the planning of the built environment conducted? While tourism develops, what are the locals' social, economic, political relations with their built environment? In line with this, an analysis using a deductive

(agency) perspective of institutions will be used. Using Scott's (1995) way of analysing institutions, the term regulative pillars may be applicable to this part of analysis.

The individual decision-maker is at the centre of the analysis, which adopts the deductive (agency) perspective. Institutions are studied deductively as the end result, which reflects the relationships between individuals' objectives, possibilities, and the environment within which they interact. Institutions are suggested not to survive beyond the conditions that led to their emergence and are considered as reflecting human actions and social processes. Tourism's impact on the built environment in Bali, in the context of the current Indonesian State and planning system, is an extensive process that involves diverse and multiple agencies.

Even though the starting point for deductive institutional analysis is at the micro-level of agency, it is interaction in a particular environment that gives rise to a formal planning institution. The exploration in Chapter 9 is an endeavour in analysing the following: How are regulations (related to built environment) established in contemporary Balinese community as a result of a process of interaction with state planning institutions? Which state regulations are internalised in current planning practices, or, under which conditions are identities of agents (social actors) changed in the context of national/state planning institutions? It is arguable that trying to explain the outcomes from an individual agent will create an incomprehensible piece of work, and will not help to understand changes in the built environment, in current times. Therefore, the writing in Chapter 9 is organised within three main phases of change in the built environment. These are the process of land development; spatial planning processes and regulation; and the construction mechanism.

The regulative pillar of institutions suggests that planning agencies constrain and regularise the Balinese by rule setting, monitoring, and sanctioning activities. The role of organizations, such as national and local planning institutions, is to produce and maintain rules that coordinate behaviour, contribute to the continuation of internalised constraints, and influence the sets of thinking that can prevail with respect to a particular planning process (Scott 1995). This includes the capacity to establish rules, control and ensure conformity of each development project. This primary mechanism of control is implemented by formal rules and regulations. This notion justifies the writing of Subchapter 9.2: spatial planning process and regulation.

In relation to the regulative pillar, the analytical framework in Chapter 9 also emphasises rule setting, monitoring and sanctions. Therefore, section 9.2 contains discussions on: legal supports; existing planning instruments; location permit approval; building permit approval; environmental impact assessment (EIA); and land and property tax.

Comparative analysis

Comparison is an important feature of many of the social science disciplines and is commonplace in the humanities, and in a very limited sense all studies are comparative (Holesovsky 1977). Whenever general concepts are used in considering particular items, descriptive comparisons are being made, even if the classification of objects under categorical concepts is only implicit and unconscious.

Systematic comparative analysis in the social sciences is based upon the assumption that there is order or regularity in the world (Creswell 1994). By classifying phenomena in ways that focus upon the relationships between sets of events, it may therefore be possible to discover the dynamic relations that exist among them, in order to find orderly patterns of related actions. Such analysis may then inspire theories that explain classes of events via the assumption of related regularities.

The form of the built environment in Kuta and Nusa Dua is very different. The reasons for the significant difference of the built environment product, in the two case studies, are the dissimilar forms of development control processes; relations between landowners, developers, financiers, and targeted tourists as end users; and local policy regulations affecting the particular sites. These reasons are related to broader development planning at the regional, provincial, and national level. The challenge for comparative analysis, between these two case studies, is to recognise the common theme in land development processes, which differentiates these two cases. For this reason, the dichotomy of formal and informal development mechanisms is utilised. Nusa Dua resort is an example of purely formal development mechanism. Most of the changes in the built environment in Kuta represent informal and semi-formal mechanisms, except starred hotels and other tourism facilities built by large non-local investors.

So we will consider the two institutional sets in the current Balinese planning system, traditional and formal. The supplementary analysis exercise compares these two sets of institutions. This normative comparison is an evaluation in the sense of social ethics, practical philosophy or ontology. Research on the traditional and current planning processes in Bali brings out the contrast between the two.

The comparison between these sets of institutions is concealed and hidden during the writing of the institutional analyses in the chapters covering the traditional and current planning institutions in Bali, partly because there is no common methodological framework, nor is there a common set of hypotheses to be tested in the empirical research. Each chapter covering the institutional analysis was written independently, and only later compared to reveal the regularity found during the analysis. Due to limited time and resources (visiting and re-visiting the

research location) it could not be done in any other way. However, such a dissimilar analysis also has a specific cognitive value that enlarges the knowledge about the planning process in Bali.

5.7 Limitations and boundaries of the research

As with all research, there are limitations, which must be clarified in order to provide boundaries within which the research can operate. Also, such limitations illustrate areas for improvement in future similar research. The limitations encountered for this research include:

Practical

As with all research, there existed time and financial constraints. For this thesis, the researcher had to address the broad scope of topics within the confines of funding and a limited time for the field survey. This affected such factors as goals and objectives, interviews (number, type, length, pre-testing of), the hiring of assistants, and so on.

Qualitative research

It is important to emphasise that all qualitative studies (including this research) involve subjectivity. The results obtained in the interviews for this study are based on the subjective opinions and observations of the key informants, and the evaluation of results is based on the subjective opinions of both key informants and this researcher. One weakness of this type of research is that the findings, which are based on subjectivity, may include error. However, error occurs in rigorous quantitative studies as well. In this study, the potential for erroneous findings was reduced by: utilizing both primary and secondary sources of data (results are strengthened by cross-verification), repeating questions (in a variety of forms) to a single and/or several key informants (again, results are strengthened by cross-verification and the number of times they are repeated), and basing evaluations on the opinions of key informants and the researcher (evaluations are strengthened by cross verification). Although this did not eliminate the potential for error, it is argued that such potential was reduced. It is important to emphasise the value of qualitative studies as well, which includes the appreciation of people's values, beliefs and opinions. Quantitative studies are not necessarily sensitive to the human element and random samples may bypass people with knowledge important to the research. Especially in this study (which involves the identification of issues), it is important to interview key informants who represent a broad cross-section of information sources. As was stated earlier, it would be valuable to undertake a future study, which incorporated stratified random samples (to determine the validity and significance of issues raised in this research).

Key interviewees

Several issues and problems surrounded the use of the key interviewees. First, there is the issue of using key interviewees as opposed to a random sample. Key interviewees were used because: 1) time constraints limited the number of interviews possible, and 2) it was believed that, by using key informants, most of the major issues would be covered (a random sample might have missed key people who may be aware of key issues). However, had there been more time, it would have been beneficial to interview a stratified random sample of interviewees to confirm the significance of (or strengthen the validity of) the responses and issues raised by the initial interviews guidelines (which were designed primarily to identify issues/themes). However, some of the key interviewees were difficult to locate, and did not show up for interviews. On the other hand, the researcher was living in the study area while conducting the fieldwork. Consequently, the researcher had easier access to preliminary data for the selection of key interviewees, who perhaps had a deeper understanding of the changes resulting from tourism development in the area.

Data sources

As with all secondary data, the secondary data obtained from Bali is as good as the person(s) who collected them (in terms of their methods of collection, etc.). Hence, such data are accepted with these constraints in mind, and are expected to illustrate general trends, not absolute values.

Cultural bias

Cultural bias is inherent in all research, but it is perhaps particularly evident in cross-cultural studies. In this case, a researcher who is studying a culture from a background within a Western society has undertaken work on a Balinese society. Hence, in recognition of the vast cultural difference the researcher attempted to minimise potential bias by remaining flexible and adaptive, and by learning as much as possible about the Balinese culture. For example, the researcher attempted to be sensitive to traditions, dress, and customs as well as to learn some of the language.

Causes of change

One of the objectives of the research is to identify the changes associated with Nusa Dua for surrounding villages and tourism development in Kuta. It is important to note that, while some of the changes appear to have an obvious causal link to tourism development (such as the cluster of tourist shop vendors), some of the changes may have occurred with or without the tourism development (for example: improved infrastructure). This research recognises that both

endogenous and exogenous changes occur continually all over the world, including the study area. However, it is argued that the magnitude of Kuta and Nusa Dua, and the speed of change versus long-term stability, all suggest that tourism is the major agent of change in these areas (not to mention elsewhere in Bali and Indonesia). Therefore, although some changes would have occurred anyway, the magnitude of change probably would not have been as great. For example, infrastructure and facilities may have increased, but not by as much as it did for so many villages in tourist areas. Thus, although some changes in the study area would have occurred anyway, this research maintains that tourism has been the major agent of change in the Kuta and Nusa Dua.

Assistants

It was necessary to hire an assistant who understood the culture better than the researcher, who could translate interviews and documents, and who could help with other relevant research tasks.

Interviews

It would have been useful to have more time to test the question list or guidelines for interviews so that the content and wording of questions could have been improved.

It must be emphasised that many of these limitations are minor, and that many are inherent in all types of research. Wherever and whenever possible, limitations were minimised to the best of the researcher's ability or, in the very least, acknowledged. Despite these constraints, the fieldwork was very productive with some very interesting results being obtained.

The remainder of the thesis addresses the research questions through the methods described above. The first step is to describe the case study location illustratively in the next two chapters, and this is followed with the application of the institutional analytical framework in further chapters.

CHAPTER 6: KUTA, THE INTEGRATED CASE STUDY

This chapter presents the findings from the case study of integrated tourism development in Kuta in Badung Regency, in the southern part of Bali. The chapter is divided into seven sections dealing with the history of Kuta, the current conditions in Kuta, the spatial systems and land uses there, the building patterns there, a review of the Kuta tourism master plan, of tourism facilities, and of locals' viewpoints of tourism development. The composition of the writing-up has been presented in Figure 5.2 in Chapter 5.

Considering the complex nature of the Kuta case study, typologies are advantageous for the analysis. The empirical research in Kuta suggests that there are too many tourism facilities, with dissimilar built-form characteristics and associated processes of development, so that the discussion on tourism facilities is best done through the use of six typologies. These are: shopping facilities; accommodation; eating facilities; recreation and entertainment facilities; physical care facilities; and facilities for tourist transport. The development process of each built-form, can then be summarised by concentrating on the characteristics of the owners; the design and construction process; whether development involved traditional building elements and formal planning documents; and also the character of the development mechanism.

The writing style for this chapter is to tell the story based on the interviewee viewpoint, not the researcher perspective. It is a process of interpretation through descriptive illustration. For the purposes of this study, to guide the case study writing, the researcher relied upon the developing case description, concentrating on changes in the built environment, especially as relates to planning processes and outcomes.

6.1 History

For centuries Kuta was Sudra Village containing poor, low-class farmers, blacksmiths, and fishermen. Starting with Gajah Mada of the Majapahit Empire six hundred years ago, invaders and foreigners have always entered southern Bali through Kuta. As such Gajah Mada may have built a fortification here to protect his rearguard. Kuta thus means 'fortress.' Later, it served as a port for Bali's Majapahit colony. The Chinese founded a temple by the river near here over 300 years ago. In 1597, a fleet of three Dutch war yachts under the command of Cornelis de Houtman landed at Kuta with only 89 survivors from an original crew of 249.

In the 18th century, Kuta flourished as an important collection point for the Balinese slave trade. Made Lange, the swashbuckling 19th-century Danish trader, established himself at a commercial

compound beside the river. During his years in Bali, Lange often acted as a liaison between the Balinese rajas and the Dutch, successfully arranging a peace treaty after the Dutch attacked the south in 1848-49. Lange died mysteriously in 1856, some say he was poisoned at the hand of a jealous prince who was sponsored by the Dutch, others say of poverty. Yet by the turn of the 20th century, what was left of Lange's factory had been almost completely eclipsed by Kusamba on the east coast, and by this time, Kuta village had made a name as a port of call for re-supplying and repairing European ships trading in spices. Like any port, it was a place for those who had fallen out of favour with Bali's royal courts. To this day, the people of Kuta boast no *pura kawitan* (temple of origin) but trace their lineage back to other parts of the island.

It was in Kuta that the first Dutch ships landed in 1597. But the region has stayed in prominent mainly as a result of being the island's principal slave market, a trade that increased between the 17th and 19th centuries to the great profit of the princely house who controlled it. Then, Kuta was also a place of exile: here was 'thrown' the 'refuse' of society – those Balinese expelled from their villages for serious crimes, fugitives escaping the extortion of some prince, or people afflicted with an ignominious disease, like leprosy. This trading zone also welcomed foreigners, Chinese or European, who were restricted to the necessary role of intermediaries between the Balinese kings and the neighbouring powers.

Under colonial occupation, Kuta was a somewhat miserable village situated near a magnificent beach. It was not until 1936 that Kuta's new business emerged, when a couple of American artists, Louise Garret and Robert Koke, 'discovered' it during a bicycle ride. Looking at the beauty of the site, they decided to build several bungalows there in a local style, catering to tourists tired with Denpasar and the urban comfort of the Bali Hotel. Thus was born the Kuta Beach Hotel (Koke 1987). However this version is contradicted by the writing of Vanine Walker, alias K'tut Tantri, who became famous as a propagandist for the Indonesian revolution under the pseudonym Surabaya Sue (Tantri 1960). It seems that, after having participated in the launching of the Kuta Beach Hotel, K'Tut Tantri then built her own hotel nearby, the Suara Segara (the Sound of the Sea). The hotel remained in operation until the Japanese invaded in 1942 and threw her into prison (see her book *Revolt in Paradise*). After the war, her hotel (The Sound of the Sea) was rebuilt, sold, and finally renamed the Kuta Beach Hotel.

By the late 1960s its wide beach and surf, cheap *losmen*, and relaxed beach life drew a constant flow of hippies to Kuta. Word of it spread rapidly along the travellers' trail. At first travellers stayed in Denpasar and ventured to Kuta on day trips, but soon the villagers started renting thatched huts to visitors, followed by restaurants serving Western dishes. In 1975, the first large luxury hotels were built, catering to the needs of tourists, not seasoned travellers.

Legian in the early 1970s was a separate village where people who wanted more peace and quiet would base themselves, but now it is hard to observe the border of Kuta and Legian. The massive tourist flow has transformed the whole coastal strip from Bali's poorest district in the early 1960s to one of the most prosperous in all of Indonesia. The two villages have grown spontaneously and exponentially, 'without any plan.' While the big, stylish hotels of Sanur are built by businesses from other islands, the budget hotels and restaurants on Kuta are for the most part in the hands of do-it-yourself Balinese entrepreneurs. To this day Kuta retains its reputation as a resort catering to budget-conscious backpackers, in spite of its dozen or so upmarket hotels.

According to Hussey (1986), before the onset of tourism development, Kuta had a population of 9,000. The cultural landscape of the village shared features common to most Balinese villages. The core of the village was at its centre, in the area defined by the crossroads of two main streets, Jalan Pantai and Legian-Buni Sari. A banyan tree housing a shrine grew in the middle of the crossroads. In the premotorized-traffic era, the area around and under the banyan tree was the site of a periodic market and was used as backdrop for dramas and dances. Additionally this area contained the village temple, which is the most important public place in the village. To the east of the centre was the permanent covered market that served the entire district as well as various governmental and local administrative offices. Surrounding the main intersection were most of the meeting houses (*banjar* building) for their respective hamlet. Lying south of the residential zone was the death temple and graveyards. To the North were Legian and Seminyak, rural areas with no significant public structures except the *banjar* buildings.

6.2 Current condition

The fieldwork covers the *Kelurahan*³ Kuta, the formal or administrative village created by the Indonesian government. *Kelurahan* Kuta consists of three *desa adat*: Kuta, Legian, and Seminyak. Like other traditional villages in Bali, each of these *desa adat* has three *Pura* (Kahyangan Tiga): *Pura Dalem*, *Pura Desa*, and *Pura Puseh* (Figure 6.1). In the early stages of tourism development the spread of tourism activities was concentrated in *Desa Kuta* only. Starting in 1970, the development spread to the northern village *Desa Legian*. Nowadays the village to the north of *Desa Legian*, *Desa Seminyak*, is also designated as part of the Kuta tourism area. The development does not spread to the southern village, *Desa Tuban*, because it is the location of Ngurah Rai airport.

Records of the development of the built environment in Kuta are difficult to find. The schematic maps of tourism development found in the research of Widiastuti (1997) are an exception.

³ For more explanation on *kelurahan* and *desa adat* see the discussion in section 6.7

These maps show the development of access and roads in Kuta in the years: 1965, 1975, 1985, and 1995 (Figure 6.2).

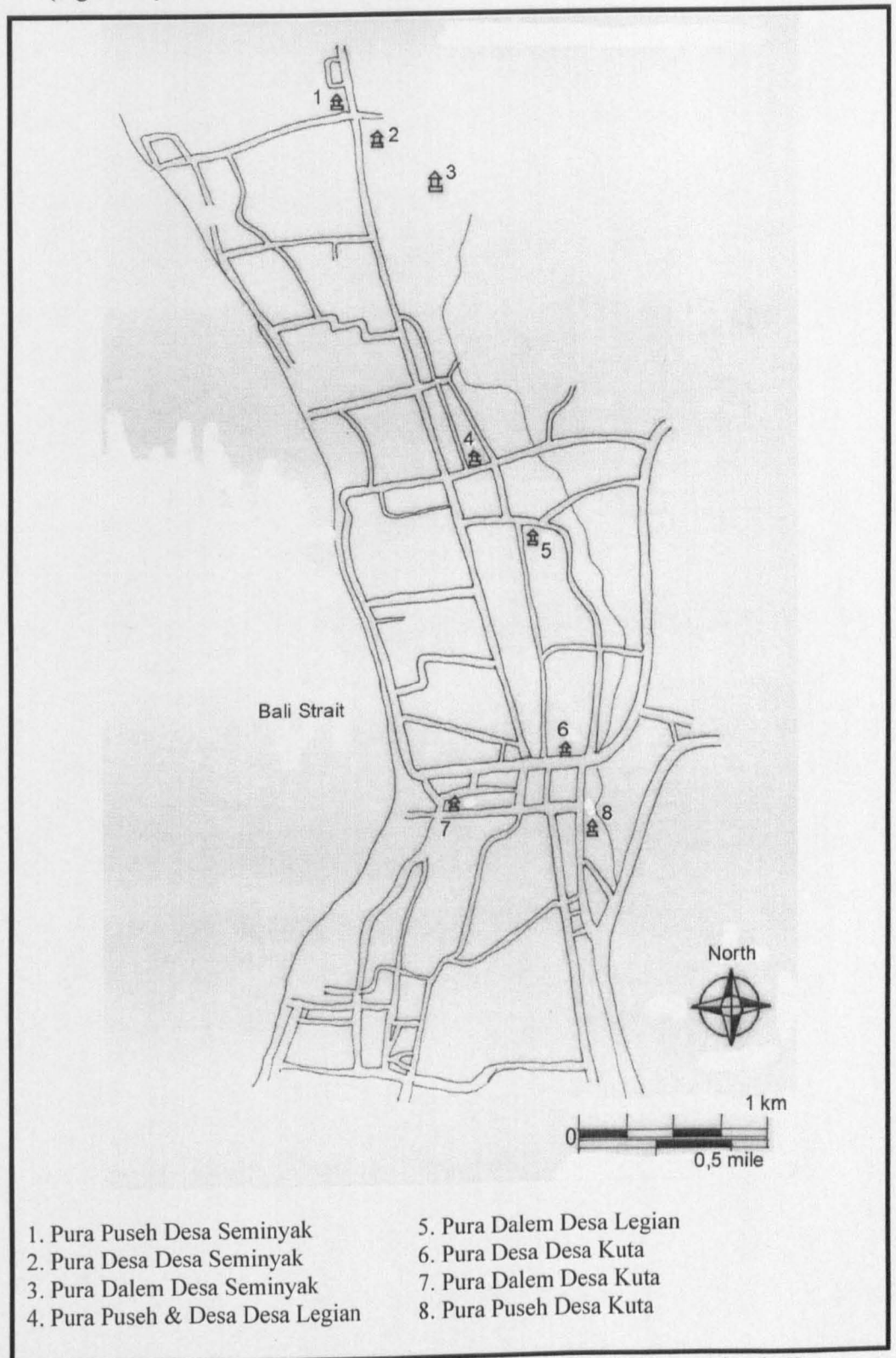


Figure 6.1. The location of *Pura Kahyangan Tiga* (communities' holy temples) in Kuta
Source: Fieldwork 1998

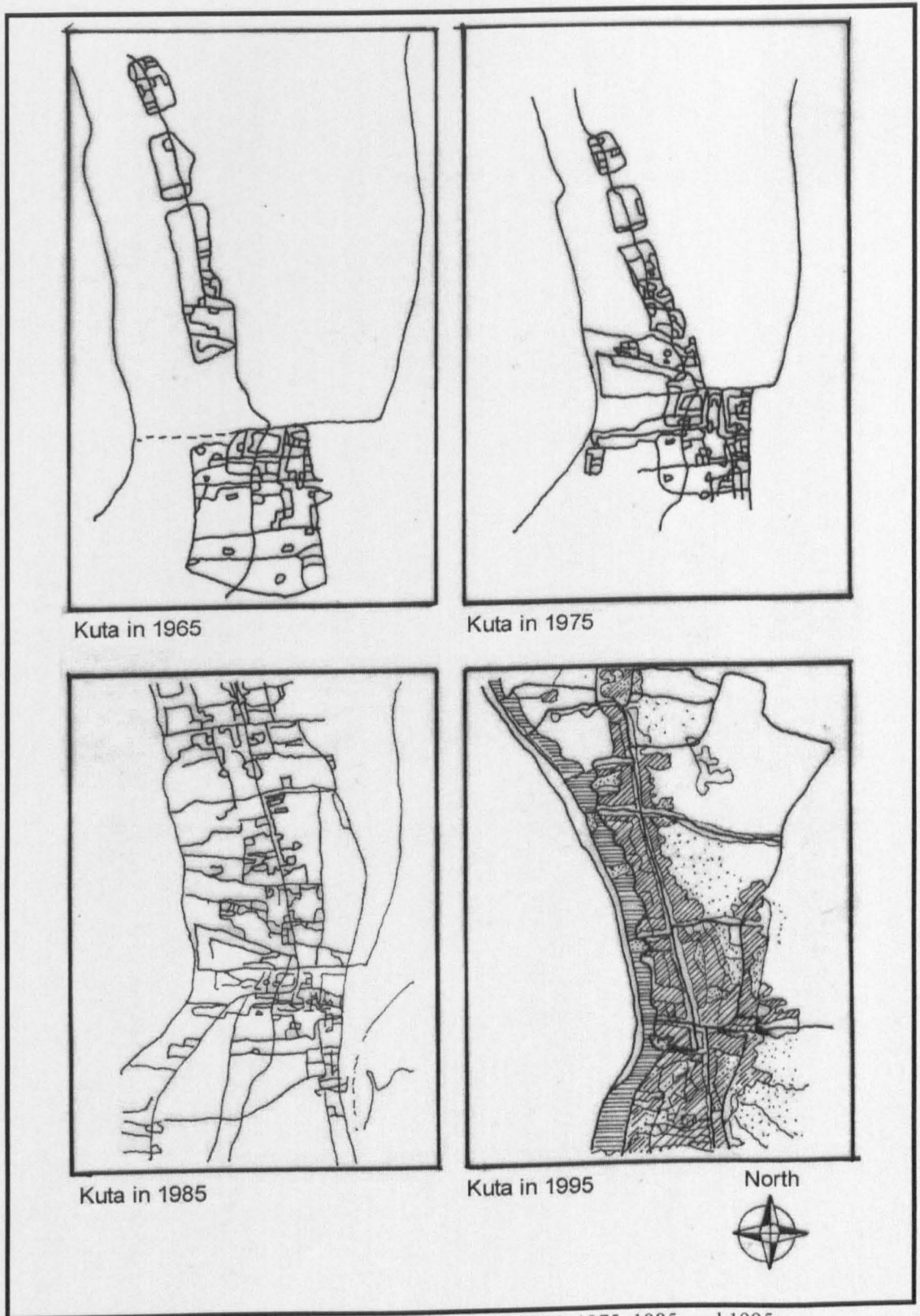


Figure 6.2. The development of Kuta in 1965, 1975, 1985, and 1995
 Source: Widiastuti 1997

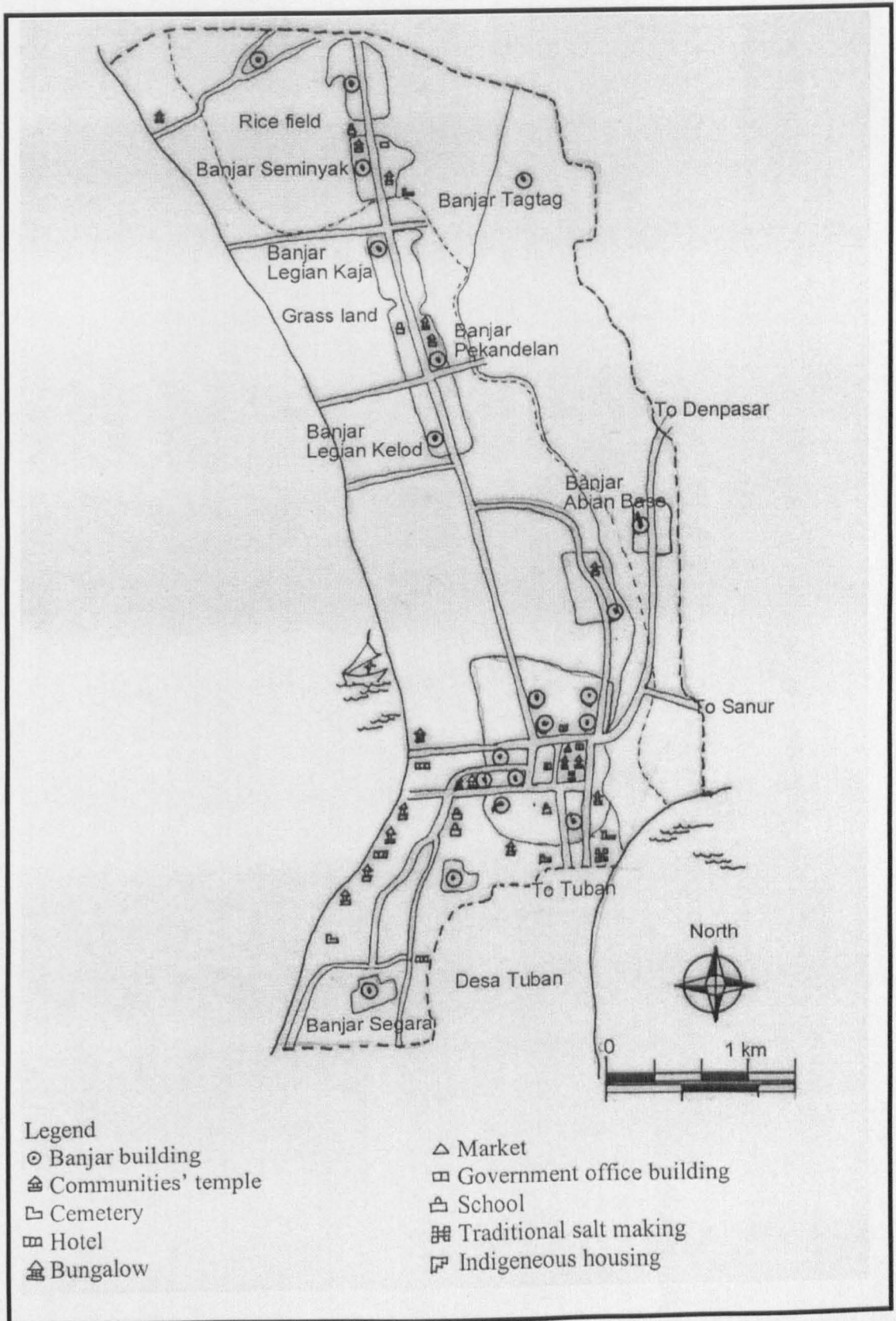


Figure 6.3. Kuta in 1965
Source: Paturisi 1988

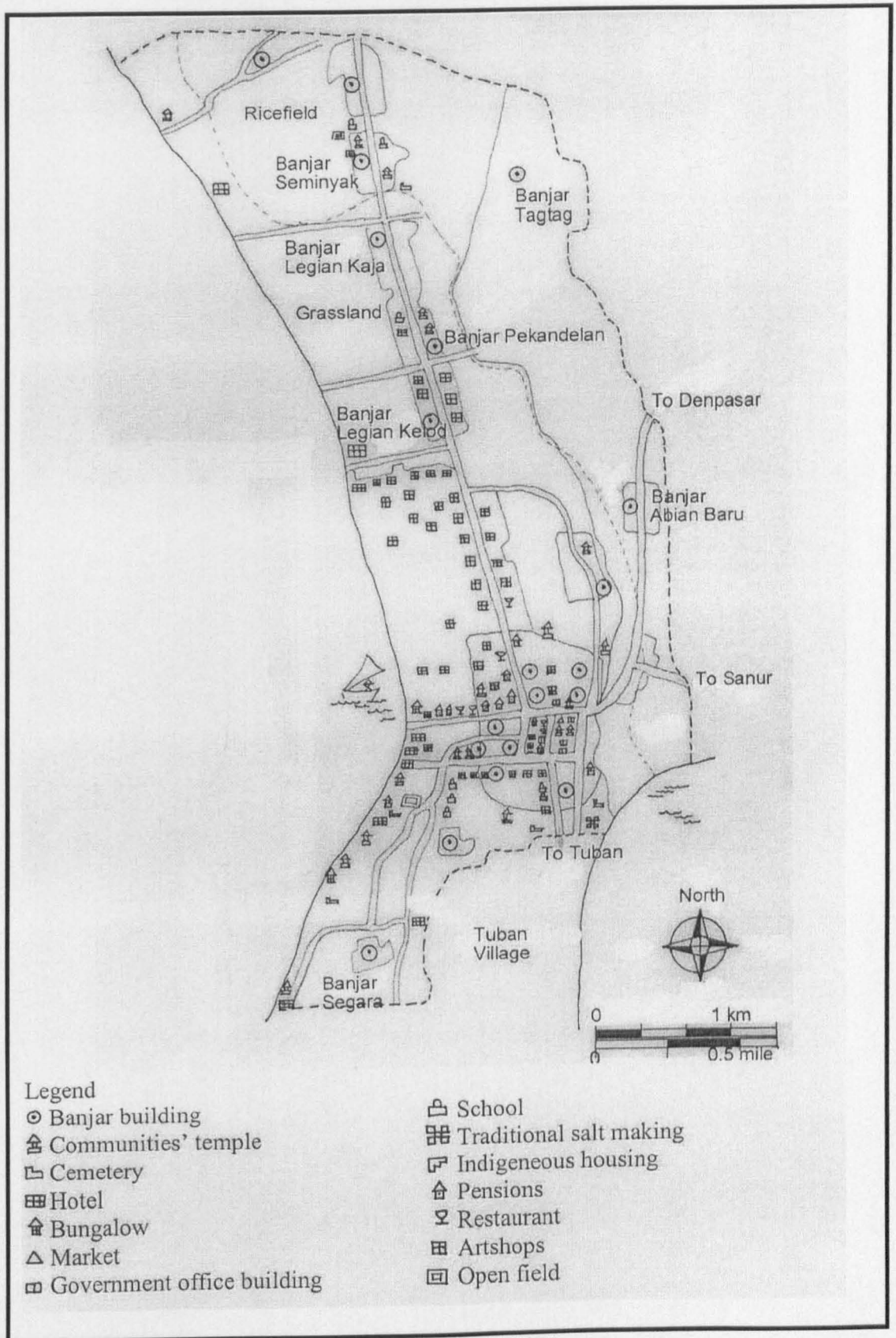


Figure 6.4. Kuta in 1974
Source: Paturisi 1988

More detailed maps of Kuta in the years: 1965, 1974, with the location of tourism facilities are found in the research results of Paturisi (1988) (see Figures 6.3 – 6.4). To highlight the development of tourism facilities, a map by Periplus from 1994 is also displayed (see Figure 6.5). The chronological presentation of tourism development in Kuta, shown in these maps, indicates the speed of development and the way in which it integral to local life. The 1994 map (Figure 6.5) also shows a list of accommodation available in Kuta, which totals 87 hotels. The development of Kuta took place in response to a pressing demand for accommodation, and services, and long remained anarchistic, without control or direction of any sort. However ‘big’ this number is, it does not reflect the reality, which is actually bigger.

The opportunity to develop Kuta as a tourist destination was supported by the government to promote tourism in Bali. The opening of an international airport in Tuban in 1969, and the widening of the road network from the airport to Denpasar through Kuta, marked the beginning of international tourism activities in the area. Furthermore, local villagers realised the opportunity to be involved in tourism, and this resulted in the growth of an indigenously based tourism industry (Hussey 1986). The growing entrepreneurial response of the residents thus began to meet the needs of the increased number of tourists arriving in Kuta.

Table 6.1 Characteristics of tourism facilities according to regency government

No	Classification	Quantity
1.	Star hotels	60
2.	Non-star hotels (Hotel Melati)	262
3.	Homestays/ <i>losmens</i>	109
4.	Tourism objects and attractions	34
5.	Bars	100
6.	Restaurants	13
7.	Dining stalls	240
8.	Car rentals	135
9.	Travel Agents	47
10.	Water tourism attractions	31
11.	Tourist’ transport services	24
12.	Billiard halls	12
13.	Beauty Salons	15
14.	Packing and Shipping	10
15.	Banks and Money Exchanges	48
16.	Art/souvenir shops	446
17.	Show businesses	10
18.	Karaoke	7
19.	Massage parlours	9
20.	Children playgrounds	6

Source: *Pemda Kabupaten Badung*, 1996

Through the initiatives of local entrepreneurs in supplying tourist facilities, such as accommodation and eating-places, a tourism industry was established at Kuta. It developed first in the residential core along the main streets. Therefore, families with rooms to rent in their

private homes were a common phenomenon. These homestays and *losmen* became the preferred types of tourist business for residents, while restaurants were owned by a few of the residents in street-front locations. Furthermore, other businesses developed to provide tourist services, such as art shops, car rentals, travel agents, and currency exchanges. The Regencial government (*Pemerintah Daerah Kabupaten Badung*, 1996) categorises tourism facilities under 20 headings (see Table 6.1).

This classification is made so to keep a record of the number of facilities in any one *Kabupaten* (Regency) and to make it easier for the local government to administer tax and other formal management. However, the conditions and facilities are easily changed in response to the tourists' needs and other circumstances. For example, during the fieldwork in 1998, no Karaoke outlets could be found in Kuta, but many tattoo shops were found. This classification also does not reflect the mixed-use of facilities commonly found in Kuta. In one site, there may be several tourism facilities built by the same owner. For example (see Figure 6.6), in this one site can be found: bungalows, *losmen*, a travel agent, a currency exchange, art shops, and motorbike rental.



Figure 6.6. In this one site can be found: bungalows, *losmen*, a travel agent, a currency exchange, art shops, and motorbike rental.

As such, by demolishing the walls of the yards associated with a house, a series of shops were built, facing the street or local road. A common way of doing this is to retain one or several rooms for the owners' or managers' use with the remainder rented out for several different kinds of tourist services. Today, these rows of shop have covered almost all of the main-street and local roadsides, and to some extent hide the activities behind them.

The increasing number of tourists arriving in Kuta also created a high demand for rooms, which resulted in the growth of *losmen* businesses not only in the family home, but also spread outside

the residential area as professional *losmen* businesses. This growth of tourism facilities was to the west and north of Kuta, thereby displacing the local coconut plantations.

Tourism development also established higher land prices. Land, wherever its location and whatever its size, apparently became very valuable. Land was valued for its commercial possibilities. It was the most important resource available, particularly to non-local entrepreneurs, who wanted to have tourist businesses in Kuta. Land had therefore to be rented or to be sold. Further development of larger hotels (including star hotels), owned by non-local entrepreneurs, occurred mainly along the beach.

Tourism also had the impact of an influx of migrants from other regions of Bali, and from other islands in Indonesia. These migrants comprise a population of hotel workers, business people, transient peddlers and job seekers (Hussey 1986). Local residents, as a result of the demand from the migrants, seized a new business opportunity in room renting. Some families who could not establish *losmen* or other business for financial and locational reasons preferred simply to rent a spare room or two to migrants. Many residents have made this business their main occupation by constructing rooms for rental in their large house yards. According to the official data of *Kelurahan* Kuta, the number of houses with room rental is 2,400 or 71% of the 3,392 total houses in Kuta in total. Thus only 29% or 992 houses were without room rentals.

Mixed-land use

To investigate the mixed-used condition of land in Kuta, Rahmi (1992) conducted a detailed study of a block of Kuta, which was the initial area built-up for tourism facilities (3% of Kuta Village Area) (see Figure 6.8). To illustrate the complex condition of Kuta, the description of the study area is presented in this section. If Kuta is divided into several blocks, similar to the size of the study area, each block contains a complete range of tourism business activities as a sub system forming a part of the entire activity system in Kuta.

Within Rahmi's study area in Kuta, 47 accommodations are located there with a total of 959 rooms. Of the 47 accommodations, two are categorised as 1-star hotels, 33 as *Melatis*, and 12 as homestays. This total number (47), in fact, is more than 50% of the total number of family houses (74). Compared with Kuta village as a whole, the tourist accommodation in this small area is 17%, or almost one-fifth of all tourist accommodation in Kuta, which totals 270 (based on the data in village office). The annual occupancy rate of rooms is between 30% and 70%. The high occupancy rate tends to be in Hotels, while homestay and *losmen* have lower occupancy rates.

The second main type of tourist facility is a restaurant. In the study area, there are 10 restaurants with 1,749 seats, which mainly serve tourists (not included in these figures are small restaurants/food stalls). The average occupancy rate of these restaurants per day is 50% (around 25% in the afternoon and 75% in the evening). The reason for this is that in the morning tourists mostly spend their time outside Kuta, visiting other tourist spots, and return in the evening to enjoy the nightlife of Kuta. Therefore, in the evening, the ten restaurants in the study area always have more than half of their seats filled. The majority of tourists coming to those restaurants are from outside Kuta, mainly on package tours.

Of the 74 family houses, 48 have rooms to be rented to workers, with the total number of rooms being 287. Thus, there are only 26 houses in the study area without rooms for rent. Other tourist services in Rahmi's study area include shops, street peddlers, and many kinds of other services, as shown in Table 6.2.

Table 6.2. Tourism services in the study area

	Types of service	Number	
Shops	Crafts/Arts	45	
	Clothes & leather bags and shoes	198	
	Bags & shoes	25	
	Mixed	6	
	Others (small-wares, cassette, photo, etc)	20	
Other services	Food stalls / small restaurants	30	
	Car rentals	5	
	Currency exchanges	12	
	Travel agents	7	
	Drug stores	2	
	Laundry and ironing services	2	
	Tailors	1	
	Others (surf rental, bank, post office, etc.)	9	
Peddling	Morning-Afternoon	Evening-Night	
	Food	6	7
	Drinks	16	4
	Cigarettes	3	3
	Crafts	13	19

Source: Rahmi, 1992

The Table (6.2) and Figures 6.7 and 6.8 highlight how this small area has a wide range, a 'complete set' of tourism facilities, not found in other comparably sized areas in tourism resort such as Nusa Dua, and even Sanur. These services mainly are located along Legian Street and along the local roads within the study area. They serve not only tourists, but also residents. All of these services are owned and operated by local people, Balinese from outside Kuta, and people from outside Bali (migrants). They are very flexible in adapting in changing demands.

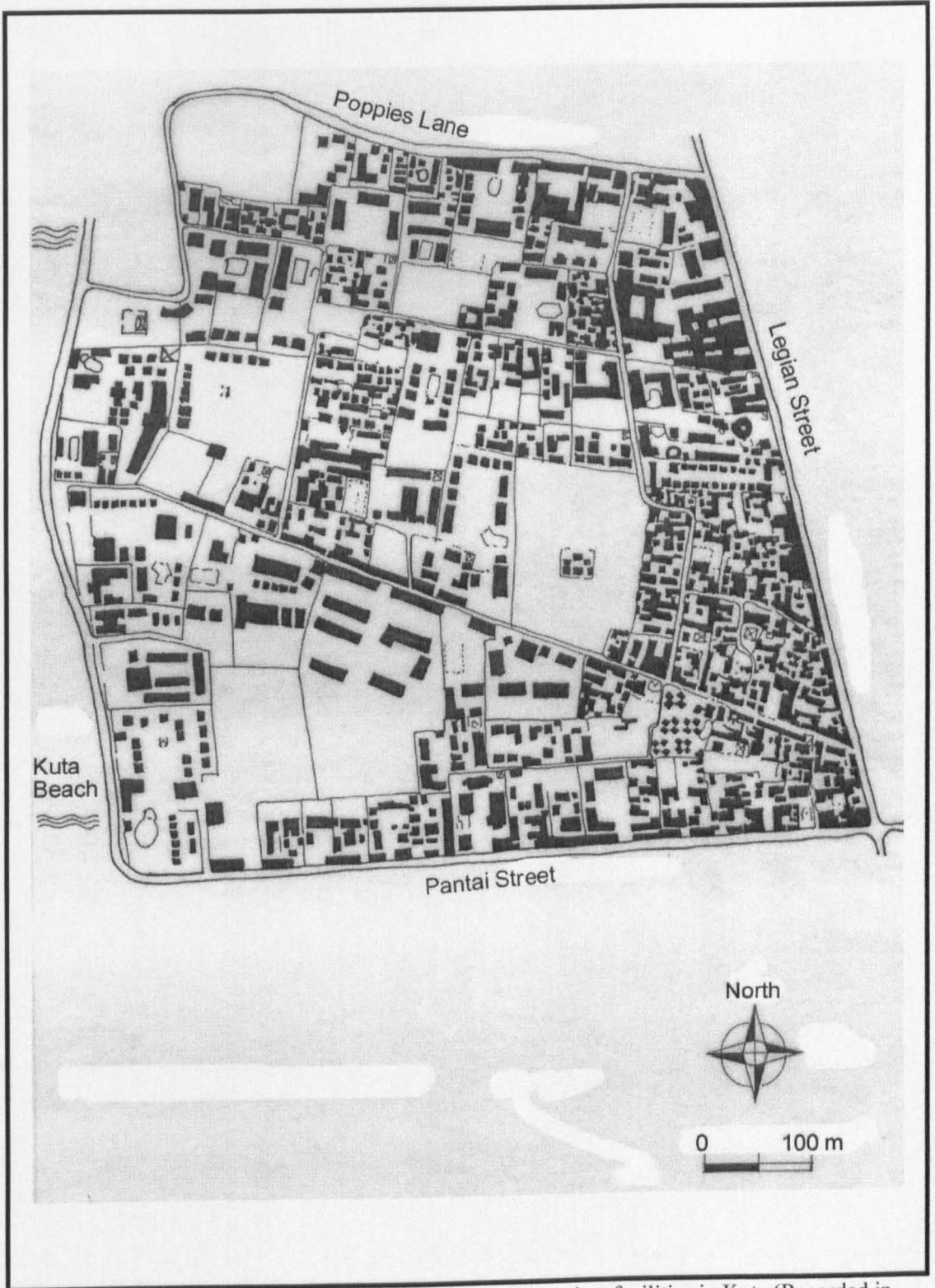


Figure 6.7. Building density in the first built area for tourism facilities in Kuta (Recorded in 1990)

Source: Rahmi 1991

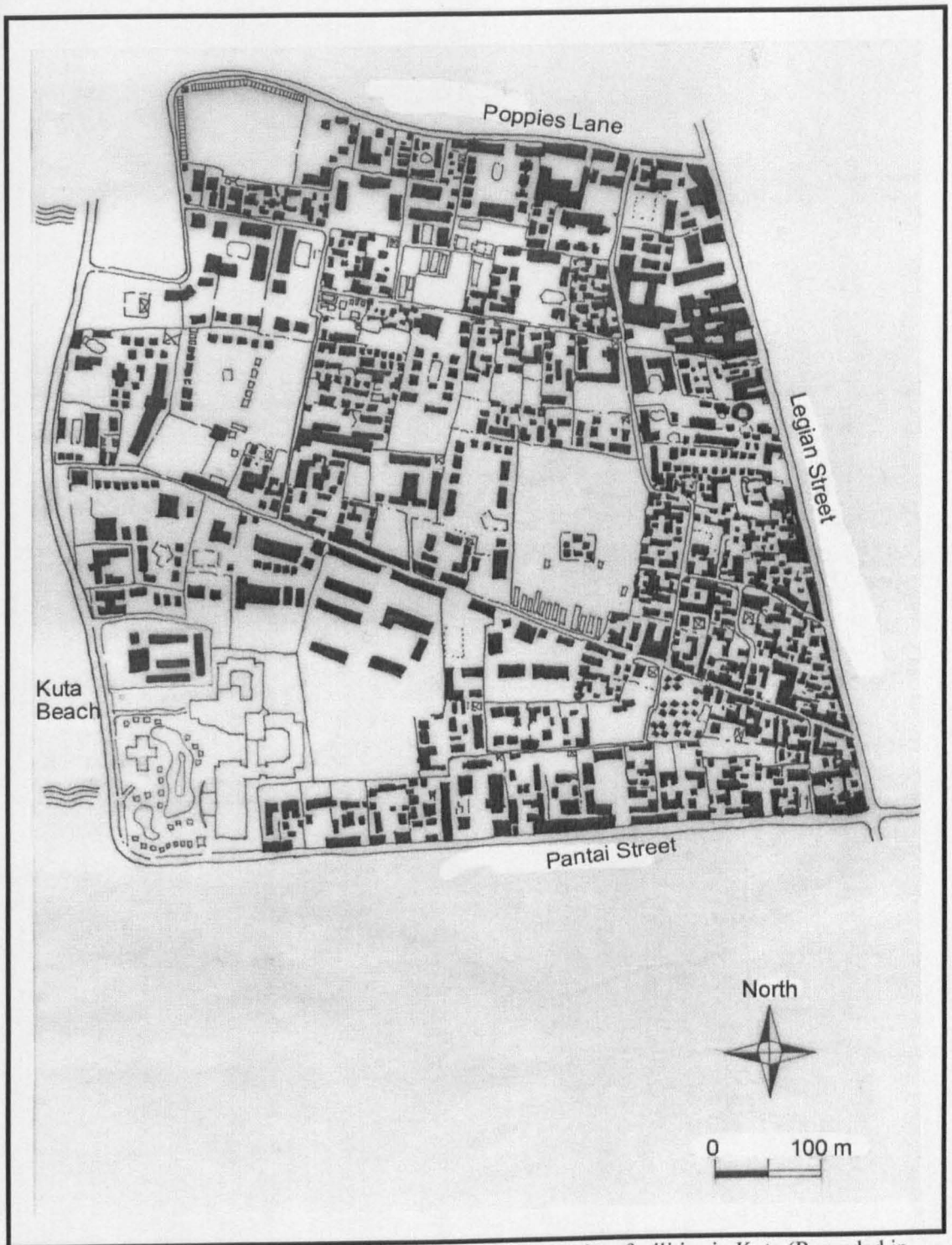


Figure 6.8. Building density in the first built area for tourism facilities in Kuta (Recorded in 1998)

Source: Based on Rahmi 1991, and fieldwork 1998

The involvement of the local people and migrants in these services indicates the direct economic benefit of tourism in Kuta to them. Therefore, maintaining their involvement in future tourism development in Kuta may be a necessity.

6.3 Spatial system and land use

Like the character of the activities done, the land use pattern in Rahmi's study area represents the pattern of land use in most of Kuta, particularly in the densely settled zones. The official data of *Kelurahan* Kuta and Kuta Tourism Master Plan in 1991, divided the land use in Kuta into five types (see Table 6.3).

Table 6.3. Land use in Kuta village

Types of land use	Ha	Percent (%)
Housing & services	367	28.4
<i>Sawah</i> (rice fields)	306.8	23.8
Hotels	130	10
Vacant land	334	25.8
Others (river, valley, etc.)	155.2	12
Total	1,293.00	100

Source: Official data of *Kelurahan* Kuta & Kuta Tourism Master Plan, 1991

The area of housing can be found mainly in the southern part of Kuta village particularly in *desa adat* Kuta. This area was the residential core of Kuta long before the new activity, tourism, developed. With the rapid growth of Kuta, this southern part has become the most densely populated zone.

In the current condition of Kuta, the actual land use varies and is somewhat difficult to trace. This is especially due to the mixed uses among the specific built-forms. Yet it can be classified into four categories: land for tourist accommodation (hotels, *losmen*, bungalows, homestays, etc.); land for houses, including houses with and without rooms for rent; land for services (restaurants, shops, etc.); and vacant land.

Large units of tourist accommodation are concentrated along the beach, while small units of tourist accommodation are in the middle of the area. Some tourist accommodation is mixed housing, which tends to be concentrated around the main street. This is due to the fact that the local people inhabit areas adjacent to the main streets (Legian and Pantai Streets). Areas along these main streets and along some local roads are also occupied by tourist services such as shops, restaurants, and so on. Vacant land tends to be 'back land', in the middle of a block.

Almost all areas used for hotels were formerly coconut plantations. The growth of tourism has meant that the plantation land was gradually sold or rented. Then, hotels and other tourism services completely changed the landscape. Although there is still some vacant land, all of it is owned by people who are likely to develop it. The average amount of land used by accommodation facilities is more than twice that for the houses, although the number of accommodation facilities is less than the number of houses. This dominant land use is due to the

presence of some large hotels, particularly along the beach. This information shows how significant hotel areas are in Kuta regarding the occupancy of land.

Vacant land can be found only in the interior of any block in Kuta. Along the main streets, there is no vacant land, since all the areas around those streets have been developed for tourism businesses. Vacant land includes some open spaces inside the hotel and housing areas (gardens, house yards), but some areas have no specific function, so that such land is becoming a subject of speculation or is just waiting to be built on by the owners. Vacant land extends to an area that is half of the total size of the house yard areas, indicating that vacant land still makes up quite a large proportion of land. Thus, the possibility for constructing new buildings still exists. The problem is that some of the vacant land does not have good access; for instance vacant land in the middle of the housing area or in the back of the house yard, and vacant land in front of very narrow local roads.

The detailed description of land use given above shows that due to its spontaneous development, even in the centre of Kuta, there is still space for further development. However, this development of the residential-tourist zone has expanded into the village of Seminyak, while land speculation has begun in Kerobokan. At present, the existing tourism area is about five kilometres in length, from the Ngurah Rai airport northwards, and the expansion still proceeds towards other villages north of Seminyak. It is interesting that Kuta is projected in the Kuta Master Plan to expand to nine kilometres along the beach by the year 2009. This should be critically examined, because it will lead to more loss of agricultural and coastal lands. More efficient use of land in the existing area could be encouraged.

6.4 Building patterns

After the establishment of Kuta as a tourism area, the spontaneous growth of new buildings, especially for tourism activities, occurred rapidly. In terms of density levels, areas adjacent to Legian Street and Pantai Street tend to have a high population and housing density where mostly local people and migrants live. The population density of the housing area in the study area (160 people/ha) is considerably higher than its average density (60 people/ha). Lower population and housing density areas tend to be in the middle of blocks and in the areas close to the beach. Therefore, an interesting aspect of the most developed area in Kuta, in Rahmi's study area is its density level.

The Legian street area is full and crowded (see Figure 6.9). But, the crowded and dense areas are only in the areas around Legian Street, the areas most people frequent. What makes Kuta appear to be crowded is the unorganised or unplanned building patterns that follow the narrow local roads.

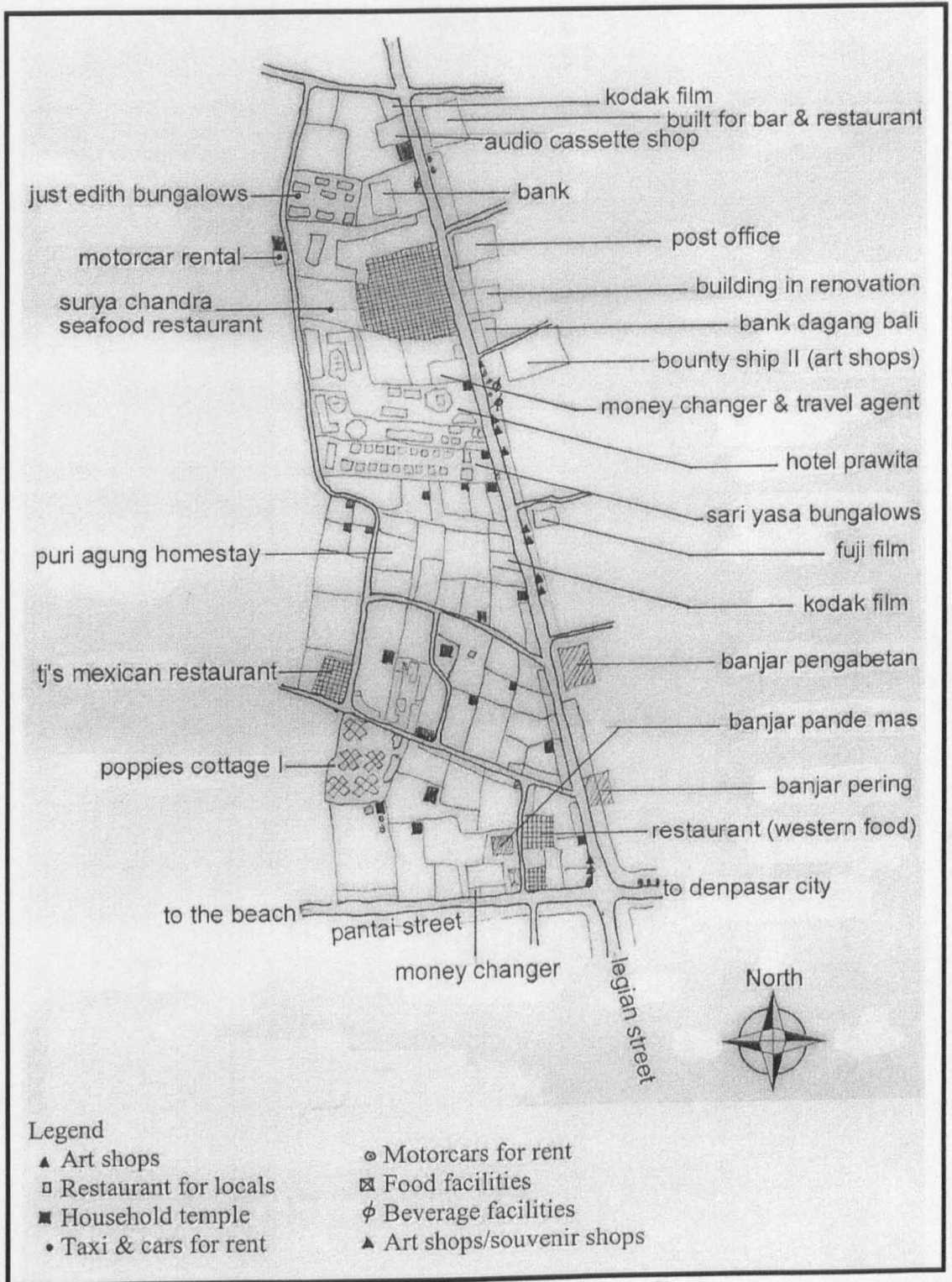


Figure 6.9. Tourism services along Legian Street
Source: Fieldwork 1998

Observation during the fieldwork in 1998 suggests that the highest building coverage ratio (BCR) in one house yard (a percentage of the house-yard covered by buildings) is estimated to be 80%, and the lowest one is around 40%. The bigger hotels have lower building coverage

ratios, because they usually have large areas for gardens or open swimming pools. The higher building coverage ratio tends to be in the residents' house yards and in buildings for service functions, such as shops and restaurants. Although the maximum building coverage ratios allowed by regulation for houses is 40%, 45% or 60% (for minimum 600, 450, 150 square metre lots), and 50% for service buildings, many sites have coverage greater than those amounts stipulated.

Another important building regulation relates to the height of the building. For hotels adjacent to the beach, the maximum height is 15 metres (or three stories), and for other buildings it is 12 metres (or two stories). But, as for the building coverage ratio, some hotels are higher than the regulations allow.

Based on their location, the newly developed buildings in the study area can be categorised into three types. These are: new buildings built on vacant land; new buildings built on house yards; and new buildings which result from the reconstruction, refurbishment and rehabilitation of old buildings. The last two are usually in those houses built in a traditional Balinese way, and are owned by the local people who have become involved in tourism activities, such as providing accommodation for tourists and workers, providing rooms for shops, restaurants, and so on. Therefore, the impact of the additional new buildings is to change the built form of traditional, Balinese style, houses.

Further to this the mixed function of buildings (hotels, houses, shops, restaurants, etc) makes it difficult to differentiate between areas for tourists and areas for residents, because one plot/house-yard may be used both for a household and a *losmen* or shop. In some cases, the building forms, especially houses and hotels are also difficult to differentiate. The hotel's name sign may be its only distinguishing feature.

The building patterns described above illustrate that large hotels tend to consume much land with low BCRs, while houses and tourism services use land more efficiently with higher BCRs. As such some forms of appropriate building regulations are needed to guide the development process to encourage a more efficient use of land.

6.5 Review of the Kuta Tourism Master Plan

As a guide for the development of Kuta, in 1989, the local government prepared a Kuta Tourism Master Plan for the next 20 years (2009). This master plan covers an area of 4,400 ha, and includes six villages (Tuban, Kuta, Kerobokan, Canggu, Munggu, and Buduk). The following

section reviews some of the main aspects of the tourism master plan: population, physical and spatial development, plus land use and building regulations.

Population

Based on 1987 data, the 63,977 persons in the six villages, with an estimated annual population growth of 1.62%, were projected to become 91,000 by 2009. However, the 1990 Census noted that the growth rate was slightly higher (2.18%), so that the population projected should be higher. Moreover, since migrants have never been calculated in official data, the actual population of the area is likely to be higher still. The existence of migrants, who have increased every year in parallel with the development of Kuta, cannot be ignored, because migrants also require the same urban facilities as local residents.

The average population density in the residential area in 2009 is projected to be not far from the present density in the centre of Kuta (about 150 people/ha). In the village centre, the maximum density is projected to be 250 people/ha, with 150 people/ha in the surrounding areas. The population distribution is planned to be spread out, in order not to concentrate only in the village centre.

Compared to the present density the projection of 250 people/ha in the master plan seems too high and could cause more crowded areas. This density is higher than the density of the most crowded urban area in Denpasar, the capital of Bali province (185 people/ha).

The percentage of population of Kuta working in the agricultural sector in 1987 was 59%. It is expected in the future that tourism and other commercial business activities will offer job opportunities. However, the master plan does not indicate whether the need for job opportunities, except agriculture, is caused only by the population increase, or is also caused by the shift from people working in agriculture to non-agriculture. The shift of agricultural workers to non-agricultural activities has happened gradually, mainly because of the year-by-year decrease in the area of rice fields, partly due to the development of tourism facilities.

Physical and spatial plan

Land use

The physical and spatial development plan concentrates on the housing and tourism facilities, the dominant land uses in Kuta. Covering a total of 4,400 hectares and with 83% in agriculture, the land use of Kuta was planned to have three main zones (hotel, mixed use/transitional, residential). The hotel zone is located adjacent to the beach and is 500 metres wide (the Governor's Decree is 400 metres (Governor's Decree 1988)); followed by mixed use, where tourism facilities such as homestay/*losmen*, restaurants, and shops operated by the local

residents are located. Finally, the residential zone is located in the northeast part of Kuta, mixed with the agricultural area.

The determination of those zones is based on the reasoning that there should be a clear separation between tourism and residential activities. The transitional zones form a boundary, where there are mixed uses involving tourism and residential activities. Furthermore, without any explicit criteria, the development of tourism is planned to be 14 kilometres along the beach, from the airport in the south to the *Kabupaten* border in the north.

The plan also presents hotel development strategies, in which the hotel zone is designated especially for starred hotels. That zone will be divided into 15 large lots, with 10 to 40 ha in each lot. The minimum size for one hotel lot is 1 ha. Thus, in one large lot the potential exists for 10 to 40 hotels. Local roads toward the beach bound each lot.

The land use plan shows that areas along the beach are dominated or covered by hotels with an area of 700 ha. The activity separation is not only between tourism and residential, but also between hotel activities (star hotel) and mixed activities, where *losmen*, homestays, restaurants, art shops, and so on, are located, mixed with residential activities not involved with tourism.

However separation between mixed and residential areas is questioned here since the residents' involvement in tourism is gradual. A house becomes a homestay or *losmen*; *losmen* become rented rooms for migrants; or a single house becomes a house with a row of shops. With the proposed separation, people in residential areas may have to move to mixed areas in order to be involved in tourism businesses.

The master plan also indicates that the residential area has a maximum capacity of 91,000 residents by 2009, with total house-units of 18,200. The plan projected that 608 ha of land is needed for the residential area. Yet, there is no indication whether this total amount of land is included partly in the mixed area. Nevertheless, the expansion of residential and hotel areas will undoubtedly occupy agricultural land. It is proposed that agricultural land use in Kuta is to be reduced, as shown in Table 6.4.

Table 6.4. Loss of agricultural land

Year	Land size (Ha)	Ha lost	%
1989	3,596.64	-	-
1994	3,415.60	181.04	5%
1999	3,231.00	184.60	6%
2004	3,042.05	188.95	6%
2009	2,850.51	191.54	6%

Source: Kuta Tourism Master Plan 1989

Thus during 20 years (from 1989 to 2009) the loss of agricultural land, particularly from tourism, is 746.13 ha (21% of the agricultural land in 1989) or 37 ha (1.2 %) per year. This is more than the planned hotel area along the beach, or more than the planned residential area.

Building regulations

This section in the master plan gives considerable detail about building regulations such as building coverage ratio (BCR), floor area ratio (FAR), and building height. Based on types of building (residential, mixed use, and hotel), the regulations are presented below with the existing conditions added for comparison (see Table 6.5).

Concerning these regulations, some confusion exists because of unclassified numbers. The low BCRs of mixed housing is difficult to understand since the development of the mixed area will be gradual. For example, adding new buildings in the existing house-yards used for *losmen* or homestays will result in an increase in the BCR. This BCR regulation, however, is lower than the BCR regulation of the Governor's Decree of 1988 (60%). Figures for some BCR regulations include - for a 600-metre plot a BCR of 40%, for a 450-metre plot a BCR of 45%, and for a 150-metre plot a BCR of 60%. Compared to the actual conditions, it seems that the BCR regulations of the master plan for residential houses are most appropriate for Kuta. But BCRs, especially for plots of 600 and 450 square meters, seem too high, because high site coverage may bring about higher impacts on the environment, such as land degradation (the BCR of traditional Balinese houses is 50%, or the ratio between buildings and house yards is 1:1). Presently, the BCR regulations of the Governor's Decree of 1988 are used in Bali as one of the building regulations.

Table 6.5. Building regulations and existing building conditions

Building types	Master Plan Regulation				Existing Condition			
	BCR	Max FAR	Max Height	Max no of floors	BCR	Max FAR	Max height	Max no of floors
Residential:								
- plot 600 m2	60%	2xBCR	12 m	2	40-60%	2xBCR	12 m	2
- plot 450 m2	60%	2xBCR	12 m	2	40-60%	2xBCR	12 m	2
- plot 150 m2	70%	1xBCR	8 m	1	40-60%	2xBCR	12 m	2
Mixed house:								
- <i>losmen</i> /homestay	40%	2xBCR	12 m	2	40-60%	3xBCR	>12 m	4
- tourism services	35%	2xBCR	12 m	2	60-80%	3xBCR		
- hotel	40%	3xBCR	15 m	3	40-60%	4xBCR	>15 m	4

Source: Kuta Tourism Master Plan (1989) and fieldwork 1998

Therefore, some regulations are apparently prepared without adequate consideration of any possible environmental impacts. Another example is the number of building floors. There is no reason why houses in a small plot (150 square metres) should be not be more than one floor.

When the land prices increase, particularly concerning land adjacent to the main roads, a one-storey building is not efficient. Moreover, while the master plan stipulates a maximum number of storeys for hotels as three, with a maximum height of fifteen metres (the same as the local government regulations), in fact, four storey hotels have been erected which are more than fifteen metres high.

Building regulations usually specify the minimum distance of non-residential buildings from the neighbours' plots and from the beach, and the distance between hotel buildings in one lot. The distance regulations for residential houses are not included.

The plan of 10 metres for a footpath and around 20 meters for a green belt as a public open space in front of hotels along the beach is ideal compared to the existing conditions (secondary roads for public transportation without green belts). However, this plan is unlikely to give benefit to public users and local residents, considering that large hotels will occupy all the hotel areas along the beach. This plan may only give benefits to those more exclusive hotel areas, and widens the gap between hotels, public and local people.

6.6 Tourism facilities

Tourism has become the dominant economic and social force in Kuta. It has resulted in the occurrence of formal and informal businesses. Government regulations, such as building permits, income taxes, and business permits are required for formal businesses, while informal businesses do not fall under these regulations. Almost all residents and migrants in Kuta see tourism as a profitable business. The characteristics of tourism industries are quite complex; to simplify the explanation they are categorised in Table 6.6. Later, table 6.7 divides the businesses into formal and informal activities.

Tables 6.6 and 6.7 indicate that the involvement of local people in tourism businesses is substantial. However, they usually own and operate small-scale businesses, such as homestays, shops, and room rentals, while migrants, mostly with low-income levels, engage in informal activities, such as operating food stalls, shops, and becoming peddlers. Large hotels, restaurants, and other tourism services are usually owned and operated by non-locals.

Tourism activities strongly dominate the daily life of the residents. It is difficult to differentiate between household and tourism activities, because tourism in Kuta is so closely linked to the community. Tourism and households mutually benefit from each other.

Table 6.6. Characteristics of tourism businesses

	Types of activities	Characteristics
1.	Hotels and restaurants	Serve tourists Restaurants serve international food Owned by Balinese from outside Kuta or people from Java The owners do not live there Use private or rented land Have building permits, business permits, pay income tax
2.	Homestays and <i>losmen</i>	Serve tourists Owned and run by local people in their house yards by adding new buildings Less professional in serving tourists Have building permits, business permits, pay income tax
3.	Rented rooms	Serve migrants Owned by local people in their house yards by adding new buildings Have building permits Without business permits and do not pay income tax
4.	Shops (souvenir, crafts, Clothes)	Serve migrants Run by local people, Balinese from outside Kuta, and people from Java Rooms rented from local people with average dimensions per room being 4 x 4 metres Have building permits, business permits, pay income tax
5.	Food stalls	Serve employees and local people with traditional food, and some daily needs Run by local people in their house-yards Used by Balinese from outside Kuta or people from Java by renting rooms from local people Have building permits (for new building) Without business permits and do not pay income tax
6.	Laundry, ironing service, tailors	Serve employee and local people Run by local people in their house Without business permits and do not pay income tax
7.	Car, motor-bike, bicycle rentals	Serve tourists with several kinds of cars and motorcycles Run by Balinese from outside Kuta with rented rooms, or run by <i>losmen</i> owners Have business permits and pay income tax
6.	Currency exchanges, travel agents	Serve tourists Run by Balinese from outside Kuta or people from Java using rented rooms Usually located adjacent to main streets Have business permits and pay income tax
9.	Drug stores, banks, post offices	Serve tourists, employees, and local people Located at main street side Drug stores and banks are owned by private owners Post office is owned by local government
10.	Peddling/street selling	Serve employees and local people, except craft peddlers who serve tourists Usually people from east Java Sell along the main street

11.	Discotheques/pubs/ bars	Serve tourist Owned and run by locals, Balinese outside Kuta, or people from Java Use private or rented land Have building permits, business permits, pay income tax
12.	Recreational facilities (i.e. water boom park, bunjee jumping, go-carts,)	Serve tourists Owned by Balinese outside Kuta Use private or rented land Have building permits, business permits, pay income tax
13.	Supermarkets	Serve tourists and locals Owned by people outside Kuta Use private or rented land Have building permits and business permits

Source: Fieldwork 1996.

Table 6.7. Categorisation of tourism businesses

Formal	Informal
Large hotels	Rented rooms
<i>Losmen</i> , homestays, inns	Food stalls
Restaurants	Laundry services
Shops	Ironing Services
Car rentals	Tailors
Currency exchanges	Peddlers/street sellers
Travel agents	
Drug stores	
Banks	
Post office	
Supermarkets	
Tattoo services	
Other recreational facilities	

Table 6.8 Tourism facilities interviewed during fieldwork

	Category & name of tourism facilities	Number of Respondents
1.	Shopping facilities	2
	Matahari	
	Bounty	
2.	Homestay/<i>losmen</i>	3
	Kuta Suci Bungalows	
	Suji Bungalows	
	The Legian Mas Beach Inn	
	Sri Beach Inn	
3.	Hotel <i>Melati</i>	6
	Aquarius Star Hotel	
	Mastapa Garden Hotel	
	Poppies Restaurant and Cottage	
	Hotel Bali Village	
	Joni Pension	
	Sari Bali Cottage	

4.	Star Hotels	2
	Hard Rock Beach Clun	
	Sahid Hotel	
5.	Dining stalls (<i>warung</i>)	2
	Warung Sriwati	
	Warung Makan Ibu Amin	
6.	Restaurants	3
	Kentucky Fried Chicken	
	Glory Restaurant	
	Bamboo Palace	
7.	Bars/Discotheques	2
	Bali Peanut Club	
	Kura-kura Grill and Bar Restaurant	
6.	Recreation & entertainment	4
	Kuta Billiard International	
	Le Speed Karts	
	Timezone	
	Water boom park	
9.	Beauty Salons	2
	Beauty Salon WS Indah	
	Karada Message	
10	Transporation & Travel Agents	3
	Perama Transport	
	Chaisuran Rent Car	
	PT Komotra Bali	
	Total number of interviews	30

Source: Fieldwork 1998

There are five broad types of facilities and services observed in the literature, which are commonly found in tourist destinations: attractions, transport, accommodation, other facilities/services, and infrastructure. Kuta possesses all such facilities. In order to discuss processes associated with change in the built environment in detail, interviews were conducted with people involved in the operation of tourism facilities during the fieldwork. Interviews were conducted with members of the 29 private sector companies operating tourist facilities in Kuta. These semi-structured interviews were executed using guidelines created during the research design (see appendix). The number of respondents for each category of tourism facilities is described in Table 6.8.

The discussion on the results of the interviews, in this section, is divided into: shopping facilities, accommodation, eating facilities, recreational facilities, physical care facilities, and facilities for tourist transport.

Shopping facilities

The built environment in Kuta has been altered considerably from the traditional built environment to serve tourist activities in the area. Based on the statistics of Badung District

(1996), the most common facility is 'artshop'⁴, followed by accommodation, and eating facilities (see Table 6.1).

As in many integrated tourist destinations in Indonesia, and in Bali particularly, the shopping facilities are varied in Kuta. The spectrum ranges from small scale shopping, such as vendors, the informal sector/kaki lima, simple stalls in front of locally owned houses, to large supermarkets and duty free shops. The latter are owned by national companies that are based in the nation's capital city Jakarta, or in other big cities in Java. While duty free shopping can only be found outside Kuta village, the biggest supermarket that exists in Kuta is Matahari. There are two Matahari supermarkets in Kuta, one on Kuta Beach and the other on Legian Street (the main access street to Kuta Beach).



Figure 6.10. Matahari supermarket situated next to *Pura Dalem Kuta*

Accessing information about the establishment of these two Matahari supermarkets is quite difficult. Interviews with the assistant-manager of operations of Matahari Legian revealed that the construction process was actually conducted by another company that had closed down (PT Galang Sami Becik). The building used to be managed by this company as a supermarket, but not under the Matahari group, which took over the management in January 1995. The assistant-

⁴ The term 'artshop' created by the local government to categorize facilities for shopping and to make it easier for the local government to administer tax and other formal management. The things sold by the shop do not necessarily have to be an 'art object' / souvenirs. This category also includes shops which sell the daily needs of the locals.

manager of operations does not know when the building was built. There have also been no major changes to the form of the building, only to the interior. The 'look' of the building does not represent any traditional elements at all. The plan of the building does not represent traditional philosophy. At the other location in Kuta, the Matahari supermarket that is closer to the beach, has invited much criticism, as the location is too close to the *Pura Dalem* (see Figure 6.10). The form of the building does show an effort to include traditional elements, although it seems to be eclectic and not conceptual. The other centrally located shopping facility is Kuta Centre that is located at the southern part of Kuta village (see Figure 6.11).



Figure 6.11. A newly built shopping area in the South of Kuta

The demand for shopping facilities has induced the development of buildings such as shop-houses (*ruko*). These can be found along Legian street, and on the way to the airport. Some investors who can access quite big sites in Kuta have also built an 'enclosed' compound of shops on one site, such as Bounty (see figure 6.12). These kinds of facilities have a distinctive way of construction, usually dependant on the investors and management of such property. For example, Bounty is owned and operated by a Balinese person who has two similar facilities along Legian Street. The design and construction process can be characterized as semi-formal. The owner played the main role in the design, construction, and operation of the Bounty. However, other shop-houses which are usually owned and operated by investors from outside Bali, often follow the formal way of construction, and are designed by an architect, with a hired contractor to build the buildings. People from outside Kuta usually manage this kind of 'art-shop'. The investor buys the land from the locals or rents the land for 30 years maximum,

constructs art-shops and rents each one to the handicraft or souvenir retailer. Various forms of shopping facilities in Kuta are presented in Figure 6.12 – 6.15.



Figure 6.12. Smaller scale shopping facilities fill the main street as well as the alleys. The street scape of Kuta is filled with these shops. Art shops only exist along the street, behind these art shops ‘hide’ the locals’ as well as tourists’ accommodation. Most of the shops are only the front side of the sites.



Figure 6.13. Art shops which were built in the early years of Kuta’s development as a tourist destination. In the upper right hand side is a sacred area, located on the upper floor because the ground floor is full of other kinds of built forms



Figure 6.14. The later development of the shop, the architectural form that is chosen does not respect the surroundings. Newer form of shops can disregard the contextual harmony, not respecting the traditional built form. This also represents a weakness in the building regulations



Figure 6.15. Other kinds of art shop belong to the local family. This kind of facility had been built for years, this kind of shop does not only serve tourists but also the locals needs.

Accommodation

There are hundreds of *losmen*, beach inns, hotels, and bungalows, and more are constantly being built. At either end of the five-km-long Kuta/Legian strip are luxuriously appointed first class accommodation units. To the south of Kuta beach, closer to the Airport and Tuban village are Patrajasa, Holiday Inn, and other hotels. At the other end, North of Kuta beach in Desa Seminyak, can be found the hotel Oberoi, which is said to have the highest room rate in Kuta.

As discussed before, Kuta is well known for its homestays and *losmen*, although some star hotels are also found. The newest star hotel under construction during the fieldwork was the Hard Rock Cafe Beach Club, a site with many facilities (restaurants, retail shops, 4-star-hotel).

With the various types of ‘economic’ tourist accommodation existing in Kuta, and other tourism resorts in Indonesia, the government established the term ‘*Melati*’ to represent unclassified hotels, including *losmen*, bungalows, and inns. There are four kinds of *Melati* based on their room numbers: *Melati One*, *Melati Two*, *Melati Three*, and *Melati*. The number of homestays and *Melati* according to UNDAP is shown in Table 6.9.

Table 6.9. Homestays and hotel *Melati* by number of rooms

	Type	Number
1.	Homestay	9
2.	<i>Melati One</i>	12
3.	<i>Melati Two</i>	22
4.	<i>Melati Three</i>	38
5.	<i>Melati</i>	44

Source: *Bappeda Tk II Badung* (1996)

Homestays, the most simple type of accommodation, give an opportunity for tourists to become involved in family activities such as watching TV, eating, chatting, and so on. Both the families and guests use the bathrooms. *Melati* are managed more professionally than homestays, especially *Melati Three*. They are usually managed by well educated employees (mostly migrants), offer better food services (e.g. they provide a restaurant with a variety of food and beverages), and facilities, such as one bathroom in each room or shared by two rooms, swimming pools, gardens, restaurants/bars, car rental, etc. The *melati* owners, who are usually Balinese from outside Kuta, often live in other places with the accommodation operated by their relatives or friends. Kuta supplies the greatest number of rooms for tourism in Bali. It is estimated that Kuta supplies 23% of *Melati* and 50% of homestay rooms for tourism in the whole of Bali.

Star hotels, world-class hotels, feature every convenience including open-air dining rooms, luxurious gardens, and many other internationally standard facilities. Many of these more expensive places deal only in dollars and residents may even find it difficult to exchange *rupiahs*. Within this category, the most luxurious in Kuta is probably Bali Oberoi with the highest rate for a bungalow at US\$500 per day.

The non-star hotels (hotel *melati*) are moderately priced accommodation, with the rate varying from US\$20 to US\$60. According to government data, this kind of accommodation is the most common. The facilities within hotel *melati* vary from one to another. For example, one hotel

may have a swimming pool, private bathroom - a traditional bungalow and another hotel may have a view and shorter access to the beach - family bungalows, and so on.

Apart from the two categories explained above, there is one more which the government classifies: these are homestays / *losmens*. These are defined as establishments that ask for about 15,000 *rupiah* – 40,000 *rupiah* / a night, the budget class. Included in this category are rooms rented by the locals that are usually available during the peak tourist season only.

Refunctioning of traditional house

Most Balinese buildings are single storey, and these include the traditional family compound house. This consists of a number of pavilions enclosed within a compound wall, each structure corresponding to a single room in the conventional western type house. Balinese entrepreneurs realise that these pavilions can easily be adapted to accommodate visitors and tourists by the simple addition of a self-contained bathroom. Further, the owner can build as many separate pavilions in the compound as possible in order to maximise profits. The use of existing buildings for new activities following refurbishment is also possible. It is not surprising that many traditional houses have been adapted for tourist accommodation or for other tourists related support facilities. One case study observed in the fieldwork was the houses of I Wayan Kawi (Figure 6.16) and I Gusti Made Agung (Figure 6.17 and 6.19). Both of them developed additional spaces to let as art shops and rooms rented to the employees of tourist facilities in Kuta.

Comparing the plan of the property with the traditional one illustrated by Covarrubias (1974) (see Figure 6.18), it is apparent that changes have been made. The location of the family temple is still the same, at the *kaja kangin*. The central courtyard has gone. The pavilions were built not as single rooms but condensed and united with other rooms, even in the two-storey building. In Kuta it is commonly found that building forms and the sacred profane patterns of the Balinese traditional house yard have been changed by the addition of new buildings. The building of bathrooms close to profane spaces, the modification of the rice granary as a homestay room, and the construction of the shrine places for tourism needs, are all examples of such changes. Whatever changes take place in a compound, however, the location of the temple shrine at the Kaja Kangin location is preserved. Houses along the main streets, such as Legian Street and Pantai Street, which are developed as multi-storey normally place their shrine in the highest storey, as the most sacred place in the house.

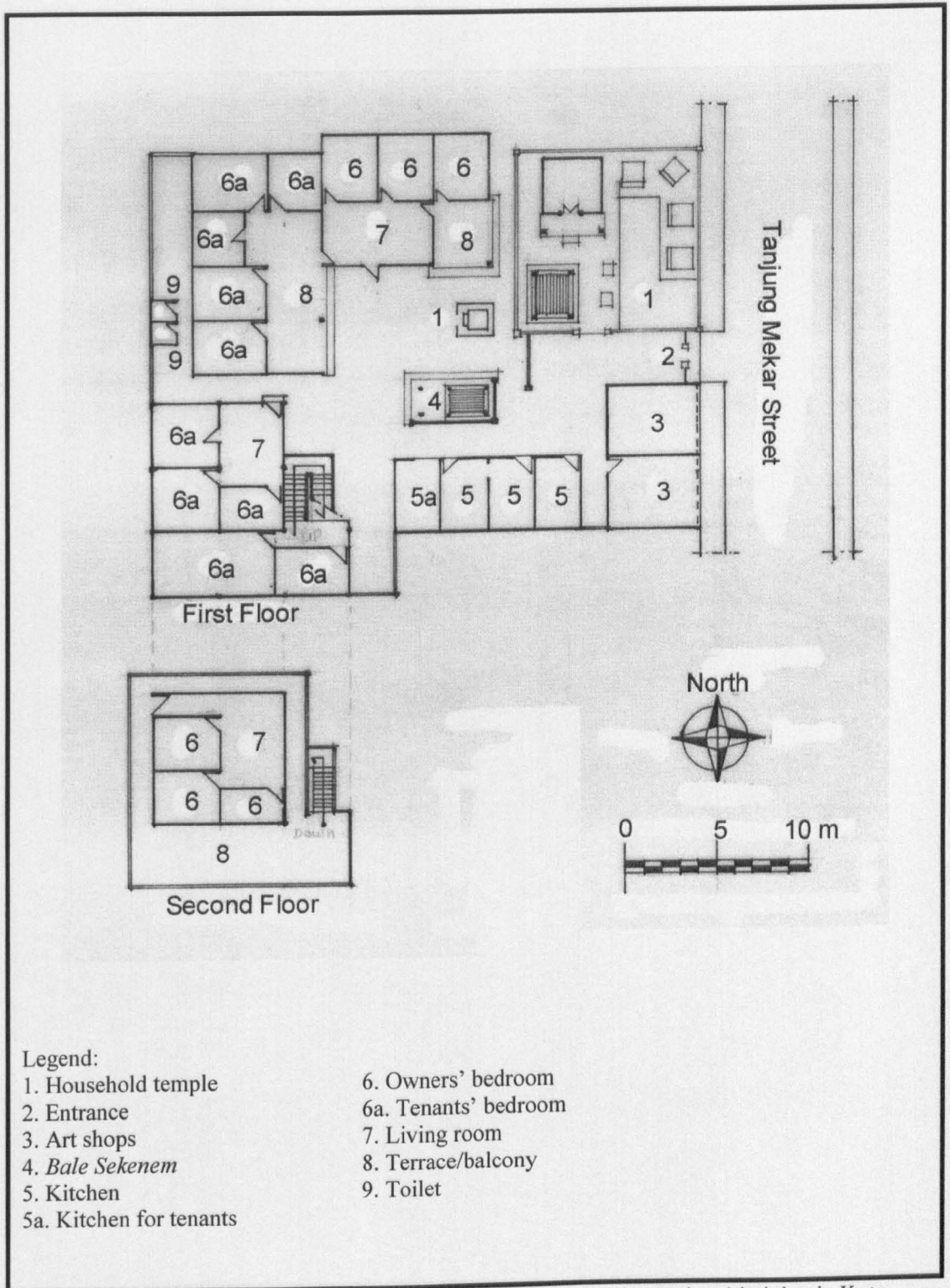


Figure 6.16. A plan of a traditional house converted to tourist workers' lodging in Kuta (Source: Fieldwork 1998)

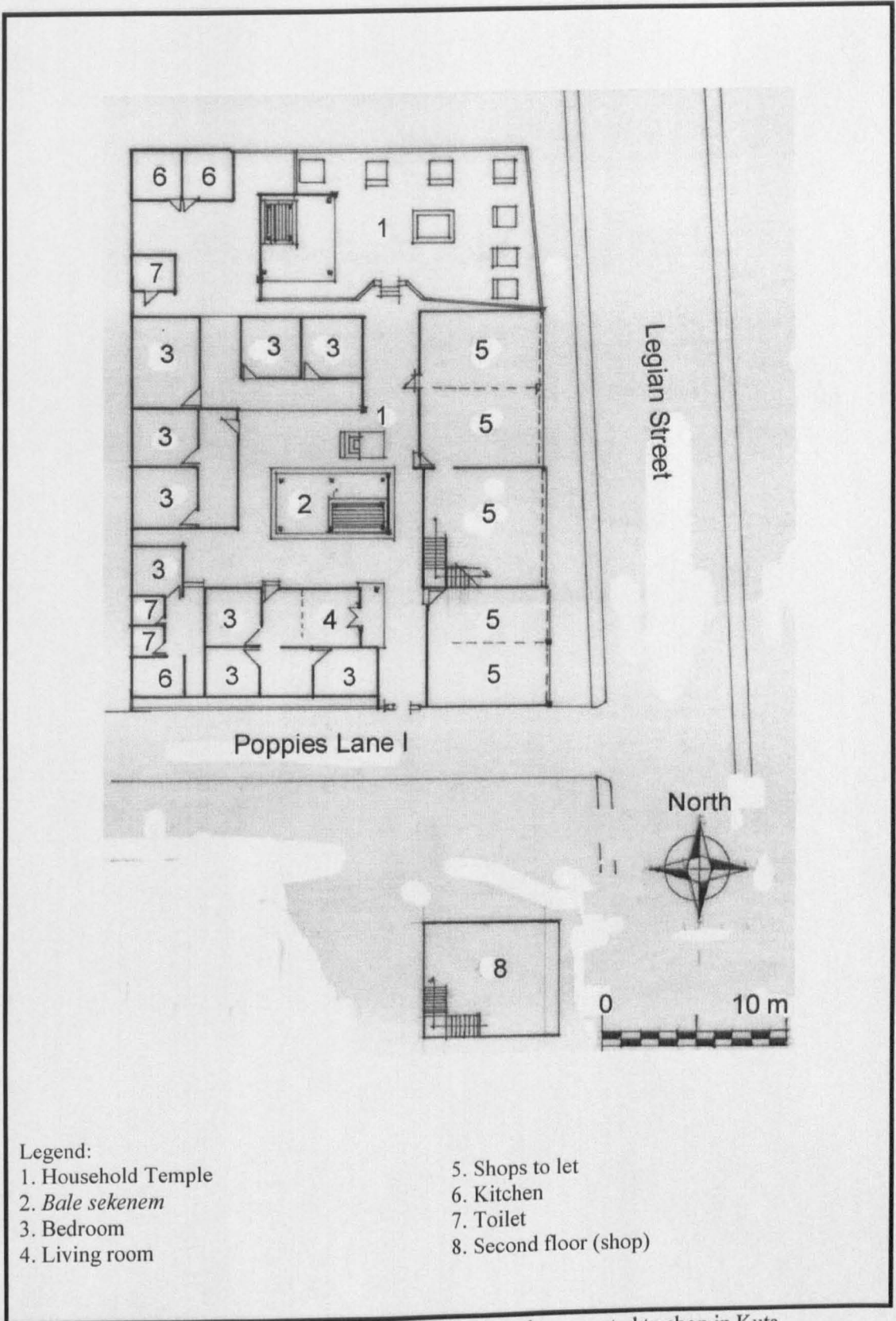


Figure 6.17. A plan of a traditional house partly converted to shop in Kuta
 Source: Fieldwork 1998

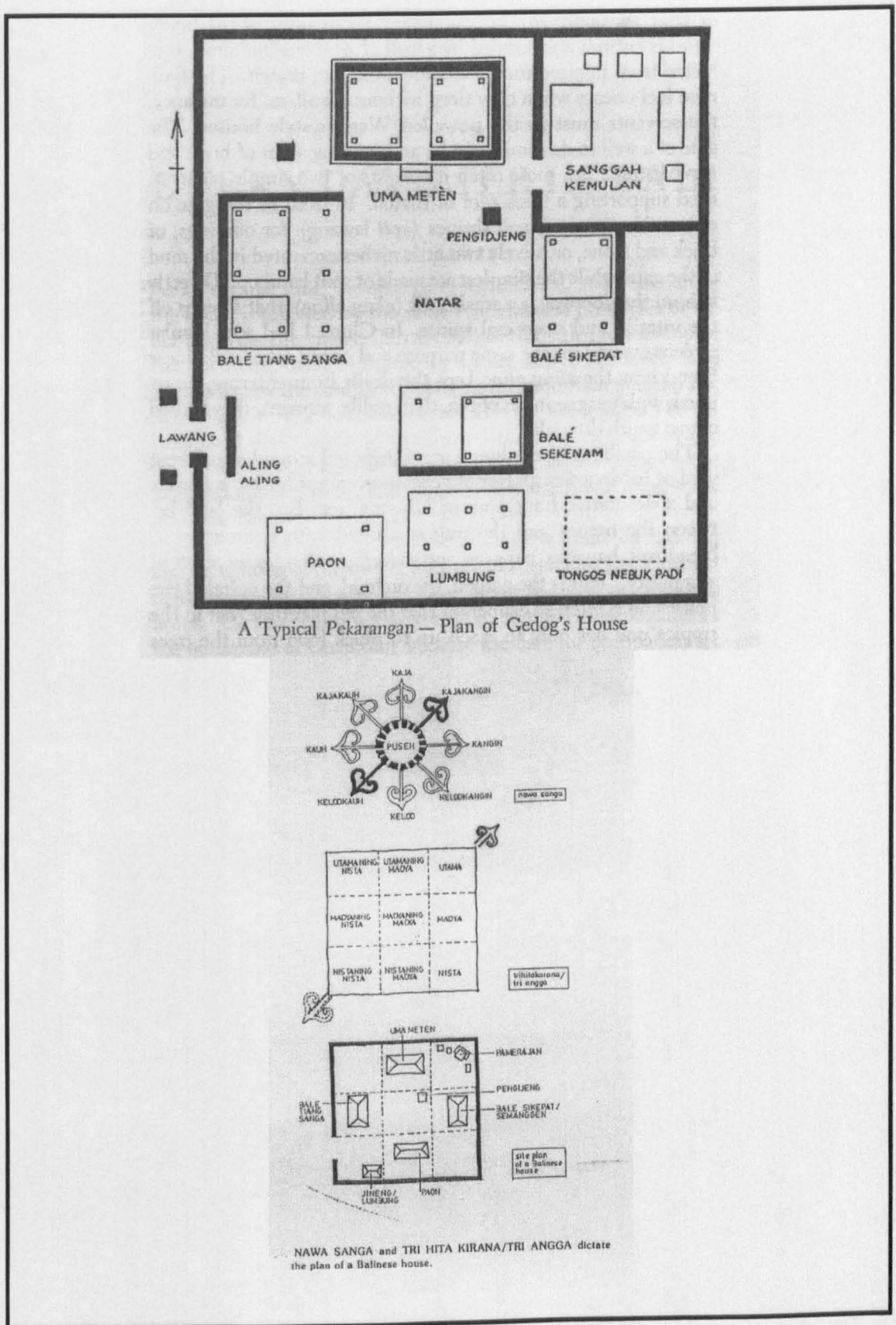


Figure 6.18. Typical plan of a traditional house (source Covarrubias 1974) and analysis of the placement of facilities in a house based on Balinese cosmology (source Budihardjo 1991)

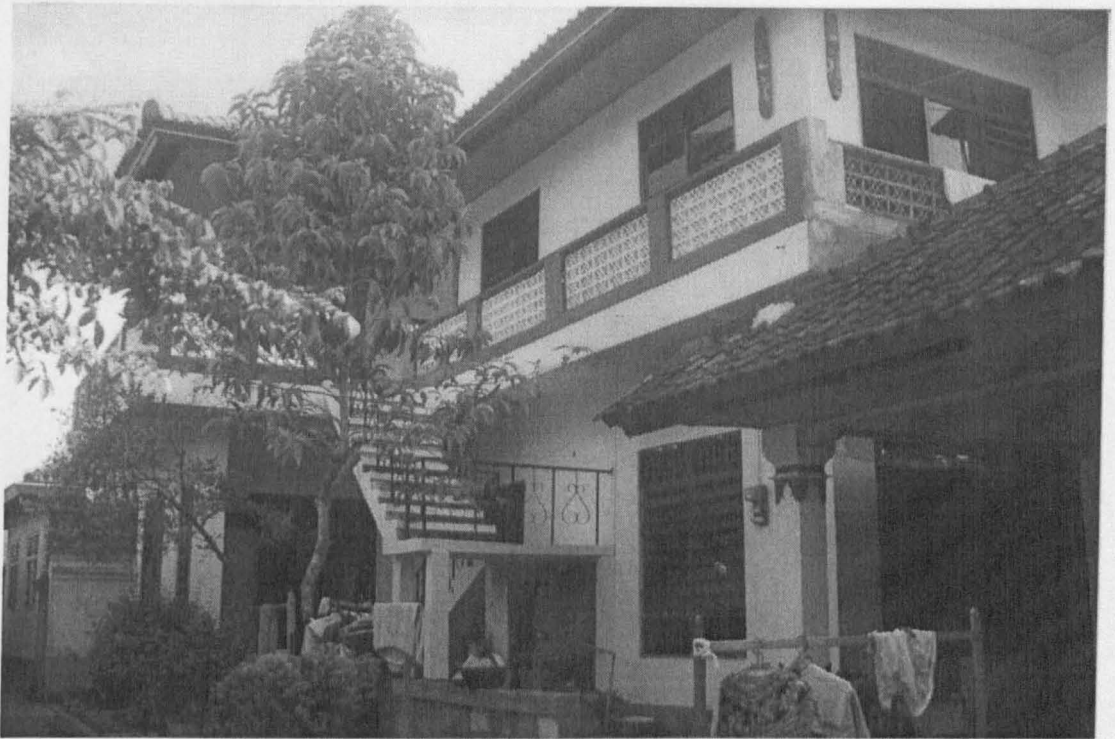


Figure 6.19. Part of I Gusti Made Agung House which is let for lodging

Losmen and homestays

The interviews for this category of accommodation were conducted with: Kuta Suci Bungalows, Sri Beach Inn, Suji Bungalows, and Legian Mas Beach Inn.



Figure 6.20 The interior of Suci Bungalow

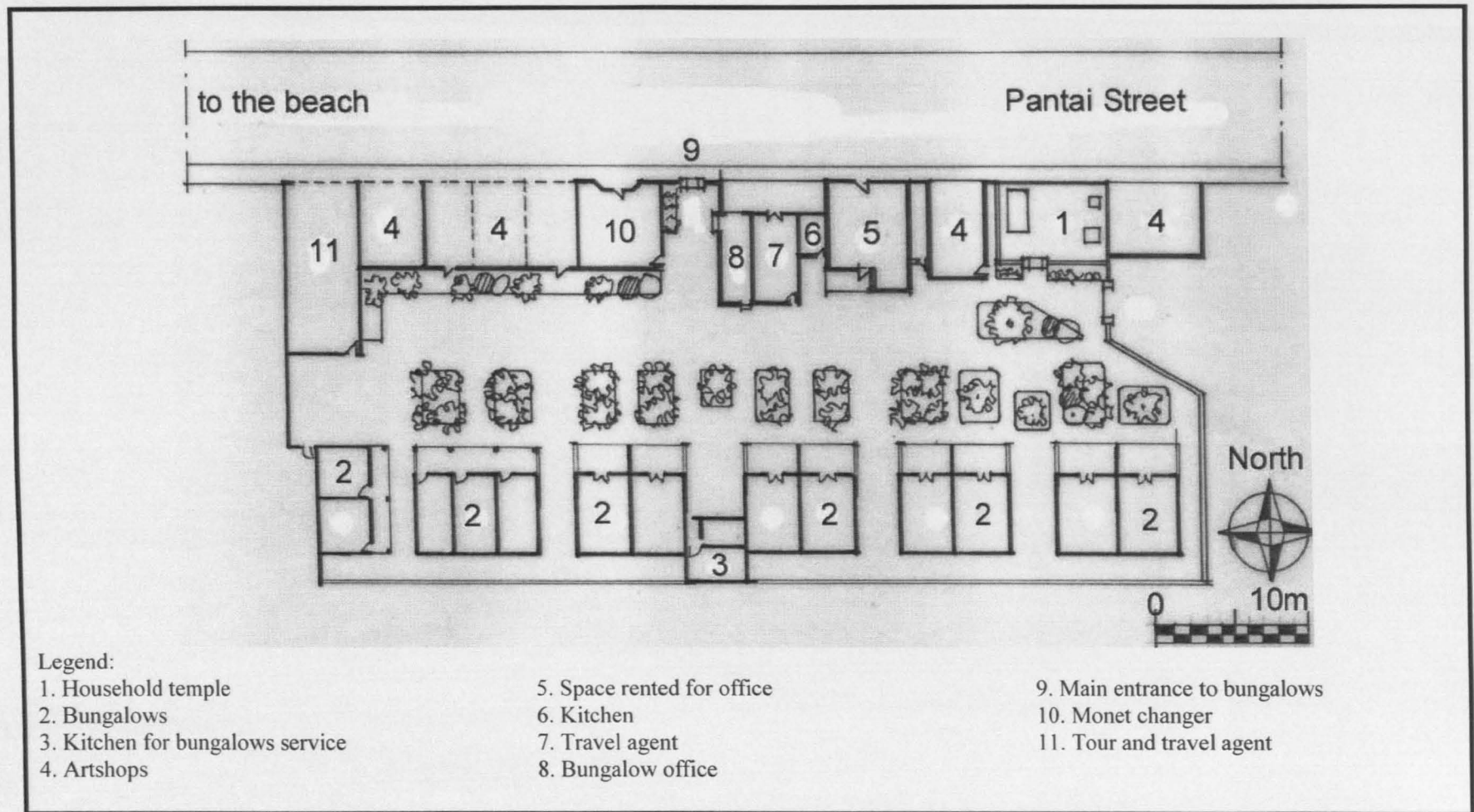


Figure 6.21 The plan of Kuta Suci Bungalow
Source: Fieldwork 1998

A more common type of tourist accommodation found in Kuta is one site filled with several facilities, such as rooms to let, an art shop, a currency exchange, a travel agent office, and other built areas to let for any tourists needs. The Kuta Suci bungalows are one example of this kind of accommodation (see Figures 6.20 and 6.21). The owner inherited the land and the development of tourism in Kuta encouraged this family to build tourist accommodation. They began with one bungalow in early 1970 with which the design followed an example that was built by the government on one of the sites in Kuta. The initial funding came from the owner's savings and a bank loan. After he had saved enough to build another bungalow, the construction of second bungalow started. The contractor was a friend of the owner and no architect or designer was involved in the process. The relatives of the owner then managed the facilities. Later, on the front side of the land some rooms and 'spaces' for functions were built: the accommodation office, several art shops (one of them is operated by his own relatives), an office of a private television station, bike rentals for tourists, and a travel agent.

Sri Beach Inn is owned by a local and was built in 1977 with only 4 rooms. It used to be a house and cultivated land. The design was by the owner with no reference to any planning regulations or policies. A traditional priest was involved in deciding the day to bless for construction to start, and a local builder did this, with the initial funding coming from savings. During the construction the owner built more rooms for tourists with funding from a bank loan.

Homestay Legian Mas Beach Inn is owned by an indigenous local and was built on inherited land in 1980. It was also owner designed, mainly with tourist needs in mind, and no planning regulations or policies were used as a reference. The traditional priest was involved in deciding the blessing day for construction and other ritual ceremonies. The construction took place over 3 years with initial funding from the family. During the operation, no additional construction has happened. The owner stated that additional construction is too expensive, and it is currently too competitive to try to attract more tourists with the number of new accommodation sites being built in Kuta.

Suji Bungalows is owned by an indigenous local and was built in 1987. It was started as a restaurant called the Blue Pub. The owner designed the building with no reference to any planning documents and was mainly based on the design of other nearby hotels. However it claims to have a traditional building form. A local carpenter and a construction worker completed the construction. The traditional priest was only involved to bless the process of construction so that it was safe, deciding blessing days, and other religious ceremonies. The organic nature of construction (it was done in stages) was due to the constraint of funding, when

the savings were enough to build, then the construction was continued. The initial funding was gained by selling 10 acres of land at the back of the site.

A resident of *Banjar Pande Mas*, who was the head of Village Social Activities organization or *LKMD* in the early days, pioneered an organization for residents housing the young western travellers. The organization was named Kuta Private Accommodation Association (KPAA); the members were the owners of home stays, lodging houses, '*pension*', beach inns, *losmen* (inn), and so on. Partly because of this homestay developments, most of them originating from residents' houses with restaurants and pubs to service tourists, developed rapidly. The small cafes or *warung*, pubs, restaurants, and bars began to compete to earn an income from tourists.

At the end of 1960s, and in the 1970s, the owners of homestays enjoyed a golden age of business. The fishing village had turned into a business centre. Infrastructure for tourism including access roads, electricity and telephone facilities were installed in Kuta. The economic laws of supply and demand enlivened the society's economic growth, for example, the tourists' demand for souvenirs enhanced local community incomes. They opened art shops or other shops to meet the tourists' requirements.

The number of homestays grew rapidly from 23 with 156 rooms owned by KPAA members in 1970, to 219 small-scale enterprises in 1981 in the Kuta and Legian area. Most were managed by family operations. Because of this rapid growth the association was reformed to become the IHRA (Indonesia Hotel and Restaurant Association). Yet still, in a family based management system, local people applied neither particular business principles nor marketing efforts - they just waited for customers to come. As a consequence of being passive in running their businesses, they were overpowered by the newly arrived investors in the mid-1980s who brought substantial funding. At the end of the 1980s there were few homestays that could compete with the Melati and star-rated hotels, bungalows, cottages, and so on.

The golden age of the homestay owners declined gradually along with the disappearance of the young western travellers in Kuta. Homestays, which used to be for tourists, became boarding houses for the staff of the many hotels, restaurants and art shops. Since then, most western travellers use the star-rated hotels in Kuta. Although the Kuta residents admit that they could not compete with the star-rated hotels in the Kuta area, they are not resentful of these new investors. The locals responded receptively to the arrival of these investors who built and developed businesses in Kuta, because their contributions supported tourism development in the area. They also resolved to continue maintaining tourist resorts in the area because they could earn more foreign exchange through their presence. On the other hand, the Kuta residents continue to preserve their costumes and cultural activities that are reflected in religious

ceremonies and processions. These Hindu traditions are organized through traditional organizations such as *Banjar Suka Duka* and *Desa Adat*.

Hotel Melati

During the fieldwork, the interviews for this category of hotel were conducted with: Aquarius Star Hotel, Mastapa Garden Hotel, Poppies Restaurant and Cottage, Hotel Bali Village, Joni Pension, and Sari Bali Cottage

Aquarius Star Hotel consists of rooms to let, a restaurant and a bar, and a swimming pool and is operated by the owner, with his wife running the restaurant. It was first built and operated in 1974 on land that was bought 5 years earlier and was previously a rice field. The owner designed the building with building permits and business permits in mind, and followed other rules from the local government. However no planning document was used as a reference. The traditional priest was involved in determining blessing days for the construction and suggestions for traditional building styles. It claims to have a traditional building form and uses traditional materials (*laras*, *bata*, and *genteng*). No contractor was involved in the construction of buildings, just local builders. There has also been no change of ownership during the operation of the facility. However changes to the buildings are due to the decay of the construction, and the owner says the style is not fashionable any more. Funding for the construction and reconstruction comes from the hotel profit.

Mastapa Garden Hotel coming under hotel *melati* 3, was built in 1972 and opened in 1973. An architect, a friend of the owner, based on mainly customer needs and tastes, designed the building. No planning documents were used for reference and no traditional priest was involved, as the owner claims to be quite knowledgeable in traditional Balinese building styles and materials, and thus claims to be sensitive to Balinese architecture. The owner hired a contractor (CV Christina & Mulai Agung) for construction. There have been no changes of ownership during the operation. Later, however, the building was enlarged from one storey to three, increasing the number of rooms from 18 to 52 and beautifying the landscape. The customers are mainly foreign tourists.

Sari Bali Cottage was built in 1989 and has operated since then. The family who owns this accommodation has two other locations in Kuta: Sari Bali that is managed by the son and Sari Jaya that is managed by the mother. The main company is called Sari Yasa. The land was inherited. An architect, a friend of the owner, designed Sari Bali Cottage and the design was primarily based on the owner's preferences and permits from the local government. No planning documents were used as a reference. The traditional priest was involved in determining blessing days for construction and other ritual ceremonies. By using the '*ijuk*', as the roof of the bar, the

owner claims that the building has a traditional Balinese style. The contractor was a friend of the owner from Kuta and there was no phasing in the construction and the funding was from a loan from the bank.

Poppies cottage and restaurant is owned by a female local who built it from 'nothing'. With the advice of a foreign colleague, her informal business in the early 1970s rapidly developed and now she has four tourist facilities in Kuta, and one in Thailand. The construction process can be categorised as informal as no architect was involved during the design. The inspiration for the design was gained by visiting several other tourist accommodation sites, mainly based on customer preferences, government regulations and the built environment context. For the construction she hired local builders to start building the site. The construction started with the restaurant and was followed by the cottages. The traditional priest was involved in deciding the blessing day for construction and other ritual ceremonies. Traditional elements taken for the building are roof material (*ilalang*), the form of the building, and the 'inner court' (*natah*) concept. During the operation there have been no changes to the building, only repairs. In the brochure, this cottage claims to have 'Bali-style' rooms in the Balinese landscaped garden. The room rates are categorised based on the seasonality of tourists. The most expensive season is July-August and the cheapest season is February-May. Other tourism facilities that the owner has in Kuta are accommodation in Poppies Kopi Pot and Kopi Pot restaurant in Legian Street.



Figure 6.22. Entrance to Joni Pension

Hotel Bali Village was built in 1989 by the former owner, who is Balinese. The current owner started to operate it in 1995 and the respondent works for the new owner, therefore he does not

know much about the construction process. Changes were made by the new owner mainly to attract more customers and for beautification, with funding from a bank loan.

Joni Pension is included in the category hotel *melati* 2 and is owned by an indigenous local (see Figure 6.22). It used to be non-productive land and was built in 1975, and renovated in 1984. The owner is a traditional priest (*pepatih*) and quite knowledgeable in the construction of traditional buildings. However, he hired an architect to design the building. No planning documents were used as a reference and the idea came from the owner and was developed by the architect. Nevertheless the owner claims to have considered government regulations in order to obtain a permit from the local government.

Star hotels

The star hotels usually belong to investors from outside Bali; these are companies from the capital city or other big cities in Java. These investors build star hotels, usually located at the most 'saleable' sites, such as along the beach and the main road, Legian Street. The star hotels considered during the fieldwork in Kuta were the Hard Rock Café Beach Club and the Sahid Hotel.

During the fieldwork, the construction of the Hard Rock Café Beach Club was in progress. The site is located at the corner of the oldest Kuta Beach accommodation area (see Figure 6.23). The land belongs to locals who inherited it from their ancestors. At this location used to exist Yasa Samudra hotel, one of the oldest hotels in Kuta. The landowner decided to rent it to the investor for 30 years. During the initial process of development, the investor seemed to have difficulties in finding any 'international' hotel chain willing to operate it. Finally, when the Hard Rock Beach Club agreed to operate the facilities, the design and construction process took place. The design consultant was a company from Singapore and the local collaborative design office from Indonesia was Nala Krisna architect. The role of this local collaborative design office was primarily to deal with the government regulations and other local controlling agents.

The interview with the Nala Krisna architects revealed that they were delighted to be able to negotiate with the government in Bali, so that the distance of the Hard Rock Cafe building was less than it was supposed to be from the beach line. This shorter distance from the beach creates an environment where the facilities 'blend' in with the beach. However, observation also showed that the shorter distance reduced the space for transportation and parking. The construction of the Hard Rock Cafe at Kuta is regarded as a benefit to Bali, by the local Bali newspaper. An article said that this is the benchmark for high-class accommodation development in Kuta. The Hard Rock Cafe is viewed as a prestigious facility that improves the

whole image of Kuta that used to be a provider of low cost tourist accommodation. The development of the Hard Rock Cafe at Kuta is one example of purely formal land development.



Figure 6.23. Hardrock Café which includes a four star hotel

In the case of Hotel Sahid in Kuta, the owner of the Sahid Jaya Hotel from Jakarta, the capital city of Indonesia bought the land for this hotel in the 1970s. In 1970, the government forbade the construction of star hotels beyond the Nusa Dua area. At the beginning, the company only built several bungalows on the site. The development of the bungalows was also conducted semi-formally by hiring a Balinese consultant and contractor. The management of the hotel was then established and they organised the small-scale development of the land. When government regulations were changed in the late 1980s, and star hotels were allowed be built outside of the Nusa Dua area, the management developed the facilities on the site, employing the same consultant and contractor, and this has now become a four star hotel.

Eating facilities

Characteristics of eating facilities

Restaurants and food-stalls are tourism facilities that are needed by the traveller during a journey. This facility may be part of an accommodation-based format and also as a distinct tourism facility. As in any other tourist destination in Bali, the second most common type of

tourist facilities after accommodation are these eating facilities. The rapid development of Kuta attracted many outsiders and locals to invest capital in restaurants and food stalls. Most restaurants and food stalls are located along the main road. However, there are also some that are located around tourist sites.

Variety of eating facilities

There are various types of eating facilities in Kuta, from food stalls to first class restaurants, from traditional to fast-food restaurants. From the 'local family owner to international restaurants chains. Based on observation, the number of small restaurants or food-stalls is higher than that of first-class restaurants. The availability of various types of restaurants is expected to be able to serve various types of tourist, from the budget tourist to high-income tourist. Most first class restaurants are concentrated along the main road.

Within the category of eating facilities, the spectrum is also very wide from the most simple kind of facilities, for example in a house owned by local - the owner turns down the front fences, erects a retail 'front' and sells some food for the tourists. During the fieldwork, the interviews for this kind of establishment were conducted with the owners of *Warung Sriwati* and *Warung Makan Ibu Amin*. *Warung Sriwati* is an owner-operated eating facility, which was built in 1993.

The construction of these food stalls can be categorized as informal, designed by the owner, with the access of customers (tourists) prominent in the mind, without considering any planning documents, and, in these cases, built by the local carpenter and builders. The funding was from the owners' savings. The simplicity of the facilities entail little modification to the traditional Balinese house. The locations of the sacred and profane area within the site are still based on the *Nawa Sanga*. *Warung Makan Ibu Amin* is using rented space from a locally owned house. Ibu Amin, the *warung* operator, rents the space for 3.5 million *rupiahs* per year. In 1988, when she started the facility the rent was 1 million per year. The changes that she made in the building were to divide the kitchen into 2 rooms and to use the room as her bedroom. (See Figure 6.24)

At the other end of the spectrum is a restaurant and bar that provides an international menu and is managed by chain of 'international' restaurants such as Kentucky Fried Chicken. The fieldwork revealed that the construction is highly influenced by the kind of management operating in the particular facilities. For example, Kentucky Fried Chicken Restaurant, managed by an internationally chain restaurant, started operation in 1994.

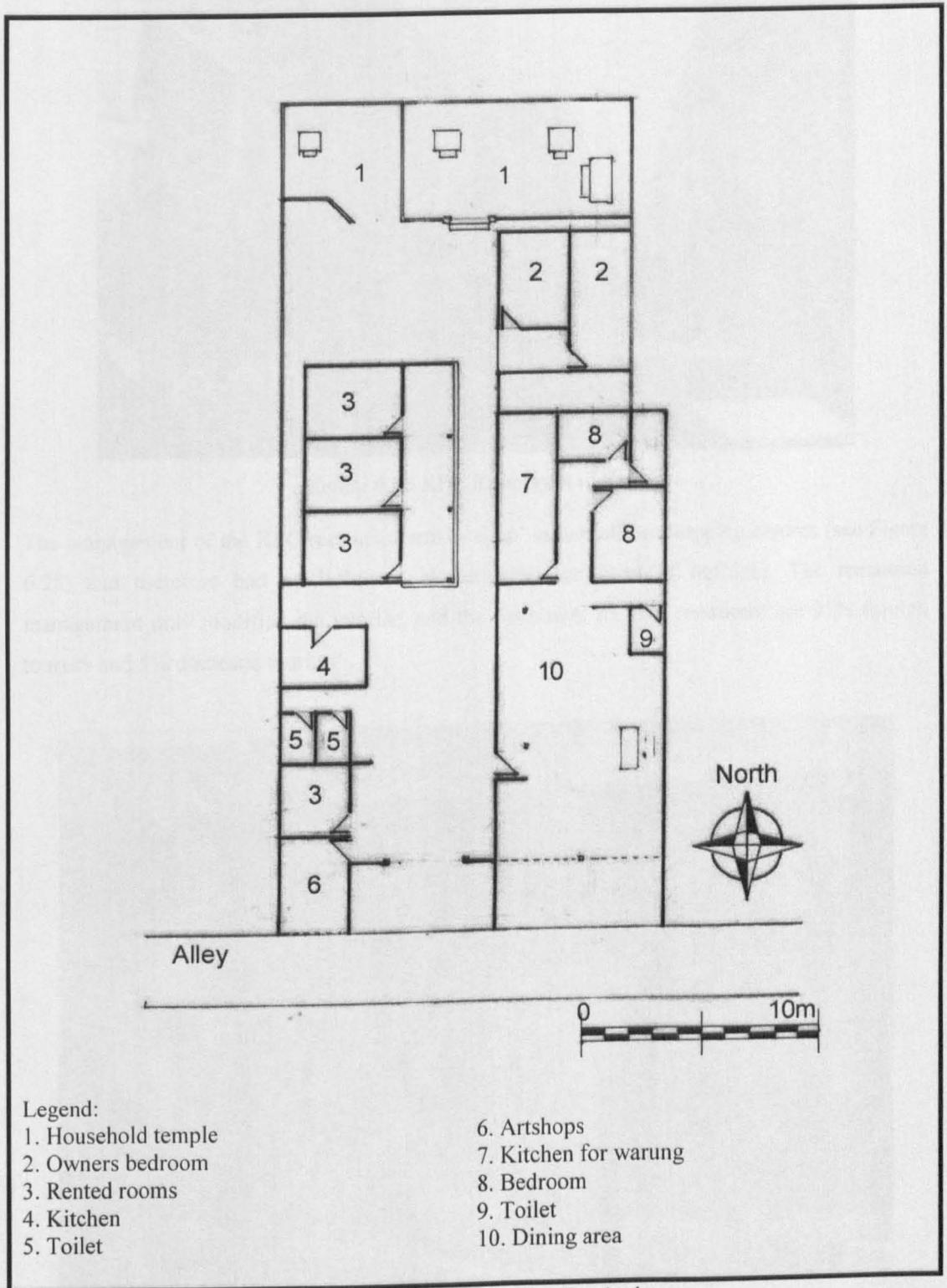


Figure 6.24 Warung makan Ibu Amin
(Source: Fieldwork 1998)



Figure 6.25 KFC Restaurant in Kuta

The management of the KFC restaurant rent a 'shop' in one of the shopping centres (see Figure 6.25) and therefore had no influence in designing the form of building. The restaurant management only modified the interior, and the customers for this restaurant are 95% foreign tourists and 5% domestic tourists



Figure 6.26. Glory Restaurant

The Glory restaurant is owned by a Balinese person, but not a local Kuta (see Figure 6.26). He is the third owner of the restaurant since 1976. The building was created by the original owner in 1975. Before 1975, the location used to be cultivated land. The first owner was not Balinese and the design was not based on Balinese philosophy. However, the third owner made few changes in the establishment to give it more a 'Balinese look'. The only changes made were the expansion of the dining area, the kitchen, and the garden. The customers are 90% foreign and 10% domestic tourists.

Bamboo Palace Bar and Restaurant is owned and operated by a local and was started in 1990. The construction can be said to be an informal process: designed by the owner who claims to have considered the traditional Balinese architecture and was built by local builders. There have been no changes in ownership, no additional construction during its operation, and the customers are mainly European tourists.

Recreation and entertainment facilities

Bali Peanuts Club bar and discotheque (see Figure 6.27) is owned by a local entrepreneur, who also owns two other facilities – The Casablanca Bar-Restaurant and The Bali Negara. The relatives and friends of the owner operate these facilities. The company was first set up in 1984 as a joint company (with another from Australia), and the location was not in the current site. In 1993 it moved to the current location, then it burned down and was rebuilt again. At the end of 1997, it opened again. It was owner designed with the help of a builder, a friend of the owner.



Figure 6.27. Bali Peanuts Club

The main consideration for the design was how to build the same facility as previously, using the remains of the burned building, and to finish before 1998, with no planning document as a reference. The traditional priest was involved in deciding the blessing days for construction and some ritual ceremonies, for example '*pemlaspasan*' (before the building is functioning, it has to be blessed through a *pemlaspasan* ceremony). In discussing any traditional elements utilised, the respondent said that before it burned down, the columns were from coconut trees and the roof from *alang-alang*. After the fire the columns were built from concrete and the roof from asbestos. The customers are mainly foreign tourists, but domestic tourists can be found as well.

Kura-kura Grill and Bar/Restaurant was built in 1996 by a company that operates 8 other restaurants in Bali. There used to be a bungalow on the site. The design of the building was by a colleague of the company owner, who claimed to involve traditional architecture in the design, but no particular element of traditional architecture is evident. The design was conducted without considering any planning documents and constructed by a contractor partner of this company. The customers are 90% foreign and 10% domestic tourists.

The hard beat of the rhythmical discotheque music of Double Six, Bali Peanuts Club, Gado-Gado, and many other clubs does not seem to disturb locals in Kuta. They have got used to hearing the echo of live music in addition to the sounds of compact discs (CD), tape recorders and other electronic instruments blaring from bars, restaurants, pubs, and night clubs in Kuta. Some Kuta residents are busy working at night to earn a living from the tourism business at these places of entertainment, whilst others are sleeping.

The pros and cons of the nightlife activities in Kuta have been around for years. It is true that the presence of these nightclubs brings some negative impacts. They have been suspected of being the sites of transactions for *narkoba* (narcotics and drugs). International tourists staying in the area usually go to bed after 01.00 in the morning. They patronise the clubs after a late dinner around 10.00 p.m., then go to bed at about 2.00 a.m. and wake up late the next morning.

Kuta Billiard International is owned by a Balinese company (see Figure 6.28). It was built in 1997 in a building that used to be a supermarket (Gelael). It started business in 1997, claiming to be the only international standard billiard hall in Bali. The owner designed this facility and claimed to create an environment that is suitable for the customers, and was obviously not based on any traditional principle. No planning documents were used as a reference, instead they used books about billiard room design and the appreciation of the preference of players. The builders are colleagues of the owner who was an expert in building. Since the opening of the facility, no changes in ownership or building have happened. The customers are mainly European tourists.



Figure 6.28. Entrance to Kuta Billiard



Figure 6.29. Le Speed Karts

Le Speed Karts is a kart racing facility owned by a Balinese person and opened in 1996 (see Figure 6.29). It used to be vacant land but the location is still quite strategic because it is surrounded with hotels. The owner's colleague from another province designed it. It is claimed that it uses regulations from the local government as reference. No traditional priest was involved and no traditional elements are taken for the building and the owner chose the

contractor. Since its opening no changes to the ownership or the building have occurred. The customers are domestic as well as foreign tourists. Another similar kart racing facility in Kuta is called Go-karts. The characteristics of this facility are quite similar, only the management of the latter is a Balinese company and it claims to include traditional building elements by taking the traditional gate (*angkul-angkul*) for the facility.

The children's electronic play area, Timezone, is located in the same building as Matahari supermarket. The respondent, the manager since 1995, does not know about the construction process of the building. This facility is owned jointly by The Matahari group and a company from Australia. The performance as well as the interior does not show any influence from Balinese architecture.



Figure 6.30. Entrance in The Water Boom Park Complex

The Water Boom Park is a recreation facility based on water activities. Bali Ocean Magic Company, a foreign investment company from Canada, owns it. It was built in 1991 and used to be vacant land. The uniqueness of the facility required several designers: a Canadian designer for timber, another designer specialising in sliding, and a Balinese architect to design the building. It mainly considered the needs of tourists and the 'environment'. For this quite large project an environmental impact assessment report was made. The traditional priest was involved in deciding the location for the *pura*, as a praying place for the employees so to create a secure feeling for the Balinese who were involved in the operation of this project. The contractor is Balinese. The management claimed that this facility complements other facilities in Kuta.

Physical care facilities

Beauty Salon WS Indah is owned by a Balinese and operated by his relative. It was built in 1993 and used to be a shop. The owner designed the facility without referring to any planning documents and a local builder constructed it. The traditional priest was involved in deciding the blessing day for construction and selecting ornaments for the building. The initial funding came from the owner's savings. Changes during operation have been mainly to refurbish the interior to be 'more modern', and this has resulted in more customers coming to the beauty salon. The customers are 80% foreign and 20% domestic.

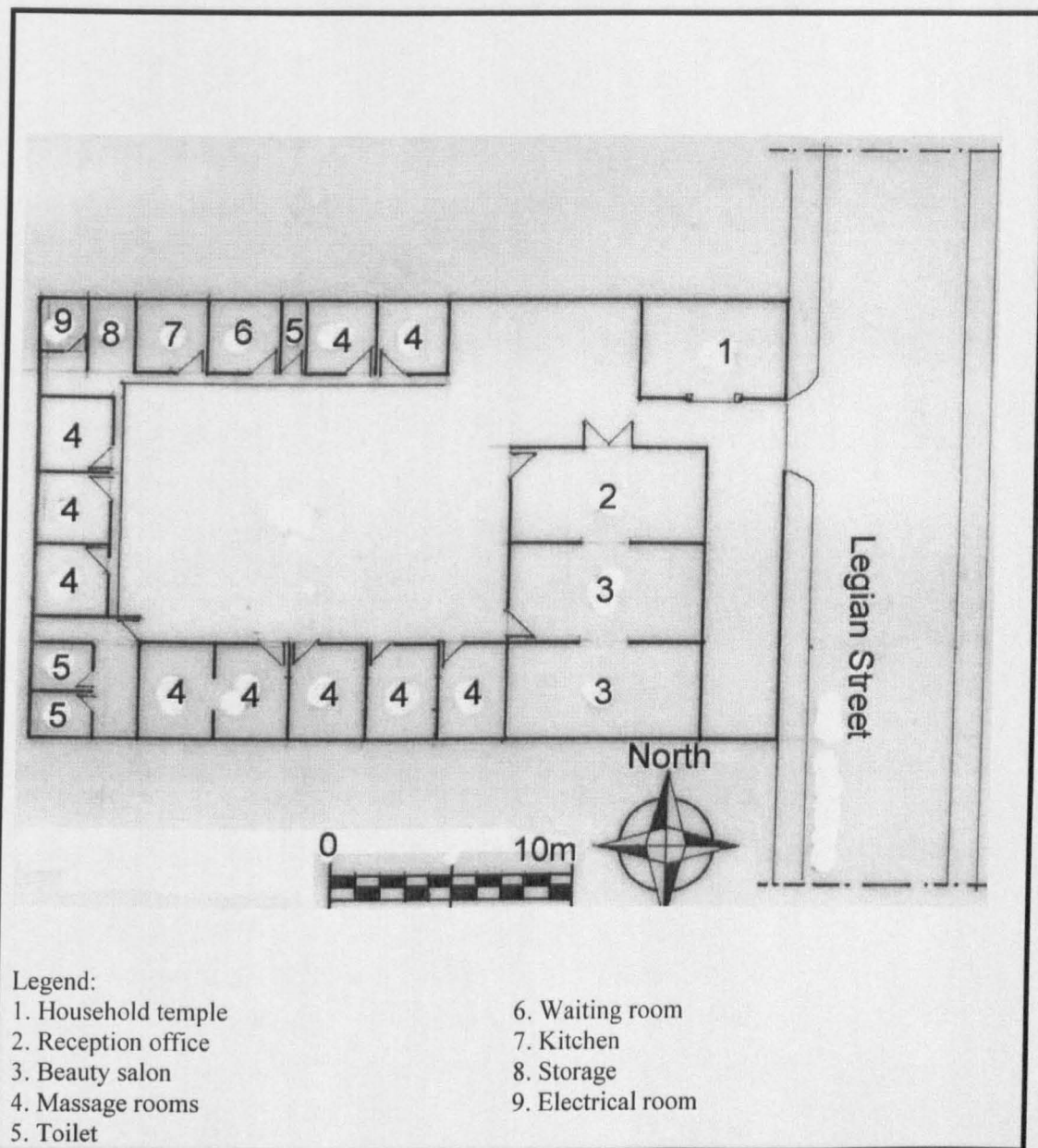


Figure 6.32 The plan of Karada Massage
Source: Fieldwork 1998

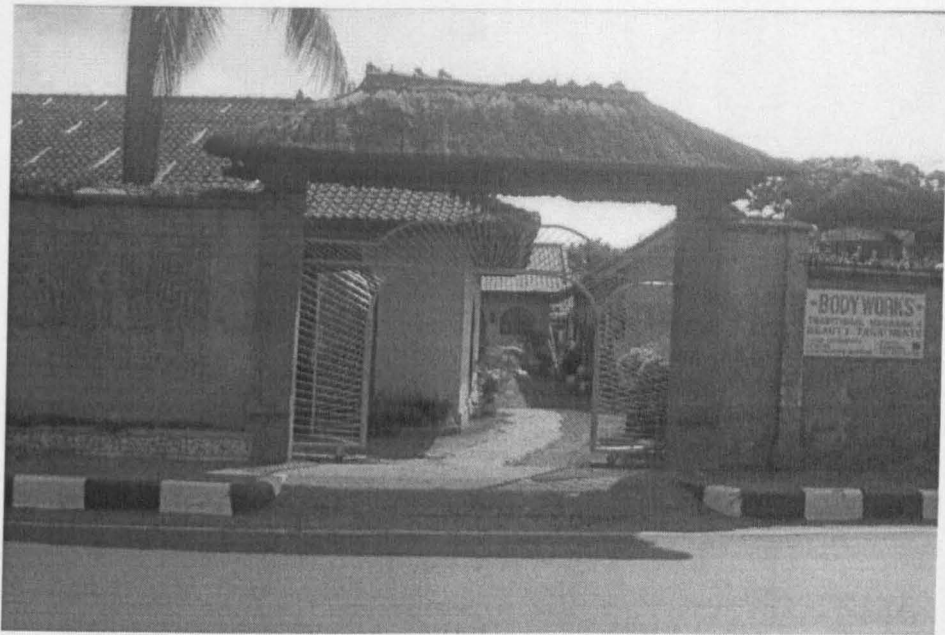


Figure 6.31. Entrance to Karada Massage

A Javanese person who has been in Bali for 12 years owns Karada Massage (see Figure 6.31). The owner does not know much about the construction of the building and says that he has not made any changes because it is too expensive. However, the plan (see Figure 6.32) shows a consistency with traditional rules in placing the household temple in the northeast corner, the holiest zone in a household complex for the Kuta area.

Facilities for tourist transport

To obtain data about the facilities developed for tourism transport, interviews were conducted with Perama Transport, Chairusan Rent Car, and PT. Komotra Bali. Perama Transport is a branch office of a company based in Java. The building was constructed in 1974 without referring to any planning documents (see Figure 6.33). No traditional priest was involved in the design or construction. During the operation additional space has been built following the development of the business.

Chairusan Rent Car was built in 1991 and designed by the owners who are non-Balinese, without referring to any planning documents. The contractor was a friend of the owners and no traditional builder or priest was involved in the building process. During operation, there have been no changes in the building. On the other hand, transport for tourists who travel from the Kuta central parking lot to the beach is provided by a driver co-operative of public transport under the name of PT Komotra Bali. The operators of the transport are all Balinese. The respondent did not have any knowledge about the construction process of the central parking lot.



Figure 6.33. Perama Transport

Summary

The description in section 6.6 of tourism facilities in Kuta has illustrated the multiple forms of development found in various tourism projects. Possibly the only commonality which may be drawn out from them is that nothing in the can be generalised. Table 6.9 summarises the description in this section. The table generally confirms that development of tourism facilities in Kuta can be categorised into informal and semi-formal procedures. In only a very few cases were formal planning documents considered. However most of the facilities examined involved traditional building processes or used traditional elements as part of their buildings.

The next section explains locals' opinion on the changes witnessed in the built environment in Kuta. It is a result of the interviews with common locals and community leaders, through semi-structured discussions guided by the question guidelines that can be found in the appendix.

Table 6.10. Summary of tourism facility interviewees in fieldwork 1998

	Category & name of tourist facilities	Owner/operators	Design & construction processes	Considering traditional building process or elements?	Considering formal planning documents?	Development mechanism
1. Shopping facilities						
	Matahari	National supermarket chain	-Designed by previous owner not specifically as a supermarket -Limited information on construction	Traditional components are used eclectically as building ornaments in the interior	No-info	No-info
	Bounty	Balinese (non-local) company	Owner played a major role in design, construction and operation	Exterior and interior elements but without any philosophical consideration	Partly	Semi-formal
2. Homestay/losmen						
	Kuta Suci Bungalows	A Balinese who inherited the land	Design followed government advice, construction by owners' friend and operated by owners' relative	Re-functioning & extension of a traditional house	Partly	Informal
	Sri Beach Inn	An indigenous local	Owner played a major role in design, construction and operation	Priest involved in blessing day for construction	None	Informal
	The Legian Mas Beach Inn	An indigenous local	Owner played a major role in design, construction and operation	Priest involved in blessing day for construction	None	Informal
	Suji Bungalows	An indigenous local	Designed & operated by owner, construction by local builder	Priest involved in ceremonial procession for construction	None	Informal

(continued)

Category & name of tourism facilities	Owner/operators	Design & construction processes	Considering traditional building process or elements?	Considering formal planning documents?	Development mechanism
3. Hotel Melati					
Aquarius Star Hotel	An indigenous local	Owner played a major role in design, construction and operation	Claimed to have used traditional elements as much as possible	Claimed to follow all the planning documents	Semi formal
Mastapa Garden Hotel	An indigenous local	Designed, constructed by owners' friend and operated by owner	Owner has knowledge of traditional building processes – so not involving any priest	None	Semi formal
Sari Bali Cottage	A local who has family accommodation in Kuta	Designed & constructed by owners' friend	Claimed to have used traditional elements as much as possible	None	Semi formal
Poppies Restaurant and Cottage	An indigenous women married to a Westerner	Designed & operated by owner, constructed by local builders	Claimed to have used traditional elements as much as possible	Partly	Informal
Hotel Bali Village	A new owner since 1995, built in 1989	Changes done by new owner based on customer taste and needs	No info	No info	No info
Joni Pension	An indigenous local	Owner played a major role in design, construction and operation, designed by owners' friend	Owner is a traditional priest (<i>pepatih</i>)	Partly	Informal

(continued)

	Category & name of tourism facilities	Owner/operators	Design & construction processes	Considering traditional building process or elements?	Considering formal planning documents?	Development mechanism
4. Star Hotel						
	Hard Rock Beach Club	Owned by investor from Jakarta, operated by an international company	Designed by Australian consultant with an Indonesian company, constructed by foreign company & local builders	Traditional components are used eclectically as building ornaments	Yes	Formal
	Sahid Hotel	A Jakarta based company (national hotel chain)	Designed & constructed by a Balinese company	Traditional components are used eclectically as building ornaments	Yes	Semi-formal
5. Dining stall (<i>warung</i>)						
	Warung Sriwati	An indigenous local	Designed by owner, constructed by a local builder	Extension of a traditional house	None	Informal
	Warung Makan Ibu Amin	An operator who rents the space, part of a traditional (indigenous) house	House designed by owner & constructed by local builders	Traditional elements already existed in the house	None	Informal
6. Restaurant						
	Kentucky Fried Chicken	Operated by international fast-food chain	This space is part of shopping centre in Kuta and is rented	Traditional components are used eclectically as ornaments in the interior	No-info	No-info
	Glory Restaurant	A Balinese (not indigenous) owner	Owner bought the place in 1978, built in 1975, no info on construction, and no changes made by new owner	The design was not based on Bali philosophy	No-info	No-info
	Bamboo Palace	An indigenous local	Designed by owner, constructed by local builder	Claimed to based on Balinese architecture	None	Informal

(continued)

	Category & name of tourism facilities	Owner/operators	Design & construction processes	Considering traditional building process or elements?	Considering formal planning documents?	Development mechanism
7.	Bar/Discotheque					
	Bali Peanut Club	A local who operates two other bars in Kuta	Designed by owners, constructed by local builders	Priest was involved in a ceremonial procession for construction, but traditional elements are evident in the building	Partly	Informal
	Kura-kura Grill Bar & Restaurant	A Bali chain	Building used to be a bungalow, designed by owners' friend	Claimed to have used traditional elements but no evidence is seen	None	Semi-formal
8.	Recreation & entertainment					
	Kuta Billiard International	A Balinese company	Designed by owner, constructed by owners' friend	No evident of using any traditional elements	None	Semi-formal
	Le Speed Karts	A Balinese company	Designed by owners' friend, constructed by local builders	No evident of using any traditional elements	Partly	Semi-formal
	Timezone	Owned jointly by a national supermarket chain and an Australian company	No-info on who & how the building was built	No evident of using any traditional elements	No-info	No-info
	Water boom park	A foreign company from Canada	Designed jointly by Canadian & Indonesian consultant, the contractor is a Balinese company	Traditional components are used eclectically as building ornaments	Yes	Formal

(continued)

	Category & name of tourism facilities	Owner/operators	Design & construction processes	Considering traditional building process or elements?	Considering formal planning documents?	Development mechanism
9. Beauty Salon						
	Beauty Salon WS Indah	Owned by a Balinese and operated by the owners' friend	Designed by owner, constructed by local builders	Priest involved in a ceremonial procession for construction	None	Informal
	Karada Message	A non-Balinese	No-info on who and how the building was built	No evident of using any traditional elements	No-info	No-info
10 Transporation & Travel Agent						
	Perama Transport	A non-Balinese based in Java	Built and expanded following the development of the business	Priest involved in a ceremonial procession for construction	None	Semi-formal
	Chaisuran Rent Car	A non-Balinese	Designed by owner, constructed by the owners' friend	No evident of using any traditional elements in construction process	None	Informal
	PT Komotra Bali	A local transport cooperation	No knowledge on who and how the building was built	No evident of using any traditional elements	No-info	No-info

6.7 Locals' viewpoints on tourism development

In the absence of any other scientific approach to assess the changes in the built environment caused by tourism, it seems worthwhile to obtain a residents' perception on tourism, in Kuta, because they are the real witnesses of the tourism boom, both as an actor and spectator. Eventually they are also the ones who are directly or indirectly affected by tourism. Their views should be more realistic than the author's subjective observation collected from a few visits to the Kuta. To achieve a more reliable and objective set of opinion, care has been taken in the choice of sample size and selection of opinion groups. These are the ordinary locals and local leaders. The fieldwork used semi-structured interviews with different respondents. The discussion in this section is divided into two parts: common locals' and community leaders' opinions.

There were some psychological difficulties among the respondents in the collection of data. Most respondents were very co-operative, some of them were well informed, and others were not (non-response). It was often quite difficult to find out whether the given information was a fact, an assumption, or just a vague guess. Some respondents were generally aware that the university or local government sought their opinions. Respondents were often afraid to say something against tourism that could be prejudicial to them or they might have been less likely to express dissatisfaction with various aspects of the tourism industry.

Opinions of common locals

During the fieldwork, 18 interviews with the locals in Kuta were conducted. The selection of respondents is based on purposive sampling, primarily for the kind of jobs that they engage in. The opinion of respondents with diverse jobs is expected to indicate more diverse viewpoints about the impact of tourism in the area. The ages of the respondents were between 27-59 years, and only two of them were women. Twelve respondents worked in tourism related activities, as part of accommodation management, art shop employment, or as renting part of their house for employees of the tourist industry. The reasons some gave for not being involved in tourism related services were quite varied, most related to education and the acquisition of skills.

The in-depth interview with a university teacher who lived in Kuta revealed that most formal planning processes in Kuta never involved the locals - none of the respondents claims to have been involved in the making of planning documents in Kuta as proof of this. The teacher, who is also *ketua lingkungan*, described the involvement of locals during the planning process as quite superficial. He recalled his experience in the making of the Kuta master plan 1996-2006. The first draft of the report was copied and distributed to less than 20 people who were the prominent community leaders in the area. At that time, the consultant hired to make the

planning report invited these people to a meeting, the consultant presented the findings/recommendations and the audience was invited to ask questions. Later, the results of the meeting were expected to contribute to the final report. However, the teacher claimed that the final version of the report was never given to those who attended the meeting and they did not know whether their inputs were taken into account or not.

The number of common locals interviewed was 18. Fourteen of them possessed land and buildings in Kuta, one newcomer claimed that he could not find 'suitable' land, two interviewees owned land and houses inherited from their parents, one person commuted to work daily and has no land, and one person rented a room in Kuta. Nine of the respondents were buying and selling land in Kuta. Most of them used the land to build tourist related facilities such as clothing shops, rooms rented for tourists or employees of the tourist industry. Few of them used the land to build their own house.

Usually locals have their own land in Kuta, either from inheritance or through buying. Some of them were speculating on the buying and selling of small areas of land. One respondent said that he sold his land because there was no more access to the land (due to 'blocking by hotels'). The indigenous locals who sold the land usually wanted to buy other land, such as a rice field, in an adjacent district. If they retained a piece of land in Kuta, they used the money as the initial capital to build tourist's facilities. When they did sell the land, some sold it to outsiders and some to the locals. However people who come to Kuta only for work usually do not buy any land or houses in Kuta, they only rent a room or land and build a semi-permanent house on it. A different situation takes place in Nusa Dua, where newcomers usually have housing (*BTN*) provided by developers.

The most common phenomenon observed in Kuta was that many traditional housing sites have been adapted for tourist accommodation or to provide space/rooms for rent to the employees of the tourism industry. One of the respondents, a community leader, mentioned that in the beginning of the tourism boom in Kuta, in the 1970's, he built rooms for the tourists and really enjoyed friendships with some of the tourists. However, the rapid development of tourism encouraged other indigenous Kuta residents to build more and more accommodation. The competition became harder, and as his location is quite a distance from the beach, the rooms that used to be rented to tourists are now let to tourist industry employees.

Opinions on changes in the built environment

In considering to the impact of tourism development on their environment, locals expressed a range of views. Some said that buildings using hard materials (brick, stone, cement, and concrete) were better because they could be occupied for longer than the semi/less permanent

materials. Others say that environmentally friendly materials (wood, bamboo, paddy leaves) were better.

In answering the question about environmental changes in Kuta, generally the respondents showed concern that Kuta was becoming too crowded and urbanised. They appreciated the economic development, however, the incoming people from other areas made land a scarce resource. Kuta was also less comfortable to live in whilst other concerns included the noise, the heat, the absence of big trees, and insufficient land for houses. They thought that the management of wastewater is especially inadequate. The end result could be a less beautiful environment in Kuta. However, one respondent appreciated the impact of tourism on the provision of facilities, which, he said, were becoming more modern (better and more ordered) compared to previously. Some respondents also thought that the sacredness of some religious places is better conserved, as a by-product of the tourist industry.

In evaluating the changes to the built environment caused by tourism in this area, the 18 respondents were asked to make a choice from some measures given by the researcher; the result of this analysis is in Table 6.11.

Table 6.11 Responses of common locals in Kuta

	Item		NR		NR
1.	Condition of environment	Worse	18	Better	0
2.	Sacredness	More profane	14	More sacred	3
3.	Modernity	More modern	17	More traditional	1
4.	Privacy	More public	17	More private	1
5.	Urban image	More urban	17	More rural	1
6.	Heterogeneity	More heterogeneous	18	More homogenous	0
7.	Contextuality	More contrast	17	More contextual	1

Source: Fieldwork 1997

NR= Number of responses

Table 6.12 describes the opinions of the 18 interviewees regarding the general impact of tourism.

Table 6.12 Responses of common locals regarding tourism impact in Kuta

	Items		NR		NR		NR
1.	Beauty	Worse	11	Better	6	The same	2
2.	Occupation	Easier	10	Harder	8		
3.	Income	Higher	16	Lower	2		
4.	Cost of living	Higher	16	Lower	2		
5.	Social solidarity	Higher	14	Lower	4		
6.	Security	Better	7	Worse	8	The same	3
7.	Opportunity to own a house	Harder	17	Easier	1		
8.	Condition of the youth	Better	12	Worse	2	The same	3
9.	Crime	More	16	Less	1	The same	1

Source: Fieldwork 1997

NR= Number of responses

The interviews suggest that the local inhabitants of Kuta have been subjugated in the competition to own and manage accommodation. However, they are involved in the running of other services such as art shops, bars, restaurants, and car/motorcycle rentals. Homestays that do not have foreign clients can be used as *rumah kost* (lodging) for the people from outside who come to Kuta to earn their living.

Another apparently positive impact of tourism can be seen in the traditional life of the *Banjar* as demonstrated through the activities of the traditional institutions. The traditional villages of Kuta, Legian and Seminyak that have become the centre of tourist activities have indicated that their traditions can co-exist with the influences of foreign cultures. Another reason why Kuta is well liked is that it offers colourful nightlife.

There are also many thoughts on the recent increase in crime, which may have confirmed the negative image of Kuta. This situation was aggravated by media coverage that gave the impression that Kuta was the scene of drug trafficking and prostitution. There is also a report of a conflict between street vendors and the locals. This was finally handled by representatives of *Desa Kuta*, the management of Kuta beach and the Street Vendors Association, and was supervised by the government of the Regency of Badung. An agreement was reached - the street vendors are permitted to sell their goods in the central parking lot whilst the traditional village has autonomy to manage the beach, especially for traditional ceremonies. A proposal to promote Kuta to the status of an administrative city was put forward four years ago with the expansion of South Kuta, Central Kuta and North Kuta. However. This proposal has not yet been fulfilled, however.

Awareness of the benefits and problems of tourism developed in Kuta began a long time ago, especially for those living in the vicinity of nightclubs and discos. As an international village, Kuta must bear the consequences of meeting the tourists' needs - as long as they are not deleterious to the prevailing norms of traditional customs, and national and/or international law. Some interviewees suggested that the presence of the nightlife in Kuta encourages the international tourists to stay longer in Bali and it means that they will spend more dollars in Bali, which in turn helps the local people to improve their welfare, and enhance their incomes. It also provides tax revenue for the local government, in this case the Badung Regency.

The demand by the large-scale tourist industry for local employees, food, and supplies may make necessities more expensive for locals in Kuta, thus lowering the standard of living. When work in the tourist industry becomes more attractive than agriculture, pressure on food prices increases. As newly wealthy locals begin to imitate the consumption behaviour of tourists, the social class structure of the locals may change. Information on tourism facilities, ownership

structures and the allocation of direct profits through tourism development in Kuta cannot be shown but it is another step towards increasing dependency on national and international capital, and a further factor in the continued underdevelopment of the economically disadvantaged locals.

Opinions of community leaders

Interviews with local community leaders resulted in many new locals' terms and concepts of social and political structures in Kuta. Mostly the respondents did not differentiate between the impact of tourism and of other kinds of development, such as economic development, or other programs introduced by local as well as national government.

Socio-economic impact

Most of all the community leaders view the economic development brought by tourism as an advantage for the locals and for strengthening communities. They emphasize the economic benefit of the development of facilities for the community.

The most obvious effects on the built environment brought about by tourism relate to communal voluntary construction work. For a private house, traditionally, when one of the *banjar*⁵ members wanted to build/rebuild his house the *banjar* member would work in the spirit of *gotong royong* to support this person, without any paid work being involved in the process. After the development of tourism, some of the *banjar* members enjoyed more economic benefits. When people want to build houses, they usually hire paid labour rather than being helped by the *banjar* members.

For building or refurbishing public facilities, before the onset of major tourism development, the funding mainly came from the cultivation of communities' land (*dana punia*) that is funding collected regularly from the *banjar* members. After the tourism boom the funding now comes mainly from a donation from each *banjar* member (which is bigger than previously) and from fees from performing traditional shows for tourists and donations of investors in the area. The *banjar* members who have no time to attend communal work in constructing new facilities can contribute more funding.

After the development of tourism, land is also now viewed as a commodity. If the land can be developed as tourist facilities then more economic benefit is created. The owner of the land would look for any opportunity to attract investors to invest in it, or build any rented space for tourist facilities. This condition applies to private land as well as communal land. For example:

⁵ Perhaps the closest translation of *banjar* is hamlets. In Bali, *banjar* is a unit of local customary as well as formal current government institutions. (see more explanation in Chapter 8.1)

pelaba pura land, which used to be cultivated by the *banjar* members with the harvest being sold to fund the maintenance and development of community facilities is now being used by the *banjar* members to build tourism facilities (spaces for rent: art shops, travel agent offices, etc.) on *tanah pelaba pura*. The capital from the facilities on this communal land is used as funding for the communal activities. The decision to change the use of communal land is decided by all *banjar* members. Before tourism development, the *pelaba pura* land was not taxed. Now it is taxed like other private land.

The *gotong royong* (mutual aid or community labour) to clean up the *banjar* area every week has been conducted since the earliest days, before tourism was developed. Now, newcomers who benefit from tourist activities in the area, including the vendors, take part in a weekly cleansing activity. Big capital entrepreneurs who own 'international standard' tourism facilities also contribute funding for traditional community events in the *banjar*. To take care of the communal facilities and other matters in community, smaller groups (*sekehe*) are also formed. Other new groups, introduced by the new government, have different kinds of responsibility. For example PKK is responsible for the maintenance of public 'gardens', while, LKMD is responsible for the activities of the young people at the *banjar* as well as the *desa/kelurahan*.

Contrasting desa adat and kelurahan

As a result of formal structure of government applied by Dutch colonisation, the political structure at village level in Indonesia was homogenised to become *kelurahan*. This is also applied in Kuta. The traditional *desa adat* in Kuta, Legian, and Seminyak was united to become one *kelurahan* and named as *Kelurahan Kuta*. The structural differences between *desa adat* and *kelurahan* is highlighted in Figures 6.34 and 6.35.

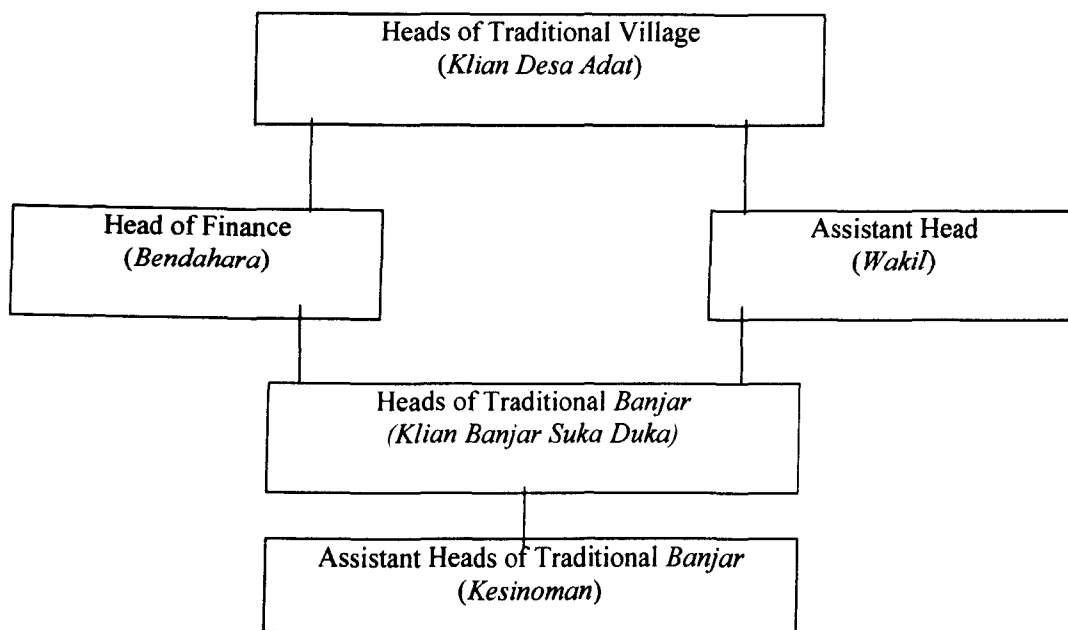
A *desa* is defined as:

"A community at the lowest level of government which has a defined border, its own assets, the right to manage its own affairs, and an elected leader" (RH, Unang Sunardho, SH., 1984:1)

While *kelurahan* is defined as:

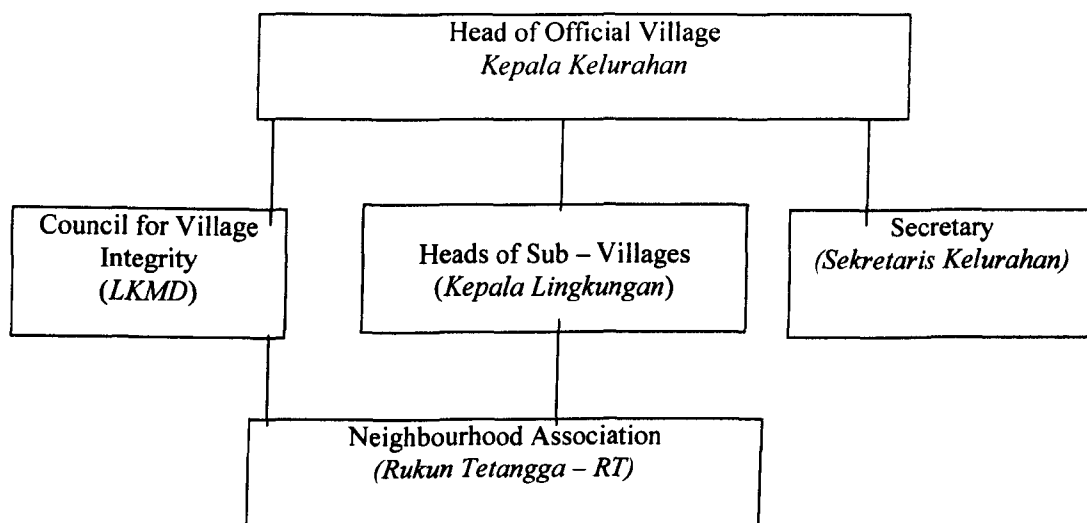
"A region which is settled by a specific population who is at the lowest level of government organization directly beneath the Camat, and who has no right to manage its own affairs" (RH, Unang Sunardho, SH., 1984:119).

The reason given for this change was that, since Kuta was targeted for massive tourist development, it would need firm central government regulation, as the traditional government (*desa* system) had no experience in managing this type or size of development (which has many external forces).



One of these for each 'traditional village' (*desa adat*)

Figure 6.34. Traditional political structure



One of these for each *kelurahan* (*desa dinas*)

Figure 6.35. Current political structure

Kuta's political structure thus became that of a *kelurahan*. The difference between the traditional *desa* political system and the new *kelurahan* political system is summarized in Table 6.13.

Table 6.13. The difference between traditional and current political systems in Kuta

<i>DESA</i>	<i>KELURAHAN</i>
An elected village leader	An appointed village leader
Village officials are not civil servants	<i>Kelurahan</i> 's officials are civil servants
Has autonomy	Has no autonomy
Government consists of village leader and village deliberation institution, assisted by village officials	Government consists of Lurah's and its officials
Has its' own assets and original income sources	Has no assets, and there is only <i>kelurahan</i> inventory
Has right to make <i>desa</i> decisions (has law enforcement abilities) named <i>awig-awig</i>	Mostly implement the higher hierarchy of formal government which are sourced from central/national government
Has right to know <i>desa</i> budget	Has no budget, other than that allocated from a higher government level.
Parts of its region are called <i>dusun/banjar</i>	Part of its region are called <i>lingkungan</i>
It's communities have features and characteristics of a rural community	Its' communities have features and characteristics of an urban community

Source: Interviews in fieldwork 1998 and paraphrased from secondary data.

In *kelurahan*, the leader is appointed (in Kuta when the fieldwork was conducted, the leader was from the military). The interview with *kelurahan*'s staff indicates that decisions came from the upper levels of government, and the village has no assets or budget. Hence, Kuta is controlled primarily by external government forces, and has relatively little power to make its own decisions. The official and traditional, spatial and political structures of Kuta are described in Table 6.14.

At the *banjar* level, *awig-awig*, which is a communal regulation created as a result of the *banjar* members consensus still has a basis in *desa kala patra*. At the same time, the community also complies with the formal structural regulation created by the national level, which is supervised by the *kelurahan* staffs. This shows how the traditional institutions (represented by *banjar*) are very accommodative to new structures of government, and at the same time resist its power to create regulations that are obeyed by their members.

The community leader seems quite reluctant to use the term politics. Some of the respondents mentioned that politics is not a crucial issue for them; others answer that people do not really pay attention to political issues; and another said that the people put priority in economics rather than politics. One respondent mentioned that they obey the political requirements from the higher structure, which means the government at district, provincial, and national level. This may explain why the leaders at the *banjar* level did not react sceptically when the central government created a new structure based on national standards and established *kelurahan* above the structural hierarchy of *desa*.

The names of *desa lingkungan banjar* in Kuta

Kelurahan Kuta

Desa Kuta , Desa Legian , Desa Seminyak

12 Lingkungan

20 Banjar suka duka

Table 6.14. The official and traditional, spatial and political structures of Kuta.

<i>Kelurahan</i>	<i>Kelurahan Kuta</i>											
<i>Desa</i>	<i>Desa Kuta</i>							<i>Desa Legian</i>			<i>Desa Seminyak</i>	
<i>Lingkungan</i>	Pelasa	Temacun	Jaba jero	Buni	Tegal	Pandemas	Pengabetan	Legian Kelod	Legian Tengah	Legian Kaja	Seminyak	
<i>Banjar</i>	Pelasa	Temacun Pemamoran Darma Semadi	Jaba jero Merta jati Segara Anyar	Buni Tebasari	Tegal	Pandemas	Pengabetan Pering	Legian Kelod	Legian Tengah	Legian Kaja	Seminyak Tatad	Basang -kasa

Source: Analysed from the fieldwork 1998

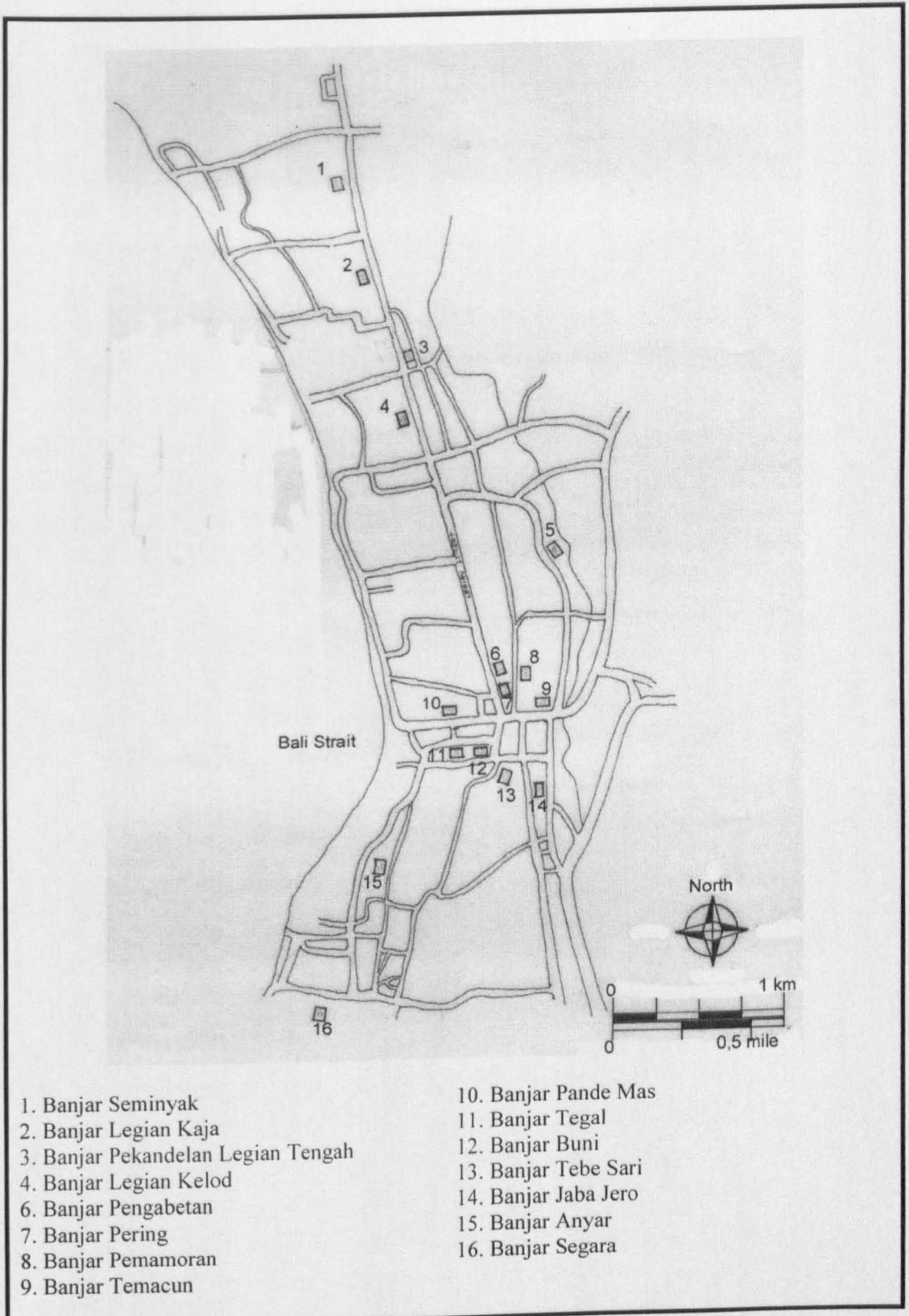


Figure 6.35. The location of *banjar* (locals' community centre) in Kuta area
 Source: Fieldwork in 1998

There are no records on political movements that protest against tourism development in the area. The community leaders tend to resolve disagreements or come to consensus in the *banjar* meeting. However, the in-depth interviews with locals who did not have any position in formal/informal government revealed that some non-publicised protests had taken place. For example, concern was expressed when some sites close to the beach that used to be cemeteries were changed to become tourist sites without respecting the sacredness of the area, and the souls of the bodies who were buried in the cemetery. Somehow investors were able to convince the government that these new functions for the sites created more benefit to the village and the local economy. This usurping of sacred land is happening at several cemetery sites in Kuta. Another well-known problem is the building of tourist facilities that are too close to communal sacred places. For example, one supermarket was built too close to a *pura* – a place where a ritual ceremony takes place that requires a procession around the *pura* – and made this difficult to conduct.

Epilogue

The main concerns of the locals in Kuta arise from the transformation of the coast resort into a sprawling, haphazard and congested centre of tourism. High- and low-rise hotels have mushroomed in all the main tourism centres, transforming sky-lines, modifying local micro-climates and radically changing the character of the ‘tropical village’ resort. Some other locals, however, have argued against the imposition of regulations on local communities by planners. Some interviewees also indicated the need to conserve the spontaneity of Kuta and suggest giving responsibility to the village associations, *banjar*, to ensure that the new buildings suit local needs. And yet in spite of continuing rapid tourism development in Kuta especially, and in Bali generally, occupancy rates in most non-star hotels and homestays/*losmens* are considered to be low because of the very weak regulation of hotel construction.

The lack of planning which has allowed Kuta to be despoiled has also resulted in variety of other negative effects of tourism development on the environment. In most cases in Kuta, changes in the built environment have occurred at a much faster rate than the development of public and private refuse and sewerage disposal systems, water and energy supplies, and so on. As a result, some local leaders are concerned that Kuta will become a ‘hot spot’, experiencing increasing problems of pollution, erosion and other forms of environmental degradation. Some locals view newcomers and tourists as responsible, either through their direct action or indirectly through the demand that they generate, for causing damage to coastal and marine environments in Kuta. Other locals engaged in tourism services suggest that tourism is not solely responsible for such forms of environmental damage but that many of the effects of tourism in this regard could quite easily be ameliorated by adequate anticipatory planning and

the more stringent implementation of the laws and regulations that are presently embodied in the region's various environmental acts.

The interviews also indicated that the coastal and marine environment upon which tourism has been built has come under increasing pressure as a result of the largely uncontrolled, and poorly anticipated, tourism boom in Kuta. The phenomenal amount of construction work that has taken place over the last few decades has, in the main, proceeded unchecked by planning controls. Such building restrictions that exist have been largely ignored, often quite wilfully. As a result, the coastal landscape in Kuta, so important an element of the aesthetic environment, has in places been changed quite dramatically. Despite all the concerns by locals as well as observers, however the development of Kuta tourism industry as an integrated resort has shown potential economic benefits for the local population.

The following chapter is an explanation of Nusa Dua, an enclavic resort in Southern of Bali. Although it is located in the same regency as Kuta, the contradictory character of the two resorts reveal different development mechanisms.

6.8 Applying the modified institutional model to Kuta land development

In order to further the use of Healey's institutional model, a generic explanation of each event in land development follows. The explanation is inspired by transaction cost theory in economics (written in Subchapter 5.6), and partly highlights the behaviour of the agents involved in each land development event.

Land development process triggered by tourism in Kuta, include the following transactions and parties:

Land purchase

No land purchase takes place in relation to most of the tourist facilities in Kuta. Ownership is normally held by indigenous/original persons. Some sites are developed by national investors (such as the Sahid Hotel, the Hard Rock Café, the Holiday Inn, etc). Other parties are the seller (the original landowner) and the buyer: a speculator, developer/builder, or an individual, investor firm or agency buying the land for developing a tourist facility.

In Kuta, regarding access to land as the starting point of development, many land transactions were done informally. This means that the transfer processes involved informal agreements between parties, and that these processes are not easily defined by the formal levels of land rights that are regulated by government. There are at least five types of transfer as follows:

- (1) *Inheritance*: in which land is transformed, and fragmented within the family, based upon customary law, but usually not followed by formal registration to the land agency (*BPN*);
- (2) *Renting*: in which house-builder rents a piece of land on a short-term basis. The agreed amount of rent is paid in a lump sum in advance. The amount is usually the same or slightly above the previous year's amount;
- (3) *Contracting*: in which the house builder rents the land on a long-term basis, usually 15 to 20 years. In other words, this system consists basically of the granting of rights over an agreed specific piece of land for a specific time period;
- (4) *Granting*: in which traditional *banjar* leaders give permission for house-builders to use traditional land for more socially appropriate reasons, or where landowners give permission to house-builders to use their land because of special relationships such as kinship; and
- (5) *Squatting*: in which house builders illegally occupy marginal land. This case usually involves abandoned land, for example, the 'old' coconut plantations in the fringe of the main tourist area.

Each type of land transfer opens several opportunities of access to development for a variety of tourist facilities

If there is a land transaction, the land value is critical in setting the price. Locational and physical site attributes determine land value, and is a major source of uncertainty. One way buyers reduce this uncertainty is by assembling a large area to enhance their control over their relevant environment. This uncertainty involves different levels of information between the buyer and the seller. The seller wants to advertise the property's development potential, so as to maximize the price. A common way of reducing the risk of seller misrepresentation is a purchase option, which makes the eventual land price contingent on (at least partial) realisation of the land's development potential.

The buyer is often more sophisticated than the seller. Nevertheless, this is land speculators' and developers' business. Yet, they are not about to share inside information, educated knowledge, or experienced intuition with the seller. Consequently, this transaction is subject to opportunism. Misrepresentation, suggesting a lower land value than its real development potential, is of course the speculator's stock-in-trade: the concealed value difference is his speculative profit.

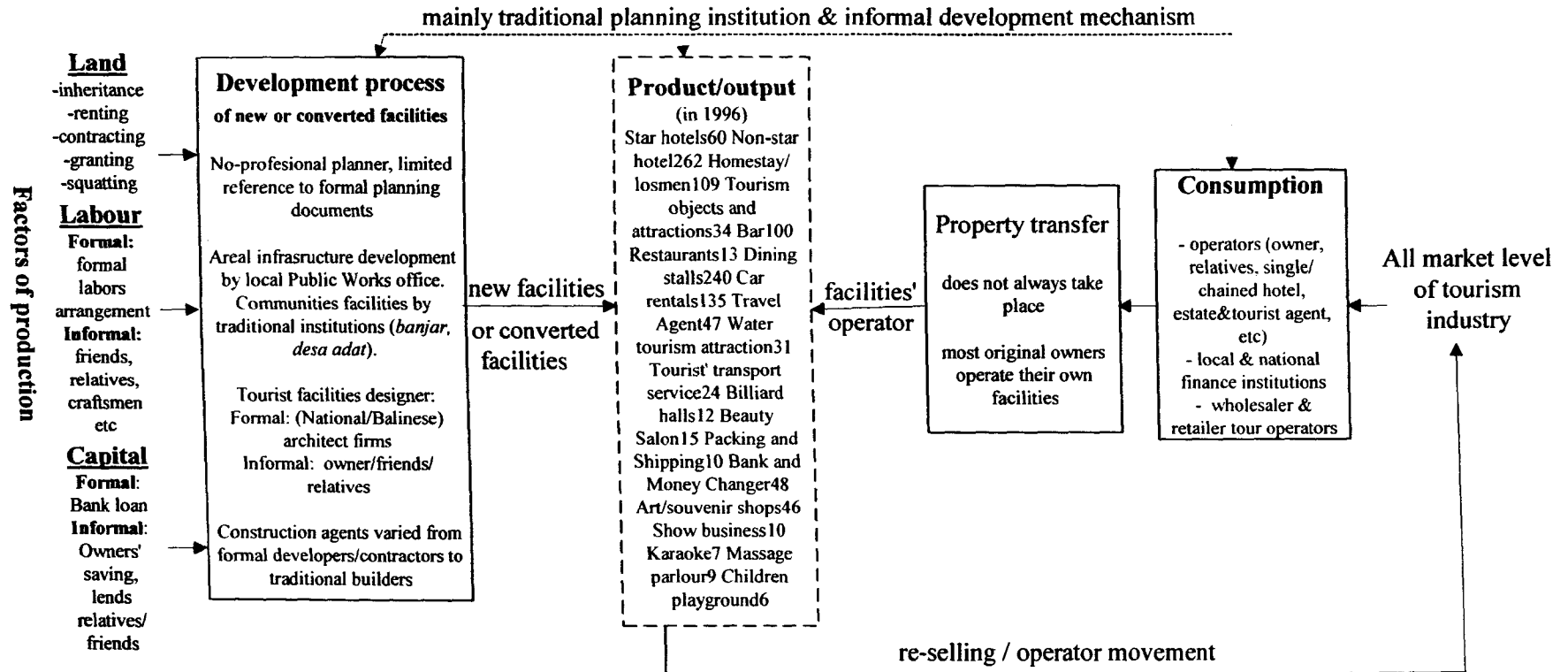


Figure 6.36. Land development analysis in Kuta

Manipulation is also common, e.g. secret land assembly. Buying parcels through 'straw men' allows the purchaser to internalise the additional value of large-scale development without sharing any of it with the sellers. Developers with political influence have insider knowledge of government intentions, or the ability to affect public actions: the location of public amenities, the timing and routing of infrastructure, and designated land uses and densities for adjacent sites or the wider surroundings. The offered price is unlikely to reflect this additional value, unless the seller's local influence and links make her an active partner. Then, both parties share the value created by their political actions.

Referring to political manipulation seems to imply formal planning and zoning, but these are unnecessary. Even minimal government intervention, providing only basic public services, would, through its responsibility for funding and siting public amenities, and locating and constructing infrastructure and capital projects, be vulnerable to special interests (such as the Hard Rock Café in Kuta) with the same consequences.

Clearly, then, primary land acquisition and assembly has many idiosyncratic characteristics. It represents a major investment, which may remain captive for years before it can be realised. Even for the speculator, profitable short-term resale is a risky proposition. This transaction, even though it is a unique one-time exchange, combines significant information-vagueness, a long duration, and very high uncertainty.

Labour

In Kuta, where land development is very responsive to tourism development and the informal development mechanism is widespread, tourist facilities construction is a big employer of labour, both skilled and unskilled. In fact the renovation, repair and maintenance of existing facilities require more labour than new construction.

In much development of tourist facilities, there is intense competition for very few jobs. Many find work as self-employed artisans or labourers in the informal construction of tourism facilities, or in small enterprises supplying building materials.

Instability of employment is also common, due to instability of tourist facility construction. Fluctuations in demand, the project base of construction and the widespread use of the contracting system all conspire to make it difficult for employers to provide continuity of work/employment. Hence there is a constant friction between the needs of employers for 'flexibility' and the needs of workers for stable jobs. In recent years there has been an increase in various forms of 'unstable' employment, as well as in the practice of contracting labour. Most construction workers in Kuta are employed by subcontractors on a specific project basis, with

no insurance against periods of unemployment or sickness. Insecurity of employment and lack of social protection are the norm. The occurrence of labour contracting also has a negative impact upon skill formation and serious implications for health and safety in the construction sector.

The tourism construction industry in Bali has a long tradition of employing migrant labour. Migrant construction workers are generally from Java where there is less developed tourism with labour surpluses. The business is often illegal and highly exploitative, but the number of potential migrants continues to grow. With the supply of labour on the market greatly exceeding the demand, wages and the terms and conditions of work for migrant workers have deteriorated sharply.

Capital

Most land purchases in many informal developments in Kuta are very straightforward, some starred- and international hotels chains in Kuta have shown that the primary land purchase is often more complex than a simple sale. The buyer may be a composite entity, combining a development partner with the source of some or all of the financing. If financing is not through equity participation, it may be by borrowing, but in both cases financial institutions become active participants in the land development process.

Procuring capital to finance land acquisition and development has the same problem as land acquisition: lack of information related to the property's true land value. A financial institution becomes subject to the same hazards as the developer. If capital is raised through borrowing, the lender is also vulnerable to manipulation. Both the amount of the loan, and the lender's security are based on the value of the tourist facility: its development potential.

Land preparation and development

The informal sector covers most tourism facility construction in Kuta, for example when a man builds a shelter for the use of his family or, in association with *banjar*, builds structures to satisfy locals or *desa adat*. Individual jobbers and builders, often nomadic, can assist these local efforts by providing specialised skills. Many of these activities rely on self-employed and family labour and are small enough to avoid legal regulation and statistical enumeration.

In developing their land or converting their houses to accommodate tourist' facilities, land owners in Kuta hold the main roles: identification of development opportunities, land assembly, project development, site clearance, acquisition of finance, organisation of construction, and marketing/managing the end product. If these landowners obtain other land outside Kuta area, they may delegate some of their roles to relatives or friends.

Often, joint involvement in tourism facility development generates repeated collaborations between the same parties. This becomes a case of tourist facility specificity, with specific investments of expertise and resources. With the trust created in ongoing relationships, these collaborations are often handled informally.

In short, informal construction activities are predominant in Kuta and cater for the essential requirements of informal tourism development that may otherwise be ignored. It is also a labour-intensive activity and fosters skills and potential entrepreneurs for the formal sector. Because of these factors, relatively modest assistance offered to this sector can produce results of significant impact.

Construction

The great variance in tourist facilities in Kuta requires different mechanisms of construction: from the very informal (such as Suci Bungalow) to the very formal (such as the Hard Rock Café). With informal land development construction is mainly in the land-owners remit, whereas within formal land development processes, construction is through the procurement of professional and contractor services. This stage is similar to the land preparation and development phase. Though uncertainties are fewer because the development process is further down the development track, they are not entirely absent.

Informal construction activities are predominant in Kuta and cater for the essential requirements of informal tourism development that may otherwise be ignored. It is also a labour-intensive activity and fosters skills and potential entrepreneurs for the formal sector. Because of these factors, relatively modest assistance offered to this sector can produce results of significant impact.

For formal development, the landowner, professionals and contractors may be linked in long-term relationships. This holds increasingly true as the scale of development grows: in large-scale tourist facilities, area destination, or mixed developments. These relationships are sometimes institutionalised in various forms of integration. Authoritative information about a tourist facility's development potential and its surroundings is also important to some of the investors. Indeed, in cases of high uncertainty their interest to invest would be impossible without it.

Traditionally, in Bali, construction and the maintenance of infrastructure work has been done through organised traditional communal effort, under the *banjar adat* institution. The tradition has continued uninterrupted for many centuries. Informal leaders in Kuta indicate concern that the strong communal systems of the past have been partly neglected. Communal work is another

example where the moderate use of financial and technical assistance, similar to those for the informal sector, can achieve good results. In Kuta, where traditional community structures, such as *desa* and *banjar adat*, still work with the extension of state government, such as *desa* and *banjar dinas*, public infrastructure is maintained by these two local institutions.

Property transfer

Most land ownership in tourist facilities in Kuta is held in reserve by the original owners. However changes in tourist facility (property) ownership may take place more frequently than any other tourist destination area in Bali. Change of ownership of land and improvements, leading to change in occupancy, changes in the kind or intensity of use, additional construction or reconstruction, adaptive reuse, or clearance and redevelopment is widespread. Here, the price is still largely based on the tourist facility's value, but more of that value is based on the actual property and the surroundings, and less on its future development potential.

The mix between these depends on the kind of transfer. At one extreme, with maximum stability and certainty, is a simple transfer of ownership, stimulated by mobility or particular changes in circumstances. This kind of transaction makes up some of the tourist-facility markets that are developed by non-locals and the non-Balinese. It is also influenced by information and has a high tourist facility-specificity.

At the other extreme is land development transfers based on instability and change, initiating radical transformation of the adjacent built environment. The sale of built-up land for large-scale tourism (re)development is much more like primary land acquisition, than the sale of a single-family home. The difference -- the existence of buildings and infrastructure -- is only relevant if those have any intrinsic value, and to the extent that the project involves clearance and reconstruction.

Here the land's development potential is critical, and its vulnerability to interdependence and the surrounding site is high. Like primary land acquisition, the transfer of built-up land for clearance and redevelopment has high tourist facilities-specificity, a long duration, and a high level of uncertainty. Consequently, the authoritative information that planning documents can supply, on designated land use for the property, on prospective use types, and on intensities in the area, is the main considerations for any investor when initiating their tourist business in Kuta.

Between these two extremes are other kinds of property transfers: sales for internal alterations enabling more intensive use, or adding construction, or conversion of structures for adaptive reuse. The latter is very much responding to the trend of tourism development needs in Kuta.

CHAPTER 7: NUSA DUA, THE ENCLAVIC CASE STUDY

This chapter also presents findings from the field research and again explores how tourism development has resulted in changes in the built environment, in Bali. This time, however, we will examine Nusa Dua. Nusa Dua represents an enclavic tourism development adjacent to Balinese traditional communities. Five aspects of the tourism development in Nusa Dua are investigated: namely, a chronological development, a review of the master plan, changes in the built environment in surrounding villages, current tourism facilities, and locals' viewpoints of this tourist development.

In a similar vein to the description of the case study in the previous chapter, the presentation of this chapter is a process of interpretation through descriptive illustration. The presentation of this chapter revolves around telling 'the' story based on the viewpoint of the interviewee, not the perspective of the researcher. For the purposes of this study, to guide the case study writing, the researcher will rely upon the developing case description, based on a focus of explaining change in the built environment, especially as it relates to land development processes and outcome.

Nusa Dua, which has a less complex land development process than Kuta, is analysed and written using chronologies. However, to some extent, a typological analytical mode is also used in analysing and presenting data. With regard to time-series analysis, chronology allows the arrangement of events into a sequence and permits the researcher to determine causal events over time, because the basic sequence of a cause and its effect cannot be temporally inverted. However, unlike more general-times series approaches, a chronology approach is likely to cover many different types of variables and not be limited to a single independent or dependent variable. Section 7.1.3 explains the chronological development of Nusa Dua. The writing of section 7.4 is based on the sequence of tourist facility development and summarised using the headings of facility name, owner, operator, design, construction, and perceivable traditional elements (see table 7.3).

7.1 Current conditions and chronological development

Original condition

The Nusa Dua resort is located in the Bukit peninsula, which is the southernmost region of Bali. The Bukit Peninsula comprises an area of approximately 90 km². Its maximum North-South extension is about 7 km, and the maximum East-West extension is about 15 km. From the Nusa Dua area, a long and narrow sandbar called the Benoa Peninsula extends toward the North, and

finishes at the front of Port Benoa, located across a narrow channel. Port Benoa is then connected to the mainland of Bali by a 2 km long causeway. The Bukit Peninsula forms the southern end of Bali. A narrow sandbar less than 4 km in width, on which Tuban Airport is situated, connects the main Bali island with the peninsula, which was apparently an isolated island until recent geological history.

The Bukit Peninsula forms a geographical entity and is quite different from the main island to which it is connected via a coral isthmus. Although the Bukit Peninsula is thought of highly in respect to the natural surroundings, it is agriculturally unproductive because of the poor condition of the soil and the scarcity of surface water.

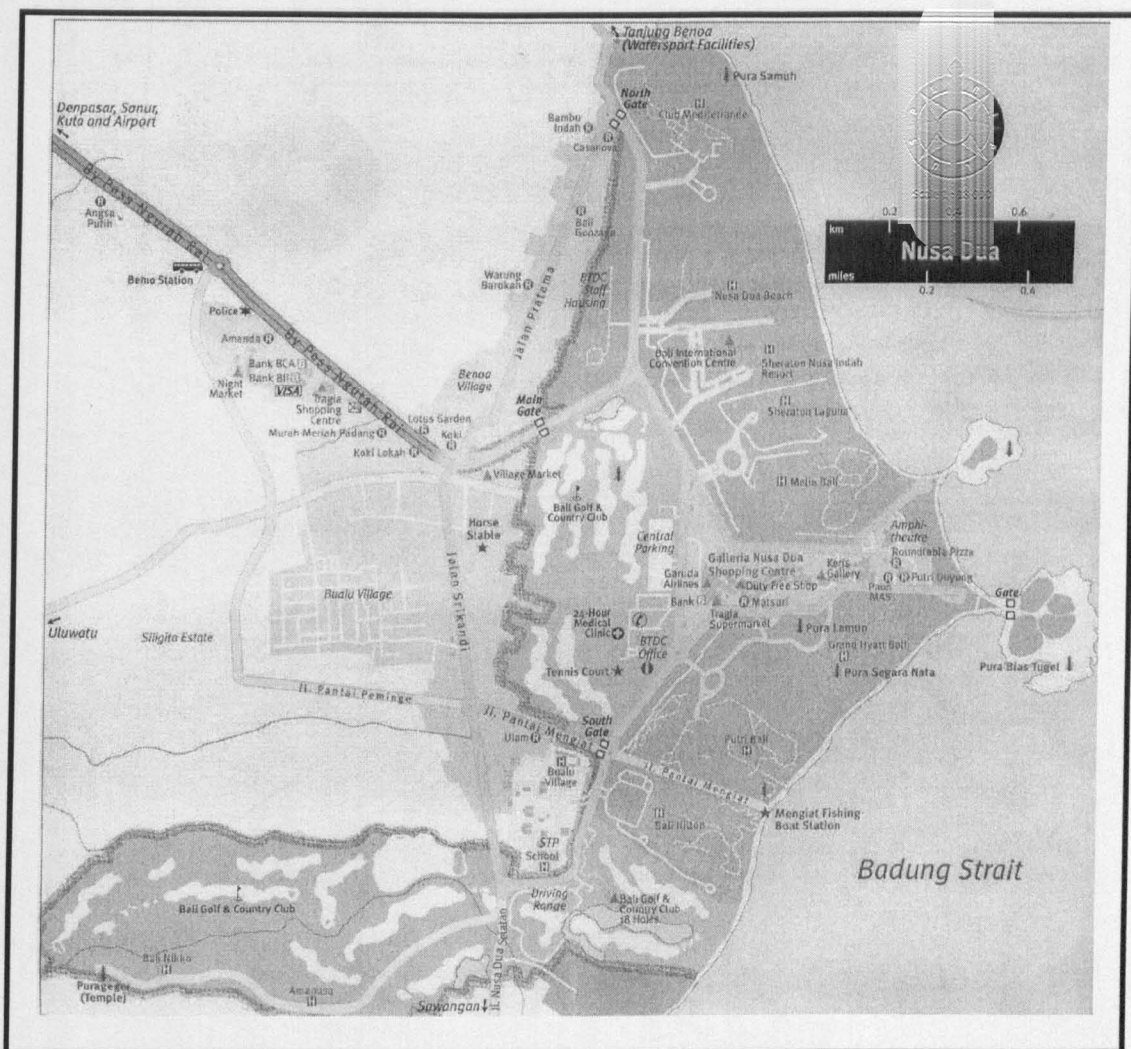


Figure 7.1. Map of Nusa Dua
Source: Periplus 1994

Before Nusa Dua resort began to be developed, in 1970, there were two population centres adjacent to the area. Bualu, with a population of some 6,300, is located between the limestone foothills of Bukit and some alluvial flats, and Tanjung Benoa, the other population centre, is

situated on the northern tip of the peninsula. Tanjung Benoa's population is slightly over 2,000 with most of the population engaged in the fishing industry. A few houses are scattered here and there in the coconut groves.

Current condition

Nusa Dua is an isolated enclave resort in which nine luxury hotels, a convention centre, administrative structures, and related infrastructure are established. Boundaries linked to this enclave are the surrounding villages of Tanjung Benoa, Bualu, Peminge and Kampial. Like other traditional villages in Bali, each of these *desa adat* has *Pura Kahyangan Tiga*, a communities' holy temple: *Pura Dalem*, *Pura Desa*, and *Pura Puseh* (See Figure 7.2).

The Nusa Dua resort was built as a consequence of both the SCETO⁶ and NDADP⁷ reports. The most luxurious hotels in Bali are located in this gigantic beach resort area. Named after the two raised headlands connected to the East Coast of Bukit by sandy spits (Nusa Dua means 'Two Islands'), this full scale, totally self-contained tourist enclave has its own parks, local roads, golf course, travel and tour agencies, sewerage system, fire station, telephone exchange, and an emergency clinic. To administer the complex process of bringing the project to realisation, the Indonesian government created the Bali Tourism Development Corporation (BTDC) in 1973, shortly after the delivery of the Nusa Dua Master Plan (NDADP 1973). This state enterprise was operated under the Ministry of Tourism, Post and Telecommunication.

The BTDC's responsibility was to execute the tourist development of Nusa Dua based on the guidelines of the Master Plan, which meant attending to the planning, development, construction and management of the infrastructure, the leasing of hotel sites, and the supervision of the overall quality of the project.

A set of architectural design guidelines was established to assure 'integrated' design throughout the complex. Open modular architecture would be required, reflecting traditional Balinese building principles. The use of indigenous building materials was also encouraged as far as possible. A low-density land use limit of 50 rooms per hectare was fixed and the buildings would be low-rise, no higher than a coconut tree, with a maximum height of 15 metres, with terracotta tile roofs. The setback line from the beach and property lines would be approximately 25 meters, and the building coverage 30 percent of each lot. In order to supervise, review and control these architectural guidelines, a design committee of experts was set up.

⁶ SCETO is a French consultant that developed Bali Tourism Master Plan in 1971

⁷ NDADP stands for Nusa Dua Area Development Plan, developed by Japanese Consultants in 1973. See more explanation about these two reports in the end of this section.

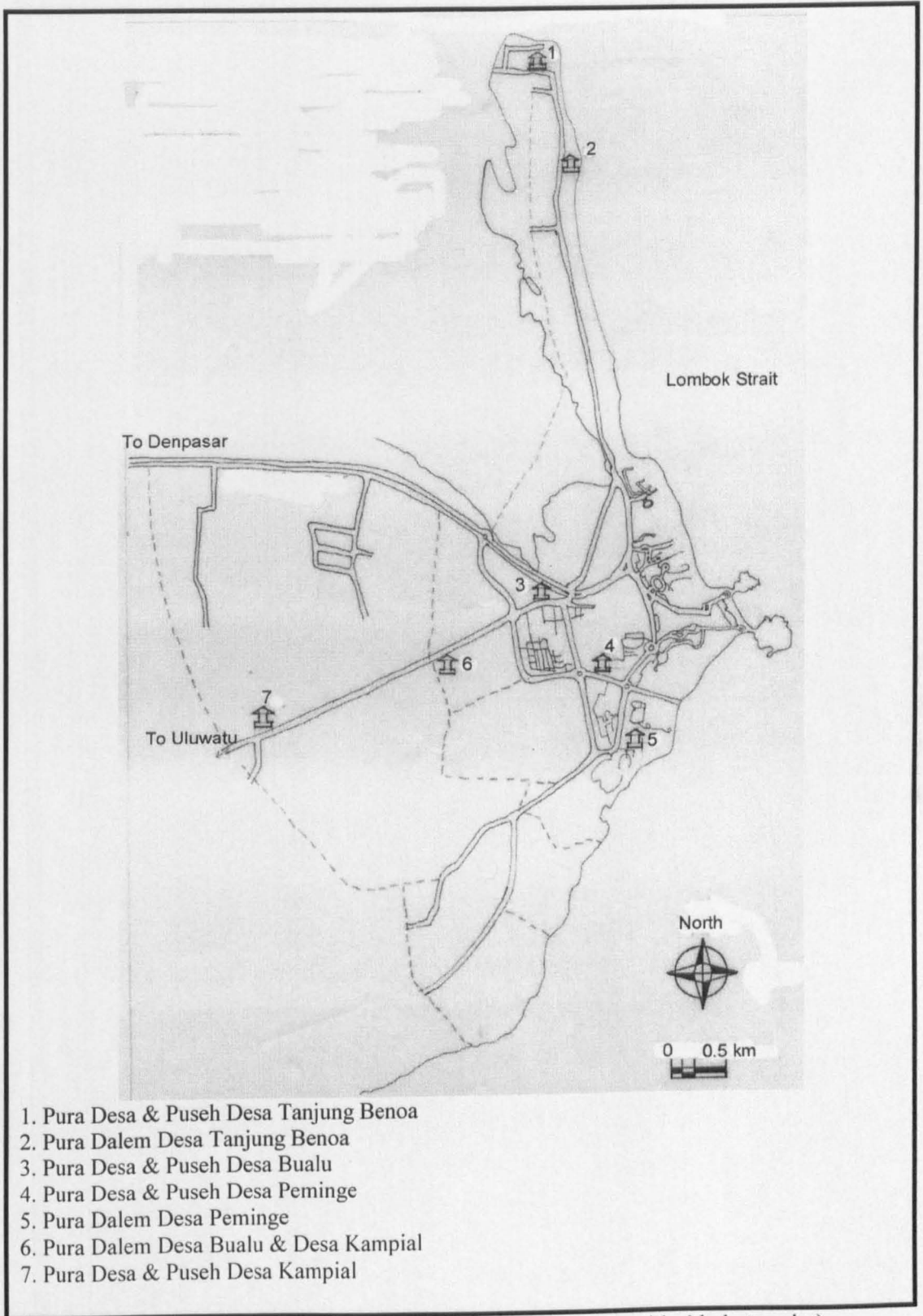


Figure 7.2. The location of *Pura Kahyangan Tiga* (communities' holy temples) in the area surrounding Nusa Dua.

Source: Fieldwork 1998



Figure 7.3. The entrance to Nusa Dua area

In contrast to Kuta, the built environment in Nusa Dua resort is well planned and its implementation was strictly guided by (Western) theories of tourism resort design. Those who have a cynical view of the Nusa Dua resort regard this as another world, a completely artificial ‘instant Bali,’ with little connection to the rest of Bali or Balinese culture. Although souvenir shops and restaurants are starting to be built on the edges of Nusa Dua, the resort offers a ‘clear’ and luxurious environment for packaged tourists and for VIPs who want isolation from the rest of Bali. It was considered so safe that President Reagan and his team never left Nusa Dua during their visit in 1987. It was chosen to host the 1986 ASEAN conference where leaders of Indonesia, Malaysia, The Philippines, Singapore, Thailand, and Brunei met to discuss economic and security ties, and the PATA (Pacific Area Travel Association) met here in 1991.

On the other hand, those involved in the management of the resort proclaim that the advantages of the controlled development are greater efficiency in (a) developing the infrastructure; (b) minimising the potentially harmful effects of tourism on local society and maximising the benefit of development; and (c) assuring integrated design, quality control, maintenance and security.

Development of the resort began in 1974 under the management of the BTDC. Funding was received from the World Bank to develop the infrastructure considered necessary to attract private investment. The 'philosophy' of the World Bank at the time was that tourism would promote the economic development of both the island and country. The actual cost of infrastructure development was U.S. \$36.1 million with funding coming from the International Bank for Reconstruction and Development (IBRD). The breakdown of infrastructure expenditure is found in Table 7.1.

Table 7.1 Breakdown of infrastructure spending for the development of Nusa Dua

	Item	Amount (US \$ 1,000)
1.	Infrastructure	15,251.6
2.	Roads, bridges	8,107.5
3.	Hotel training centre	768.9
4.	Demonstration farm	86.5
5.	Technical assistance Contingencies	1,093.0
6.	Project expansion	2,847.2
7.	Cost increases	7,945.3
	Total	36,120.0

Source: Wesvlaams Ekonomisch Studies Bureau, VZW M+R International, CV., 1984:89

More specifically, the following were established: a power supply, a standby generator, telephones, water supplies (initially from an aquifer in the south-western Bukit limestone cliffs and later from water piped in from Denpasar), a sanitary landfill site, a sewage treatment facility, 8 km of a two-lane highway to the airport, 11 km of secondary roads (including one up the Bena peninsula), improvements to a demonstration farm (to stimulate local agricultural production for hotel consumption), an amenity core, and a vegetation nursery.

The hotels were to be of international standard and contain no fewer than 40 rooms, with a total of 2500 rooms to be built by 1983. Due to operational problems with infrastructure construction, unexpected water shortages (a pipeline to Denpasar was built to import water), and an uncertain world economy (which meant some hesitancy in hotel investment with tourism being very sensitive to the global economy), the construction of Nusa Dua was considerably behind schedule by 1983. Infrastructure took longer than expected to complete and hotel construction did not begin until 1978.

Adhering to the philosophy of cultural tourism, the BTDC markets Nusa Dua as a garden resort (over 50% of the area is parkland with coconut palms and flowers), a beach resort (with long stretches of white sand beaches, marine sports, coral reefs, and two smaller islets), a vacation resort (being secluded yet providing sports and recreation facilities within the scheme), and a cultural resort (that boasts traditional Balinese architecture and monuments as well as the

integration of nature, space and colour). The primary purpose of Nusa Dua, they proclaim is to simultaneously preserve cultural heritage and share Balinese customs.

The resort itself is of a scale exceptional in Bali and is surrounded by a six-foot high metal fence within which an expansive green zone further segregates the hotels along the shore from the neighbouring village. The three entrances to the resort (west, north, and south) are patrolled by guards, as is the interior and each hotel complex. The main entrance (the western one) is marked with an immense Balinese style gateway, gardens, and a large monument with fountain. One major and several secondary paved roadways link the hotels in addition to numerous pedestrian walkways. Street lighting and smaller walkway lamps lie along these paths; electricity and telecommunication facilities exist (including an international phone service). Storm drainage facilities are found within the green zone. Water supplies come from both the limestone aquifer in Bukit and from Denpasar; a sanitary landfill site is located in the limestone area of Bukit to accept resort waste; and sewage treatment facilities have been built (there is a settling pond north of the resort).

Eleven hotels and recreational complexes have been built as of 1993, including:

- Hotel Club Bualu - 50-rooms 'training hotel' which was built in 1979;
- Nusa Dua Beach Hotel – 380 rooms in a 8.5 hectare site;
- Putri Bali Hotel – 384 rooms in a 9 hectares site;
- Melia Bali Hotel – 500 rooms in 10,5 hectares;
- Club Mediterranee - 400 rooms in 145,635 metres squared of land;
- Nusa Dua Indah Hotel and Convention Centre – 369 rooms and a 2000 seat convention centre in 7.3 hectares of land;
- Sheraton Lagoon Nusa Dua Beach Hotel – 276 rooms in 6.8 hectares;
- Hilton Nusa Dua – 537 rooms in an 11.5 hectare site;
- Grand Hyatt Bali - 750 rooms in 17.1 hectares;
- Amanusa – 35 bungalows hotel in 3.3 hectares of land, and;
- Bali Golf and Country Club – an 18-hole championship golf course in 113 ha.

In addition to this, other supporting facilities are:

- Galleria Nusa Dua - an 8 ha shopping centre or amenity core, centrally located in the hotel zone (containing a post office, restaurants, shops, and other businesses);
- The BTDC office which is located within the south-central area of the resort, and;
- The Tourism Education Institute (STP/*Sekolah Tinggi Pariwisata*) built and located adjacent to Hotel Bualu.

Chronological development of Nusa Dua Resort

In 1970, the government of Indonesia commissioned a French consulting firm SCETO to create a master plan for the development of tourism in Bali. The SCETO study recommended a self-contained international tourist resort complex to be built at Nusa Dua in 1971. The Nusa Dua Master Plan, developed by Pacific Consultants International, was delivered to the government in 1973, and the Bali Tourism Development Corporation (BTDC) was founded on November 12th that year. In 1974, cultural ceremonies for ground breaking at Nusa Dua took place. The actual groundbreaking was in 1976, during which electricity and running water to the project area were introduced. In 1978, the Hotel and Tourism Management Training Centre (BPLP) opened with 120 students and in 1981, construction began on the Nusa Dua Beach Hotel, with Garuda Indonesian Airways as the first investor. The property was to be managed by PT Aerowisata. In 1983, the Nusa Dua Beach Hotel was inaugurated on May 28th by the then Indonesian President Soeharto. Meanwhile, construction began on Hotel Putri Bali. Sol group of Spain became the first foreign investor in a joint venture with the Astra Group of Indonesia, and construction began on the Bali Sol (which later became Melia Bali Sol). Today the resort is known as Melia Bali. In 1985 Hotel Putri Bali and Melia Bali Sol were inaugurated by President Soeharto (on December 2) and in the same year Club Mediteranee formed a joint venture, PT Bali Holiday Village, with Indonesian partners, and the BTDC took a minority holding in the company. The French Minister for Trade and Tourism came to Bali for the ground breaking of Club Med Bali. In 1987, the President inaugurated Club Med and the Nusa Dua Master Plan was updated. In 1988, Feasibility Study Phase II was carried out and in 1989, construction began on the Bali Hilton International and the Nusa Indah Resort and Convention Centre (to become the Sheraton Nusa Indah and the Bali International Convention Centre), the Grand Hyatt Bali, the Sheraton Lagoon, the Galleria Nusa Dua, and the Bali Golf & Country Club. Following this, in 1990, construction began on the Amanusa resort and the Bali Hilton International was opened on December 30. During 1991, the Bali International Convention Centre opened in February and in April was the venue for a high-level meeting of the Asia Society and the annual Pacific Asia Travel Association (PATA) conference. On 4 March 1991, the Bali Golf and Country Club was opened as well as the Sheraton Nusa Indah Resort, the Grand Hyatt Bali, the Sheraton Lagoon, and the Bali Hilton. Later, in 1992, the Galleria Nusa Dua Shopping Centre and the Amanusa opened whilst by 1994, preparation had begun on new projects for two more lots ready to be developed. By the time the fieldwork was conducted in May 1998, these two lots had not been developed although the owners and developers had changed several times.

7.2 Review of the Nusa Dua Tourism Master Plan

SCETO report

In response to central government's decision to target Bali for massive tourist development, and due to the subsequent influx of tourists, central government decided that a Master Plan was necessary to guide the development of the island. Up to this point, policy makers were unhappy with the haphazard informal developments of Kuta (seen as creating severe negative cultural impacts) and the poorly located Sanur (which was far from and had no direct linkages to the airport at that time).

With funding from the IBRD (International Bank for Reconstruction and Development) under the UNDP (United Nations Development Program), Soeharto's government hired a group of French consultants (SCETO – Societe Centrale Pour l'Equipment Touristique Outre-Mer) to undertake a development study of Bali. In 1971, this consultant produced a massive six-volume report, which was broken down into the following components:

1. Main Report
2. Master Plan
3. Technical Data – Roads
4. Technical Data – Infrastructure
5. Economics
6. Master Plan Implementation

The report was seen as being equivalent to a statement of intentions, to guide tourism development rather than as a regulative policy document. It was essentially a tourism development plan with limited reference to other sectors. It was formally accepted by the government in 1972, ratified by Balinese Parliament in 1973, and the broad outlines used as a basis for policy formation until the Spatial Arrangement Plan of 1990.

The purpose of the SCETO report was to inventory the existing tourist situation on the island (facilities, infrastructure, tourist spots, excursion routes, resorts, related businesses and services, and so on) and project future trends (in tourist arrivals, composition, and requirements). Based on this evaluation and projection, SCETO made recommendations as to the number and types of developments, infrastructure, and so on that would be required to develop Bali's tourism potential.

The underlying philosophy of this was to achieve cultural tourism, *Pariwisata Budaya*, defined as the development of tourism in a way that allows tourists to benefit from the local culture (by watching music and dance performances, visiting local cultural objects such as museums and temples, and buying arts and crafts) and in a way that simultaneously protects and conserves

Balinese culture from the influx of these tourists. Hence, the objective was to promote culture as the main attraction for tourism and simultaneously protect and conserve the Balinese culture.

Given this thinking, one of the primary recommendations to come out of this plan for cultural tourism, was the need to concentrate tourist development. It was felt that concentration would limit tourist contact with the Balinese, thereby limiting the potential for negative influences (by tourists) on the local people. The Bukit Peninsula was thought to be ideal for such concentrated tourist development. It was chosen for the following reasons:

- It was found at the south end of Bali and segregated from the mainland by a long, narrow isthmus;
- It was situated in one of the sunniest, driest, and warmest locations in Bali with plenty of coastline and with an interesting relief;
- It was not agriculturally productive due to its dry climate and limestone geology;
- It was less densely populated than the rest of Bali, having only 300 people per square kilometres, and having only a few small villages, and;
- The land was relatively cheap (1 acre or 119,6 square yards was \$20-25).

In the master plan, it is mentioned that its isolation was viewed as a means to control tourist traffic; its location had the amenities sought by tourists; its large area of cheap, available land and its limited population meant that tourist development here would not cause major social disruption and valuable rice lands would not be converted; and it was relatively close to the airport. The tourist enclave to be established here would allow for economies of scale and provide limited contact between tourists and Balinese within a controlled environment. Cultural tourism would be possible through this protection and through controlled excursions. Hence, this report explicitly advocated resort concentration versus resort dispersal.

Also as part of the Master Plan, SCETO drew up a zoning scheme for Bukit and suggested the establishment of two management bodies to provide an institutional and financial framework for development. These agencies were the BTDB (Bali Tourist Development Board which is presently obsolete) and the BTDC (Bali Tourism Development Corporation). In 1972, the BTDB was established as an advisory board, which enabled various interests to be represented at the policy-making levels of the province. The BTDC was organised in 1973 and was a government owned corporation entrusted with the translation of policy guidelines into operational schemes. It was to be the executive agent for development programs and infrastructure improvements established to attract private investment. In 1976, *Bappeda Tk. I* Bali zoned 10,238 ha of the Bukit peninsula for tourist development.

Within the Bukit area and under the management of the BTDB and BTDC, the SCETO report suggested that Nusa Dua be developed as a prototype resort enclave (over the next decade). It is important to note that SCETO explicitly advocated resort concentration (in which the importance of overnight stays would be considered) versus resort dispersal (of accommodation and related facilities, like Kuta) and excursion routes. Further to this, the plan was developed with little reference to other sectors. However, SCETO did emphasise the need for a more detailed study of the Nusa Dua area prior to the resort's development.

NDADP report

In response to those recommendations, made by the SCETO report, the Nusa Dua Area Development Plan (NDADP) was created in 1973 by Pacific Consultants KK of Tokyo. The primary purpose of the planning and the development Nusa Dua, and the resort, was to minimise socio-cultural effects on the Balinese community. These could be controlled and regulated, thereby fulfilling the utopian goal of cultural tourism. The economies of scale generated by a clustered resort (including shared infrastructures expenses and facilities) were also expected to provide a competitive advantage for foreign investors, emphasising the potential for large returns on invested capital.

The report itself is very extensive, encompassing the following eight volumes:

1. General
2. Ecology
3. Landscape and architecture
4. Roads
5. Water supply and sewage treatment
6. Electricity and telecommunications
7. Waste disposal
8. District cooling system

The goal of this report was to develop an international standard, luxury resort enclave on (roughly) a 400-acre parcel of land along the eastern shores of the Bukit Peninsula. This resort was to be the prototype for tourist development in the Bukit. Within the report, an inventory of ecology was accomplished and suggestions were made regarding appropriate landscaping, architecture, roadways, water supply, sewage treatment, storm drainage systems, electrical and telecommunication facilities, waste disposal, and a district cooling system for the resort. Also, since one of the underlying goals of tourist development in Indonesia is to spur development in peripheral areas, specific recommendations were made for the adjacent community, Tanjung Benoa and Bualu. Overall, the NDADP was fairly comprehensive, including technical reports

and drawings. Similar to SCETO report, the NDADP report was to act as a guideline for development. However unlike SCETO it also acted as the basis for regulative policy.

7.3 Change in the built environment in surrounding villages

Any discussion about general trends or changes must address the issue of causation. This includes the question of what would have happened without the assumed agent of causation. In this case, what would the surroundings village be like if Nusa Dua had not been built? Two ways of attempting to answer this question include a comparative analysis of similar villages (in which no resort enclave had been built) and the use of prediction based on the past history/situation of the surrounding villages (before Nusa Dua was built). Although both methods involve a great deal of assumption and subjective speculation, there remains merit in doing this as it strengthens the distinction between those changes that are solely due to Nusa Dua and it highlights the magnitude of change occurring in the villages. Because these two methods for determining causation are too extensive and complicated to thoroughly address in this section, only a brief explanation (with scenarios) is discussed.

Speculating about what Tanjung Benoa would be like without the influence of Nusa Dua, based on predictions of its pre-Nusa Dua situation, would perhaps lead one to claim that it would be similar to other villages in the South of Bali. Infrastructure would likely not be as developed (there would be less investment in this area), the education of villagers would probably be much lower (due to fewer schools and families' having less income to support formal education), and there would probably be fewer jobs. The government and local people may have directed more resources to the improvement of agriculture and fishing (as means of increasing wealth in the village). It is also doubtful that tourism would have bypassed this village completely, however, given the coastal location and interesting local traditions of Tanjung Benoa and Bualu.

In discussing changes to the built environment and to the surrounding villages, brought about by the Nusa Dua resort development, the discussion uses the objectives in NDADP report. The organisation based on the objectives is also useful for evaluating the implementation of the NDADP report and for explaining how tourism development planning prioritises the types of facilities to be developed.

Summary of the objectives stated in the NDADP for the surrounding villages is:

- A Master Plan for Bukit Peninsula;
- A Master Plan for Bualu;
- The separation between villages and Nusa Dua with fence and productive green space;
- A fishing corridor through the resort;

- A jetty at Benoa;
- A jetty at Bualu;
- A working space for fishing in Southern Bualu;
- Preferential employment for villagers;
- Training for villagers to ensure job opportunities (BTDC);
- To recycle sewage water for irrigation;
- To acquire 305 ha in Phase 1, and 400 ha in Phase 2, to protect from and regulate urban sprawl;
- To stimulate voluntary home improvements;
- Install public utilities, including water, a sanitary sewage service, electricity and telecommunications;
- Village restructuring, including:
 - An administrative village to be built in Bualu, to have a main north core and extended south core that should contain a village an office, a post office, a police station, a health clinic, a junior high school, a market, and shops. To have a total population of 16.000, and;
 - A neighbourhood unit with a community core, a *banjar* unit, a cluster of dwelling houses, and dwelling units.
- Village land use reorganisation, including:
 - A community core in North Bualu, South Bualu, and Benoa;
 - A residential area in Bualu and Benoa;
 - A public open space;
 - A commercial area;
 - A reserved area for population growth, and:
 - A reserved area for services.
- Street alterations, including:
 - Main streets: upgrade, make new ones, make the main skeleton 8,5 metres wide, build 4,8 km in Bualu and build 2,2 km in Benoa;
 - Special streets: for fishing jetty, commercial area, align trees and sidewalks, make 13 metres wide, and a special street in Bualu and Benoa;
 - Minor streets: build new ones in the dwelling service sector and make them 5 metres wide.
- During construction ensure: water supplies, septic tanks, electricity, temporary housing for workers, protect coconut palms, and build a construction road around Bualu.

In summary, the list above illustrates the original plan of intentions for the area surrounding Nusa Dua. While some of the objectives were implemented, many were not. For those that have

been implemented, many were modified. The following discussion relates to each objective stated in the NDADP report.

The NDADP's main objective is 'land acquisition', to acquire 305 ha in Phase 1, and 400 ha in phase 2, and to protect from, and regulate, urban sprawl. This objective was implemented, but in a modified way. The BTDC did buy more land, but not by the acreage or in the times suggested. They bought 341 ha for roads. However villagers no longer wanted to sell their land to the BTDC because they were paid too little in earlier transactions. Despite villagers' lack of willingness to sell, the BTDC offered them 1 million *rupiah*/acre versus the 5 million *rupiah*/acre the villagers want.

The first two objectives, the Master Plans for Bukit and Bualu Village, were both implemented. The Master Plan for Bukit was developed by a special government team lead by Pak Sako (from *Dipparda I*) in 1975. This plan is obligatory (enforced law) and not a guideline; therefore, it is used to control development. The Balinese government views this Plan as being a good thing because it controls development, suppresses population sprawl, decreases the formation of slums, and prevents the disorderly accumulation of primary and secondary businesses and construction. The Master Plan for Bualu is also obligatory and such regulation and has controlled the disorderly growth of population and businesses (for example, immigrants, like the Javanese construction workers, must report to the village office within 24 hours of arriving so that immigrants can be monitored).

The objectives of the separation of the Villages and Nusa Dua with fencing and 'productive green space' was clearly implemented (see Figure 7.4). Nusa Dua is separated from Tanjung Bena by both a six-foot high fence (part concrete/part iron bars) and by a large green space or buffer zone that exists along the Nusa Dua side of the fence. Most of this green space does not provide employment for villagers as it was intended to do. Despite the fence and green space, the government does allow villagers to enter Nusa Dua to visit the two temples found in Club Med and Putri Bali.

Based on interviews with the staff of BTDC and the formal administrative head of Tanjung Bena Village, the temples found in the Nusa Dua resort were preserved and given more facilities for use by the villagers. The temples are also still in their original location. Furthermore within each of the hotels, the management built new temples, especially as a place for Balinese employees to conduct their religious ceremony every day.

Most of the NDADP's objectives relating to fishing were not implemented (except the jetty at Bena). First, no fishing corridor was built through Nusa Dua (although one was built just north of Club Med, outside of Nusa Dua). Villagers have free access to a village temple located at the

end of this corridor, along the beach. This corridor has led to increased contact between tourists and fishermen since villagers offer marine tours and fishing expeditions. Second, the jetty at Bualu was never built but the jetty at Benoa was built in 1985, and is used by local fishermen (for fishing and tourist excursions) and large ships carrying building supplies. Contrary to what the NDADP report predicted, this jetty is not used by tourists alone. Third, although fishermen can fish anywhere along the coast, they cannot access the shoreline directly aligned to Nusa Dua (in the suggested Southern Bualu Core), nor are they allowed to fish too close inshore (in front of the resort), for reasons of ‘protecting’ the tourists.



Figure 7.4. In the left side is green space and fences to separate the Nusa Dua resort and the surrounding villages

Fishermen are also not allowed to destroy the coral reef and villagers are not allowed to excavate sand from the beaches. Though there is still some sea grass farming south of Bualu along the shore, it is moving further south as part of *Diparda's* plan (which states that as long as there are no hotels in the sea-grass area, farmers can continue to cultivate sea-grass there). However, if hotels do move south in the future (which is also part of the government's plan), the sea-grass farmers will lose their farms. Hence, a working space for fishing in the Southern Bualu Core was not really implemented.

The NDADP objectives on ‘preferential employment for villagers’ and ‘training for villagers to ensure job opportunities by the BTDC’ were also not implemented. The BTDC claims that preferential employment is given to villagers. For example, the BTDC claims that 40% of construction workers come from the village; and a higher percentage of villagers work in

tourism related jobs (in hotels, transportation, stores, art shops, *warungs*, restaurants, etc). In fact, the BTDC cites that only 60% of the jobs in the Nusa Dua hotels are given to outsiders (from elsewhere in Bali and Indonesia). Despite these claims of the BTDC, many other key informants affirmed that preferential employment is not given to villagers because many jobs require skills which villagers lack. While some villagers do attend the BPLP tourism-training institute, their enrolment is self-financed, and few villagers can afford such training (in 1989, only 19 students at BPLP came from Tanjung Benoa, although the numbers are increasing). The NDADP objective of sewage water recycling from Nusa Dua for irrigation purposes was implemented. Sewage water is recycled in settling ponds (found outside of the resort, in the village's Mangrove forest) and it is used for the irrigation of the green spaces in Nusa Dua.

The 'voluntary home improvements' objective was partially implemented. Many villagers, who have increased earnings since Nusa Dua was built, have made home improvements (including the addition of *warungs* –food and beverage shops- to homes, the construction of new homes, the construction of washrooms, the improvement of housing quality and aesthetic, and other renovations). However, because people are busy these days with more occupations (many villagers are involved in traditional farming and agriculture as well as tourism businesses), there is little time for '*Gotong Royong*' (group volunteering). As a result, home improvements depend on personal funds, time, and labour. Although 60 households did receive government aid for improvements because of Nusa Dua, most villagers have to finance improvements themselves.

An example of home improvement in Bualu village is the conversion of a traditional house to lodgings for tourism employees in Nusa Dua (see Figure 7.5). As commonly found in Kuta, comparing the plan of the one house compound with the traditional one illustrated by Covarrubias (1974), it is noticeable that changes have been made. The location of the family temple is still the same, at the *kaja kangin* orientation. The pavilions were built not as single rooms but condensed and united with other rooms. Whatever changes take place in one compound they have preserved the location of the temple and shrine at the *Kaja Kangin* location. Houses located along the main street access to Nusa Dua resort, which are developed as multi-storey houses, usually locate the household temple at the highest storey as the most sacred location at the house (see Figure 7.6.).

The objective relating to public utilities is very broad and includes the following: the implementation of water supplies, sanitary sewage services, electricity, and telecommunications. Some of these facilities/services were implemented and others were not. First, regarding water, no dwelling service units were built.

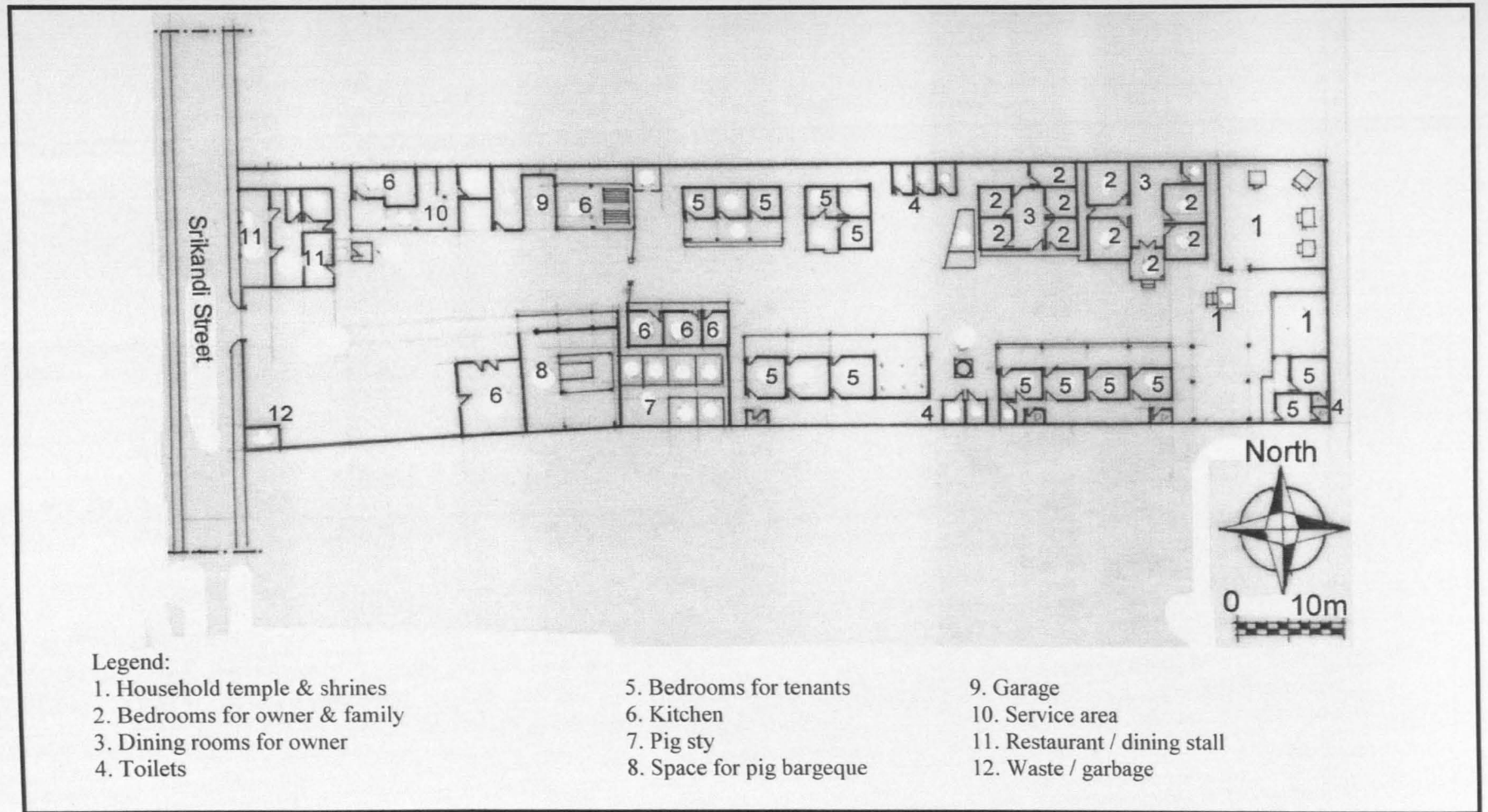


Figure 7.5. An example of traditional house partly converted to tourism employee lodging in the village surrounding Nusa Dua
 Source: Fieldwork 1998

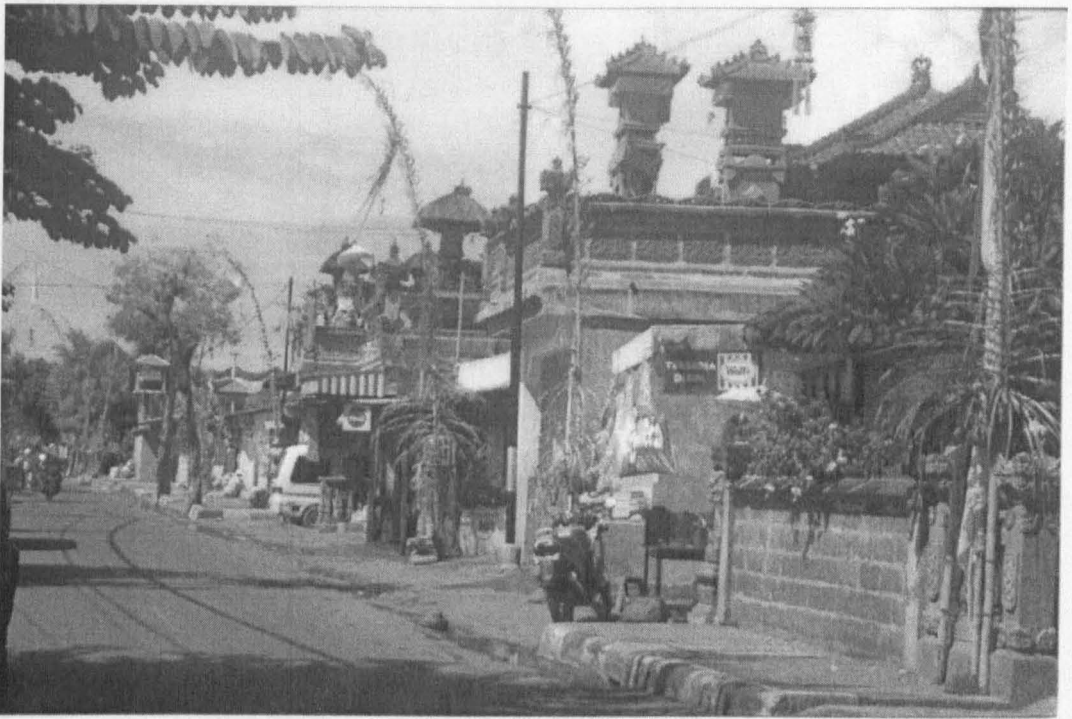


Figure 7.6. Locals' houses surroundings Nusa Dua

In the late 1970's, roughly 35% of village homes had toilets and roughly 60% had baths or *mandis* in washrooms; compared to almost 100% in 1987. However villagers do not have access to clean water, which is piped in to Nusa Dua from Denpasar. Villagers drink well water, which is saline and must be boiled and treated with *kaporit* (bleach) to make it fit to drink.

Second, regarding sanitary sewage services, Tanjung Benoa (including *Lingkungan Bualu*) does not have any facilities to treat sewage (nor do they have access to Nusa Dua's sewage treatment facilities). Most villagers do not have Western style, flushable toilets - which are found in the resort - rather most villagers have a WC or squat toilet linked to a septic tank system. Third, regarding electricity, almost every village home has electricity but this does not go to the dwelling service unit or public facilities, since these units were never built.

Most villagers received electricity in 1980 (although it was self financed) and streetlights were also built in 1980, along the main street in *Lingkungan Bualu*, as a result of Nusa Dua. Fourth, regarding telecommunications, telephones came to the village in 1987 and were self-financed (although 200 units did not come to a major public facility by 1977).

By 1989, however, 97 private homes did have a phone (although there was no further data on how many villagers has a phone during the fieldwork in 1998). Meanwhile, more new dwellings are being developed around Nusa Dua to accommodate employees who come from Java or other parts of Bali with more skills and who can afford to buy such houses.

The village-restructuring objective is also very broad, and is divided into the following units: an administrative village and a neighbourhood unit (subdivided into a community core, *banjar* unit, dwelling cluster, and dwelling unit). This objective was primarily not implemented. For example, an administrative village was never built, although something resembling an administration centre was built in the western section of *Lingkungan Bualu*. This administration centre contains a post office, a village office, an ambulance station, and a police station. Also located in *Lingkungan Bualu* is a large, two storey, modern, air conditioned market (containing art and craft shops, restaurants, and clothing shops), an entertainment centre (for the performance of local dances and music), and a district health clinic (which services three villages).

The 'village land use organisation' objective was partially implemented, and is divided into the following categories: a community core, a residential area, public open spaces, a commercial area, and a reserved service area. A community core in Northern Bualu was never established. However, the traditional *desa adat* Bualu does contain a primary school, public building (in this case, a *banjar* or *lingkungan* building, a health clinic, a small market, a village office, a police station, and shops). No community service facility was built (as specified in the NDADP report).

Most open spaces were left alone, cultivated, or used for livestock roaming (livestock do not graze in these areas since the dry climate prevents the growth of sufficient feed). There are no parks established in the open spaces and, although green spaces occur, they are not left specifically for the purpose of 'being' green spaces. No dwelling service unit exists in the open spaces but there are pedestrian malls in this area (in so far as there are markets found throughout this area).

A commercial area does exist, containing many tourist services, which are run by villagers (including restaurants, shops, fishing and boat tour operations, water sport facilities, etc.). There are many 'form of amenities' (such as restaurants and shops), some are bamboo, some have traditional architecture; and some use local building materials. Most amenities (or tourist-related facilities) are village homes converted to restaurants and/or stores and many sell Balinese souvenirs. Most fishermen offer marine tours and fish, however, some only do marine tours.

There is a reserved urban area for future population growth. The outer sub-village units (namely *lingkungan Terora*, *Mumbul*, and *Kampial*) are not densely populated. Therefore, they will absorb future population growth. In 1989, a subdivision of luxury homes (which are owned by Nusa Dua personnel and Javanese people) was built in *Lingkungan Mumbul*. Note that these homes do have access to clean water piped in from Denpasar. There is no reserved service area

in Tanjung Bena. There are no plans to reclaim the Mangrove forest for any service facilities in the vicinity of Tanjung Bena.

The 'streets' objective was partially implemented. First, main roads in Tanjung Bena, which lead to Nusa Dua, were built and paved (being 2 to 4 lanes wide). These roads have sidewalks in a good state of repair. In *Lingkungan Bualu*, there is a landscaped main street leading to the western gate of Nusa Dua (this contain statues and streetlights). Second, some special roads were built and paved (including a road to the golf course and one through south eastern *Lingkungan Bualu* to the south end of the resort). These special roads are very narrow, have partial or no sidewalks and have no special trees or landscaping along them. Third, some minor roads (having a dirt surface) were built and more are planned.

Summary

In the NDADP report, the underlying goals were frequently ambiguous, repetitive, poorly integrated, and lacked villager consultation (in the formulation of goals). The objectives of the NDADP report for Tanjung Bena and Bualu however were quite specific but they did not incorporate any villager input. Many of the objectives of the report were not implemented and many more were modified. The implications of these objectives, as they were implemented, had both positive and negative attributes, thereby promoting and disrupting the previously 'stable' development of Tanjung Bena and Bualu.

The summary of changes in villages surrounding Nusa Dua, based on the NDADP report, can be seen in Table 7.2.

Table 7.2. Summary of objectives stated in NDADP for the surrounding villages

	NDADP REPORT OBJECTIVES FOR TANJUNG BENA & BUALU	IMPLEMENTATION MEASURE
1.	A Master Plan for Bukit Peninsula	Yes in 1975
2.	A Master Plan for Bualu	Yes in 1987 and in 1988
3.	The separation of villages and Nusa Dua with a fence and productive green space	Yes
4.	A fishing corridor through the resort	No
5.	A jetty at Bena	Yes in 1985
6.	A jetty at Bualu	No
7.	A working space for fishing in Southern Bualu Core	Mostly no, partly yes
8.	Preferential employment for villagers	Mostly no, partly yes
9.	Training for villagers to ensure job opportunities (BTDC)	Mostly no, partly yes
10.	To recycle sewage water for irrigation	Yes
11.	To acquire 305 ha in Phase 1, and 400 ha in Phase 2, to protect from, and regulate, urban sprawl	Yes
12.	Voluntary home improvements	In a modified way
13.	Install public Utilities	
	Water supplies	Mostly no, partly yes
	Sanitary sewage services	No

	Electricity	Mostly no, partly yes
	Telecommunications	Mostly no, partly yes
14.	Village restructuring:	
	Administrative village: - to be built in Bualu; - to have a main north core and extended south core; - to contain: a village office, a post office, a police station, a health clinic, a junior high school, a market, and shops; - with a total population of 16.000	Mostly no, partly yes
	A neighbourhood unit including a community core, a <i>banjar</i> unit, a dwelling cluster, and a dwelling unit	Mostly no, partly yes None of the dwelling cluster
15.	Village land use reorganisation:	
	A community core in North Bualu, South Bualu, and Benoa	Mostly no, partly yes
	A residential area in Bualu and Benoa	Mostly no, partly yes
	Public open spaces	Mostly no, partly yes
	A commercial area	Yes
	A reserved area for population growth	Yes
	A reserved area for services	No
16.	Street alterations	
	Main streets: - upgrade, make new ones, make the main streets 8,5 metres wide, - to build 4.8 km in Bualu and - to build 2.2 km in Benoa	Yes
	Special streets: - for fishing jetties, the commercial area, - to align trees and sidewalks, - to make 13 metres wide, - to build 2.2 km in Bualu - to build 0.7 km in Benoa	Mostly no, partly yes
	Minor streets: - to build new ones in the dwelling service sector and - make them 5 metres wide.	Mostly no, partly yes
17.	During construction to implement:	
	Water supplies	Mostly no, partly yes
	Septic tanks	No
	Electricity	No
	Temporary workers' housing	Yes
	Protection of coconut palms	Mostly yes, partly no
	Construction of a road built around Bualu	No

Source: Analysed from the fieldwork in 1988

7.4. Tourism facilities

This section discusses the details of each of the facilities built in Nusa Dua resort. Its organization is based on the chronological development of the facilities. During the fieldwork, there were two hotel lots, which have not been used and occupied since Nusa Dua started developing. BTDC has been trying to bring in investors, hotel operators, and even contractors to

build started hotels in these two lots, however no construction has taken place yet. Interviews were conducted with seven representatives of the hotels at different times.

Hotel Bualu

This is a 50-room 'training hotel', which was built in 1979. It provides training experience for students of the nearby Tourism Education Institute (STP/*Sekolah Tinggi Pariwisata*), has a mini club for children, and is the exclusive resort of the PADI (Professional Association of Diving Instructors). The hotel has complete guest facilities, including two restaurants and a bar, conference rooms for 20 to 30 people, a performance stage, a tour and travel service, tennis courts, jogging tracks, and a private beach. This was the first hotel built in Nusa Dua, built at the same time as the BTDC their office. The owner of the hotel is BTDC, a state enterprise under the Ministry of Tourism, Post, and Telecommunications and operated by academic staff in STP. As the smallest hotel in Nusa Dua, hotel Bualu does not have a particular network for promotion. The customers are mainly repeat visitors from European countries and a very small percentage are domestic tourists.

An interview with the hotels general manager, who is also the senior lecturer at the Tourism Education Institute, revealed that the design and construction process of the hotel was conducted at the same time as BTDC built their facilities. The design consultant and contractors were an Indonesian company based in Jakarta. The concept was a mix of 'regular' 3 star hotels and traditional Balinese, although the Balinese aspects are obviously only for ornamental purposes and material finishing.

During its lifetime, the hotel has not had any major alterations in construction. The major renovation in the lobby was only carried out because the original coconut wood structures had decayed.

Nusa Dua Beach Hotel

The Nusa Dua Beach Hotel-built by Garuda Indonesian Airways in 1983, and renovated under the new ownership of the Audley Group, was Nusa Dua's first five-star hotel. This is a 380-room hotel on an 8.5-hectare site in which there are 23 acres of parkland and also a 500-seat conference facility. The previous owner was PT Sejahtera Indoco, itself operated by Aerowisata, and the new owner took over the management in 1990. The hotel was designed by an architect consultant from Jakarta and built by a contractor from the Indonesian capital city. As the first 5-star hotel built in Nusa Dua resort, it was expected to attract other investors to build other star hotels.

The management and owner of the hotel proudly mentioned that the resort's signature structure is itself a gateway—a *candi bentar* split gate, which frames the entrance to the hotel and opens onto a huge formal pool with fountains and nearly one hundred water-spouting stone dragonheads (see Figure 7.7). However, some Balinese scholars have criticised the *candi bentar* style used in this hotel, as this is the style that represents the sacred places of Bali that is considered inappropriate for a hotel.

As Nusa Dua's premier resort, the hotel was ambitiously designed to be a showcase of Balinese architecture, arts, and traditional crafts. Two elaborately carved towers flank the main reception building, a monumental reference to the traditional *kul-kul* drum towers found in every Balinese village centre. Throughout the guestrooms and public spaces Balinese sculpture, textiles, and ornamental details can be found. One particular example of Bali's traditional arts is the painted ceiling of The Raja's Table dining room, executed in the classical Kamasan style. Nusa Dua Beach Hotel is also proud of its VIP guest list: kings, princes, and other heads of state have stayed there, including former United States president Ronald Reagan, who was a guest there on his state visit to Indonesia in 1987.



Figure 7.7. The entrance to Nusa Dua Beach Hotel, While *candi bentar* is promoted as special feature in this hotel, some observers criticize the profanisation of this common figure in traditional temple entrances.

The hotel's massive renovation and up grading in the early 1990s re-established the hotel's ranking as five star diamond. The new Nusa Dua spa, part of the renovation, was designed and developed by the American spa consultants Kim and Cary Collier.

Putri Bali

Putri Bali Hotel has 384 rooms in 9 hectares of land, covering 10.9 ha of land and includes a conference facility owned and managed by Hotel Indonesia International Corporation (HIIC), which also owns 4 other stars hotel in Bali.

Interviews with the public relations staff in this hotel revealed that the hotel was designed by a consultant from Jakarta, PT. Pembangunan Jaya, who has a good relationship with HIIC. The contractor also came from Jakarta. The concept is based on the rice field terrace, which is usually found in rural Bali, combined and integrated with nature. The interviewee said that the Balinese built environment philosophy could not be applied in this hotel because of the requirement of hotel services and standard rooms to meet the star rating. There have been no significant changes to the building during its operation, only a change of functions in a few meeting and fitness rooms. The hotel has about 600 employees, only 4 of them are foreigners, with about 75% of the employees being Balinese. The general manager is Balinese.

Most of the customers are repeat visitors from European countries, mainly Germany, with a small number from Asia, mainly Japan. Domestic tourists are only about 20% of the whole customer base. Occupancy rates are usually 70%, but this has decreased during the Indonesian crisis.

Putri means 'noble daughter'. The interviewee claimed that the Hotel Putri Bali also has the most loyal guests of all of Nusa Dua's resorts, due largely to its experienced staff and the hotel's philosophy of employee involvement, based on the Balinese *banjar* concept of working together to orchestrate ceremonies and festivals, according to the traditional calendar. Employees of Putri Bali participate in staging festive events, which the guests can share in, by preparing dishes and decorations, just as the villagers would.

Another activity that promote fellowship among the employees is the weekly *kekawin* session - formal yet jovial readings of classical Balinese poetry. And in keeping with the Balinese principle of respecting and communing with nature, the employees plant and cultivate fruit trees, and the flowers that are used for decorations and in the rooms. Hotel guests are welcome to participate as much as they like in these *banjar* activities.

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The resort site is on nine hectares of prime beachside property and has well-developed gardens. In the Northeast of the grounds there is a quiet park comprising bungalows, whose red brick courtyard walls and entrance gates were built by traditional Balinese craftsmen.

Melia Bali

Melia Bali Hotel has 500 rooms in 10,5 hectares of land, and is owned by Suryalaya Anindita, is operated by the Sol Group, based in Spain, is situated on 25 acres and has a 550 seat conference room.

An interview with the owner representative of this hotel, who is also the manager of human resources, revealed that the architect of this hotel was a Spanish Architecture consultant. The design of the hotel mainly came from this architect, whilst, later, a Jakarta consultant was involved to give a more Balinese style of form and finishing. Nowadays the hotel tries to attract customers by promoting this Balinese environment. Most of the customers come from Europe, especially Spain where the main office located.

The hotel's lobby imitates a grand *wantilan*-style pavilion with three roofs whose ceilings have been painted by Balinese artisans to depict scenes from the three realms of the Balinese cosmos-nature, humanity, and the heavens (see Figure 7.9). Balinese craftsmanship is also in evidence throughout the hotel. About one-fifth of the resort's 500 rooms are duplex suites with a living and dining area downstairs and an appointed sleeping loft, and marble-lined bathroom upstairs.



Figure 7.9 The main lobby in the Melia Hotel. The ornaments are based on a Puri (palace) in Bali



Figure 7.11. A temple inside the Melia Hotel built for the Balinese employees

Meliá Bali Location Map

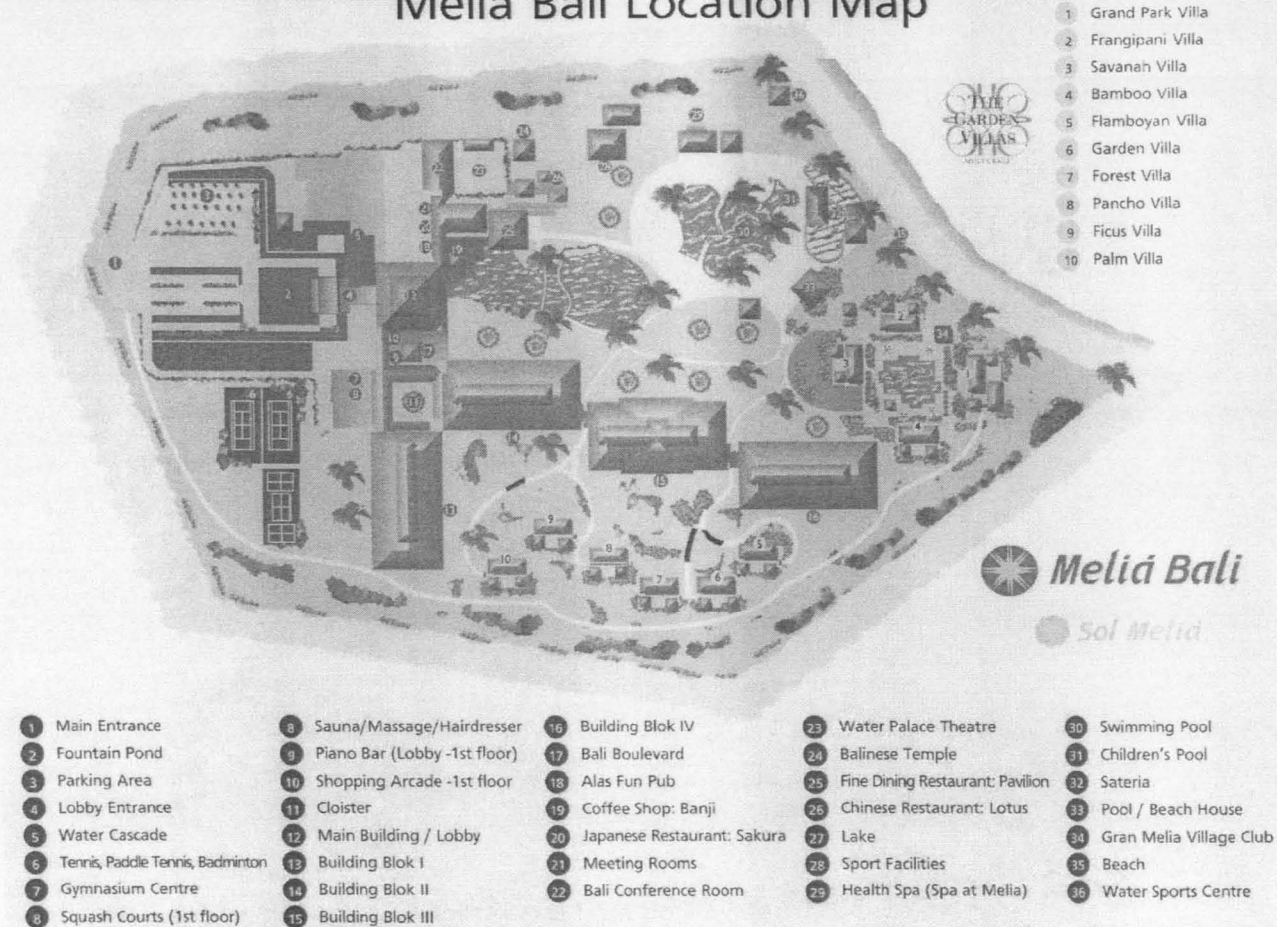


Figure 7.10. Map of Meliá Bali Hotel in Nusa Dua
Source: Hotel Brochure (Fieldwork 1998)

All the rooms have large balconies or patios. The Grand Melia Village Club, specially designed for privacy, offers ten villas, secluded from the main hotel building by lush palm gardens. A swimming pool and bar complement the private butler service.

The restaurants reflect the eclectic nature of the resort. There is an Asian restaurant, a seafood restaurant, a beachside Sateria / Pizzeria, and a French fine-dining restaurant. The coffee shop offers three buffets a day in a range of cuisine from Spanish to Japanese (see also figures 7.10 and 7.11 for a map and another image of this hotel).

Club Med

Club Mediterranee is a 400-room hotel situated in 145,635 metres squared of land, owned by Bali Holiday Village, and operated by Club Med. It contains 7 tennis courts, 4 squash courts, a 6-hole golf course; a soccer field, an indoor sports court for volleyball/ badminton/basket ball/tennis and a spa. The hotel was designed by a French consultant, in collaboration with a local architect based in Denpasar Bali. The hotel was under renovation during the fieldwork conducted and the renovation was mainly concerned with the renewal of hotel utilities, and the addition of some new electrical equipment in each room (such as televisions and telephones) as well as replacing the furniture. The number of employees is about 265 and 80 of them are foreigners.

Club Mediterranee has a special approach to hospitality. Each of the more than one hundred Club Med resorts around the world has a large staff of activity experts who make themselves available to the guests in their specialised fields, and act as hosts. Club Med and Nusa Dua have several key principles in common. Both insist on the importance of isolating tourist resorts so that they cause the least disruption to the host country and afford the least stress to visitors. Whilst both also subscribe to a "reflected" encounter with the indigenous culture, through on-site marketing of local handicrafts and carefully vetted excursions into the other parts of Bali outside Nusa Dua.

Club Med Bali is organised around a casual core set in the midst of a park of tropical gardens, with clipped lawns and coconut groves. The breezy, low-key reception pavilion opens onto the swimming pool and leads to the grand dining hall, main bar, and theatre pavilion. Skirting the southern part is an outdoor performance stage and a huge contraption with a trampoline and trapeze - the resort's Circus School. The Guestrooms are set away to the north, reached by long, covered wooden walkways over lotus ponds teeming with goldfish. At the northern extremity are sports facilities, a restaurant, and a six-hole pitch-and-putt golf course. Club Med's policy of

including meals in the overall holiday price gives guests a chance to indulge at the huge buffets offered for breakfast, lunch, and dinner. Guests are seated by the activity leaders at tables of eight, as a way of encouraging people to get to know each other.

Sheraton Nusa Indah

Nusa Dua Indah Hotel and Convention Centre is a 369-room and 2000-seat convention centre in 7.3 hectares of land. Formerly the hotel was owned by PT Nusadua Graha International and operated by PT Aerowisata. Today it is owned by companies from Brunai Darussalam and operated by ITT Sheraton. The 2000-seat convention centre was used for the PATA (Pacific Asia Travel Association) conference in April 1991.



Figure 7.12. *Wantilan*, was built inside the lobby of Sheraton Laguna Hotel. *Wantilan* is a traditional building which used to be found in front of a village temple. The architect said that this is due to the gigantic scale of the lobby space which needs a feature to make it suitable with human scale.

An architect consultant based in Jakarta designed the building. An interview with the architect in charge of designing this hotel disclosed many 'conflicts' that occurred during the design process. The contradiction usually happened when the operator of the hotel insisted on following the rules from the international hotel chain and that this affected the design considerably.

Sheraton Nusa Indah is a five-star hotel, connected to the Bali International Convention Centre (BICC). The entrance with its grand *Porte coterie* and liveried doormen is imposing. Inside, the huge air-conditioned lobby raises four stories to the thatched roof: its exposed beams are an

architectural expression of Balinese building techniques. The sumptuous interior lighting and long reception of dark green marble add to the atmosphere of western opulence. Evidence of Bali is immediately present in the pair of Balinese '*gender*' musicians at the entrance, in the thatched pavilion that serves as the bar in the centre of this space, and in the architecture of the lobby itself (see Figure 7.12). The huge central swimming pool has a hidden cove where one may swim through a waterfall to a bar. Right at the edge of the beach is a pavilion furnished with futons and cushions. Sheraton Nusa Indah's affiliation with Sheraton Laguna Nusa Dua expands the dining and recreation facilities making it one of the largest resort complexes in Nusa Dua.

Convention Centre

As Bali's largest and advanced convention centre, the Bali International Convention Centre (BICC) makes Nusa Dua a destination not only for leisure but for business as well. Its facilities can be included in the most sophisticated conference.



Figure 7.13 Entrance to BICC

It has fully integrated satellite, telecommunications, and media systems, multi-language simultaneous translation facilities, and a wide array of state-of-the-art portable communications, voting, and media equipment. The sixteen soundproofed meeting rooms are designed for flexibility in function scheduling, allowing everything from a small plenary session of twenty to a global satellite-linked conference for 2,000 people. For exhibitions, there are 5,000 square metres of space and an innovative Bonded Warehouse to expedite the transport, customs clearance, and security of exhibition and convention materials. The in-house catering and banquet facilities can accommodate the wide range of dietary requirements necessary for an international, multi-cultural convention centre.

Sheraton Laguna



Figure 7.14. The lagoon in the inner court of Sheraton Laguna hotel eclectically using Balinese ornaments

Sheraton Lagoon Nusa Dua Beach Hotel is a 276-room hotel in 6.8 hectares of ground, formerly owned by PT Karya Agung Kisma Lestari and today owned by companies from Brunei Darussalam, operated by ITT Sheraton. It has conference facilities for up to 285 people and a swimmable lagoon with 'artificial sandy shores.' This hotel has the same general manager as Nusa Indah and the Convention Centre and is operated by the same hotel chain.

Sheraton Laguna Nusa Dua, is smaller and more intimate in style, aimed at the young family market, and is listed in Sheraton's Luxury Collection. Its primary feature is the swimmable lagoon that winds through the central gardens, recently extended to allow swim-up access to 58 rooms.

Special services include seated check-in and a 24-hour butler service. The hotel's architecture is low-key, but distinguished by its use of indigenous natural materials, such as the polished timber floors in all the guestrooms. Traditional Balinese architecture is used in the two thatched lagoon-side dining pavilions.

Bali Hilton International

Hilton Nusa Dua is a 537-room hotel owned by PT Banigati Betegak, and operated by Hilton International. It contains many facilities for sport and complete convention facilities for up to 700 people.



Figure 7.15. The three-tiered square roof was altered at the top to make different shapes than those found at sacred buildings in Bali

The entrance is based on the theme of a Balinese water palace, and the scale is quite monumental: gigantic sculptures of native stone populate the entrance and room courts. The central gardens are filled with vast ponds and the main lobby building is an immense *wantilan*-style pavilion with heavy wooden pillars and a three-tiered roof. This was criticised by Balinese scholars, the three-tiered square roof is only used as the roof of sacred buildings in Bali. As result, the hotel owner altered this.

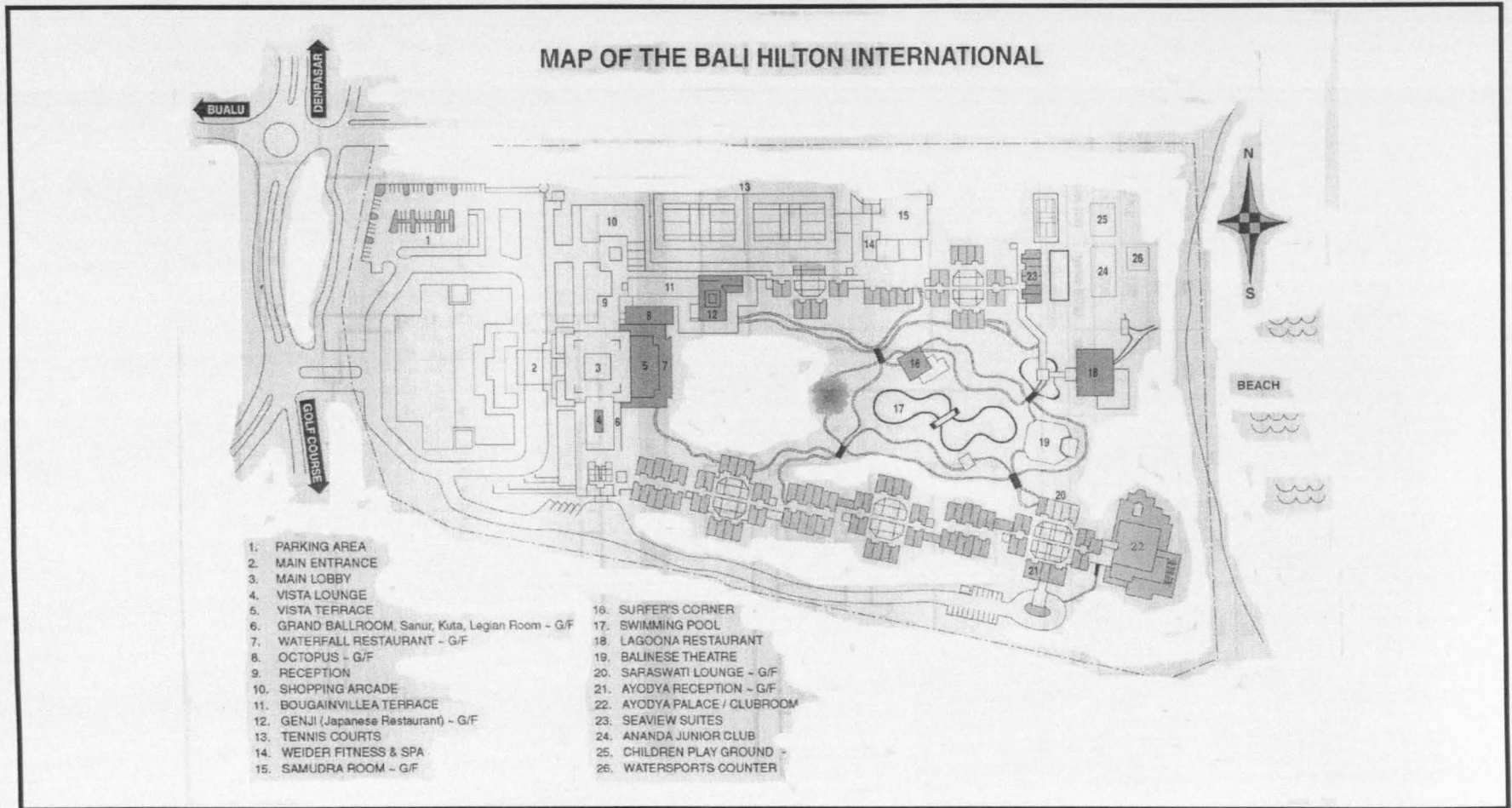


Figure 7.16. Map of Hilton Hotel in Nusa Dua Resort
 Source: Hotel Brochure (Fieldwork 1998)

The Bali Hilton caters to a wide range of guests, from popularly priced tour groups to royalty. The Ayodya Club's Executive Wing next to the beach is a 'hotel within a hotel', with 57 rooms and suite, a dedicated entrance and reception lobby, and an exclusive swimming pool. Among the resort's food and beverage outlets are the Genji Japanese Restaurant and the Lagoon Restaurant in a grand *wantilan*-style pavilion by the beach. The Hotel's statuary and stone relief tells the story of the great Hindu epic, the Ramayana.

The managements' emphasis is on the care of its guests. Hilton International's Wa No Kutsurogi service is dedicated to the particular needs of Japanese tourists, in regard to language, food, and standards of cleanliness and safety. This service brand is available only to qualifying hotels. The resort has recently refurbished its rooms for the disabled to meet international standards, and there are ramps throughout the grounds and public areas. Bali Hilton International has a comprehensive programme of recycling and environmentally responsible waste disposal, and the use of water and energy is continually monitored for greater efficiency.

Grand Hyatt

The Grand Hyatt Bali is a 750-room hotel owned by PT Wynncoor Bali and Dharmindo Alam Indah, and operated by Hyatt International. It contains a number of restaurants and sport facilities, and conference facilities for up to 800 people. The public relations officer said that the architect was a foreign consultant that used to work for the Hyatt International group. The concept was an attempt to reproduce the Grand Hyatt Resort in Hawaii combined with a Balinese water palace. The main contractor was Simitsu from Japan, and a few local sub-contractors were involved. The landscaping also used foreign consultants and involved locals for its implementation. No changes have been made in the main building during its operation, only its functions have changed. Within the site there is a temple, which belongs the indigenous people. The temple is still tended daily by the local people.

The number of employees is 1100 - only 4 of them are foreigners. About 85% of the employees are Balinese who come from the surrounding village as well as other parts of Bali. The Balinese hold important positions in this hotel, such as material director, front office manager, and executive chef. The occupancy rate was about 74 percent in the year before the fieldwork was conducted, however the rate decreased with the crisis in Indonesia. Foreign tourists make up 98% of the customers, most of them staying in this hotel while partaking in conferences. Only about 30% of the customers are Japanese.

The architecture of the Grand Hyatt Bali is deceptive: wherever one goes, one has the experience of being in a small specially designed hotel. However this complex is Nusa Dua's

largest resort, occupying twice the normal acreage. Its 750 rooms are spread behind gardens in low-rise 'villages' to the north, south, east, and west of the centres. The lobby is quite low-key for a resort of this size and stature. The open pavilion frames a direct view of the ocean, sky, and gardens and the building never calls attention to itself. The building materials are mainly local as well as the flora for the landscape. The Grand Hyatt Bali sets itself a grand agenda - that is, to be all things to all kinds of visitors. This is evident in the wide array of restaurants, activities, and services it offers.

Dining is a trademark of the Grand Hyatt. The grandly proportioned Watercourt Cafe is a floating pavilion and the Japanese and Asian restaurants are each housed in traditional buildings of that particular form. The poolside Salsa Verde, by the beach, is more casual, and the Salsa Bar is an open-air terrace overlooking the surf. *Pasar Senggol* is a night market with a nightly cultural show.

The resort's shopping arcade is laid out like a village. In the evenings it becomes a 'night market' with food vendors offering different cuisines, and local artisans selling their wares. At the village centre is a small open-air stage for cultural performances. During the afternoon, this stage is the venue for local school children to practice classical dance lessons and many of these young dancers go on to join the hotel's performance troupe. Near the performance stage is a temple, Pura Taman, which has been there for hundreds of years. It is thought that it was founded in the 16th-century by the Javanese high priest Nirartha, who was so moved by the beauty of the place that he composed a poem there.

Amanusa

Amanusa has 35 'deluxe' bungalows in 3.3 hectares of land. It is owned by PT. Narendra Interpacific Indonesia, and operated by Amanresorts. The room rates are about twice those of other hotels in Nusa Dua. Foreign architect, Kerry Hill, whose office is in Singapore, designed this hotel and its landscape. The contractor was PT. Hutama Karya from Jakarta, and there were some sub-contractors for electrical installation. The landscaping was done by a local Balinese, Indo Sekar. The main consideration for design was the view from the rooms to the golf course.

Compared to other star hotels in Nusa Dua, Amanusa is a small resort laid out like a Mediterranean village and composed of 35 independent suites set in the highlands of the Bukit Peninsula. The architecture is stark and bold, emerging from walls of native stone that lift the buildings high above the eighth fairway of the Bali Golf and Country Club. The reception hall is a pavilion, simple and pillared, with views of the Indian Ocean. Below the reception hall is the huge main swimming pool, conceived around the formal simplicity of a Majapahit bathing pool.

The resort has two restaurants, sports facilities (with golf privileges), and a unique VIP-standard of guest service. The interviewee claimed that the style at Amanusa is one of luxury.

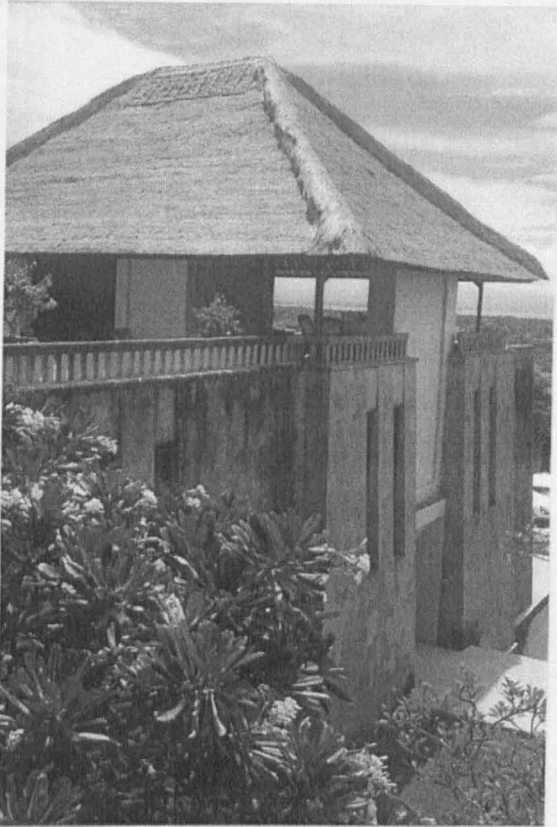


Figure 7.17. Part of Amanusa that tries to incorporate traditional building forms.

The effort to incorporate Balinese building materials and techniques is seen here in the thatched-grass roofs and the extensive use of stone recovered during the excavation of the site. The suites are privately walled house compounds with a traditional roofed Balinese gateway. Each of the suites has a reflecting pool, an outdoor shower, a private dining pavilion, and a secluded sun terrace. The suite consists of a single spacious building with marble floors and sliding glass doors that allow the villas to be air-conditioned. Amanusa's landscaping is subtle and, like its architecture, it reflects the wild severity of the surrounding terrain. Most of the plants are native to the Bukit microclimate.

An interview with the chief engineer of the hotel revealed that the customers are mostly Japanese followed by European, and only very small percentage is Indonesian. There are 190 employees in this hotel, and about 75% are Balinese with only 3% being foreign. The occupancy rate is about 60 percent during the high-tourist-season -- July, August and the end of the year -- and about 25 percent during other months. There have been no major changes during

its operation. The management are thinking of adding some new facilities, however, there is no funding available yet.

Golf Bali

Bali Golf and Country Club is an 18-hole championship golf course, owned by PT Narendra Interpacific Indonesia and operated by the Bali Golf and Country Club. Robin Nelson and Rodney Wright, foreign architect consultants, designed the golf course. The natural features of the land and its microclimate are highlighted in the design of the golf course, and there are three distinct kinds of terrain. Holes one through nine play inland, up into the wild hill country with distant views of the sea and Mount Agung. Holes ten through sixteen are laid out in an undulating stretch of coconut groves near the coast. The seventeenth and eighteenth holes bring one close to the beach alongside a 16-acre lake.

The clubhouse of the Bali Golf and Country Club, near the beach, is the design of the same architect as was involved with Amanusa. It follows the same architectural idiom in a complex of thatched pavilions built of native stone and set around a swimming pool, with comfortable private and public rooms, breezy terraces, and high, secluded pavilions with long views to the sea. There is a dining restaurant, as well as a conference room, cafe, bar, locker rooms, a pro shop and complete golf equipment rental facilities. It is here that the club's 100 golf carts are stored and charged. The Bali Golf and Country Club was opened in March 1991 and was inaugurated with a tee-off by three heads of state - Indonesia's President Soeharto, Singaporean Prime Minister Goh Chok Tong, and the Sultan of Brunei Darussalam, Sultan Haji Hassanal Bolkiah.

Galeria

Galeria Nusa Dua is an 8 ha shopping centre or amenity core centrally located in the hotel zone (containing a post office, restaurants, shops, and other businesses). It is owned and operated by Bali Nusa Dewata Village. The owner is part of the same group that owns the Grand Hyatt in Bali. An interview with the property manager found that the designer and contractor of this facility was a company from Japan, Simitsu, which also built the Grand Hyatt Bali.

The extension and renovation of Galeria Nusa Dua was done in 1996 and was designed by an Australian architect. A local architect was mainly involved with the finishing and ornament of the building. The occupancy of the property was about 90% when the fieldwork was conducted, consisting of international retail chains, such as 'duty-free' shops, to the stalls owned by the locals. Out of 82 employees in the management office, only 15 percent are non-Balinese.

Galleria Nusa Dua is a shady hamlet of low-rise shops, restaurants, and service boutiques with broad, tree-lined walks and a nearby performing arts amphitheatre. This is a deliberately protected shopping complex. Here visitors may stroll and shop and enjoy Bali's cultural products.



Figure 7.18. The entrance to Nusa Dua Galeria

The management claim that throughout the village are small pavilions modelled on the Balinese *bale bengong*, where visitors may watch (and talk with) artisans practising traditional local crafts such as weaving, painting, and woodcarving. In 1998, the Galleria added luxury boutiques, extensive new food courts, and a walk-through grid of waterspouts. The 80,000-square-metre complex presently has 81 shops and 19 restaurants. The amphitheatre is an open-air stage equipped with modern sound and lighting facilities. It was conceived as a place for cultural troupes from all over Indonesia to perform in a fully professional theatrical context.

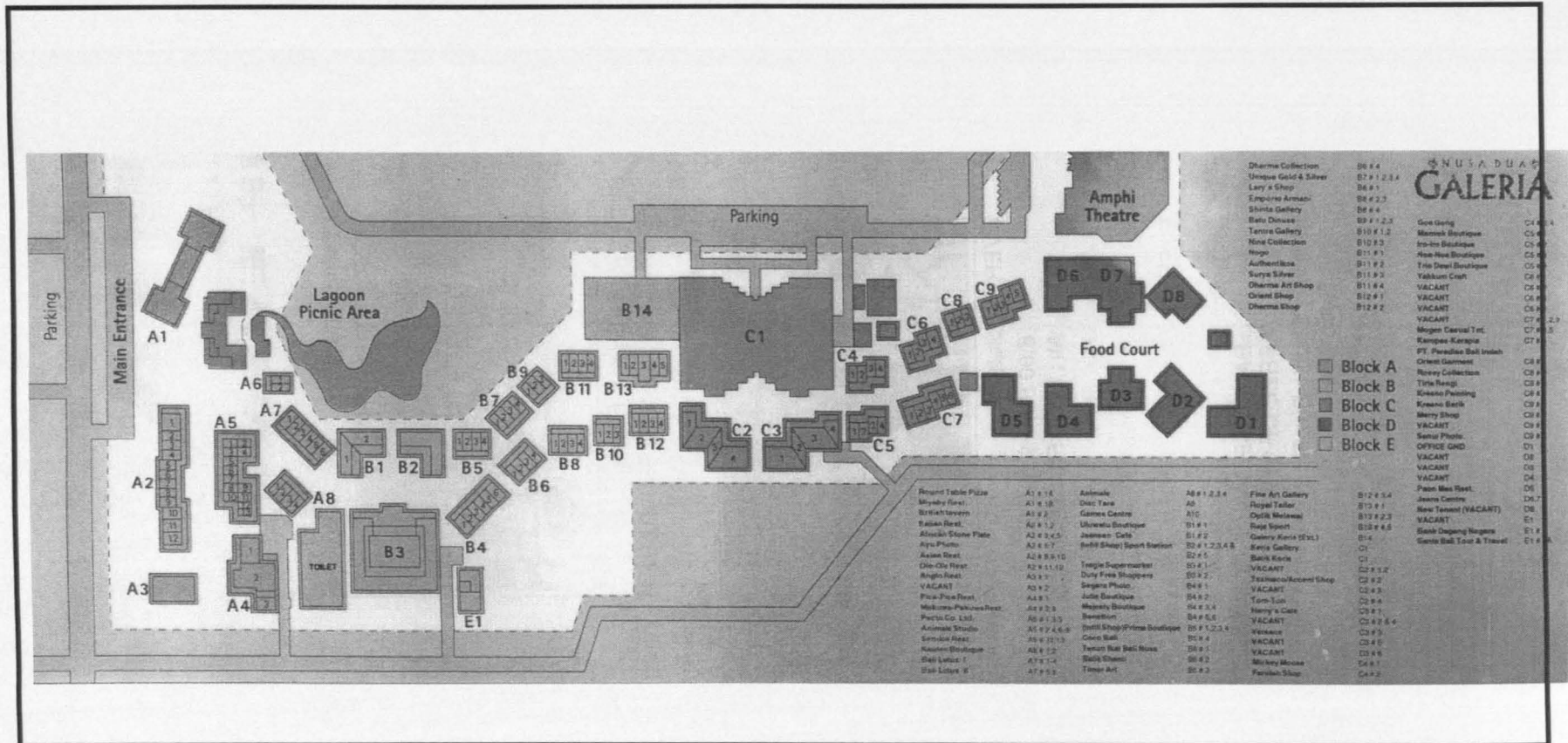


Figure 7.19. Map of the Galeria shopping area in Nusa Dua resort
Source: Galeria Brochure (Fieldwork 1998)

Summary

It remains the case that the Directorate General of Tourism regards the Nusa Dua experiment is seen as an indisputable success, and it is thus destined to serve as a model for the development of some sixteen other resorts in other regions of the archipelago of Indonesia.

This enclavic beach resort is controversially the showcase for the island, designed expressly to impress visitors with its pretentious luxury and abundant ornamentation intended to create a 'typical Balinese' atmosphere. The super-abundance of décor signifying the Balinese character of the place is in fact absolutely necessary, in that, having isolated the high class tourists of Nusa Dua from the Balinese, it gives them the impression that they are, after all, in Bali. The hotels - islets set in the heart of a vast and carefully maintained parks - are actually residential complexes conceived in such a way as to provide absolutely everything their clients could possibly need during their stay in Bali, from swimming pools to 'folk dances', and including every kind of shop and service imaginable. Of these ten hotels, two were financed with public-sector capital, the others sought private capital in Indonesian and foreign joint ventures and these are run by seven foreign hotel chains: Melia-Sol, Club Mediteranee, Sheraton, Hilton, Hyatt, and the Aman group.

The development of the site, and its growing fame, has created a magnet that Indonesian and Balinese businessmen have been quick to profit from. Unable to establish themselves within Nusa Dua, they have opened hotels, restaurants, boutiques and other tourist services along the beach connecting Nusa Dua to the village of Benoa - situated three kilometres to the north - that has become an unforeseen extension of the resort as conceived by the original French consultants. Moreover, the Bay of Jimbaran has recently begun to be developed, and its luxury hotels already compete with those of Nusa Dua and other hotels around the Bukit Peninsula. A summary of owners, of operators, of the design and construction of each facility in Nusa Dua is presented in Table 7.3.

Table 7.3. Summary of tourist facilities and development agents in Nusa Dua

Facility name	Owner	Operator	Designed by	Constructed by	Perceivable traditional elements
Hotel Club Bualu - 50-rooms	BTDC (public state company, under ministry)	Tourism Education Institute in Nusa Dua	National architecture consultant based in Jakarta	National construction company (which built the BTDC office)	Claimed to be based on traditional Balinese concepts, although only evident as building ornaments/material
Nusa Dua Beach Hotel – 380 rooms	From 1983-90: a company part of the national airline Now: a private national company	Now: national tourist company (Aerowisata)	National architecture consultant. Spa designed by American consultant	National construction company	- The gateway (<i>candi bentar</i>) is a copy of gateways in traditional holy temples - A showcase of Balinese architecture (ceiling, towers, etc)
Putri Bali Hotel – 384 rooms	National public chain (Hotel Indonesia-HI)	National public chain	National architecture consultant based in Jakarta (HI-partner)	National architecture contractor based in Jakarta (HI-partner)	- The general manager is Balinese - The rice field terrace is used as a building concept - <i>Banjar</i> -working-together concept for employees in organising festive events
Melia Bali Hotel – 500 rooms	National, Jakarta, based company	International hotel chain based in Spain	A Spanish architecture consultant in collaboration with a national consultant	No information	- Balinese craftsmanship throughout hotel - Balinese temple included for Balinese employees
Club Mediterranee - 400 rooms	National private company based in Jakarta	International leisure chain based in France	A French architecture consultant in collaboration with a Balinese one	National/local construction company	More 'tropical' than 'traditional-Balinese'

(continued)

Facility name	Owner	Operator	Designed by	Constructed by	Perceivable traditional elements
Nusa Dua Indah Hotel – 369 rooms and a 2000 seat convention centre	Now: Company from Brunei	International chain (Sheraton)	National architecture consultant	No information	Balinese building techniques in the entrance and lobby
Sheraton Lagoon Nusa Dua Beach Hotel – 276 rooms	Now: Company from Brunei	International chain (Sheraton)	No information	No information	Traditional architecture is referenced in the dining pavilions
Hilton Nusa Dua – 537 rooms	National private company based in Jakarta	International chain	Partner company of owners	No information	Balinese water palace in the entrance area
Grand Hyatt Bali - 750 rooms	National private company	International hotel chain (Hyatt)	International consultant	Japanese construction company collaborating with a national company	- 85% of employees are Balinese - Local building materials & flora - Balinese elements in the interior
Amanusa – 35 bungalows	National private company	International chain (Hyatt)	Singaporean architecture consultant	National construction company	Balinese building materials especially in roofs and a traditional Balinese roofed gateway
Bali Golf and Country Club – an 18-hole golf-course	National private company	National private company	International golf course consultant	No information	Balinese building materials in the clubhouse
Galleria Nusa Dua – an 8 ha shopping centre	National private company	By owners	Japanese architecture consultant	Japanese construction company	Claimed to use Balinese elements throughout the scheme and create a Balinese environment, although seems very eclectic

As mentioned earlier in this chapter, to control changes in the built environment in the Nusa Dua enclavic resort, a set of architectural design guidelines was established to assure 'integrated' design throughout the complex. In order to supervise, review and control these architectural guidelines, a design committee of experts was set up and operated under the control of the BTDC. The BTDC itself is an autonomous institution that exists, hierarchically, under the influence of the State Ministry in Jakarta. Therefore, each of the hotels and facilities in Nusa Dua enclave should adhere to the formal procedural development mechanism, not only the national, regional (provincial), and local (regencies) regulations as well as to BTDC regulations. However, tourism facilities in villages surrounding Nusa Dua built by the locals highlight a similar pattern to that in Kuta that employs informal and/or semi-formal development mechanisms. The next section is an explanation of locals' viewpoints on tourism development in Nusa Dua.

7.5 Local's viewpoints on tourism development

Nusa Dua is an enclavic resort that only contains 4 and 5 star hotels. Within the resort there are no locals who actually have land or stay in the resort. Therefore, interviews to obtain local's viewpoints on tourism development were conducted with locals who live around the enclavic resort. Even though the development of the enclavic resort was started in 1980, most of the population in the surrounding village use the term Nusa Dua to designate their living location. Originally, the land used for the Nusa Dua resort belonged to two villages: Bualu and Tanjung Benoa. To communicate with other non-Balinese or Balinese from the outside area, the residents in these two villages now use the term Nusa Dua rather than Bualu or Tanjung Benoa.

In a similar way to the interview responses of locals in Kuta, most interviewees did not differentiate the impact of tourism from other forces of development. This is understandable, as the researcher appreciates that it is very difficult to isolate the environmental effects of tourism from those of other processes of development and change.

In Nusa Dua and its surroundings, where tourism can be seen as the dominant activity, as in many coastal resorts, interviewees can with more certainty point to the ways in which tourism is affecting the local area in all aspects of life. Nonetheless, tourism represents just one of causes of change in the built environment and economic activity which may be taking place at the same time. It may therefore be very difficult to understand changes in the built environment as caused by tourism in isolation from other forms of economic and/or development activity.

Opinions of common locals

The researcher interviewed 10 respondents. The choice of respondents was based on purposive sampling, especially to obtain opinion from a cross section of employees. As in any other tourist area, many of the locals have more than one job. This was the case for five of the respondents who were involved in stall retailing and fishing, stall retailing and raising pigs, stall retailing and letting canoes to tourists, and building and letting rooms to employees or tourists. Two of them were personnel of the BTDC. All of them originally came from the area surrounding Nusa Dua. Six of them had never engaged in tourism related work. The most common reason for not being involved in tourism work was usually not enough skill.

In terms of property ownership, among the interviewees, those who sold the land for BTDC said that they were 'forced' to sell it because the land was needed for the hotel development. Originally they did not want to sell the land. However, they regard as positive the development brought by tourism for the beautification of physical environment, as well as the job opportunities created by attracting more and more people to Nusa Dua.

Examples of interview results on how the locals sold land are as follows:

- One respondent sold 150 acres (consisting of 3 parts: 80 acres, 30 acres, and 40 acres) land to the BTDC at the price of 8.000 *Rupiah* per acre in 1971. The reason that he finally agreed to sell was because the surrounding land already belonged to the BTDC and there was now no access to the land.
- Another respondent sold one hectare of his land to the BTDC. He finally decided to sell it after the *Kecamatan* (sub-district) office called on him twice to convince him that the land was needed for the hotel. Now it is part of Bali Sol hotel.
- Another respondent sold land outside the Nusa Dua hotel area at the price of 1million *rupiah* per hectare in 1972, and it is now being used as a housing estate.
- Another respondent speculated in buying and selling land located close to the access point for the extension of star hotel outside the Nusa Dua resort. He primarily conducted this business with locals in 1997.

Opinion on the built environmental changes

Most of the interviewees think that Nusa Dua has become a better place because of tourism development. In their words, it is more orderly (*tertata*). They appreciate the opportunity for 'common' people to have better living places for example by the development of infrastructure. Many buildings are constructed permanently and roads are harder which means easier access

and transport. Many of the changes in infrastructure have been implemented (such as more, and improved, facilities and structures, i.e. the increase in wells and so on.). On the negative side, fewer homes exhibit Balinese-style architecture that (arguably) disrupts cultural integrity.

The responses of 10 common locals about change in the built environment in their area are as follows:

Table 7.4 Responses of common local respondents in Nusa Dua

	Item		NR		NR
1.	Environmental condition	Worse	0	Better	10
2.	Sacredness	More profane	8	More sacred	2
3.	Modernity	More modern	9	More traditional	1
4.	Privacy	More public	10	More private	0
5.	Urban image	More urban	10	More rural	0
6.	Heterogeneity	More heterogeneous	9	More homogenous	1
7.	Contextuality	More contrast	2	More contextual	8

Source: Fieldwork 1998

NR: Number of Responses

Table 7.5. Responses of common locals regarding the impact of tourism in Nusa Dua

	Items		NR		NR		NR
1.	Beauty	Worse	0	Better	10		
2.	Occupation	Easier	7	Harder	2	No answers	1
3.	Income	Higher	10	Lower	0		
4.	Cost of living	Higher	10	Lower	0		
5.	Social solidarity	Higher	7	Lower	3		
6.	Security	Better	9	Worse	1	The same	3
7.	Opportunity to own house	Harder	4	Easier	3	The same	3
8.	Condition of the youth	Better	6	Worse	1	The same	2
9.	Crime	More	7	Less	3	The same	1

Source: Fieldwork 1998

NR: Number of Responses

The interviews with locals in Nusa Dua denote that the environmental changes occurring in Tanjung Benoa and Bualu, which are associated with the development of Nusa Dua, include built and natural environment changes and will be discussed based on categories: infrastructure, land use, waste management, pollution, soil and coastal erosion, and coral reefs.

There have been changes in the infrastructure of Tanjung Benoa and Bualu since the development of Nusa Dua. There has been an increase and improvement in telecommunications, water supply, toilets, housing, bridges, and in streetlights. Most of the infrastructural changes have been considered positive by the locals (such as more, and improved, facilities and structures such as the increase in wells from 840 in 1976 to 1,137 in 1985); thereby, enhancing equity (amongst villagers, between villagers and tourists in Nusa Dua, and between this village and other villages). In addition to benefits also include promoting property development (more and better structures), and improving stability (such as cultural integrity and balance/harmony)

(Potensi Desa 1973-1988). On the negative side, fewer homes exhibit Balinese architecture that, as said earlier, may disrupt stability (cultural integrity, balance and harmony).

Land use changes have been extensive. Negative changes include the loss of agricultural land and forests, decreased private ownership, and the expropriation of land by the government. On the positive side, more hotels and other tourism facilities, and increased land values, lead to greater economic returns. Other respondents believe that in the future more and more people will come to Nusa Dua and the environment will be more 'lively' if the development concept of Nusa Dua is implemented consistently. However, social competition is higher than before Nusa Dua was developed. On the negative side, some respondents mentioned that such changes arguably decreased equity (between villagers and government) and stability (cultural integrity and balance/harmony is degraded with loss of lands, ownership, and power). More land is owned by the BTDC (who have the power to expropriate land for the development of tourist facilities), and less land is owned by private villagers. Many agricultural and forested areas have been replaced by tourist-related activities (hotel, restaurants, and so on) and by urban residential areas. Land values have also increased dramatically.

Concerns expressed during the interviews include: sacred lands near places for praying and cemetery not being conserved, one of the respondents mentioned that in the future Nusa Dua may completely belong to the outsiders, now more and more land is sold to the outsiders. Some locals have approached the community leader and investors to express their concern in this matter, however no real action has been taken to decrease the number of non-locals appropriating land.

There are also concerns about the waste of real estate and housing estates that flood into the road, because the environmental impact assessment is not applied consistently. Some locals report the waste problem to the *kelurahan* and investors but receive no response. More and more watercourses are now being covered by buildings, and mosquitoes have moved into the locals' housing. The amount produced (including garbage and sewage) has increased, as has the villagers' sense of environmental consideration. Such consideration is made evident by: organised garbage pick-ups, localised dumps (where garbage is burned and/or buried), recycling programs (for bottles, bags, and boxes), and re-use programs (for bags, boxes, coconut shells, etc.). There is also no treatment facility for handling sewage in the village; some villagers have septic tanks, but many villagers use fast flowing channels that run into the mangrove forest and ocean.

Sewage from Nusa Dua is recycled in a settling pond located in the mangrove forest in Tanjung Benoa. This recycled water is used to irrigate green areas in the Nusa Dua resort but it is not

used anywhere in the surrounding villages. The villagers do not use irrigation at all since there is a shortage of water, flat topography, and saline well water, in Tanjung Benoa and Bualu.

Interviews have indicated that coastal erosion has continually increased in Tanjung Benoa. This is especially the case in front of Nusa Dua, and along the northern point of *Lingkungan* Benoa. Though coastal erosion has always been a problem in these areas, some villagers claim that it has increased since the development of Nusa Dua's breakwaters and the jetty at Benoa. Some villagers claim that the illegal mining of sand from the coast has accelerated erosion. Some villagers blame the break walls built in *Lingkungan* Benoa for the increased erosion at the point. In addition to this villagers claim that soil erosion in the more sloping western part of the village (*Lingkungan* Mumbul) has also increased, but no link to Nusa Dua can be found. Noise pollution has become a problem in Tanjung Benoa as well. Villagers claim that noise has increased due to large construction trucks and tourist traffic.

Before Nusa Dua was built, villagers mined the coral reef for building supplies. In the initial stages of constructing Nusa Dua and improving infrastructure in Tanjung Benoa, this mining greatly increased. When it was realised that reef mining was detrimental to this valuable ecological resource (and tourist attraction) the government made it illegal to destroy the reef. However, some villagers continue to steal coral and reef aquatic life (turtles, star fish, shell) to sell it to tourists. As well, the coral reef has been exposed to new forces of change: disruption by tourists, pollution (by boats, effluent, and so on), and a shipwreck in 1989 (this boat was carrying hotel building supplies to the jetty at Benoa).

Summary of locals' opinions on changes in the built environment, due to tourism, especially as it relates to the development of the Nusa Dua resort, is as follows:

Infrastructure:

- Increased telecommunications (more radios, televisions, phones, the post office);
- Increased water supplies (more wells, water tanks, pools, hand and electrical pumps) but decreased quality (more saline);
- There are more toilets;
- Housing has increased and improved (more emergency and permanent homes). More renovations;
- Fewer homes exude Balinese architecture, fewer semi-permanent homes;
- More roads and they are improved (less dust, more asphalt), and;
- More bridges and streetlights.

Land Use

- Less agricultural land and forests – more hotel, residential, developed, and urban areas;
- Increased land values;
- Expropriation possible by the BTDC;
- Villagers want to establish who owns what, and;
- Decreased private ownership - increased BTDC ownership.

Waste Management

- More sewage and garbage;
- More septic tanks, many villagers still use squat holes (mandis), almost no villagers defecate in bushes now;
- Fast flow swag channels in Benoa go into the Bay;
- No sewage treatment;
- Garbage is now separated and some recycled (plastic and glass bottles, bags, and boxes);
- Garbage pick-up once per day;
- Garbage dumps;
- Some garbage still strewn about;
- Most villagers burn/bury garbage;
- Tourists do not litter;
- Gotong Royong cleans village once per week to once per month (there was no agreement whether this has increased or decreased), and;
- Everyone is 'supposed' to clean own house and yard daily.

Irrigation

- Nusa Dua sewage water is recycled to irrigate the resorts green areas;
- No irrigation elsewhere in the village (very flat and no rivers), and;
- Cannot use well water because its too salty.

Pollution

- More air pollution because of more vehicles and burning (firewood, dumps, kerosene);
- Salinization of wells;
- Oil/gas pollution of ocean by boats;
- Some garbage dumped into mangrove forest that pollutes it;
- Some hoteal and village effluent runs into the ocean;
- Villagers keep toilets 8m from wells to avoid contamination;
- Increased water treatment (with kaporit and boiling);
- Laundry water is dumped into the ground beside wells or into the ocean;
- Garbage dumps litter landscapes as do numerous small litter piles, and;
- More noise due to more vehicles, and planes overhead.

Soil and coastal erosion

- Increased shoreline erosion on northern peninsula (lost a temple, a restaurant and a dock currently in danger), especially since the jetty was built;
- Lingkungan Benoa is getting smaller, and;
- There is some limited erosion in the undulating northern section of village due to intermittent streams.

Mangrove forest and other forest

- Fewer forest areas (due to development);
- Some Mangrove replantation in 1984;
- Some dumping in the Mangrove, and;
- A smaller Mangrove forest (due to pollution and limited development).

Coral Reef

- Coral mining is now illegal;
- Villagers used to mine for construction;
- Some villagers still steal coral for construction, and to sell to tourists;
- Reef is disrupted by tourists, and;
- Ship wreck on the reef in 1989 (ship was carrying building supplies).

Opinions of community leaders

In general, the local leaders consider the establishment and development of a tourist sector in Tanjung Benoa, following the development of Nusa Dua, as a primarily positive change, since it provides more employment and economic opportunities. For example, the number of traders in 1973 was 188 compared to 573 in 1988 (Potensi Desa 1973-88). The establishment of this sector has promoted equity (between villagers), development (of this economic sector and related spin-offs), and stability (for example, cultural integrity has been enhanced by the increased importance of, and effort put into, religion and arts, due to tourism). On the negative side, central government has been encouraging this sector at the expense of traditional sectors (discouraging fishing and farming), thereby disrupting development and stability.

The main political change in Tanjung Benoa, which is associated with Nusa Dua, is that the political system has changed from a *desa* to a *kelurahan* as has been explained in the previous chapter in section 6.7.2. On the positive side, this change has allowed central government to plan and regulate development in this village, which is experiencing rapid growth. Without such control, a chaotic development might have occurred due to the inexperience of villagers to manage such growth. Hence, these changes arguably promote development and efficiency.

On the other hand, the negative aspect of this change in administration is that the village has simply lost all autonomy. Villagers have no say in choosing their leader (who is a non-Balinese military man and thus having a different cultural background). The village lost all of its assets and original income sources (now controlled by central government), its budget, and the right to make decisions and legally enforce them. Also, it has changed its structure from a rural society to an increasingly urban one. These changes can be deemed negative due to the discontent expressed by villagers (their anger, frustration, and helplessness arising from conflicts which they have no power to resolve). Villagers must conform to the decisions of central government (although villagers can approach their village leader and submit concerns, the final decision though almost always reflects central government's needs or wants). This loss of autonomy, related conflicts, and resulting feelings of anger, frustration, and helplessness all disrupt equity (between villagers and central government), development (including efficiency), cultural integrity, and integration/balance/harmony. In general, the change from a *desa* to a *kelurahan* seems to disrupt rather than promote fair development for the locals.

Social impact

Based on the interviews with local leaders in Tanjung Benoa and Nusa Dua, socio-cultural changes in surrounding villages, accompanying the development of Nusa Dua, can be divided

into these categories: health, education, religion, migration – interaction, roles, social groups, arts, values-attitude-behaviour, and lifestyle.

Health has generally improved since the development of Nusa Dua. Villagers get fewer diseases and live longer, and there are more health clinics, programs, doctors, and nurses in the village. Education has generally improved as well. There are more schools, and more villagers are obtaining higher levels of education, to compete in the tourist industry.

The increased participation of villagers in religious ceremonies is attributed to the religious extension worker. Also, villagers who have acquired higher incomes, since the development of tourism, can afford more elaborate ceremonies and offerings. Because villagers operate on the fundamental belief that ‘the more you get, the more you should give to God; hence, the more He will give you’, they are encouraged to spend more of their income on ceremonies. Some of the Balinese beliefs and traditional laws that have weakened since the development of Nusa Dua include Rwa Bineda, Manik Ring Cucupu, and Awig-awig. In relation to these beliefs and laws, villagers complain that some residents let financial gains rule their decisions, some do not maintain appreciation for vegetation (cutting it down with little thought, particularly when it is for tourist development), and some pay less attention to the village’s customary laws.

Interaction has generally increased both within the village, and between this and other villages, due to increased modes of transportation and more telecommunication facilities. In addition to this, daily and seasonal migration has increased; families often take Sunday pleasure trips to Ubud or other resorts, and some villagers leave Tanjung Benoa to attend school elsewhere. Immigration has increased due to the influx of hotel employees, BPLP students, construction workers, and tourists. In fact, some Javanese have summer homes in the western areas of the village (*Lingkungan Mumbul*).

Roles of women, men, and children have changed in that all have more to do. Since many villagers now have more than one job, they have less spare time; therefore, children must help more at home. Women’s involvement in politics remains low. More villagers can speak foreign languages (such as English, Japanese, German), more have become literate in Bahasa Indonesia, and fewer speak the traditional language, *Bahasa* Balinese (especially the younger villagers). There are more social groups in the Tanjung Benoa than ever before. However, the function of, and participation in, some groups has changed. For example, many villagers claim that fewer people participate in *Gotong Royong* (volunteer groups) but more villagers participate in religious, political, and other groups. Both *Gotong Royong* and the STT (youth group) have become actively involved in cleaning the environment, in addition to their traditional activities.

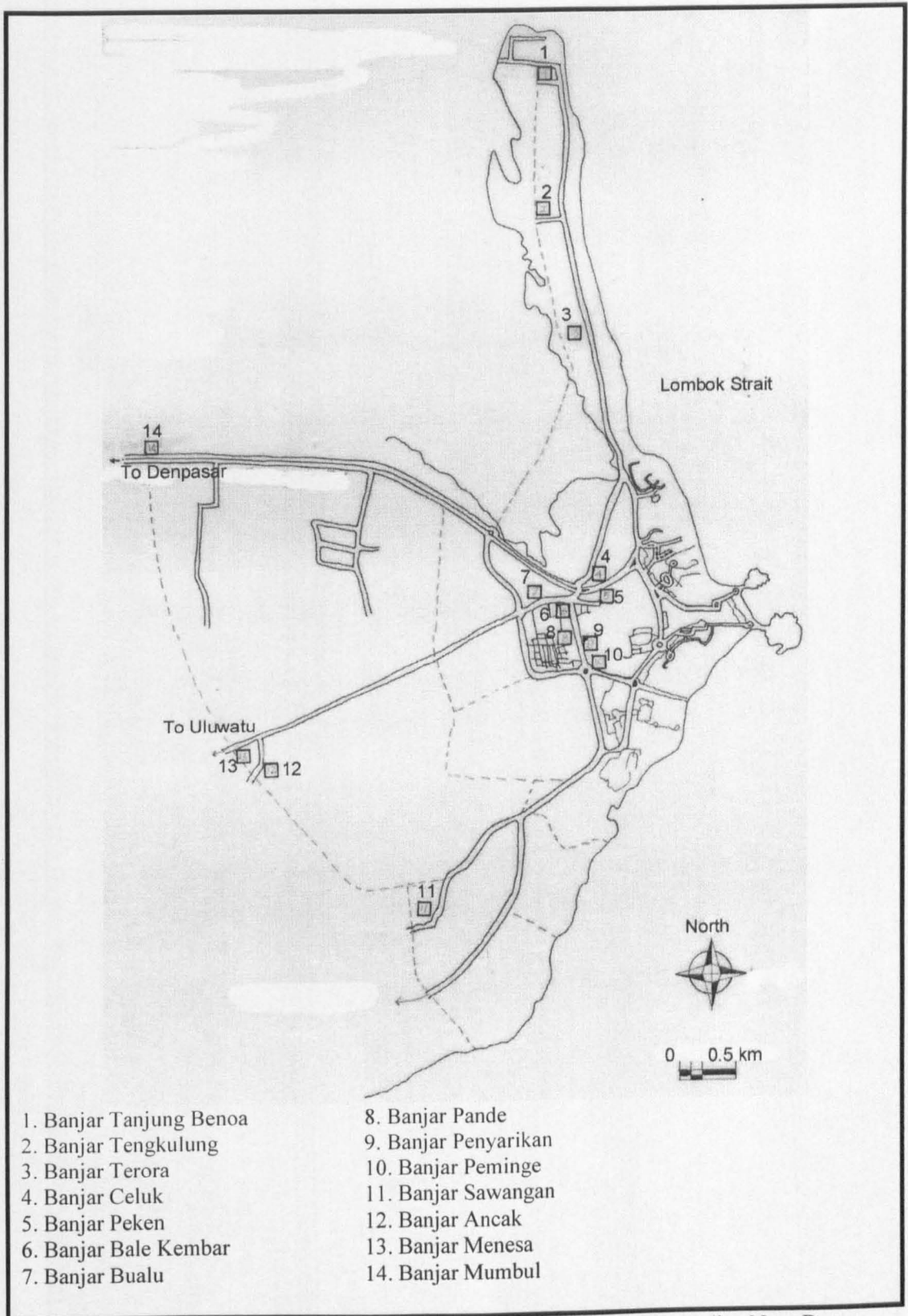


Figure 7.20. The location of *Banjar* (locals' hamlet buildings) surrounding Nusa Dua
 Source: Fieldwork 1998

The number and types of artistic groups (including dance and music) have increased. More villagers participate in these groups (which now perform for tourists as well as for themselves). A new dance co-operative (Tragia) co-ordinates and manages the dance groups from Tanjung Benoa, which perform in the Nusa Dua resort. Although some performances have become more touristic, villagers keep original shows for themselves.

Lifestyle change for the villagers, since the development of Nusa Dua, include less spare time (villagers have more than one job), more activities (there are more groups and programs to participate in), improved standard of living (better health care, more education), and more consumption (of goods and services). In terms of traditional facilities and local institutions, the fieldwork and interviews with local leaders have shown the same number of meeting (*banjar*) buildings but improved conditions than prior to the development of Nusa Dua. The locations of *banjar* buildings in villages surrounding Nusa Dua can be seen in Figure 7.20.

Regarding values, attitudes, and behaviours, there has been an increase in the number and bitterness of conflicts in the village. First, when villagers built a tourist market at the entrance to Nusa Dua, the BTDC built a very high wall in front of the market so it could not be seen by tourists (the BTDC felt the market was un-aesthetic). Villagers retaliated by vandalising the wall. Negotiations finally led to the building of a lower wall over which the market is slightly visible. Another conflict arose when the BTDC blocked a road that ran through Nusa Dua to a temple, and traditionally significant coastal area. Negotiations resulted in the road being partially blocked so that only pedestrians and motorcycles could pass. A third conflict arose from the BTDC removing village warungs from the shoreline of Nusa Dua. Again, the villagers were given extension (that is, someone from the provincial government came to Tanjung Benoa and lectured the villagers about the importance of tourism to the village, Bali, and all of Indonesia. These government officials emphasised that tourists do not like *warungs* on the beach). As a result of these and other conflicts, many villagers distrust the BTDC, and feel angry, frustrated, and helpless. Also, in addition to these conflicts, crime has increased in the village.

Economic impact

Economic changes in Bualu and Tanjung Benoa, accompanying the development of Nusa Dua, can be summarized as follows:

Tourism

- this is a new sector since the resort was built;
- more hotels and homestays;
- more tourist sector jobs (spinoff effect);
- more tourist objects;

- more *warungs*, shops, drivers, traders;
- hotel must be a minimum of three stars in Tanjung Bena, and;
- losmen are illegal.

Employment

- greater number and types of jobs;
- more employment sectors;
- more labourers, traders, skilled labourers, military/police, officers/civil servants, hairstylists, tailors;
- fewer fishermen, farmers, metal workers, gold workers, garment makers;
- villagers used to have 1 job, now have 2 jobs or more;
- change from fishing and farming sectors to tourist sector, and;
- more people spend time in paid employment (especially women).

Income

- increased average income (income average per capita now 950.000 - 2000.000 rupiah);
- increased foreign exchange;
- inflation of prices (there is often one price for tourists and one for villagers);
- increased land prices, and;
- men often make more money than women for the same work (unless it is in hotel).

Agriculture

- fewer farmers;
- less agricultural land;
- crop changes (increased fruit, less coconut, more peanuts); education on dryland crops has increased production;
- some farmers supply hotels (fruit);
- smaller forests (fewer coconuts);
- fewer cows and ducks; more pigs, goat, and chickens;
- importation of rice, and;
- conflict between farmers and the BTDC over land prices.

Fishing

- fewer fishermen (due to tourism);
- decreased production (due to fewer fishermen and pollution);
- fewer fishing jobs;
- moving offshore due to hotels (not allowed to fish close to shore);
- some go onto large offshore ships;
- more tourist related water sports (diving, sailing, fishing, tours, parasailing, and so on.);
- more motor boats, long fish lines, and large trolling fish nets; slightly more canoes and sailboats; fewer traditional nets, spears, poles;
- fewer fish ponds;
- fishing corridor made north of Nusa Dua;
- loss of traditional access to coastal areas;
- conflicts between fishermen and the BTDC, and;
- formation of Mina Astiti Cooperative to improve competitiveness of fishermen.

In the most general sense, the economic changes surrounding the development of Nusa Dua have been mainly positive, enhancing the sustainable development of Tanjung Bena.

The tourism sector in the surrounding village has definitely grown since the development of Nusa Dua. There are more hotels, homestays, tourist attractions, *warungs*, markets, drivers, traders, and so on. However, in keeping with Nusa Dua's five-star rating, substandard *losmen*, and hotels less than three-star, are illegal in Bualu and Tanjung Benoa. All of the developments in tourism have led to increased employment and both the strengthening and weakening of various economic sectors.

The employment situation in Tanjung Benoa and Bualu has changed a great deal since Nusa Dua was built. There are more jobs and employment sectors; however, fewer villagers work in traditional jobs (like fishing and farming). Many villagers have more than two jobs (of which at least one is in paid employment), thereby increasing their workload. Most of the changes in employment accompanying the Nusa Dua development have been seen as being positive, by the local leaders, thereby promoting equity and development (by providing more job opportunities) as well as stability (more jobs enhance balance and harmony in the economy). However, some changes have been negative (such as the loss of traditional jobs and more workload), thereby disrupting stability.

The average income of villagers has increased since the development of Nusa Dua, as has the amount of foreign exchange in Tanjung Benoa and Bualu. Although prices of goods and services in the village have escalated, there are two sets of prices: a lower price for villagers, and a higher price for tourists. Most of the income changes have been positive (like greater incomes and foreign exchange), which have promoted equity between individuals (more individuals have higher incomes), development (such as home renovations), and stability (a more balanced income amongst villagers prevents potential conflicts). However, negative changes, like inflated prices and unequal pay between the sexes disrupts equity (between genders) as well as stability (cultural integrity and harmony).

The first credit institution in Tanjung Benoa and Bualu was established in 1989 with funds from villagers. The purpose of this institution is to provide loans to villagers (to start up businesses, to renovate homes, to improve agricultural facilities, and so on.). Tanjung Benoa and Bualu have received more government aid since Nusa Dua was built (these funds have been used for the development/improvement of streets, schools, temples, homes, and *lingkungan* buildings, etc.). Because villagers' incomes have increased, more villagers finance personal and community development with their own money. The changes in credit (more funding and a new building agency) have been mainly positive, enhancing equity (between this village and others), promoting development (more money to improve and expand infrastructure), and enhancing balance and harmony.

The main changes in agriculture include fewer farmers, less agricultural land, fewer crops, smaller forests, and a loss of livestock. Most of these changes are attributed to increased participation in, and government encouragement of, the tourism sector. Crops have changed in that hardier, dryland crops are grown, as well as fruit crops, which are sold to the hotels in Nusa Dua. Villagers have achieved enough income to import rice (since rice cannot be grown in the village due to a dry climate, poor soils, and lack of irrigation). Several conflicts have occurred between farmers and the BTDC because the BTDC has paid, and continues to offer, insufficient prices for agricultural land. Most of the changes in agriculture have been negative. The number of jobs in farming has been decreasing, and most are secondary. Agricultural lands have similarly declined. Other problems include the loss of forests, conflicts between farmers and the BTDC, and inflated land prices. This has disrupted development (by promoting a mono-economy of tourism) and stability. On the other hand, a handful of improvements in this sector, including the introduction of dryland crops – especially those desired by hotels – and improved education, have promoted development in a very small way, by introducing crops that are more suitable to this area, and that are more marketable.

Similar to agriculture, there are fewer fishermen in Tanjung Benoa, and lower yields of fish, attributed to pollution and less fishermen. Fishing methods are becoming modernised with the use of trolling nets and larger boats, and fishing is moving offshore. Some fishermen have joined large offshore fishing boats and are at sea for long periods of time. Conflicts between fishermen and the BTDC have arisen from the loss of traditional coastal access, the enforcement of fishing offshore where villagers claim that it is more difficult to catch fish, due to large waves at the edge of the reef, and restrictions of where to put boats onshore. Also, although the BTDC dug a channel through the reef for fishermen to move offshore in periods of low tide, this channel soon filled in and nothing else has been done. The fishermen feel very angry and helpless due to the perceived government support of the BTDC and due to government pressure to stop fishing. As with agriculture, many of the changes in fishing have been negative. The number of villagers employed in fishing declined, most of the fishermen did not fish for full-time employment compared to those before Nusa Dua resort was developed. Other problems include decreasing fish production and increasing conflicts between fishermen and the BTDC. This has disrupted development, by encouraging a mono-economy based on tourism and stability. On the other hand, some changes, including the co-operative and inclusion of tourist related services have been positive. Such changes have promoted development by increasing the competitiveness of fishermen and by diversifying their industry.

In response to the need for a stronger group of fishermen, and in response to the diversification of the fishing sector (to include recreational sea sports), the Mina Astiti Co-operative was formed. This Co-operative unit is meant to increase the strength, diversity, and competitiveness

of fisherman. One unit encourages fishermen's wives to undertake pig breeding, as a means to supplement family income. A second unit involves sea sports in which recreational activities (such as diving, parasailing, fish tours), facilities (including a restaurant), and equipment rentals, are promoted. A third sector involves fishing (for stock like tuna and coral) for local sale and export, while a fourth sector is responsible for shops that supply fuel to the co-operative, and fish weighing/export stations. A fifth sector involves the sea grass farmers (who own a building for processing and marketing seagrass to Java and Surabaya). An important note about seagrass farming is that it may very realistically become extinct because the government has not legislated to protect it; in fact, this farming area is designated for future hotel development that can be legally enforced. The changes in seagrass farming that accompany the development of Nusa Dua have been negative including losses in area, yield, and jobs, and the threat of extinction. Such changes threaten development with the potential loss of this traditional sector and disrupt stability.

There are more industries and entrepreneurial activities in Tanjung Benoa, including more home industries, salt making industries, and limestone processing industries. However, one garment industry has closed and there is practically no craft industry in Tanjung Benoa and Bualu. Crafts are distributed, but not made in the village. Since sand and coral reef extraction was made illegal by the government, there has been less mining of these materials although some villagers do it illegally. Changes in industry have been primarily positive, thereby promoting equity amongst villagers, more economic opportunities/sectors, and stability. Negative changes have occurred as well, including the loss of a traditional garment business, the decreased quality of traditional crafts (*batik*) and the illegal excavation of coral reef materials and sand for sale to tourists. These changes tend to disrupt stability.

The number and types of Tanjung Benoa's imports and exports have also changed since tourism came to the village. More villagers have acquired enough income to import items such as housewares, building supplies, clothes, magazines, cigarettes, and so on. Because fewer villagers fish or grow their own food, they import more food items and export fewer food items. Imports of commodities to the village have generally increased while exports have decreased. The negative aspects of this include a disturbed balance between imports/exports, decreased equity, decreased self-reliance, therefore increased dependency on goods from other villages, and disrupted development and thus a decrease in self-sufficiency. On the positive side, increased imports signify the enhanced ability of villagers to buy products that they could not previously afford.

Summary

It is difficult to evaluate the substantial changes/impacts in Tanjung Benoa and Bualu because of Nusa Dua. Although changes can be identified with a certain degree of confidence, the importance of these changes is stated with far less confidence, since such an evaluation contains bias. An example of cultural bias is that, while some villagers care less about pollution and maintaining traditional occupations than about getting enough money to provide food and shelter which tourism offers. The interviewed local leaders may be more concerned with pollution and preserving traditional occupations than with increasing incomes via tourism. Hence, how does one determine which change is more important as the issue of to whom must be considered? Also, how does one deal with changes in attitudes? That which is considered important today may be considered irrelevant tomorrow.

Considering the difficulty of determining the importance of various changes, the difficulty in establishing whether Nusa Dua promotes or disrupts the local development of Bualu and Tanjung Benoa has been stated. This particular enclave resort seems to promote certain local development criteria in some ways and to disrupt the some other criteria in other ways. The suggested benefits of resort enclaves - such as limiting negative impacts, increasing foreign exchange, and protecting culture and the environment - can be disputed using the Nusa Dua example. For instance, this resort enclave has been linked to many negative changes, such as creating conflicts, pollution, and unequal distribution of wealth across the island. Further, most of the foreign exchange earned in Nusa Dua flows directly into the hands of the foreign corporations who own the hotels. In the most general sense, Nusa Dua resort enclave appears to have as many problems, although perhaps different ones, as ad hoc, indigenous-controlled integrated resorts like Kuta.

7.6. Applying the modified institutional model in the Nusa Dua development

This section is an application of Healey's modified institutional model of the land development process in Nusa Dua, analysing the relevant transactions in the production and transformation of the built environment. The explanation partly highlights the behaviour of the agents involved in each land development event. Land development processes triggered by tourism in Nusa Dua, includes the following transactions and parties:

Land purchase

Originally, the land used for the Nusa Dua resort belonged to two villages: Bualu and Tanjung Benoa. In acquisition or assembly of undeveloped (unproductive) land, the parties here are the seller (the local villagers) and the buyer (BTDC, the extension of state government) as developer.

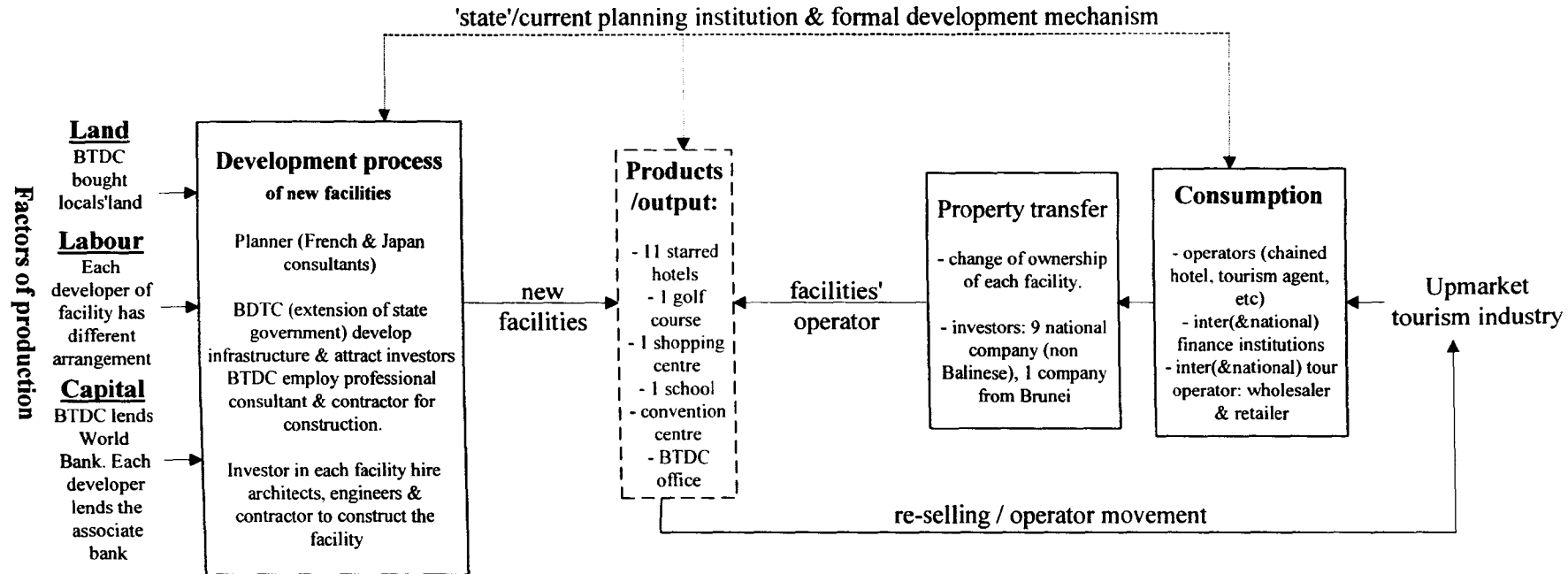


Figure 7.21. Land development analysis in Nusa Dua

During further development around the Nusa Dua resort, the buyers are an individual, investor firm or agency buying the land for developing tourist facilities. The BTDC as the extension of state government is one of the parties, as a primary developer.

During the early development of Nusa Dua resort, buyers are perhaps more sophisticated than sellers. This was uncovered during interviews with locals in Nusa Dua, when they stated they were not about to share inside information, educated knowledge, or experienced intuition with the seller. Consequently, inducing a lower land value than its real development potential.

Several conflicts have occurred between farmers and the BTDC because the BTDC has paid, and continues to offer, insufficient prices for agricultural land. Among the interviewees, those who sold the land to the BTDC said that they were 'forced' to sell it because the land was needed for hotel development. Originally they did not want to sell the land. However, they regard as positive the development brought by tourism for the beautification of the physical environment as well as the job opportunities created by attracting more and more people to Nusa Dua.

The fieldwork also uncovered that in land transactions around the Nusa Dua resort, developers (hotel investors from Jakarta) with political influence have knowledge of government intentions: the location of public amenities, the timing and routing of infrastructure, the designation of land uses and densities for adjacent sites or the wider surroundings. The offered price is thus unlikely to reflect this additional value.

Labour

When Nusa Dua was developed in the 1980s, construction was a big employer of labour, both skilled and unskilled. Most of the hotel contractors were national or foreign companies and the labourers were migrants from Java, with some locals too. Hotel construction in Bali is not only a very significant employer but also offers work to the less skilled and less well educated. However, the image of the construction industry is poor and young people are not attracted to work in construction. After Nusa Dua is getting nearer completion, construction output is declining and there is intense competition for very few jobs. Many find work as self-employed artisans or labourers in the informal construction sector, or in small enterprises supplying building materials.

Capital

Land purchases Nusa Dua developments are very basic. When the BTDC was developed, the land was relatively cheap (1 acre or 119, 6 square yards was \$20-25). Development of the resort began in 1974 under the management of the BTDC. Capital was procured to finance land acquisition and development from the World Bank, to develop the infrastructure considered necessary to attract private investment. The 'philosophy' of the World Bank at the time was that tourism would promote the economic development of both the island and the nation.

Information on how each hotel in Nusa Dua provided capital for the construction was very hard to obtain. However, an official in the BTDC indicated that each hotel investor had its own financial procedure, originating through its own parent 'holding' company. Associated banks had been involved with each particular development scheme.

For development of land for locals, surrounding Nusa Dua resort, the first credit institution in Tanjung Benoa and Bualu was established in 1989 with funds from villagers. The purpose of this institution is to provide loans to villagers (to start up businesses, to renovate homes, to improve agricultural facilities, and so on.). Tanjung Benoa and Bualu have received more government aid since Nusa Dua was built (these funds have been used for the development/improvement of streets, schools, temples, homes, *lingkungan* buildings, etc.). Because villagers' incomes have increased, more villagers finance personal and community development with their own money. Also changes in credit (more funding and a new building society) have been mainly positive, enhancing equity (between this village and others), and promoting development (more money to improve and expand infrastructure).

Land preparation and development

The identification of development opportunities for the Nusa Dua area came from the French Consultant (SCETO) in its Bali Tourism Master Plan in 1971, and by a Japanese consultant in its Nusa Dua Area Development Plan in 1973. Afterwards, the BTDC was established to implement the plan. Further, the BTDC managed land assembly, project development, site clearance, the acquisition of finance, the organisation of construction, and the marketing/managing of the lot for each hotel and tourist facility.

Investors in each lot controlled the land assembly, the project development, the site clearance, the acquisition of finance, and the organisation of construction. Most of the investors are national-based private companies based in Jakarta. Management of each hotel is contracted to international and national hotel chains, such as Hilton, Sheraton, Hyatt and Club Mediterranee.

To prepare the land for infrastructure, the BTDC needs to stay in close touch with the changing field of policy/regulations at the national level, since it contains both opportunities and constraints to the development process as well as to employed professional consultants (planners, architects and engineers) and contractors. To prepare each lot for hotels and other facilities, the investors have to engage professional consultants and contractors too.

The BTDC generally places restrictions and/or design guidelines in the construction contract to achieve the resort image set by planners and landscape consultants. Specifications that insure this vision will not be ignored during the construction process are set and guide contractors and sub-contractors. Coordination with facilities operators is also done to ensure their consultants and contractors are aligned with the project's objectives.

Construction

The hotels were to be of international standard and contain no fewer than 40 rooms, with a total of 2500 rooms to be built by 1983. Due to operational problems with infrastructure construction, unexpected water shortages, and an uncertain world economy (which meant hesitant investors), the construction of Nusa Dua was considerably behind schedule by 1983. Infrastructure took longer than expected to complete and hotel construction did not begin until 1978.

Within the formal land development process that took place in Nusa Dua, construction was done through the procurement of professional and contractor services. This stage is similar to the land preparation and development phase although uncertainties are fewer because the property is further down the development track, and the Nusa Dua development had been supported by policies at the local as well as the national level.

Surrounding Nusa Dua resort, many villagers, who have increased earnings since the resort was built, have made home improvements (including the addition of *warungs* –food and beverage shops- to homes, the construction of new homes, the construction of washrooms, the improvement of housing quality and aesthetic, and other renovations). Home improvements depend on personal funds, time, and labour. Although 60 households did receive government aid for improvements due to Nusa Dua, most villagers have to finance improvements themselves.

Property transfer

The formalities involved in land and property transfer in Nusa Dua are straightforward and simple: the locals sold the land to the BTDC. The BTDC transfer the property to the investors of

each lot. After this international and national hotel chains operate, manage and market the property to the end user: upmarket tourists. This is a kind of transaction with maximum stability and certainty. It is a simple transfer of ownership.

During the fieldwork, the BTDC, as well as the management of the hotels, did not give information on transfer costs, average property transaction values and the average cost (legal fees and agents' commissions) for acquisition of land and tourist facilities in Nusa Dua.

CHAPTER 8: TRADITIONAL BUILT ENVIRONMENT CHANGES IN BALI AND INSTITUTIONS

The findings from the fieldwork, as written in chapter six and seven, indicate that tourism activities strongly dominate the life and the built environment of the residents of Kuta and the Nusa Dua area. The traditional built environment is intermingled with tourist facility development. Accordingly, it is necessary to analyse those traditional institutions that have a role in the process of change in the built environment.

As has been explained in chapter three, while each of the various frameworks for institutional analysis focuses on a particular institutional element, the framework used in this thesis tries to appreciate that to achieve a more rounded approach to institutional analysis, it requires going beyond the analysis of a particular institutional element. In this study, it is necessary to expand the research beyond the formal planning institutions operating in Bali.

The first two of the third set of research questions enquire: How is planning for the built environment traditionally conducted in Bali? What are the locals' social, economic, political relations with their built environment, traditionally? In order to answer these questions, an inductive (historical/structural) perspective of institutional analysis will be conducted. Scott (1995) uses the term normative pillars to describe this traditional, normative, element of institutions.

Approaches that have adopted the inductive (historical/structural) perspective emphasize that institutions are structures that do not reflect agents' needs and possibilities but shape these needs and determine these possibilities. Traditional Balinese institutions structure their interactions and shape their social and cultural worlds, such as manifested in the built environment. Traditional beliefs, norms, and social structures that were created in the past, for example, are part of the structure within which individuals interact. The starting point for the traditional Balinese institutional analysis is therefore at the macro-level of a historically-determined structure. Internalised beliefs, regarding the structure of worlds and the implied relationships between actions and outcomes reflect, for example, humans' tendency to try to understand the world around them, the cosmology. The first part of chapter eight (section 8.1) thus starts with a discussion on how traditionally the Balinese view the material world, the Balinese cosmological space, and aspects of traditional Balinese villages. Further, section 8.2 begins the examination of planning institutions in the traditional Balinese village and tries to connect the roles of the values connected to *adat* and *dinas* in the changing contextual circumstances of Balinese life. For a system of beliefs to be an land-use planning institution it has to be shared by members of

the community. Therefore, section 8.3 explains the Balinese village as political entity, an entity that shares the same belief systems. The chapter finishes with an explanation of how the changing economic system in Indonesia has influenced traditional planning practice in Bali generally.

Balinese culture has long been studied anthropologically and sociologically and traditional institutions in Bali have been increasingly examined. None of these studies, however, specifically investigates traditional planning processes. This chapter thus tries to synthesise relevant literature in an attempt to draw links between concepts and practices of traditional Balinese culture and traditional planning practice.

8.1 Balinese tradition and institutions

Adat

Adat had become the generic term for describing local customary practices and institutions in the Indonesian archipelago. Its conventional translation as ‘customary law’ inadequately conveys the cultural depth and immense character of this defining feature of Indonesian life.

The decision process dealing with environmental change in Bali supports Warren’s (1993) notion that the *adat* is founded on religious values, collective experience and local knowledge. Balinese religious concepts assign sacred status and ritual obligations to space, and sustain *adat*-influenced land use on community lands. House compound production on these lands places the community, and its non-material harmony, above the material rewards of the market. The sacredness of the many distinct places represents a natural symbol of community solidarity and renewed social harmony. Community and social welfare, continuity with the past, and harmony (*tri hita karana*) in the cosmos, are the main features of the traditional *adat* life world in Bali. Balinese *adat* institutions are fundamental organising principles, place reliance on local knowledge and are capable of enabling local people.

Obligations and duties to the *desa*⁸ *adat* are the responsibility of all members, although actual physical tasks may differ. Social solidarity, community norms and traditional law reinforce the community and guide its members through the communal rites of life, ensuring proper nurturing after death. Participation in the *adat* sphere (community, non-material) is still more important to the Balinese than participation in the economic sphere (individual, material).

As demonstrated in the study of change in the built environment in Bali, *adat* beliefs and institutions guide the socio-cultural/religious sphere of village activities. However, *adat*

⁸ *Desa* is loosely translated as a village, see more explanation on socio-cultural village in the subsequent section

boundaries and power in everyday life continues to be transformed (Sentosa 1994, Warren 1986). Traditional institutions such as the *desa adat* are founded on the principles of participation and equity. When people have control over their resources, whether material or non-material, they hold power over their use. Leadership and decision-making in Balinese traditional institutions, such as the *desa adat*, is in thus control of its members (Warren 1993).

Traditional Balinese cosmology

The natural and cosmic worlds of Bali are so intertwined that perhaps only the Western-trained academic can separate them. How are extraordinary, supernatural, events explained in such a society? In the traditional Balinese view, at any particular time or place, personalities, social relationships and groups, and even whole societies at may be more or less aware of the condition of *darma*. As such, *darma* (the condition of the *adat* order) is the ‘causal background’ in explaining supernatural events. This abstract order, that connects events, has been commented on by Hobart (1979) and Greetz (1980). Geertz noted that the Balinese often look to the past not in search of causal agents, but as a standard by which to judge and model the present. Hobart argued that the order the Balinese place on the past reflects their present cultural concepts. *Adat* materialises customary practice, as the basis of social action in Balinese society, and represents order in changing circumstances or ‘continuity in change’.

So what things can effect change in Bali? Hobart (1990b) stressed that through ‘Northern eyes’ (i.e. the ability to exert power and/or cause an effect) change is often seen as only part of the human domain. But how do ‘Balinese eyes’ view agency? – well the “Balinese attribute responsibility for all sorts of events to the actions of invisible beings or even material objects which we, but not they, tend to consider imaginary agents” (Hobart 1990, 1992). Hobart (1990) noted that the inhabitants of the Balinese countryside are not only human, they also contain other agents, some visible, others invisible. Divinity, disguised in many forms, is present and open to local interpretation. Consequently, the emphasis which Balinese society places on continued order, and material and non-material agency, assures that aspects of the ‘natural’ environment continue to have the capability to link the human and cosmic worlds.

“Despite the frequency with which reference is made to religion and the role of Gods in Bali, outsiders seem to have great difficulty in appreciating the extent to which Divinity in some aspect is treated as an extraordinarily powerful agent or as the ultimate source of all agency.” (Hobart 1990:108)

Just as the traditional Balinese universe consists of the *sekala* world (that which is visible or tangible) and the *niskala* world (that which is invisible or intangible), human experience also consists of what are termed ‘concrete’ and ‘non-concrete’ spheres. Non-concrete experience may be defined simply as that gained through non-material agency; conversely, concrete

experience is that associated with material agency. Cole (1983) argues that neither concrete nor non-concrete experience is inherently more 'real' or 'meaningful' than the other to what the traditional Balinese 'is'. What is significant is the transforming of the non-concrete into the concrete through human action. This transformation is not seen as a goal-oriented, linear process, which directly links with concrete goals, such as found in rational comprehensive thinking. Rather, Bateson (1949) argues that in Bali actions are valued in themselves, as opposed to being purposive in nature. Cole (1983) noted that the Balinese completely de-emphasise the temporal, causal sequence of human action. The move from non-concrete to concrete experience and action involves an alteration or a transformation beyond an understanding of rational or scientific thinking. The gods will not punish the Balinese for failing to perform a ritual or attend a ceremony, but those Balinese who do not partake are wasting an opportunity for valued action.

Traditional Balinese views of the environment and nature

The Balinese-Hindu concept of *tri hita karana* is a fundamental philosophical principle, which underlies the socio-cultural and natural world in Bali. *Tri hita karana* literally translated means 'three' 'happiness' 'sources'. The concept states that material and spiritual happiness relies on a harmonious relationship among the *Sang Hyang Widhi* (supernatural power), the *Bhuwana Agung* (macrocosmos) and the *Bhuwana Alit* (microcosmos) (Sudarma 1971). *Tri hita karana* address death (Hobart 1978); villages occupy a 'middle ground' between the extremes of *nawa sanga* cosmologies and are responsible for maintaining the spiritual and natural harmony of this 'ground' through prescribed ritual (Parimin 1986).

The concepts of *nawa sanga* and *tri hita karana* are not only philosophical in nature, but are also manifest in the spatial form of the typical village. God is conceptualised through the village's 'soul' – the *kayangan tiga* or three residences of the Gods in the three primary village temples (Hobart 1978, Sudarma 1979, 1984, Budiardjo 1990). Through membership of a *kayangan tiga*, villagers are tied together through shared ritual. In the typical village, the village crossroads represents an important communal open space where the two main axes of *nawa sanga* intersect. From this space, the 'temple of origin' or the *pura puseh* is located at the *kaja* boundary of the village, on the *kangin* side – the village's most sacred location. The *pura puseh* is dedicated to human settlement and village ancestry whereas, in contrast to this, the 'temple of the dead' or *pura dalem* is located *kelod-kauh*, just beyond the village boundary, where impurities and spirits may rest. At the heart of the village is the 'community temple' or the *pura desa / pura bale agung*. This temple is located in the village's 'middle ground' and is linked with maintaining the fertility of the surrounding *sawah* - irrigated rice fields - (Greetz 1959, 1980).

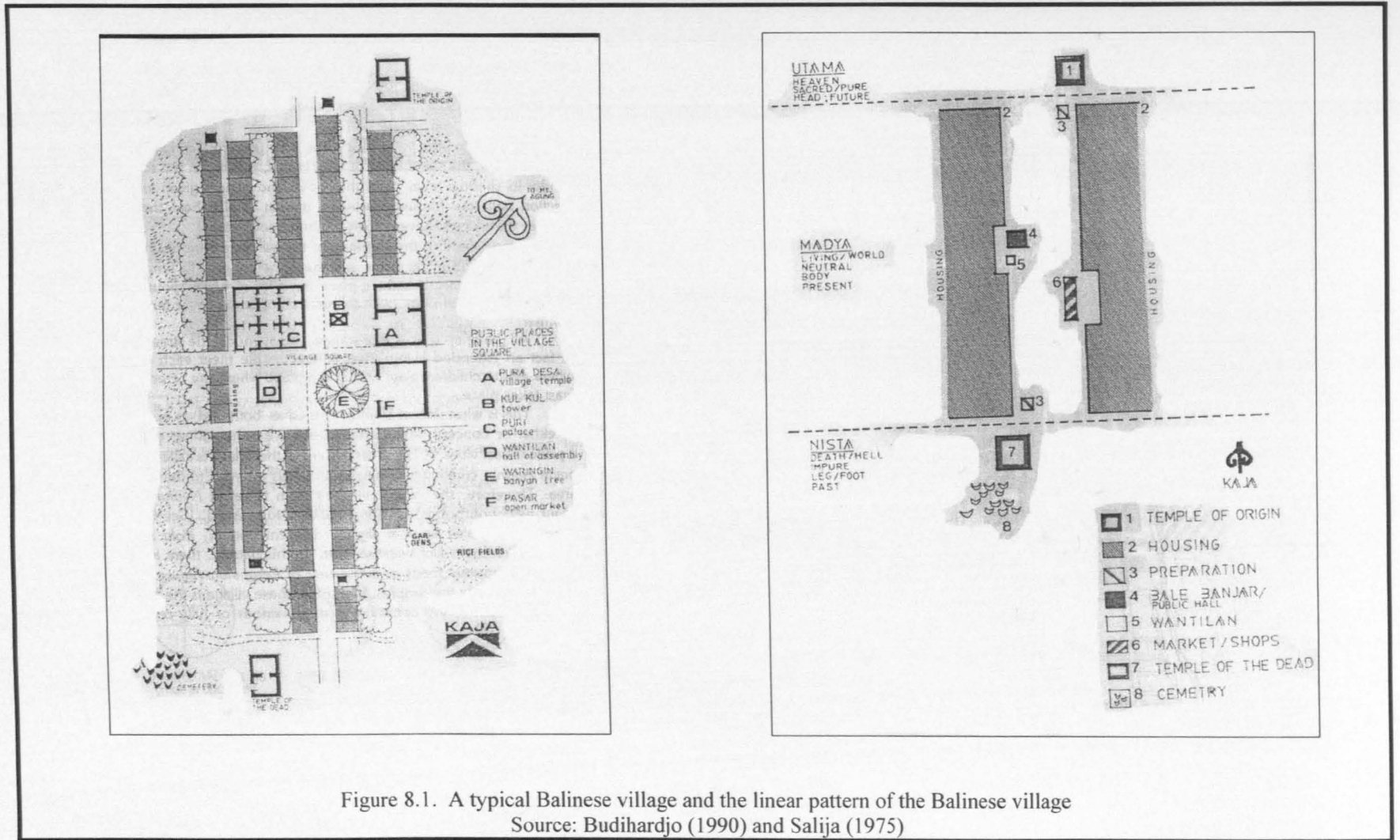


Figure 8.1. A typical Balinese village and the linear pattern of the Balinese village
 Source: Budihardjo (1990) and Salija (1975)

Village environmental harmony is dependent upon ritual maintenance and the avoidance of pollution (physical, spiritual, magical). This is evident in *desa adat awig-awig* (traditional law) where ‘pollution’ and ‘ritual treatment’ of village land receives much attention.

Hobart (1978, 1979), Parimin (1986) and Budihardjo (1990) discuss the manifestations of *nawa sanga* and *tri hita karana* in the Balinese house compound. The compound is conceptually and functionally divided into nine zones based on the cardinal directions – see figure 8.1. Just as village space is tied to hierarchies of sacredness, so the Balinese house compound is utilised such that the sacredness (e.g. *sanggah*/house temple) or profanity (e.g. *tebe*/backyard forest garden) of activities dictates their location within it.

Tri hita karana as a concept is dynamic and flexible. Stretched to its conceptual limits, ‘the village of Bali may be characterised as being spiritually represented by the ‘mother temple’ of Besakih, comprised of Balinese-Hindus and reliant upon the life-giving attributes of Bali’s built environment. At the village level, *tri hita karana* is manifested in the *kayangan tiga*, the *desa adat* gathering and local ecosystems or particular communities. Within the household the Balinese conceptually and physically segment space for the spiritual, for human living and for supporting less pure activities.

The traditional socio-cultural village

Scholarly research on Bali usually has focused on the anthropological/sociological aspects of the ‘village community’. Perhaps the only commonality that may be drawn out from this is that nothing in Bali can be generalised. Appreciating this paradox, the following discussion tries to draw together several relevant aspects of Balinese society and village life.

Early Dutch writers, firmly established within a legalist framework, applied ethnocentric political models to Bali in an attempt to define the ‘citizens’ of ‘community’. They described the *desa adat* (customary village), which they perceived to have political authority over local territory, as ‘village republics’ (Guernonprez 1990). Guernonprez (1990) argued that these authors did not comprehend the role of indigenous values (e.g. ‘non-physical’ village space) in their frameworks, adequately.

For example, Van der Kroef (1953: 141) identified the importance of the traditional Balinese village as a purely political/structural model. The village was to be considered primarily as a religious community, which existed for the purpose of mutual worship of gods, the pacification of demons, the maintenance of temples, and harmonious co-operation with the forces of the cosmos. All other activities of the village were secondary to these objectives.

The 'village republic' period of Balinese anthropological/sociological literature was challenged by Geertz's (1959) concept of the village being composed of 'planes of social organisation'. Geertz stressed the complexity and diversity of the Balinese village, but argued that seven fundamental planes were organically intertwined into a 'village'. Geertz's planes, which bound communities together, were based on commonalities of association in temple congregations, residence, rice-land, social status, kinship, voluntary organisations and legal subordination. However Guermonprez (1990) argued that Geertz's conception was somewhat inadequate, for instance when Geertz conceived of his planes 'on the same level'. Guermonprez (1990) questioned the validity of placing, for example, the shared obligation of worship at a given temple on the same level as other planes.

Geertz's (1959) 'shared obligation to worship at a given temple (*kayangan tiga*)' refers to membership in a *desa adat*. Geertz (1980) and Schaareman (1986) noted that the primary aim of the village community is to preserve and maintain the ritual purity of its sacred spatial space. Because the *desa adat* is ultimately afforded this responsibility, it may be understood as the village's most important socio-cultural institution.

Conceptually, *desa adat* embodies an ordering of religious values, customary law (*awig-awig*) and local knowledge in the public interest. Social and spiritual harmonies are intertwined within it. Warren (1993: 35) discussed its relevance in influencing community affairs and behaviour.

"The diffuse conceptions gathered up in the term *adat* – *dresta* reflecting the handed down experience of past generations and ongoing ancestral guardianship of community life; *sima*, *tata krama* embodying community practice, past and present – refer to common moral, social and communicative matrix grounded in local experience and local knowledge which has profound significance in everyday life."

Geertz's 'residential unit' was the *banjar adat*. The *banjar adat* is a neighbourhood residential unit responsible for the maintenance of order, good relations and mutual support among its members (Guermonprez 1990). Several authors have also noted a relationship between the *desa* and the *banjar adat*. Warren (1986) argued that although the *desa* is the materialisation of village *adat*, it is now often the *banjar* that implements it. Consequently, Geertz (1980) viewed the *desa adat* as being a 'religious congregation' as opposed to the 'civic community' of the *banjar adat*. Hobart (1979) saw the *banjar* as a socio-political subsection of the *desa*, where the *desa* was the 'customary village' and the *banjar adat* was the 'unit of government'. Guermonprez (1990: 68), as an example of links, claimed that *banjar* and *desa* can not be understood as distinct parts of a religious-secular system, but rather as asymmetrical parts of the whole, by stating that "I suggest that the words *desa* and *banjar* refer to a cultural-and-social totality, a single system primarily defined by a hierarchical relation between the two levels."

Guermontprez also considers the *banjar adat* as responsible for ‘particular’ horizontal relations amongst humans, whereas the *desa adat* connoted ‘universal’ vertical relations between humans and the invisible, spiritual, macro-cosmos. Hobart (1978), Schaareman (1986) and Guermontprez (1990) also note that the religious values of the *desa adat* reflected the civic values of the *banjar adat*.

Traditional land management

As an example of how the Balinese *adat* influenced changes in the built environment, this section discusses the land management system in traditional Balinese society.

Traditional Balinese *adat* villages communally control village lands under the auspices of the gods. The *adat* village land thus represents a fundamental conceptual and practical link between the gods, humans and the environment, and is the primary basis for built environment changes. Griadhi and Suasthawa (1985) have described the various traditional categories of Balinese land:

Tanah Pekarangan Desa: This is village residential land that consists of the *karang* (household proper and the *tebe* (backyard forest/garden). This land is the property of the gods, but administered by the *desa adat* for use by the *kerama adat* (members). The *karang* may not be sold, only passed on generation to generation. Until 1985 it was exempt from taxes and in some cases could not be sold.

Tanah Ayah Desa: These are the surrounding agricultural lands. Include *sawah* (rice fields) and *tegal* (dry-lands). They are also privately owned lands, which are taxable.

Tanah Laba Pura: These are temple lands, or land bound to certain village temples, whose production sustains them. They are generally assigned to a *pedanda* (high priest) or *pemangku* (lay priest) and subject to production-sharing agreements.

Tanah Druwe Desa: These are the village common lands - community land such as the market, the village-square, the meeting hall and cemeteries. No personal rights exist.

Tanah Pecatu/Tanah Bukti: This is usually agricultural land, originally given by kings to a village in recognition of its ice. Later it was assigned to village officers while they were serving the community, or converted to *tanah ayah desa*.

These classifications of land are found in various quantities in different villages. Membership in the *desa adat* in some villages entitles one to rights over both *tanah pekarangan desa* and *tanah ayah desa*. The use of these rights comes with obligations (labour obligations) to the *desa adat*,

required attendance at meetings, the filling of obligatory offices and the observance of *awig-awig* (Warren 1993). *Desa Adat's awig-awig* conceptualised the socio-religious significance of village land as decreasing from the village temples, through residential and village common lands, to the cemetery. Each zone has its own prohibitions and rituals to ensure purity and harmony.

The Basic Agrarian Law of 1960 (*Undang-Undang Pokok Agraria*) established a new land law (a national one) that took precedence over traditional *adat* law. The law advised that such traditional land should be registered and converted to private property (MacAndrews 1986). Yet there is no category where community land such as *tanah pekarangan desa* or *tanah laba pura* could be registered with the *desa adat* or temple as owner. Warren (1993) viewed this law as potentially destroying the fundamental relationship between the rights and responsibilities of Balinese *adat* communities and their community land, which is borrowed from the gods. Parimin (1986) has also described how modernisation processes have already caused what was formally communal land to be redistributed to individuals. In these cases, it seems that the *desa adat* is losing power within the everyday sphere of communal activities.

Many have pushed the Indonesian Government to make allowances for the traditional land systems of Bali, and other places in Indonesia, but to date the government has taken no action (Warren 1986, 1993; Moniaga 1991). Although traditional land systems persist in Bali, the Basic Agrarian Law of 1960 acts as a legal tool of national integration, and one that could have wide-ranging effects on the traditions, and environment, of Bali.

The traditional Balinese village (*Desa Adat*) as a development institution

The *desa adat* works to achieve equitable relationships in the way it governs gods-humans-nature (*tri-hita-karana*) within its boundaries⁹. By constructing a sacredness of spatial use, the *desa adat* allowed for the equitable sharing of its symbolic power. House compound production, aimed at household and community use, also supports village equity and welfare. All households use compound (shared) gardens according to their needs, and provide surpluses to the community according to their means. Poorer households can be expected to grow more subsistence materials than wealthier ones and as household economies improve, the ritual significance of compound gardens can be expected to rise with surplus production going to the community at large. As such, wealthier households funnel surplus production into the ritual sphere for the benefit of the entire *adat*. In this sense, *adat*-influenced behaviour contributes to

⁹ Outside of this sphere, Foley (1987, 1991) discusses how modernising forces, and in particular access to the cash economy, are upsetting the traditional egalitarian (socio-economic) nature of Balinese villages. Poffenberger and Zurbuchen (1980) also comment upon the traditional social support mechanisms of Bali villages.

equity in village consumption (harmony) as excess production from *adat* lands is shared by all, and not off-loaded on the market for the benefit of few.

Furthermore, as Cole (1983) noted, ritual activities in Bali are valued actions in themselves, meaning that increased 'ritual growing' could effectively be more 'productive' than growing for the market. As such, cultural constructs, which direct the villager to grow for community consumption, are not necessarily done so at the expense of productivity. Because production is not geared toward the market it should not be construed that great and varied production from house compound gardens does not exist and that villagers do not receive an equitable return for their work.

In traditional institutions such as the *desa adat*, founded on principles of participation and equity, people have control over their resources, whether material or non-material; they hold power over their use. Leadership and decision-making in Balinese traditional institutions, such as the *desa adat*, is thus firmly in control of its members although its power in certain areas has been curtailed (Warren 1986).

Even though modernisation and economic development has introduced more and more into Bali, *adat* beliefs and institutions still guide the socio-cultural/religious sphere of village activities. However, *adat* boundaries and power in profane sphere activities continue to be transformed (Warren 1986, 1993; Foley 1987).

8.2 Traditional Institutions and Planning Practice

The review of anthropological and sociological research on traditional Balinese cultural principles and traditional institutions shows its continuing influence on people's interactions with their local environment. This section tries to link Balinese traditional culture with planning. It starts by describing the planning institutions of a traditional Balinese village, and goes on to review the advantages, intrinsic and instrumental, of 'traditional planning'.

Planning in traditional Balinese villages

The traditional, 'informal' planning of *desa adat* is not planning in the rational, linear, 'goals and concrete action' sense, but rather planning which addresses day-to-day problems through the inherent value systems of religion and tradition. *Adat* community is responsible for guiding ritual activities and collective action (e.g. social or co-operative works, enforcement of *awig awig*, mutual self-help) (Parimin 1986). *Adat* planning looks to the past for guidance and places great value on the continuity of behaviour. Goals and objectives are not determined rationally nor are they logically worked toward, but rather evolve organically through conformance to socially determined *adat* behaviour.

Day to day *adat* functions and planning revolve around the order of the traditional calendar, and its prescribed ritual ceremonies. Problems are dealt with by traditional ways and by traditional 'experts'. *Adat* institutions formulate actions within a framework of local knowledge, values and behaviour and decisions are made on a consensus basis, with *adat* solidarity paramount. This endogenous, adaptive mode of planning has proved resilient and continues within traditional *adat* institutions.

Traditional institutions can also regulate change in the built environment. Philosophically, the Balinese cannot be separated from their traditional way of managing their environment. Like many resource-dependent cultures, the Balinese have intricate knowledge of their local surroundings and have traditionally worked, whether consciously or unconsciously, to preserve them for future generations. This local behaviour, regulated by traditional institutions such as the *subak* for wet-rice agriculture, *desa adat* for village lands and *banjar adat* for neighbourhood particulars, have worked toward maintaining social and natural harmony through connecting cosmological conceptions to environmental beliefs and actions.

An example of the application of traditional planning is shown in how cultural concepts direct surplus production from traditional *adat* house compound lands into the ritual sphere, which means working toward equity and harmony in village economic and socio-religious relationships. At the same time, this inherent practice has preserved great biodiversity in these gardens. In addition, the socio-religious symbolism attached to *banjar adat* membership has been shown to be responsible for local, *adat* based conservation activities. These cases demonstrate the utility of the *adat* belief system, and institutions, in successfully linking local experience with local culture in way that maintains social, spiritual and environmental harmony (*tri hita karana*). Conscious environmental conservation was not a practical problem in Bali until a few decades ago, but it seems clear that many traditional behavioural codes and practices were inherently environmentally sustainable.

Instead of studying and making use of the traditional ritual systems for regulating critical environmental relations, the state government is attempting to create and impose an entirely new regulatory system based on civil law. In practice, this has appeared to succeed in eliminating a traditional system that worked well, and to introduce a new one that does not. Whereas fear of certain supernatural sanctions resulted in strict observance of traditional regulations, the lack of fear from 'uncertain' civil penalties has resulted in a widespread disregard of the new laws (Dove 1988:17).

As a result of this state, governmental involvement in Balinese villages, land-use planning is now practised by two, distinct, types of institution. On the one hand, there are traditional

institutions such as the *banjar adat*¹⁰, *desa adat* and *subak* (irrigation association), which have regulated local attitudes and behaviours for hundreds of years. Villagers are intimately tied to, and participate in, these organisations. On the other hand, more recent central government institutions, which aim at achieving national goals or integration, economic development and provision of basic services, also operate at the village (*desa dinas*) level (MacAndrews 1986b). Whereas *adat* institutions elicit wide participation, *dinas* institutions view the villager as a 'subject for development', and meaningful participation is limited (van den Ham and Hady 1988; Dove 1988).

Lessons learned from the planning practice of traditional institutions

Chambers (1983), Goulet (1987), Verhelst (1990), and Nelson (1992) argue that traditional institutions have intrinsic worth and are thus worthy of preservation. These people believe that the social energy embodied in 'community' could be the basis of an alternative development that puts people ahead of things. Others argue that traditional institutions have instrumental benefits to the development planner and could be used within conventional development frameworks (Douglin et.al. 1984; Uphoff 1985, 1986).

Where local people have control over local resources, and are accountable for them, there is a better chance that sustainable environmental management practices will succeed (Korten 1986; Agarwal and Narain 1989). Balinese *adat* village ecosystems are cultural and natural units appropriate to local level planning because of their human ecological distinctiveness. In contrast to Bali traditional villages, *dinas* villages promote national-level goals, and do not generate social unity and participation. They are also tied (spatially, culturally) to local ecosystems. As a 'development unit' or 'centre of development' Bali's *adat* communities embody several organising principles and goals of a participatory, people-centred development:

Local focus

Ancestrally and community-based *adat* institutions are the traditional basis for collective action and the mobilisation of local resources, and local knowledge in addressing community needs, problems or opportunities. By focusing on the *adat* institution, diversity/plurality in development is inherently respected.

¹⁰ It is recognised that the *banjar adat* sometimes plays a very important role in village affairs. In some villages, the *banjar* is superior to the *desa* in *adat* matters; in others it is complementary, in others subordinate (Parimin 1986; Warren 1986). In the context of this discussion, '*desa adat*' refers to the complex of *adat*-guided village behaviour.

Participation / decision-making

In *adat* institutions, community participation is mandated through *awig-awig* and highly valued. Decisions that affect the community are made by the community (i.e. consensus) in regular meetings attended by representatives from all households¹¹. This also means the re-legitimizing of local knowledge.

Equity / communal well-being

Within *adat* communities, social support mechanisms/beliefs act to re-distribute surplus production to poorer households, or into the communal, ritual sphere. Households save resources for ritual needs rather than spend on consumer goods. Shared ritual, collective action and mutual self-help activities advance social solidarity. Communal support in times of need is customary.

Environmental philosophy / knowledge

Adat institutions embody a 'store' of particularised, local environmental knowledge built up over generations. This knowledge is often bound up in cultural perceptions, beliefs, and ideas, which guide environmentally sustainable land use strategies.

Holistic development

Adat-guided perception and behaviour offers communities continuity in the changing circumstances of village life. *Adat* represents a view of the future, which respects the past. *Adat* communities are fundamentally concerned with balance and harmony among the spiritual, human and natural components of life (*tri hita karana*).

8.3 Change and continuity in traditional Balinese villages

The Balinese village as a political entity

When Dutch colonials introduced a formal system of local government throughout Indonesia, they established a framework for central governmental involvement into what were traditionally *adat* responsibilities. Following the conquest of Bali, the Dutch found the *desa(s)* divided into many small spheres of influence: the prince, the *desa* chiefs, *banjar* heads, and so forth. In the injudicious reorganisation of the political system they centralised government to control the complex conglomerate of *desa(s)*: logically enough as it happens by following the system of princes, and creating a government district headed by Dutch officials, and one assisted by

¹¹ Questions remain regarding the equality of participation between women and men in decision making. That all households are represented in *adat* matters is clear.

former landlords. They preserved the prince (Regent), the *Punggawa*, and the *Perbekel* to ensure that taxes were paid. Finding the *desa-banjar* relationship incompatible with Western ways of management, they re-divided the villages, often in an autocratic way, and renamed the towns and *banjar(s)*, ignoring their traditional connections. The *desa* became simply any 'big' village, and the *banjar* was simply a 'hamlet' or 'quarter of the village.' Areas too close to one another were joined together, and what was separated by distance was cut off, forming the so-called government *desa (dinas)* and Government *banjar (lingkungan)*. There are cases of *banjar(s)* merging into one, and small *desa(s)* downgraded into *banjar(s)* or joined with other small *desa(s)* to make a large *desa* worthy of the name, despite the fact that it might have more than one *bale agung*. However these new villages existed only in official documents, not in the Balinese mind, forcing the people to make a strong distinction between the '*desa adat*' and the 'government's *desa*' (*desa dinas*).

MacAndrews (1986) presents an overview of the Indonesian government's role in local development. He stated that the successful New Order (post-1965) national integration programs have federated the ultimate authority of the state's central government. Warren (1986, 1993), Foley (1987) and Kato (1989) remark on the changing balance of power between the *adat* and *dinas* governments of Indonesia.

The Village Government Law of 1979 also aimed to standardise local government structures and local participation across them. Under this law, elected *klian banjar dinas* (the locally elected administrative head of the *banjar*) were to be replaced by a *kepala dusun* who would be appointed from outside. Furthermore, when a *desa dinas* (formal administrative village) was to be designated as a *kelurahan* (according to the level of 'modernisation'), elected village officials were to become 'official' civil servants. The full effects of this law have not yet been felt in Bali. However, Warren (1986: 226) has warned that the Village Government Law of 1979 has the potential to transform the political/social systems of Balinese villages from a traditionally representative structure (*adat*) to a purely administrative one (*dinas*).

Geertz (1959) previously described the nation-state of Indonesia as being an abstract entity to the average Balinese villager. Later on, Warren (1993) discussed a subtle shift in power taking place in Bali where new sources of authority, such as the modern state with its laws and education systems, threatened the authority of traditional local systems. She talked about the attempts of bureaucrats to alter traditional laws (*awig awig*) and government interference in traditional village sanctions, thus areas where the *dinas* is intruding on the *adat*. Foley (1987) noted that the centralised, bureaucratic and authoritarian nature of development planning in Indonesia is in contrast to the localised, participatory and democratic nature of *adat* Bali.

Warren (1993) argued that one must recognise that *adat* holds valuable wisdom – wisdom that is in harmony with national development goals.

The contest between local knowledge/power and that of the state is linked to the struggle to maintain a balance between collective and individual interests, and between '*sosial*' (social) and '*materi*' (material) orientations. The *adat* continues to have a strong symbolic significance in the construction of popular visions of the collective good, and *adat* institutions provide an important base for organising collective action.

Modernising Balinese villages

Cole (1983) and Foley (1987) have identified forces of 'modernisation' as the main factors behind human ecological transitions in Bali since World War II. From the above discussions it seems clear that the inter-related factors of a 'modernising' economy and tourism 'boom' have worked together to transform aspects of life in Balinese villages during this same period. So what values guide 'traditional' and 'modern' behaviours in Balinese villages? Have these changing values affected the *adat* and influenced human relationships with the environment?

The new order of government has brought village development projects, programmes and institutions to Balinese villages. A changing workforce has embraced tourism-related industries and their cash rewards. Farming has become less attractive to villagers' children as they move toward more consumptive lifestyles and, at present, villagers are grappling with ways to attract more tourists to the village. This change toward a tourism-based, 'modern' cash economy is rooted in values of growth, individualism and material consumption.

The changing economy, however, finds its basis outside of the *adat* sphere of activities. Villages' economies mirror the description by Poffenberger and Zurbuchen (1980), Cole (1983) and Foley (1987) of transformation from an inward-looking system to a cash-centred one with external ties. Government sponsored projects/programs, tourism and a cash economy are all part of a 'modernising' Indonesia focusing on the material benefits of development.

Government development projects/programs are planned and implemented through the formal *dinas* sphere of the state and there is no reason to believe this is not appreciated by the majority of the residents in Bali. However, in certain cases local *adat* beliefs and actions remain more important to the villager than *dinas* planning objectives.

Warren (1986, 1993) and Foley (1987) have documented a changing balance of power in Bali where values and policies are in some cases intruding into areas that were formerly *adat*

territory¹². Some evidence of this changing relationship is evident in Kuta and villages surrounding Nusa Dua. For instance, whereas villagers' conservation of sacred places (i.e. temples and *Pura*) is socially constructed and enforced through its *adat* sphere, decision making about the spending of award money has been placed in the hands of the *dinas* sphere. *Adat* decision-making is participatory in nature and award-money distribution decided by influential villagers. Similarly, when government officials talk about tourism development proposals, they generally talk of the possibilities for increased tourism and revenues. Local people also talk of economic benefits, but are also concerned with community consensus, continuity in belief, finding an alternate temple support mechanism and proper ritual. They are concerned with maintaining balance in *tri hita karana* (gods-humans-nature). At present, it appears that although *klian banjar* in Kuta are responsible for the conservation and maintenance of the *pura*, the *dinas* system of government is regarded as the vehicle for environmental and/or tourism management/planning. The residents of Kuta and the surrounding villages of Nusa Dua, although somewhat intimidated, seemed ready to look toward the government for direction or help in developing their 'cultural assets'. Is this a sign of a relationship of dependency fostered by 'top-down' development planning?

As a result of regional tourism, employment patterns in Kuta and surrounding villages of Nusa Dua have been significantly altered as tourism industries have created new opportunities. More recently, local tourism has induced villagers to build cold drink stands, art shops and rental accommodation in the village. Plans abound on how to attract more and more tourists to Kuta. Yet these examples have one thing in common. They represent individual behaviour aimed at material gain¹³. Accordingly, environmental consequences of economically motivated behaviours are contingent on decisions made by individuals, or groups of individuals, and not by the community at large (*adat*). Decisions in this economic sphere are influenced by experiential knowledge of how others have benefited from tourism-induced material wealth. In the *adat* sphere, decisions look toward the traditional knowledge of ancestors in search of material, and non-material harmony (*tri hita karana*).

For some residents, the changing economy has meant that time is more restricted than it used to be. Commenting on present day meetings, *Pak Kepala Desa* said that years ago when a *banjar* meeting was called members would invariably arrive early to chat with one another. He also remarked that the terms of *gotong royong* (co-operative labour) have, in some instances,

¹² *Desa Adat* Kuta's formal traditional law (*awig-awig*) makes several references to the state legal system; as possessing principles/laws which should be followed, as ultimate decision makers in some circumstances, for approvals in appointing people to posts etc.

¹³ This is not always, nor does it have to be, the case. For example, the *adat* village of Sanur has an extensive network of collective, village-based industries (Warren 1986).

changed. He did stress, however, that for *banjar* duties involving ritual or ceremony (*adat* sphere), behaviours have not changed.

Warren (1993) has commented on the importance that *adat* institutions play in maintaining the balance of power between the community and the individual, and between social and material values. Which values were found to influence Balinese's environmental behaviours on its *adat* lands? Balinese house compounds and the conservation of their cultural assets is based on values of community solidarity and social welfare. These behaviours do not seem to have been altered with the changing economic circumstances of village life. In this sense, the community is still more important than the individual, and social wealth more important than material wealth.

When Balinese villages improve temples, as a result of an improved village economy, they are providing a rich metaphor for the continued relevance of the *adat* experience to them. A changing village economy has been linked to a culturally constructed *adat* experience, again providing villagers with continuity (cultural) in change (economic). As an institution, the *desa adat* is relevant not only to the Balinese villager, but also to the planner who often tries to infuse principles that this institution intrinsically represents.

Linking traditional and current planning systems

The rejection of planning is an implicit rejection of the mechanistic, geometric, logical and economic mode of thinking in favour of a more organic, decentralised, ecologically-sound and humanly enhancing form of planning (Budihardjo 1990: 94).

The success of conventional Indonesian development planning depends largely on the interactions among three factors: (1) the market as a resource mobiliser/allocator, (2) government development policy, and (3) the traditional institutions of local people (MacAndrews 1982). The importance of traditional institutions within this framework rests in their ability to transform resources (their own market or government) into locally desired outputs. 'Local' development planning focuses on human resources and institutions, rather than on markets (a resource planning approach) or on government policy (a comprehensive planning approach). Local approaches concentrate either on the local administration (formal government) or the local approach to planning in Bali, which empowers *adat* communities as vehicles for a people-centred development. Which approach: the resource, the comprehensive or the local, does Indonesian development planning follow at present?

Objectives of Indonesian development are growth, equity and the provision of basic needs¹⁴. Accordingly, development planners use a mix of 'comprehensive regional' (growth, equity) and 'local development' (basic needs) planning methodologies. The state's comprehensive regional development approach relies on government plans which aim at modernising traditional production structures/sectors while reducing disparities among regions and sectors (MacAndrews et.al. 1982). As such, it concentrates on strengthening inter-sectoral relationships and promoting efficiency in resource allocations through a 'top-down', blueprint policy framework.

Indonesia deconcentrated¹⁵ the administration of development planning in the 1970's (i.e. *BAPPEDA*), from a national, to a provincial, to a regency level. Within the regional (comprehensive) framework, regency and provincial plans were created and implemented within the confines of national plans. At the same time, some local area planning programs were initiated in order to build local capacities to manage development efforts (MacAndrews et.al. 1982). Effective local area planning is founded on principles of decentralisation of administration and popular (i.e. beyond elite) participation.

Local area planning in Indonesia is still fundamentally tied to national level goals and policy. It is aimed at building capacities of local government administration (i.e. *Dinas*), rather than local communities (i.e. *Adat*). Within Indonesia's local development planning system, meaningful participation does not come from villagers, but from within a hierarchy of bureaucracies (van den Ham and Hady 1988). As such, local administration (e.g. *Desa dinas*) does not function as a dynamic actor in a process with popular participation at its base, but rather acts as a receiver of development benefits largely controlled by outside forces. Accordingly, those who control the *dinas* institutions often have disproportionate control over the means of development. So which local institution really represents the community and is backed by popular participation? And which institution has a responsibility to distribute the benefit of development equitably?

How rational planning is introduced to Balinese villages

Indonesia's New Order (post 1965) government introduced its first formal, five-year development plan in 1969 (*REPELITA*¹⁶ 1). Since then these five-year national development plans have evolved to reflect Indonesia's national goals or trilogy of development (*Trilogi*

¹⁴ Indonesia's *Trilogi Pembangunan* (Trilogy of Development) lists growth, equity and stability as goals. The objectives listed here refer to the development approach taken by Indonesia (i.e. growth with equity), which, if successful, would presumably lead to stability.

¹⁵ Where the decision makers themselves are decentralised, but their accountability remains with the centre (Uphof 1986).

¹⁶ *Rencana Pembangunan Lima Tahun* (Five-Year Development Plan)

Pembangunan): growth, stability and equity. Formal development plans and policy now centre on promoting capital-intensive modernisation on one hand, and the provision of basic needs on the other¹⁷. Institutionally, the National Planning Board (*BAPPENAS*) is responsible for the formulation of national plans and the co-ordination of implementing the plans. At the provincial level, *BAPPEDA*¹⁸ institutions are responsible for co-ordinating sectoral programs (national, provincial, local) at their level (MacAndrews et al 1982). *BAPPEDA* institutions now extend to the *Kabupaten* (Regency) where they assist in development activities at that level.

Development funds are funnelled exclusively through the *dinas* sphere of government whether in the form of *INPRES* grants (Presidential Directive development fund) or sectoral programs. Planning in this sphere does occur at the village level with local consultations occurring at the beginning of the yearly planning and budgeting cycle. Within this 'bottom-up' mechanism, village proposals for funding are passed up to the *Kecamatan* (District) where, if met with approval, they are passed up to the *Kabupaten* (Regency) for approval, and so on. In theory, it is at the *Kabupaten* level where 'top-down' and 'bottom-up' components of Indonesian development planning meet (van den Ham 1988). While appearing to take into account local needs and desires, in practice, the 'bottom-up' process often excludes non-influential villagers from participating, and leaves the ultimate decision making to government bureaucrats who are trying to meet national development goals (van den Ham and Hady 1988). Furthermore, as village proposals work their way up the system, social projects (e.g. health, religion) identified by the village tend to lose out to physical projects (e.g. roads, bridges) identified and preferred by village bureaucrats (van den Ham and Hady 1988). Within this formal planning process, rural people remain instruments in a national development strategy designed and implemented by a bureaucracy attuned to meeting centrally defined goals.

State government planning relies on a model of economic rationality, where short-term goals are presented as sectoral targets, which may be attained through the effective control or management of system resources. Long-term goals are abstract notions of 'development', 'modernisation' or 'industrialisation'. This focus on 'modernisation' fundamentally views the traditional uses of resources (e.g. ceremony, ritual) as inefficient and traditional socio-economic systems (i.e. traditional villages) as barriers to development (Warren 1985; Dove 1988).

The decentralisation of state government planning bureaucracies has not changed the fact that bureaucrats still hold the power to determine the needs of local people. Historically, central planners have not listened to the knowledge of local people, they have no personal stake in the

¹⁷ The inherent contradictions, and methodological complications, in using such approaches (i.e. basic needs projects, alleviating the mal-distributive effects of modernisation) are commented upon by Warren (1985, 1986) and Yogo (1985).

¹⁸ *Badan Perencanaan Pembangunan Daerah* (Regional Development Planning Board)

environments they plan, and have thus been removed from local accountability (Korten 1986). It is now recognised that people, who have relied on local environments for their direct livelihoods, frequently possess much knowledge and wisdom in local environmental matters. When accountable for the environment, villagers may mobilise resources that the government cannot and, as shown in this study, these resources (i.e. knowledge and behaviour) are often conditioned by local cultural constructs (Chambers 1983, 1991, 1992; Korten 1986; Dove 1988; Agarwal and Narain 1989; Pretty and Scoones 1991; Vivian 1991).

Beyond notions of administrative decentralisation and the utility of local institutions, many argue that conventional, material-centred 'development' is a bankrupt concept (Chambers 1983; Korten and Klaus 1984; Nerfin 1986; Goulet 1987; Norgaard 1988; Korten 1990, 1991; Verhelst 1990; Sachs 1992). Conventional development concentrates on things rather than people, on quantity rather than quality, on 'modern' institutions over 'traditional' institutions. Centralised bureaucracies are founded on the concept of instrumental rationality, where individual responsibilities and achievements are tied to material incentives (Esman 1991). As such, centralised development bureaucracies usually overlook the value of community solidarity, the 'development' is invariably judged against the material goods people have, rather 'who they are and would like to be' (Sizoo 1992:9). Many are now focusing on the importance of local values and behaviours in maintaining the quality of human/spiritual and local natural environment over time (Chambers 1983; Korten 1986, 1990; Kothari 1990; Verhelst 1990). The Balinese institution of *adat*, quite independent from formal government planning and development, continues to shape human environmental relationships within its 'sacred' boundaries. These relationships (i.e. house compound production) have linked human/spiritual health with environmentally sound behaviours. These cultural perceptions and behaviours are not easily 'added on' to centralised models of development or built environmental planning, and nor should they be.

8.4 Epilogue

This chapter has emphasised that traditional, *adat* beliefs and institutions guide the socio-cultural/religious sphere of village activities as well as changes in the built environment in Bali. Traditional institutions such as the *desa adat*, the *banjar adat* and the *subak* (irrigation association) have regulated local attitudes and behaviours for hundreds of years. Villagers are intimately tied to, and participate in, these organisations and it is clear that these traditional religious/cultural values and beliefs are quite resilient in the face of considerable economic change in Balinese villages. The positive role of *adat* beliefs in directing land use and environmental behaviour within *adat* boundaries (land, spirit) has been explored. As a

traditional planning institution, it is argued that *desa adat* embodies mechanisms that work to realise such important planning principles as participation, equity and empowerment.

Conversely, much recent planning practice is tied to central government institutions, which aim at achieving national goals of integration, economic development and the provision of basic services. They also operate at the village (*desa dinas*) level. The current planning process in Bali, which is applied at the local community by the extension of formal national government, is philosophically based on the rational comprehensive model. The planning process and change in the built environment is conducted by individuals (either formal civil servants who work in the particular level of *dinas* institutions or hired appointed professionals from planning consultants) who work using a rationality based on economic growth and material production. The next chapter will explore the built environment institutions in present-day Bali.

CHAPTER 9: CURRENT BUILT ENVIRONMENT CHANGES IN BALI: AN INSTITUTIONAL ANALYSIS

The empirical case studies in this research are intended to explore the changes in the built environment of traditional communities in Indonesia, with Kuta and Nusa Dua as examples. This research aims to enrich an academic discussion of the interrelations between 'traditional and modern' planning in a traditional area, which has been extensively developed because tourism. The case studies have shown that tourism facility development in Kuta and Nusa Dua are highly influenced by the planning system of the current Indonesian State. The formal planning system is applied purely in Nusa Dua, while most tourism facilities in Kuta are developed informally.

This chapter is an effort to describe the last part of third sets research questions: With tourism development in Bali in mind, in the context of Indonesia State, how is planning of the built environment conducted? In the face of such tourism development, what are the locals' social, economic, political relations with their built environment? In line with these questions, a deductive (agency) perspective of institutional analysis is conducted. Borrowing Scott's (1995) concepts for analysing institutions, the term *regulative pillars* may be applicable to this part of planning institutions analysis.

Approaches that have adopted the deductive (agency) perspective consider the individual decision-maker at the centre of their analysis and study institutions deductively as outcomes, reflecting the relationships between individuals' objectives, possibilities, and the environment within which they interact. The impact of tourism on the built environment in Bali, in the context of the current Indonesian State and planning system, is an extensive process that involves a diverse and great number of agents. This is the case even though the starting point for deductive institutional analysis is at the micro-level of agency where interactions in a particular environment give rise to a formal planning institution. It is also arguable that understanding outcomes as resulting from individual agency may create an incomprehensible piece of work and it may be unconstructive for understanding the phenomenon of change in the built environment, in the present context. To simplify matters therefore, chapter nine is organised through examining three main phases of built environmental change. These are the process of land development, spatial planning processes and regulation, and construction processes.

The regulative pillar of institutions explains that planning agencies constrain and regularise the Balinese by rule setting, monitoring, and sanctioning activities (Scott 1995). The role of agencies, such as national and local planning institutions, is to produce and maintain rules that

coordinate behaviour, contribute to the continuation of internalised constraints, and influence the set of thinking that can prevail, with respect to a particular planning process. This includes the capacity to establish rules, control and inspect the conformity of each development project. The primary mechanism of control is implemented by formal rules and regulation. This notion justifies the production of section 9.2 - titled spatial planning process and regulation. In relation to the regulative pillar, the analytical framework in chapter nine also emphasises rule-setting, monitoring and sanctions. Section 9.2 thus will contain a discussion on legal supports, existing planning instruments, location permit approval, building permit approval, environmental impact assessment (EIA), and land and property tax.

9.1 Land development

Land development administration

Secondary data on national land development shows that at least 10 state agencies are involved in land development issues in Indonesia, namely: (1) the *BPN* (National Land Agency) which is responsible for the listing and administration of land titles and certificates, the management of government land as well as land use planning; (2) the Department of Finance, which is involved in land taxation; (3) the National Development Planning Board (*BAPPENAS*), which provides for sectoral co-ordination and the co-ordination of spatial planning on a national scale; (4) the Office of the State Minister for the Environment; (5) *BAPEDAL* (Environmental Impact Management Agency) which oversees environmental aspects of land utilization; (6) *BAKOSURTANAL*, which is responsible for surveys and mapping; (7) the Office of the State Minister for Investment; (8) *BKPM* (Investment Co-ordinating Agency); (9) the Department of Forestry, which manages forest land (forest land comprises 70% of the total land area of Indonesia); and (10) the Department of Mining and Energy, which evaluates foreign as well as domestic investment proposals. The co-ordination of these institutions as well as local government is not an easy task, particularly with regard to implementation at a Provincial Level and the Regency Level of local government. In Bali, where land development is driven by tourism, the Ministry of Tourism has obvious influence in the development of most large tourism facility projects. The BTDC, which administers Nusa Dua, is only one of the many such examples of this.

Indonesia's land administration system, due to the large number and variety of agencies and institutions involved, as well as with the overlapping of existing regulations, is highly complicated. In the field of land law, Indonesia is facing problems that are often encountered in developing countries - 'too many government regulations and not enough support of private institutions' (Dowall and Clarke 1991).

Supported by the World Bank, the National Land Agency (*BPN*) is presently examining laws, regulations as well as court decisions as related to land development in an attempt to facilitate and simplify the arrangements. The results of these endeavours will be made available in the form of a database, including complete subject indexing and cross-referencing (World Bank, 1994). Following the completion of this database, analysis and possibly further simplification and revision of land laws and regulations can be undertaken.

While many regulations are related to land administration, the World Bank (1994) states that four main laws exist in Indonesia which are directly related to and have a large impact on land affairs: (1) the Basic Agrarian Law (*UU* No. 5 of 1960), (2) the Basic Forestry Law (*UU* No. 5 of 1967), (3) the Spatial Planning Law (*UU* No. 24 of 1992), and (4) the Mining Law (*UU* No. 11 of 1967). As noted in the Sixth Five-Year National Development Plan, the conflicts and lack of harmony between laws and regulations concerning land have caused overlap in the authority and responsibility between land management and spatial planning institutions. This indicates that the existing regulations not only lack sufficient enforcement for genuine problem solving in and of themselves, but they also do not provide adequate legal grounds on which to base solutions to what are becoming increasingly complex problems. In addition, the intricacy of the current structure of regulations causes land transactions to become expensive, complicated and risky (see also World Bank, 1994).

In many cases friction occurs between public rights and traditional rights. As development intensifies, this friction will increase, and the need for fair and equitable regulations to address these problems will grow. Policies taken to address this situation include, Presidential Decree No. 55 of 1993, regarding the supply of land for public interests, and the subsequent Regulation of the State Minister for Agrarian Affairs/Head of *BPN* No.1 of 1994 (stipulating the implementation guidelines of Presidential Decree No. 55 of 1993). Here the most important point to be noted (in the Presidential Decree) is its provision that the acquisition of land should be performed after direct negotiation and the achievement of consensus. The aim is to reach a mutually acceptable outcome between parties in relation to a land transaction, on a strictly voluntary basis. Such deliberation (*musyawarah*) is to be understood as a dialogue between equal parties free from pressures. However, more serious enforcement efforts are still required.

Other problems that often arise have to do with compensation for land transfer, as happened during the Nusa Dua development. Displaced inhabitants often feel unfairly treated when compensation is less than the market price. As was pointed out by Djojohadikusumo (1995), the change of land ownership often occurs due to unofficial sales transactions or is based on local laws, without being properly listed in accordance with official regulations. This can lead to the

accumulation of land ownership by small groups or individuals, which in turn results in absentee ownership.

Discussing compensation further, Simanungkalit (1995) states that at least two factors are causing land price distortion, which in turn cause the land market to perform ineffectively. First, whilst land may be often bought by developers through negotiation, true consensus is often lacking. The developer is frequently in a monopolistic or powerful position (being the only potential buyer), and is at no such disadvantage when selling the land to consumers (Harsono, 1996). Secondly, land prices in Indonesia are set only by those who are involved in transactions. This results in market distortions that hamper attempts at efficient use of land resources. For example, while developers already control 70 per cent of undeveloped land, the potential of making use of that land (i.e. developed land) is only 20 per cent. This distorted land market has the tendency of promoting large-scale land acquisition and land speculation. This is difficult to control even with the use of restrictive monetary policies, since foreign capital is often indirectly involved. When the fieldwork was conducted in 1998 in Nusa Dua, there were two undeveloped lots, which according to BTDC record had changed developer and owner several times since 1982.

Consequences of land development

Land use competition

In terms of spatial and environmental dimensions, as Phipps (1981) explains, land use conflicts occur either (1) when the activities of one type of land use are incompatible with or detrimental to the inherent quality of the land or water resources, or (2) when the activities of one or more uses are detrimental to the activities of another use because of spatial proximity. There are at least six issues of land use conflict/competition that need more attention and solution in areas highly developed for tourism such as Kuta and Nusa Dua. These are loss of agricultural land and green zones, increasing idle land, decreasing coastal zones, increasing densities in existing settlements, and marginal areas.

Environmental consequences

Although there is no evidence to show a serious environmental problem caused by the process and pattern of rapid tourism development, several indicators need to be addressed, particularly those related to human health, for example the common practice of providing water supplies from shallow wells, when pumps, deep wells, and other sources are required. The problem with all of these resources is that it is difficult to control the water quality. Water contamination has been indicated by the DWSMP study (1988/1989), while seawater intrusion, as reported by the

Ministry of Environment has already happened in some tourism areas, such as Kuta. The fact that there are an increasing number of people suffering from two types of disease that are strongly related to water and sanitation problems (skin diseases and diarrhoea), indicates that water and sanitation problems require more attention.

Socio-economic consequences

Land ownership change

Under the rapid transition process from agriculture to other sectors, land ownership change might be expected. No detailed study is available that explains the effects of industrialisation/urbanisation, particularly tourism, on the land ownership pattern in Kuta and Nusa Dua. However, evidence indicates a significant change in land ownership patterns. As implied in the example below, the tourism boom and urbanisation has resulted in land ownership changing.

During the tourist boom of 1970 to 1974, in Kuta, 303 parcels of land were sold by residents, both to government agencies and to private parties (Hussey 1986). However, local landowners did not sell their entire holdings. They reserved a portion and later developed it for commercial purposes themselves in the form of room renting, shops, small restaurants, and other related tourism services. In addition, fragmentation of inherited land among sons also causes more complex land ownership patterns, especially since this process is not followed by a formal registration with the local land agency.

In Nusa Dua the 'land acquisition' objective, based on the Nusa Dua Area Development Planning (NDADP) report, was implemented but in a modified way. The BTDC bought the land from the locals, but not the amount needed or in the time scale suggested. They bought 341 ha for roads, but villagers no longer wanted to sell their land to the BTDC because they were paid too little in earlier transactions. Despite the villagers' lack of willingness to sell, the BTDC continues to offer them 1 million *rupiah* per acre versus the 5 million *rupiah* per acre that villagers wanted.

Land price fluctuation and its effects on land supply

The highest land prices are found in the tourist areas, rather than in the urban centre. In Kuta, the land price is twice as high as in Renon, the provincial government office area and Bali civic centre. In addition, the effect of land price increases from tourism occurs not only in the urban fringe and rural area near Denpasar, but also extends to the rural area in Tabanan, about 40 km from Denpasar. It was found in the survey that many landowners who sell their farmland spend their money on replacement agricultural land in both the urban-rural fringe and in the rural area.

Thus this process brings pressures to the rural area as well. In rural areas, especially where the land is very fertile, a lot of land has been transferred to new owners who do not live in these areas. It is argued therefore, that external capital (particularly tourism) is directly or indirectly engaged in community housing and agricultural sectors, and causes two unexpected results. First, a distortion of land supply for housing and tourism facilities and second, land ownership changes in farming.

Although the government has introduced a land price standard for all areas in Badung Regency, because there is no legal basis to intervene in the market process, this measure is ineffective. Land development decisions are thus left entirely to market process and usually community purposes cannot be served. Furthermore, inadequate information on land prices gives more opportunity to speculators and brokers to control the land supply system to serve their own interests. The impact of this is that land purchases are generally available to only a small number of informed people.

Land commercialisation and speculators

Interestingly, this may also indicate that increasing economic activity in tourist areas stimulates the employment of land as a vehicle for the transfer and mortgaging of speculative value. In other words, under increasing land prices, land is more attractive than any other kind of productive investment option, and therefore it attracts more speculators and brokers - and this distorts the land supply process. Interviews with land-owners and developers suggest that cases of one piece of land being transferred more than twice, in a period of six months, are frequent, especially in attractive areas such as Kuta.

Increasing numbers of middle and high-income people, who also use land as a safe investment or as a saving mechanism, also add to the land supply problem in tourist areas. It is unfortunate that such features (tourist-led) in developing countries have attracted such high levels of speculative investment, which have become a burden on the economic development (Payne 1989).

The uncertainty of traditional land

Another consequence of changes in the built environment in tourist areas is the uncertainty of the status of traditional land. The concept of traditional land is a significant factor in the continuation of traditional culture (Lansing 1983; Dharmayuda 1987). There are several types of traditional land in Bali. One among them is *labe pura*, community land that has a function as an economic asset to support traditional-religious activities. This type of land is in particular danger because it is not usually registered formally. Considering this, the government has circulated Provincial Decree No. 6, 1986 to govern the transfer of traditional land for the

purpose of preserving it. However, interviews with local leaders indicate that many public facilities (schools, government offices, health centres, and so on) are being bought by private developers for housing, hotel, and other commercial use. Yet, because the practices of the traditional community are still common, are held in very high regard by several traditional institutions, and are supported by traditional land, the future of this land should be managed carefully.

9.2 Spatial planning processes and regulation

The evidence described above suggests that land management is still problematic in Indonesia and the situation is worsening as a result of the rapid increase in tourist development, which among others factors puts traditional land commonly found in Bali in jeopardy. How then is change in the built environment conducted? How does the current planning process relate to traditional Balinese institutions? The following section deals with the rules for, and organisation of, current spatial planning and development control measures.

Tourism facility development in the study area is highly influenced by planning regulations at any level of administration, national to regency. Any research on land development necessitates some knowledge of how built environmental planning processes are conducted and which institutions are involved in producing planning regulations. This was explained broadly at the beginning of this section. The following part concerns local government institutions and existing planning instruments.

National planning institutions

At present, planning, land resources management and spatial planning is almost exclusively structured as a government activity, whether at the central or the regional level. In other words, the government dominates these activities with public participation being extremely limited. Current public input appears to exist solely on the level of the DPR (National Public Representatives) and DPRD (Provincial/Regional Public Representatives), at the time of ratification of plans or of their amendments. Without ignoring the role of public representatives in those institutions, direct participation of the public is sought.

For spatial planning coordination purposes at the national level, the government established the National Spatial Planning Coordination Agency (BKTRN) through Presidential Decree No. 75 of 1993, chaired by the Chairman of BAPPENAS/Minister of Development Planning. BKTRN has multiple tasks, including documenting resources to assist in the formulation of a national strategy for a spatial planning development scheme (and its management), the coordination of the implementation of that strategy, arranging guidance on the implementation of the spatial

plan in local regions, developing and determining management procedures for spatial planning, and detailing the implementation of the regulations of Law No. 24 of 1992 regarding spatial planning.

This coordination agency is expected to integrate spatial planning at the central government level. It will be supported by similar agencies at Level I as well as at Level II government. Land use planning institutions are also centrally oriented, and for this reason, they are often unreliable in solving problems, which require quick solutions. Institutions that are more decentralized in decision-making are therefore being developed by the introduction of Law No. 22 of 1999 regarding regional and local autonomy. Another institutional problem faced in the context of spatial planning and development is the lack of availability of proper human resources, quantitatively as well as qualitatively. This problem is even more pronounced at the local level, particularly outside of Java.

The disharmony of laws and regulations related to spatial planning and the utilisation of land resources is evident in the implementing of spatial plans, where conflicts often arise between different sectors over land use objectives. Agencies rely on different but related laws concerned with functions and roles in spatial planning and development in general. This pushes spatial planning more towards a sectoral, instead of a holistic, development approach. There are, for example, agencies that regard tourism development policy as their primary focus, especially if their activities are directly or indirectly related to tourism. Later on though, friction may evolve between tourism and forestry interests, the result of which may be the prevention of sensible land use and good spatial planning.

Spatial planning practices

According to Law No. 24 of 1992 regarding spatial planning, planning practices for change in the built environment in Indonesia can be categorised as two types. The first type, mainly based on a set of 'urban' spatial plans, try to be comprehensive, long term focused, and are backed up by instruments of development control measures such as building permits and location permits. The term 'urban' refers to the characteristics of activities in a particular area and Kuta, according to the Badung Regency Government, is in the most urbanised area of the district. In effect this is an attempt to direct the overall process of planning and change in the built environment in urban Indonesia, so to give some idea on how the development of land should be planned and implemented. The second type of change in the built environment involves several direct and short term programs for each sector such as: *kampung* improvement programs, housing estate development, integrated urban infrastructure development programs, and land consolidation programs.

Urban spatial plans are based on the MOHA decree No.2 of 1989. According to this decree, each municipality and county capital should have a statutory urban spatial plan that is to be approved by the MOHA. These spatial urban plans consist of four levels: the *Rencana Umum Tata Ruang Perkotaan/RUTRP* (Urban Structural Plan); the *Rencana Umum Tata Ruang Kota/RUTRK* (General Urban Spatial Plan); the *Rencana Detail Tata Ruang Kota/RDTRK* (Detailed Urban Spatial Plan) and the *Rencana Teknik Ruang Kota/RTRK* (Technical Urban Spatial Plan).

The *RUTRP* is a comprehensive spatial plan prepared for the entire urbanised area, including that beyond administrative boundaries. It is prepared by *Bappeda I* (*Badan Perencanaan Pembangunan Daerah Tk. I*, Provincial Development Planning Board) in co-ordination with those municipalities and districts in the urbanised area. The aim is to accommodate urban extensions beyond the administrative area, so that conflicts among administrative authorities can be resolved. The plan presents recommendations for urban structure, such as sub-centres, for a 20-year period. The most recent *RUTRP* for Kuta was made in 1998, with the funding for producing this planning document being provided by *BAPPEDA II*. The document itself was produced by *Kanwil PU Tk. I*, who hired two fresh graduates from planning school to undertake its execution.

The *RUTRK* is a statutory spatial plan prepared for a specific administrative area. It is prepared by *BAPPEDA II*, in co-ordination with related agencies. This plan is to be used as a guideline for issuing location permits for any development proposal. Thus, it presents a picture of expected general land-uses for the next 20 years and should be reviewed every 5 years. The format of this plan is a set of documents accompanied with maps on the scale of 1:10,000 or 1:20,000. The third level of plan, *RDTRK* is an elaboration of *RUTRK* including more detailed land use plans and basic building regulations, on the scale of 1:5,000. This plan is to be used in guiding the issuing of building and use permits. The *RTRK*, the fourth level of spatial urban plan, is a technical plan: it provides a clear elaboration of *RDTRK* on a scale of 1:1,000. This plan clearly indicates land uses, including building regulations for each plot. At present, as reported by MOHA, only about 40 per cent of cities in Indonesia have an approved *RUTRK*.

However, beside these four levels of plans, outside the statutory plans as regulated by MOHA decree No. 2 1987, there are a number of other spatial plans. These plans usually try to provide guidance for development that is not covered by the four plans, especially for some primate cities and some specific land-use areas such as tourism, industrial estates, and transmigration areas. Since these plans are not statutory plans, they only provide recommendations for development. Nusa Dua is supposed to be involved in this category of planning. However, in reality, Nusa Dua is managed by the BTDC (Bali Tourism Development Corporation), which is a 'semi private' institution under the Ministry of Tourism, Post, and Telecommunication.

In the 1970s, the Ministry of Public Works formulated a number of spatial development concepts for Indonesia based on growth-centre concepts. They indicated the hierarchy, centres and boundaries of development unit areas in Indonesia. Yet as this not legally binding, in practice it is only used by the MOPW as a guide for implementing projects. In addition, some provinces have a regional physical development plan. But, although there is guidance from MOHA concerning the preparation and standards of these plans, there is great variation in the formulation of these plans. Some of these plans are legally binding and some are not. Certainly, the duplication and the uncertainty created by several spatial plans combined with several sectoral regulations (building codes, and environmental standards) may lead to uncertainty about 'guidance' for development control measures.

The second type of planning practice that affects change in the built environment is based on providing direct action on sectoral problems, including housing, land, water, transportation, and sanitation. This action tends to be on a short-term basis, operated by different agencies, and based mostly on the annual budget. Therefore, its success depends mainly upon the fluctuation of the budget in each government agency. There are many examples of this approach, including their successes and failures, such as: the transmigration program, the *kampung* improvement program, national land development, public services investment, and the Integrated Urban Infrastructure Development Program.

Local government institutions and their planning instruments

Governmental agencies involved in tourist areas

The tourist area is marked by complexity. It is also characterised by an overlapping of governmental agencies at different levels. Either directly or indirectly, central, provincial, district, and municipal levels are involved. Based on the Law No. 5 of 1974, the Regency of Badung is the governmental level most responsible for administration and management in Kuta and Nusa Dua. In practice, however, it is difficult to differentiate mandates and obligations among government levels. Governmental agencies involved in the tourism area are identified in the figure in Figure 9.1.

The regency of Badung, the governmental level most responsible for built environmental changes, is represented by two agencies: the Regencial Planning Board/*Bappeda II*, and the Regencial Public Works/*Dinas PU II*. According to Regency Law No. 15 of 1982 (*Perda Badung No.15/1982*), the *Bappeda II* is responsible for plan making, development programs, budgeting, co-ordination and the monitoring of the physical and socio-economic aspects of development.

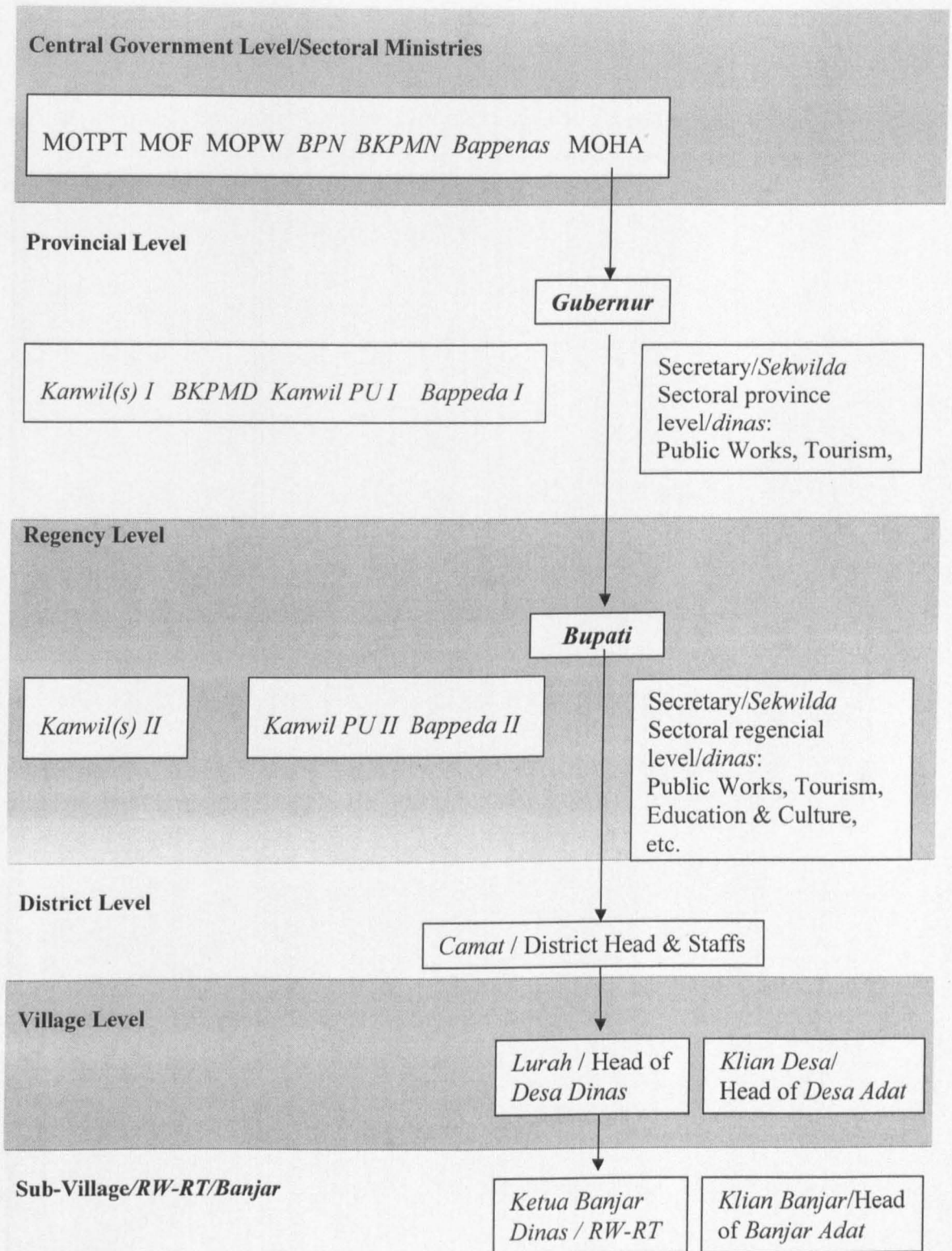


Figure 9.1. Governmental Agencies Involved in built environment change in Kuta and Nusa Dua

Abbreviations:

MOF	Ministry of Finance
MOHA	Ministry of Home Affairs
MOTPT	Ministry of Tourism Post and Telecommunication which is changed to Ministry of Tourism and Culture after Suharto Presidential Era
MOPW	Ministry of Public Works
<i>BKPMN</i>	<i>Badan Penanaman Modal Nasional</i>
<i>BKPMD</i>	<i>Badan Penanaman Modal Daerah</i>
<i>BAPPENAS</i>	<i>Badan Perencanaan Pembangunan Nasional</i> , National Development Planning Board
<i>BPN</i>	<i>Badan Pertanahan Nasional</i> , National Land Agency
<i>Gubernur</i>	<i>Head of Provincial Governor</i>
<i>Kanwil</i>	<i>Kantor Wilayah</i> , Branch of Ministerial Office
<i>BAPPEDA I</i>	<i>Badan Perencanaan Pembangunan Daerah Tk. I</i> , Provincial Development Planning Board
<i>BAPPEDA II</i>	<i>Badan Perencanaan Pembangunan Daerah Tk. II</i> , Regencial Development Planning Board

The Regency Public Works, as regulated by District Law No 5 of 1980 (*Perda Badung No.5/1980*), is responsible for physical development activities and development control measures. These two agencies are under the co-ordination of the *Bupati* as the head of Badung regency. Beside the *Bappeda II* and the *Dinas PU II*, several district sections are involved indirectly in built environment affairs.

The Government Affairs Section/*Bagian Pemerintahan* co-ordinates district and village government levels; and monitoring (to some extent, it overlaps with the *Bappeda II*); the Economic Section/*Bagian Perekonomian* is responsible for increasing economic activity in the district; and the District Revenue Office/*Dispenda* is responsible for collecting local revenues.

At the provincial level, there are two agencies involved directly in spatial planning affairs: the Provincial Planning Board/*Bappeda I* and the Provincial Public Works/*Dinas PU*. Yet, there are many provincial development programs, for tourism development, that are sometimes outside the co-ordination of the district level. Beside MOHA other programs related to the administrative aspects of local government are involved, as are several central government agencies in built environment processes. The Ministry of Public Works/MOPW, through *Kanwil PU*, is involved in many physical development programs such as road network planning/building, irrigation, coastal area preservation, water supply, drainage networks, and even in many plan-making processes. It is important here to note that the statutory plans for the Kuta area were prepared by *Kanwil PU*. Although the *Bappeda II* is to some extent involved in the process, in practice it was more of a passive recipient.

The National Land Agency / *BPN* is another central government agency that is involved directly in built environment processes. This agency operates at both provincial and district levels and

can be regarded as the 'backbone' of land management. It governs all administrative aspects of land: mapping/cadastre, documentation, registration, transfer, acquisition, and even land use. Another agency - The Ministry of Finance - coordinates land and property taxes, through the Land and Property Tax Office (*Kantor PBB*). The Ministry of Forestry is involved in coastal management, particularly of mangroves surrounding the airport and the Nusa Dua area.

The Ministry of Tourism and Communication is involved in many aspects of tourism development. The National Investment Coordinating Board/*BKPM*, through its provincial branch called *BKPMD* (Local Investment Coordinating Board), manages industrial investment in the region. For particular projects, which involve large investment, *BKPMD* also manages the location and building permit process on behalf of the Governor. In addition, it is important to note that, at the Provincial and District levels, there is no single agency responsible for the development of new tourist facilities.

The involvement of several central government agencies in the region indicates that the development mechanism in Indonesia relies more heavily on 'deconcentration' rather than 'decentralisation' (Alm, Aten, and Bahl 2001). Rondinelli (1984) defines the former as the delegation of central government authorities to provincial branch offices, leaving essential decision-making powers in the hands of local representatives of central government. The latter he defines as full local government authority. It also highlights that although, formally, the idea of more decentralisation in development planning and management has been recognised in Indonesia, in practice, it faces some difficulties. Several obstacles were noted by King (1988): for example behaviour, attitudes, and culture are not conducive to decentralisation; there is a lack of manpower; and structures are bureaucratic. It is clear in Kuta that the complexity and confusion of bureaucratic structures hinder the process of effective land management and facilities development. On the other hand the Law No. 22 of 1999 is designed to reduce overlapping responsibilities for development programs - at the local level, between central line agencies, provincial, district, administrative municipality, and sub-district levels. Its implementation, however, does not seem to be effective yet.

Human resources

While the rapid rate of tourism development needs an effective governmental system, the condition of manpower, in terms of its number and educational background at the local level, is poor in Indonesia (Winarso 1988; Sidabutar et.al. 1991). The *Bappeda* Badung, the Urban Planning Office (under the Public Works, and the *BPN*), who are strongly involved in built environmental management, are understaffed.

The *Bappeda* Badung consists of 45 staff with a formal education background as follows: sixteen undergraduates, two college graduates, and the remainder having junior and high school

level education. Among them, no one has a formal degree in architecture, urban and regional planning, or geography. Therefore, all plan making processes for the study area were directly undertaken by *Kanwil* PU, an agency which has less responsibility for plan making than *Bappeda* II, but has staff experienced in the planning process.

The Urban Planning Office, since its position is under the District Public Works, does not have enough authority, manpower and flexibility to operate well (in many districts in Indonesia, the Urban Planning Office has the level equivalent to the District Public Works). This office consists of 15 staff. Five staff are responsible for evaluating building permits, five responsible for field monitoring, two staff deal with administrative matters, and the remaining two deal with information and documentation. Among them, only one, the chief of the office, completed an undergraduate degree (in civil engineering). It is the responsibility of this office to control and monitor all physical development activities in the district of Badung. But, as argued by the chief of this office, five persons are not enough to monitor all development activities.

The National Land Agency of Badung/*BPN* II consists of 41 staff, divided into four sections. The Land Registration Section has 6 staff. This section was expected to process 139,714 land certification approvals in the past six years or 23,285 a year on average. However, with limited staff, it could finish only about 85,987 approvals or about 61 per cent of total approvals requested, or 14,311 a year on average. There are no comparative figures from other districts but, according to Henssen (1989), only about 15 per cent of total land properties in Indonesia have proper legal titles. Furthermore, it is not just local government that is understaffed; the organisational structure of government agencies also reinforce the barriers to inter agency communication that are created by different levels of government. For example, the head of *BPN* district (central line agency) will likely find it difficult to request any guidance from the head of *Bappeda* II, whose duties are under the regency. Effective management is as important as the number and quality of staff. But, it also needs adequate technological support. There are no quantitative data to assess the technical capacity of local government agencies. Interviews conducted during the survey revealed that many agencies support the view that they are under-resourced.

Documentation and information systems

Another important aspect of the capacity of local government is the way in which documentation and information related to the planning process is managed. Interviews with staff of local government suggest that documentation and information on land is being neglected and left unresolved. Weaknesses of confusion and duplication, regarding land documentation, were found in the survey as follows:

- Data on land ownership patterns is documented by the *BPN*, the Regency Treasury, and the tax/*PBB* office. However they are recorded in different ways – in forms, figures, and maps.
- Detailed data on the number of location permit approvals were compiled by the Regency Governmental Affairs Section (*Bagian Pemerintahan Umum*), but not by the *BPN II* or the *Bappeda II*, who administratively are more responsible for this matter;
- Detailed information on government and traditional land were also difficult to find both in the *BPN II* and *Bappeda II*, and;
- Data on the annual conversion of rice fields into other uses is produced differently by the Agricultural Agency, the *BPN*, and the *Bappeda*.

It is difficult, time consuming and financially costly to identify what land is available, its ownership, the rights, and its price as compared to similar lots. As revealed from interviews with several developers, under these circumstances, they usually employ land brokers or intermediary parties in the land acquisition process. This to some extent hinders a fair land transaction, particularly for landowners that do not know the appropriate price for their land. As argued by Dowall and Leaf (1991), documentation and information on land prices is crucial in managing built environment growth, and could be done by utilising a low-cost technique. Yet is lacking in developing countries like Indonesia.

Therefore, land price confusion and uncertainties over tourist development regions remain and indeed they benefit only speculators and brokers, and imperil the traditional institutions such as *banjar* and *desa adat*. This presents difficulties for effective day-to-day administration of land and any related activities of land management.

Weakness in the spatial planning information system was also found. For example, it was difficult to gain access to a master plan document that was approved in 1984. Because there are only a small number of documents, they are not distributed to all government agencies dealing with the built environment, and sometimes bureaucratic procedures hinder examination of the document, by lay-people, who do not have a formal letter or permit.

Financial problems

Within the framework of governmental structure in Indonesia, financial structures and provisions are important factors for decentralising planning policy. In the 1987/1988 fiscal year the local revenue of the Badung Regency was 79 per cent of total revenue. It was considered higher than other districts in Indonesia (below 50 per cent). However, the fact that the Badung Regency spends up to 50 per cent of its local budget on routine activities (government officers'

salaries and pensions, travel costs, stationary costs, and building maintenance) it indicates that only a limited amount of the budget can be used for development activities or capital investment.

Funding from provincial and central government levels therefore remains dominant. Even plan preparation is strongly subsidised by the central or the provincial government. Thus, some forms of potential, local sources of finance that could be increased (local taxation, cost recovery, and borrowing by the local authority) are very important. That financial constraints are being faced by central government should be viewed as a challenge, by local government, rather than as a constraint (King 1988). Devas (1985) argues that many options could be developed to simplify and to improve local taxation aimed at reducing local government's dependence on central government grants. Property tax and tax sharing, for example, are two options that could have a great impact on local revenue sources.

Legal supports

As discussed earlier in this chapter, the uncertainties, confusions, and contradictions of legal supports for planning policy in Indonesia remain. Under these circumstances, several regulations and laws are being produced at the local level to try to fulfil local needs. Despite many planning regulations being produced, which directly or indirectly relate to the planning of tourist development in Bali, assessments of these legal supports reveal some interesting evidence as follows:

- Several spatial laws/regulations are different from those outlined by MOHA Decree No.2 1989. For example, it is unclear whether laws on zoning and building regulations for tourist areas in Bukit, Jimbaran, and Benoa are under the *RUTRK*, *RDRTK*, or *RTRK* levels (as guided by MOHA Decree No. 2 1987);
- There are some uncertainties and confusions regarding the scope and scale of several levels of regulation/law. For example, while zoning and building construction for Jimbaran are regulated by Governor Decree (No. 305, of 1988), the same scope of regulation for Bukit is regulated by District by-law (No.6, of 1988);
- There is some overlapping of regulations/laws produced by different governmental levels. For example, while the Regency by law (No.5.1984) regulates zoning and building standards for all types of buildings, the Governor Decree (No.394. 1989) regulates the locations and building standards for supermarkets;

- There are some uncertainties and confusions regarding what levels of regulations/laws can be used to intervene directly in the uses of private land. For example, restriction of development activities in the green zone is regulated by regency by-law (Law No.14. 1982) while *Bupati* Decree (No.409.1987) regulates the land consolidation program;
- The contents of several regulations/laws are questionable since there were no established studies or plans that supported the laws. For example, regulations on the green zone restricts development to about 4,300 hectares of rice-field; it is unclear whether this law was based on a detailed study or not, particularly in designating the green zone sites;
- There are some inconsistencies regarding the contents of different laws/regulations. For example, while regulations on building setback for the whole of the Badung regency are based on road classifications, building setback regulations in the Benoa and Jimbaran districts areas are based on building uses;
- Several laws/regulations control details for building, housing and accommodation subdivisions such as: types of lot-size and building, building coverage ratio, number of floors, and building setback. But, they do not include regulations/laws that guide the development of infrastructure such as water supply, sanitation, and waste disposal, and;
- There is no law/regulation concerning existing *kampungs* (crowded areas in urban settlements, such as commonly found in Kuta), and old urban areas such as the KIP (Kampung Improvement Programme), for housing improvement or renewal, for room renting, for squatter settlements, for buildings used for several activities/mixed used, and for historic building preservation/conservation.

This list of evidence above confirms the problem with legal instruments for planning policy generally. Basically, even any legal support finds it difficult to be implemented. Although on paper these laws/regulations are presented as consistent, clear, and not overlapping. When several documents are analysed together, the inconsistencies and overlaps are revealed.

Existing planning instruments

An assessment of Laws/Regulations concerning changes in the built environment shows that the government of Badung regency has been using several planning instruments in order to promote 'better' changes in the built environment. Unfortunately, what is common in developing countries is that these instruments are often just borrowed from other countries' or other regencies' experience, without any adaptation to local conditions (McTaggart 1980). Even more, an assessment of the operation of these instruments is never undertaken. This section

provides an assessment of the strengths and weaknesses of those instruments. It is placed in the context of changes in the built environment, and is especially useful for understanding the uncontrolled nature of development in Kuta and the area outside the fences of the Nusa Dua boundary, which is beyond the autonomous area of the BTDC.

Spatial Planning

The areas in Kuta, and the surroundings of Nusa Dua have experienced several spatial plans, covering different areas and sectors, and these vary in status. Many plans overlap in terms of time, area, and even content. Assessing these plans in more detail, several weaknesses can be noted:

- They were frequently out-of-date, due to long preparation and approval processes. For example, the Badung Regency Master Plan required almost three years to be approved. Although it is agreed that every five years the master plan should be re-examined, in practice, lack of financial support hinders this process;
- They have not served well as an instrument of development control, largely because of their inappropriate standards. For example, in the case of property development, it is too difficult to implement the maximum standard of building density of 40 per cent, since the lot-sizes are generally too small;
- They are too concerned with long-term projections (10 years), and tend not to indicate stages of development. For example, the *RUTRK* Kuta 1996-2006 forecasted that about 3184 tourist accommodations were needed for the year 2006. But, the way in which this *RUTRK* is to guide the stages of development (in terms of time and space) is not stated, so it cannot be used as guidance for tourism development;
- The existing plans tend to stress the physical expansion of the built up area, and have not proved to be effective tools in solving existing problems, such as over crowded development, inadequate infrastructure, and conflicts between new development and traditional settlements. The *RUTRK* maps out the extension of the built up area for the next ten years, without specifically proposing a development program for each section in the area;
- They are not suited to the complex mechanisms of the informal sectors of land development, especially the way in which land is being fragmented/subdivided, and transformed for different uses;

- The plans do not specifically indicate programmes for target groups. In the case of tourism development, the master plan only suggests a total figure for the tourist accommodation needed, without desegregating total need into classes of accommodation type;
- They are not supportive of more efficient use of land. For example, they regulate that property for the low-middle income groups should have only one floor, and;
- Some plans tend to exclude small-scale development and that at the lower end of the market. For example, the plans for the tourist areas of Jimbaran and Benoa (two villages close to Nusa Dua) are limited to 3 and 4 star hotels.

Thus, in the absence of clear national guidelines for built environment planning, at the local level there is inconsistency in provisions and different plans conflict. Plans with varying scope and different coverage of area have been produced sporadically. In addition, people's involvement and participation in plan preparation is insufficient. There is no use of the mechanism for which people can directly criticise the plan. Furthermore, many plans, whether enacted as laws/regulations or not, were left in the hands of small groups.

Location permit approval

Another instrument that could be employed to control land development is a utilisation permit. In Indonesia this includes principal permits, location permits, issuing of rights, layout permits, and building permits (*IMB*).

National regulations recently introduced for location permits include: the regulation of the State Minister for Agrarian Affairs/Head of *BPN* No. 2 of 1993, regarding procedures to obtain location permits and title rights for land intended for capital investment enterprises. The regulation through the Decree of the State Minister for Agrarian Affairs/Head of *BPN* No. 22 of 1993 regarding location permits. The Decree of the State Minister for Agrarian Affairs/Head of *BPN* No. 21 of 1994 regarding the acquisition of land by enterprises for capital development (Harsono 1996).

The problem remains that the issuing of principal permits and location permits by the government to developers determines the amount of land released to developers. Developers can simply apply compensation prices, which they determine themselves, due to distortions in the land market. The World Bank (1994) indicates that the principal permit and location permit system at present actually promotes land speculation. Also, in many instances the increase in land prices resulting from infrastructure development will not increase public revenue but will actually be enjoyed by the developer. Many analysts on land development suggest that the government should apply strict time limits on location permits. If developers do not proceed

with developing the land for which they sought permits within a certain period, then the location permit should automatically be cancelled.

Theoretically then the location permit is a tool for controlling change in the built environment in Indonesia. The permit gives local government the chance to intervene in private sector development of land. So before starting any kind of project, several requirements should be met and procedures be followed by developers in order to ensure development fits with planning regulations. However, interviews with agents involved in development indicate that even with the implementation of location permit approval, several unexpected problems still occur, as follows:

- Since there is no detailed spatial plan to guide the stages of change in the built environment, the sporadic issuing of permits tends to cause a sprawling pattern of built environment growth;
- There are developers that force landowners to sell the land at a price under market value. This is done by showing them the location permit they have been issued is;
- The developers do not execute land delivery on time. Therefore, sometimes land prices change, especially if there was no agreement between developers and landowners before the location permit approval;
- Developers do not begin construction immediately, which leads to inefficient use of land, and;
- Sometimes developers execute land delivery even though the permits have expired, and in a few of the worse cases permits had been given to different developers.

In addition to this, the approval of these permits is done by an 'ad-hoc' team, consisting of agencies such as the *BPN*, the Public Works, the *Bappeda*, the General Government Affairs Section/*Bagian Pemerintahan Umum, Camat* (District Head), and the *Lurah* (Dinas Village Head). This ad-hoc team, as mentioned by the *BPN* staff, can be inconsistent. This is because sometimes agencies involved in the process are represented by different people. With the confusion of government agencies responsible for land development, it is also unclear who leads this team, the *Bagian Pemerintahan Umum*, the *BPN*, or the *Bappeda*. On the other hand, data on the number of location permit approvals over time indicates that the number has fluctuated considerably, presenting a picture of land supply uncertainty.

On the other hand, small developers whether companies or 'voluntary' business groups, complain that the administrative and bureaucratic process is too costly and time consuming,

especially the location permit process and the land registration process. Developers complain that location permit approval usually takes more than three months. Developers also argue that the 'tight monetary policy' implemented by government, combined with increasing interest rates, makes it difficult for them to continue their projects.

Building permits approval

The building permit is another instrument that could serve as an effective tool of planning implementation. In Badung Regency, every type of building construction is supposed to have this permit issued by the Planning Office (*Kantor Perencanaan*). The implementation faces some obstacles, however.

Firstly, limited manpower and bureaucratic procedures make it difficult for this office to control and monitor all development activities. According to *Bupati Decree No. 177/1988*, in order to issue a building permit this office should co-ordinate at least three local government agencies (*Bappeda II*, the Development Section, and the Public Works of the Administrative Regency). Second, because of a lack of awareness of this regulation, only a few building construction sites have permits. Third, the building standards are too high to be realisable by common people. On the other hand, as argued by the chief of this office, the approved planning documents and regulations are too general to implement and difficult to be used as a basis for issuing building permits, since this plan gives very broad guidance, particularly on zoning.

Further, a long bureaucratic procedure is involved. The stages and requirements of building permit approval are difficult to follow and the formality of the procedure does not meet the needs and affordability of the informal sector in land development. This is because the approval process needs: (1) a letter of permission from the landowner (in case the landowner is not the builder/landowner); (2) a land certificate; (3) certification by the *Lurah* (*Dinas Village Head*) and *Camat* (*District Head*); (4) acknowledgement from neighbours; and (5) a detailed design drawing. The difficulties in building permit approval means only a small number of building permits were issued outside the formal sector.

Environmental impact assessment (EIA)

In Indonesia, the practice of EIA is based on government regulation No.29 of 1986. It is concerned with the procedure of the EIA as a means of environmental management as regulated in Law No.4 of 1982. This regulation stipulated that every activity, which would likely have impact on the living environment, should have to submit to an Environmental Impact Assessment. Furthermore, the MOHA Decree No. 3 1987 also stipulated that EIA is one of several requirements for location permit approval (Article 4).

As revealed during an interview, local government does not see tourist development as causing significant environmental problems. In addition, the lack of expertise on environmental issues at the district level is another factor and it seems that they do not employ the EIA process as a part of location permit approval for tourist development. Some developers mentioned that they have been only required to present plans for drainage and sanitation as part of the EIA requirements for a location permit. In principle, the EIA is supposed to serve as an effective instrument in any development control. But, since the implementation still focuses on the industrial impact on the environment, it is ineffective in the control of tourist development.

Land and property tax (pajak bumi dan bangunan / PBB)

One regulatory instrument of land utilisation is tax regulation. Specifically, two types of land taxes are available to reduce land speculation. These are property and value added taxes. Higher taxes should be applied to so-called 'sleeping' land, i.e. land not being utilised, especially in urban regions. Similarly, high selling and buying prices may reduce the incentive for land speculation (Suryowibowo 1989). At present, such economic instruments are not yet effectively used as a tool to regulate land development, but are regarded simply as a source of revenue.

The practice of *PBB* in Indonesia is based on Land and Building Regulation No. 12/1985, which replaced the previous household tax (*IPEDA*). This tax was to be an important source of government revenue, especially after the oil price decreased in the 1980s. As *PBB* is the duty of central government collection is through the Ministry of Finance - through *Kantor PBB*, in each district. Local government is a passive recipient of about 65 per cent of the total tax collected.

While land taxation is generally accepted as a tool in land management, it was not designed for this purpose in Indonesia. Its practice has some weaknesses. First, the lack of a land registration system, combined with land ownership confusion, makes it difficult to cover all tax objects. In 1986 for example, no more than 50 per cent of total tax objects in Indonesia were documented (Chorib 1986). Secondly, there is no reliable system of property assessment. Established property values for assessment purposes are unreliable. This tax has comprised an increasing share of local government revenues. Still, in 1990, this tax comprised only about 10 per cent of the total local revenue of Badung regency. It is unfortunate that, with the trend toward using property rights for economic and speculative purposes, this tax does not function as a mechanism for financing land development generally.

9.3 The construction process

This section elaborates the various differences in the construction system in Bali and relates it to national circumstances.

In Indonesia, generally, the inadequate growth of construction capacity, particularly the capacity to manage construction, is a problem that the public and private sectors need to face. In most major and large development projects, the government and public sector agencies have a double responsibility as principal client and creator of the broader business framework. This is clearly indicated in the Nusa Dua case study, when the Ministry of Tourism initiated an enclavic tourist area consisting of multi-national starred hotels.

However, problems usually arise when there is a pressure for more rapid economic planning, at the state and regional level, and weak budgetary procedures sometime tend to increase fluctuations in the demand for construction and defer the development of domestic construction capacity. Fiscal and labour legislation, which is not adapted to the needs of the construction industry, and difficult arrangements for channelling the required foreign exchange for purchase of spare parts, also affects the construction industry.

At the same time, construction work in the nation also tends to suffer from administrative inefficiencies. The construction industry does not respond quickly and efficiently to the needs of clients because of a lack of a complete institutional and legal framework. This includes construction in the tourist industry. Work tends to take longer than expected and often construction standards are deficient. At the same time, distortion in prices and the standard of materials, fuels, and other inputs tend to make construction work more costly than they should be. Overvalued local wages compared to market prices often make construction techniques less labour-intensive than they should be.

The structure of the construction industry

The structure and organisation of the construction industry in Indonesia varies considerably. The structure of the industry is shaped by three factors. First, the nature of the work to be done that depends on scale, geographic dispersion, function, and specialisation. For example, specialised building such as tourist facilities, housing, factory shells, office buildings, hospitals, barracks, farm buildings, etc; and specialist civil engineering based construction such as highways, water supply, power generation, irrigation structures, airports, railways, ports, and the like. These constructions become the infrastructure and the facilities for tourist development in any tourist destination. The second factor is the choice of technology, which depends on the industry's state of technological development, the relative abundance or scarcity of labour and capital (and prices for them), climatic and physical conditions, government policies, and the overall development level of the economy. In Bali especially, the construction technology varies considerably. In a traditional house converted to a guesthouse in Kuta, one may find construction technology in its simplest form. While in Nusa Dua, can be found the most sophisticated technology in a five star hotel built by foreign contractors. The third factor is the

social and economic environment, which is conditioned by the general structure and state of the economy, political organisation, and traditions affecting the manner in which business is carried out.

The organisation of patterns of production within the construction industry is the consequence of the structural factors outlined above. This production can be categorised into four main groups: (a) jobbers and builders in the informal sector; (b) communal self-help organisations; (c) state-owned organisations or enterprises; and (d) private companies. The three latter groups constitute the domestic construction industry (or what is referred to as the 'domestic formal sector'), which either competes with or complements the fifth group, foreign contracting organisations. Participation by foreign contractors in the formal sector of construction is very large in some tourist development projects, as indicated in Nusa Dua's stars hotels.

The informal sector

The informal sector covers most basic construction activities, for example when a man builds a shelter for the use of his family or, in association with neighbours, builds structures to satisfy common needs (for example flood protection works or access routes in hillside slums). Individual jobbers and builders, often nomadic, can assist these local efforts by providing specialised skills. Many of these activities rely on self-employed and family labour and are small enough to avoid legal regulation and statistical enumeration. The United Nations definition of the construction industry for statistical purposes, for example, excludes the informal sector.

Nevertheless, informal construction activities are predominant in Kuta and cater for the essential requirements of informal tourist development that may otherwise be ignored. It is also a labour-intensive activity and fosters skills and potential entrepreneurs for the formal sector. Because of these factors, relatively modest assistance offered to this sector can produce results of significant impact.

Communal self-help organisations

Traditionally, in Bali, the construction and maintenance of infrastructure has been done through organised traditional communal effort, under the *banjar adat*¹⁹ institution. The tradition has continued uninterrupted for many centuries. Nowadays, in many tourist areas the strong communal systems of the past have been partly neglected. Communal work is another example where moderate use of financial and technical assistance, similar to that in the informal sector, can achieve good results. In Kuta, where traditional community structures, such as *desa* and

¹⁹ See more explanation on *banjar adat* in the previous chapter (section 8.1.6)

banjar adat, still work with state governments, such as *desa* and *banjar dinas*, these two local institutions maintain public infrastructure simultaneously. In Nusa Dua, in contrast, the lack of a traditional locale for organised community construction means the BTDC must manage the infrastructure that serves tourists.

Construction by public sector agencies or enterprises

State-owned construction organisations are established for various purposes. In Indonesia the public sector usually takes charge of construction, repair, maintenance, and emergency work that is not attractive to private contractors. In other cases, the government may try to start a domestic construction industry by creating a public organisation to develop construction skills or by supporting existing domestic companies.

Several starred hotels in Nusa Dua as well as Kuta are owned by semi public enterprises, such as Putri Bali and Natour Kuta Beach hotels. They were built by public construction enterprises, which are under the management of the Ministry of Public Works. This form of organisation also performs the essential function of training people for the industry at large and is often the source of future owners and managers of construction enterprises as well as of engineers, surveyors, foremen, and skilled workers. But many staff in these public enterprises tend to leave government departments when they feel they have achieved a level of proficiency, which will enable them to compete in the open market. Such a loss of staff may not seem desirable to the ministry concerned, but is a logical consequence of lower pay and career limitations, which apply in government positions.

In Indonesia, state governments use various methods to foster domestic construction enterprises through the contracting process. Sometimes, foreign contractor bidders are required to have a certain kind of local participation. Frequently, incompetent construction enterprises are given direct access to contracts at non-competitive prices. Because negotiated contracts usually result in the payment of a premium by the contracting authority, they need to be used very carefully. Domestic contractors, like other business in Indonesia, need to be provided with assistance and construction and should be recognised as an industry in itself.

One method to develop the domestic construction industry comes primarily through the 'slicing and packaging' of larger projects and jobs, to make them accessible to smaller domestic contractors in competition with larger international enterprises. Also, some equipment purchases by domestic contractors are financed from loans, which are made through development finance companies. 'Slicing and packaging' consists of subdividing a given set of construction work into smaller contracts, or 'slices,' and allowing contractors to bid for individual slices or groups of them ('packages'). These smaller works are often unattractive to international contractors.

Their implementation, therefore, depends on the existence or the development of a domestic construction industry and more and more starred hotels in Bali are applying this method for their construction. This 'slicing and packaging' of projects has shown encouraging results, several hotels in Nusa Dua are examples. Though preparation, supervision, and administration of larger number of contracts can be inconvenient, the system provides an opportunity to help the development of domestic contractors.

The private sector

The private sector of the industry covers a wide spectrum of enterprises and degrees of contractual responsibility. The simplest form of entrepreneurial activity is an interface with those who work in the informal sector; they include jobbers, builders, truckers, and small-scale labour contractors who work on subcontracts for established construction companies or for public enterprises. The contractual responsibilities of, and risks taken by, these people are limited to the goods or services they supply. Financially, they operate under the main contractor. This kind of contractor operates widely in Kuta.

At the next level, private enterprises acquire further responsibilities, particularly for finished products, through subcontracts or small contracts. Small tourist facility builders and specialist subcontractors (for example, plumbers and electricians) make up this group. The group also includes small civil contractors working as subcontractors for larger organisations, and those contractors whose development is being fostered as a matter of national policy.

In some tourist facility development, where professionals have become construction entrepreneurs, or where there is lot of entrepreneurial talent, private companies enter the construction industry by assuming full responsibility for any contracts. The contractor obtains work competitively by assuming all the risk implied in putting up tender prices and enters into contracts in which he is fully responsible for the price, the time limit, the volume, and quality of work. All private sector construction enterprises can get involved in any tourist area in Bali, depending on the variety of tourist facilities needed in a particular area.

Publicly owned construction and maintenance organisations usually have considerably more constraints in achieving efficiency than private contractors. For example, unrealistic low salary levels may not motivate staff, limitations on civil service careers may make them change their career, reduce the commitment of the senior staff, and create a reluctance to take risks. Moreover, restrictions on the freedom to hire and fire staff and the use of public employment as a social or political tool may frustrate managers, and inefficient bureaucratic procedures may affect procurement. To make up for all these constraints, state enterprises are usually protected from bankruptcy. Many governments prefer to absorb financial losses rather than liquidate

inefficient public enterprises. In this case, these enterprises can become a permanent drain on the national budget.

Construction is quite complex in tourist areas, including Kuta and Nusa Dua. It is connected with many sectors, for inputs and outputs. The development of domestic and local capabilities can be promoted via a co-ordinated and comprehensive approach, starting from the point of planning for economic development. Many projects show a general tendency against contractors that needs to be overcome. Contractors have traditionally been held responsible for cost and time overruns, or for introducing irregular practices into the process of procurement and contract management. They are often equally responsible with others, however, as the causes of problems can often be traced to defective contract conditions and poor administration of contracts by the employing authorities.

9.4 Epilogue

Currently, the practice of planning in Bali is marked by the confusion of national policy and legal supports for its implementation. This has caused uncertainties and overlap regarding the involvement of several central government agencies in planning and implementation practice. With regard to changes in the built environment in tourist areas particularly, four central government agencies - MOHA, MOPW, BPN, and MOTPT - still have difficulty sharing their mandates and obligations concerning physical development. These agencies seem to have a divergent vision and interpretation of their roles in land development and management. In addition, the administrative statuses of the case studies, Kuta and Nusa Dua, make land development practices much more complex as the provincial, the regency, and the district levels share involvement in any development.

The existing plans tend to support more unrestrained development and distortions in land supply. Unrealistic spatial planning, building regulations and standards, and inefficiency of public infrastructure provisions suggest a lack of understanding of local land development issues. The strategies and instruments for land development that have been employed often seem to be formulated with little or no reference to the accelerated and large amounts of tourist development in Bali.

Under these circumstances the local government has been exercising several planning instruments with clear and less clear legal supports. Three obstacles are especially notable in this chapter: (1) coordination and unclear mandates among local government agencies, (2) lack of manpower, and (3) lack of financial and technological support. However, the amount of laws, regulations, plans, and programs that have been produced and implemented suggest that, despite

weaknesses, the existing local government has the capability to do better task in relation to land development.

This discussion on the current institutions charged with intervening in change in the built environment, in this chapter, indicates that the current planning process in Bali, which is applied at the local community by the extension of formal national government, is philosophically based on a rational comprehensive model. The planning process is conducted by individuals: either formal civil servants working at the level of *dinas* institutions or hired appointed professionals (planning consultants) operating using a rationality based on economic growth and material production. The knowledge systems of these planners are based on a scientific approach and are usually quantitative. They are based on formal theories and formal development models. Their knowledge actually emphasises the material and physical values which are based on the character of 'urban' activities. It can be said that current planning processes thus rely on economic rationality, where short-term goals are presented as sectoral targets, which may be attained through the effective control or management of system resources (Bagus 1995). Long-term goals are abstract notions of 'development', 'modernisation' or 'industrialisation.'

The current planning process in Bali is a sectoral, linear and mechanistic one. The goals and objectives are determined. The long-term goals are usually development, which contains an element of modernisation and the short-term targets are set to ensure that concrete action happens. Participation from indigenous locals is minimal; influential villagers and civil servants often dominate the 'bottom up' mechanisms. The organisations involved in the process tend to be bureaucratic and highly tied to national level policy. It is part of the institutionalised development process.

As discussed in chapter eight, at the village and local level in Bali, the current development projects/programs are planned and implemented through the formal *dinas* sphere of the state. Development funds are funnelled exclusively through the *dinas* sphere of government whether in the form of *INPRES* grants (presidential directive development fund) or sectoral programs. Planning in this sphere does occur at the village level with local consultations occurring at the beginning of the yearly planning and budgeting cycle. Within this formal planning process, rural people remain instruments in a national development strategy designed and implemented by a bureaucracy attuned to meeting centrally defined goals.

CHAPTER 10: COMPARATIVE ANALYSIS AND CONTEXTUALISING THE DICHOTOMY

Comparative analysis in the social sciences is based upon the assumption that there is order or regularity in the world. By classifying phenomena in ways that focus upon relationships between sets of regularity, it may therefore be possible to discover the dynamic relations that exist among them, in order to find orderly patterns of related planning practices and outcomes.

On the other hand, although apparently distinct, various approaches to institutional analysis share a basic concern: they are directly or indirectly concerned with those social factors that generate a regularity of social behaviour, while being external to each of the individuals whose behaviour they influence, but internal to the society. Different approaches for institutional analysis concentrate on distinct social factors. Each can give a different angle to institutional analysis.

The distinct definitions of institutions, and approaches to their analysis, have been treated in the literature as exclusive, thus reducing the ability to advance institutional analysis and benefit from integrating various approaches. Each is appropriate for addressing particular issues, but sometimes this leads to a less than comprehensive understanding of the regularities of social behaviour, and their dynamics, as driven by the social environment. Yet, various approaches complement each other. Thus, to further institutional analysis it may be appropriate to go beyond the limitations of each and explore, for example, those perceivable institutional elements, within the same framework, that reveal the commonality, distinction, and inter-relationships among the various approaches to institutional analysis. This notion justifies the attempt to make a comparative examination of institutional frameworks that have been written in separate and distinct chapters in this thesis.

Now before continuing this comparative institutional analysis, two points need to be put forward. Firstly, comparative analysis is a simplification. It is not meant to suggest that change in the built environment and, especially planning mechanisms in Bali, exist within simple distinctive institutional systems that are not interrelated and interlocked to each other. Rather, comparison is chosen so to focus onto particular factors as it is hoped that it will illustrate a dynamic that will sound the call for consideration by other researchers. If the comparative exercise is constructive, perhaps it will add something to an understanding of how and why planning activities in a Balinese community come to exhibit 'complexity.' The comparative goal is thus to investigate the plausibility of changes in the built environment in Bali in which,

through the organisation of institutions, whole communities can be transformed by change in the interaction patterns among agents in built environment processes, as driven by tourism.

Second, comparative investigation is never-ending and far from complete. Full testing of the causal relationships will depend upon the ability to show correlations between observable phenomenon and trends. This will in turn require detailed knowledge of both the distinct behaviour of formal vis-à-vis informal land development mechanisms, through time, and of the behaviour of traditional vis-à-vis current planning agencies, within multiple sorts of social institutions in Bali. In pursuit of the necessary information regarding social institutions, but at the expense of much needed studies directly concerned with change in the built environment (especially planning processes), a sizable portion of this study is concerned with the analysis of Kuta and Nusa Dua explained in Chapters 6 and 7. These localities both lie in the area of the *kabupaten* (regency of) Badung of Southern Bali, the foremost area of tourist development in Bali.

By discussing the use of dichotomising sets of institutions, undertaken through both traditional and contemporary planning agencies, this analysis may contribute to an understanding of the past and present of Bali's complicated pattern of intersecting agencies, and multiple causes of change in the built environment. Simultaneously, it is an exercise in developing methodological tools that will be of use in future attempts, in Bali and elsewhere, to comparatively understand the institutional character and behaviour of traditional and current changes in the built environment, driven by tourism.

Comparing chapters six and seven

Chapters six and seven demonstrate that this study uses two tourist destinations with contrasting characteristics in Bali. This is based on a research design that selects two case studies with both similarities and differences (and places them in a regional and national context). The comparative element is obtained by drawing together these two case studies and focusing on particular issues. These are tourist development and change in the built environment.

Thus chapters six and seven have presented the findings from the two case studies, Kuta and Nusa Dua. The findings highlight the complexity of change in built forms, and, difficulties in controlling development in Kuta. On the other hand, development in the Nusa Dua resort is highly controlled, and influenced, by national state government institutions, which is manifest in the authority given to the BTDC. Now the two case studies are located in the same regency, therefore they share the same formal governmental structure and the same planning regulations and formal procedural framework to process changes in the built environment. However, the end product, the form of the built environment is very different in the two cases. The reasons for

this significant difference in the built environment, in the two case studies, are the diverse forms of development control processes, of relations between landowners, developers, financiers, and targeted tourists as end users, and of local policy regulations affecting each location. These are further related to the broader development planning process at a regional, a provincial, and a national government level.

The challenge for this comparative analysis is to recognise which are the common themes in the land development process that differentiate these two cases and the regularity of institutional elements that can be used as the comparative items in analysing the phenomenon in the two case studies. For this reason, the dichotomy of formal and informal development mechanisms is utilised in this comparative analysis. Nusa Dua resort is an example of a purely formal development mechanism. Most of the built environment changes in Kuta represent informal and semi-formal mechanisms, except starred hotels and other tourism facilities built by large capital non-local investors. The formal and informal development mechanisms are described in section 10.1.

Formal or informal rules of planning agencies would not generate any regularity in built environment change unless they are enforced. Therefore, analysis of rules and the processes through which they are generated has to be complemented by an analysis of how they are enforced. Identifying agencies/organisations as institutions often provides an incomplete understanding of the social foundations of behavioural regularities because, organisations only provide an entity within which distinct behaviour can be generated and seen as an outcome.

Comparing chapters eight and nine

Chapter three explains that despite obvious differences, approaches that adopt various definitions of institutions have a lot in common. All of them are concerned with behavioural implications (such as rules, beliefs, norms, or organizations) that are social in the sense that they are neither determined by technology nor by human genetics. Furthermore, institutional analysis is not concerned with social factors that are temporary in nature, or relate to particular individuals but is concerned with social factors that have an extensive and long-term influence, and that govern the relations among individuals who occupy particular social positions. In other words, institutional analysis is concerned with social factors that generate regularities of behaviour among individuals who occupy particular social positions.

Considering the two institutional sets in the Balinese planning system, traditional and formal (see Chapters 8 and 9), a supplementary comparative exercise will be to compare these two sets of institutions. This is an effort to compare normatively the character of 'the rules of the game'

in the Balinese planning system. The scope of normative comparison is an evaluation of social factors that have an extensive and long-term influence and that govern the relations among agencies who occupy particular social positions in the planning system. Research on traditional and current planning processes in Bali may bring out the contrast between the two.

The comparison of these sets of institutions is concealed and hidden during the writing of the institutional analysis in each traditional (Chapter 8) and current (Chapter 9) planning institution chapter. This is partly because there is no common methodological framework, nor is there a common set of hypotheses which can be tested in the empirical research. Due to limited time and resources to visit and re-visit the research location, it could not be done any other way. However, such an analysis does have a specific cognitive value that hopefully enlarges knowledge about planning institutions in Bali. While chapters 8 and 9, that contain an institutional analysis of traditional and current Balinese institutions, are written from the perspective of the traditional and the current, subchapter 10.3 tries to compare the two. Chapters 8 and 9 of this thesis explain that, in Bali, planning for change in the built environment is practised by two very different sets of institutions: traditional institutions (*desa adat*) and more recent official institutions that were created by the central state government. The analysis in this chapter will compare these two sets of institutions. This comparison, written in Subchapter 10.3, will bring out the contrast in characteristics and processes which otherwise are hidden in the particulars of the systems described earlier.

10.1. Comparing development processes in the two case studies

An exploration of contrasting development mechanisms in Kuta and Nusa Dua will help to explain the different outcomes in the built environments of the two resorts. The descriptions of the case study findings in Chapters 6 and 7 have shown that multiform development mechanisms can be found in various tourism facilities. Possibly the only common theme which may be drawn out from them is that nothing in the development mechanism can be generalised. Acknowledging this complex disparity, the following is an attempt to bring out the contrasts between the two development processes so to make it easier for readers to understand the development phenomenon in the two case studies, Kuta and Nusa Dua resort.

The dichotomy of informal and formal development mechanisms is utilised in this analysis. Nusa Dua resort is an example of the operation of a purely formal development mechanism. Most of the changes in the built environment of Kuta represent informal and/or semi formal mechanisms, except starred hotels and other tourism facilities built by large capital investors. However, problems with these two categorisations exist, since each case has unique circumstances. Thus, what the study explores here is a generalisation of these case studies without neglecting the individual differences. This exploration is guided by several factors

defined by Payne as important tools to distinguish between different sectors in land development. These are land tenure, land use, land transfer rights, land development, land cost, location, process of property construction, and conformity to building and planning regulations and procedures (Payne 1989).

The informal sector

There are three important characteristics regarding the development process of the informal sector. First, what was clearly evident from most locally owned tourist facilities in Kuta was that all development stages, from the initiation, through getting access to land, finance, to construction, and the marketing (selling, contracting or renting), took place without any reliance on formal procedures and regulations such as land registration, location permits, building permit, and building standards. Secondly, these developments grew gradually and involved many parties. Thirdly, they were very responsive to the variety of tourist needs by developing tourist facilities.

It is also interesting to note that the initiative for development came from landowners or speculators in the formal and informal private sectors. In relation to locally owned tourist accommodation, the initiators were usually the landowners, who were willing to modify, to intensify, or to extend their existing house yards for several new functions such as guesthouse, pensions, shops, room rentals, small restaurants, travel bureaus, and other tourist services. In the cases where landowners preferred to sell or to rent their land, the roles of speculators and brokers (as intermediaries) were very important, since landowners usually do not have direct access to land buyers.

In Kuta, in relation to access to land as the starting point of development, many land transactions were done informally. This means that the transfer process involved informal agreements between parties, and these processes were not easily definable by the formal levels of land rights that are regulated by government. As has been explained in Subchapter 6.8, there are at least five types of transfer, namely inheritance, renting, contracting, granting, and squatting.

Each type of land transfer opens several opportunities for access to development for a variety of tourist facilities. They also imply many motives among the parties involved. However, it is clear that these processes do not occur in the absence of commercialisation. Interviews with land owners indicated that rental and contract systems are the safest forms of getting permanent and guaranteed annual incomes, compared to selling the land, especially since the capital sum received is likely to be used for commercial purposes. Interviews also indicated the increasing prices for land renting and contracting from time to time. For example, in the mid 1970s in

Kuta, 100 sq.metres of land adjacent to a secondary road could be rented for Rp.2 million a year. After 1980, however, the price had escalated to Rp.10 million. The price is dependent on the location, uses, and the tenant. Land in front of the beach could be worth 50 times land without any access to the road network. Foreigners also usually pay the highest rates, followed by non-Balinese Indonesians.

This complex system, in the informal sector, is supported by the 'de facto' rights of flexible land delivery. Although the basic agrarian land law was passed in 1960, and this opened the opportunity for residents in villages to apply for a right to their previous traditional land, not all residents used this opportunity. Thus, according to the *BPN* staff, not many sites within the *kampung* were registered. Many people are quite satisfied with the *pipil* form of land titles or 'tax receipt', referring to lands which have tenure secured by accumulated tax receipts. Perceived security of land tenure by people is also relative. For example, for people who illegally occupy marginal land, as long as there is no government action to weaken their presence, or as long as they have paid money to the informal leader, they will feel secure. Fragmentation of inheritance land within a family is not always followed by land registration. Land transactions also occur in the absence of formal land certificates and, further, it is important to note that land tenure is not necessarily the same as property tenure. Thus, it is common to have different levels of property on the same plot of land.

Only about 43 percent of households in Indonesia are secure owners, owners who claim to own both the property and the lot (Struyk 1990). The remainder are owners who own the property but rent/don't rent the lot; unit renters, the rent-free, room renters, and others, including households where housing is provided by an employer. This study does not go into further detail to assess the relationships between the land delivery system and ownership/rights. However, it illustrates the complicated picture of land access, in the informal sector.

After getting access to land, the construction process and marketing are not really a problem for the owners of tourist facilities. Financially, they usually consolidate their resources within their family or with relatives, or through informal credit systems that operate widely in the tourist area. It was also said that many landowners use a part of their land (by renting or selling) as the main financial resource for entering the tourist facility business.

Construction labourers are readily available for common construction methods, while local and modern building materials are also accessible in the market. But the most important thing is that, with the absence of building regulations/standards, property builders can erect whatever type and quality of construction they want. For example, while one house builder built a permanent luxury room scheme, which cost no more than Rp.600,000 per sq.metre of floor

space, another could only build a temporary room scheme that cost no more than Rp.100,000 per sq.metre of floor space. The latter, then, could renovate the room several years later (or gradually over time) for better quality space and higher rents. The informal land development process is illustrated in Figure 10.1

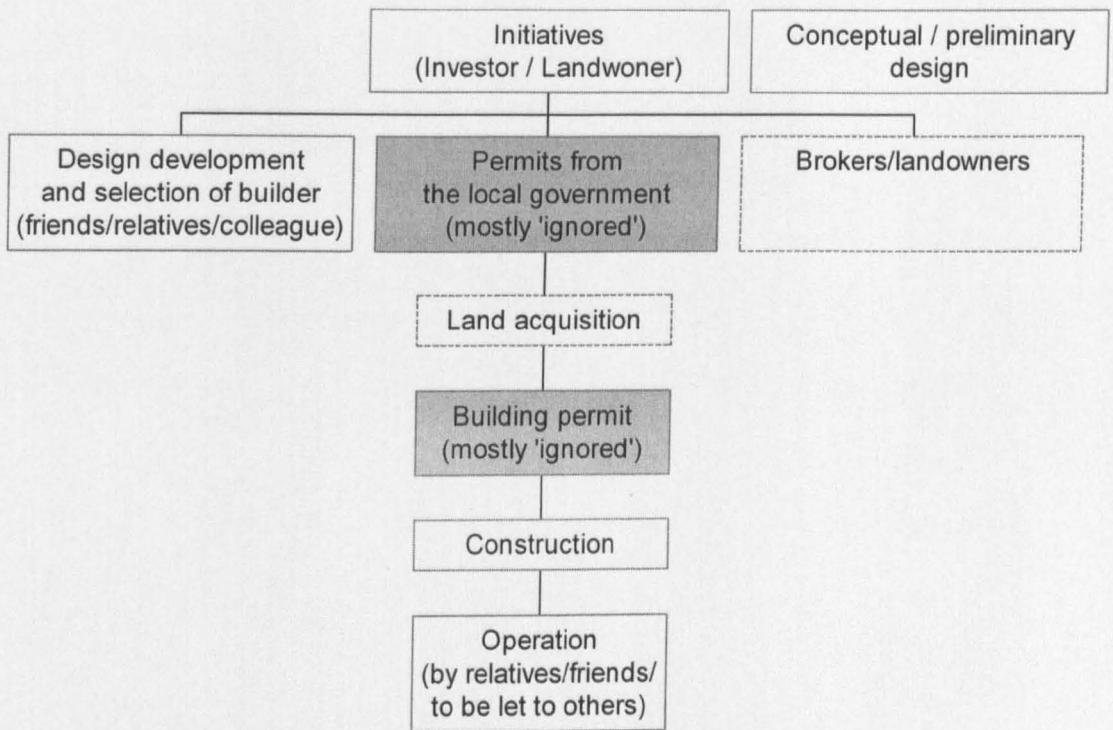


Figure 10.1 The informal land development process

The formal sector

In contrast to the informal sector, the formal sector operates under several formal government procedures and regulations. Although in practice stages often overlap or occur in a different sequence, the basic process of land development in the formal sector is illustrated by Figure 10.2.

After the private sector (capital owner) initiates a specific plan and target, local officials are usually consulted concerning the plan. As stated in the MOHA regulation No.3/1987, before they can commence the land delivery process, they should get a 'location permit' from the governor (for sites of more than 15 hectares, and less than 200 hectares) or from the *Bupati* (for sites of less than 15 hectares). This requires several steps such as a recommendation from the *Bupati* (who form an ad-hoc committee to evaluate the requirement), a project proposal, a site-plan, letters of agreement from the landowners explaining that they have no objections to

providing their land to any company (this letter must be signed by the *Lurah* and *Camat*), a copy of the land certificate, and other minor administrative requirements.

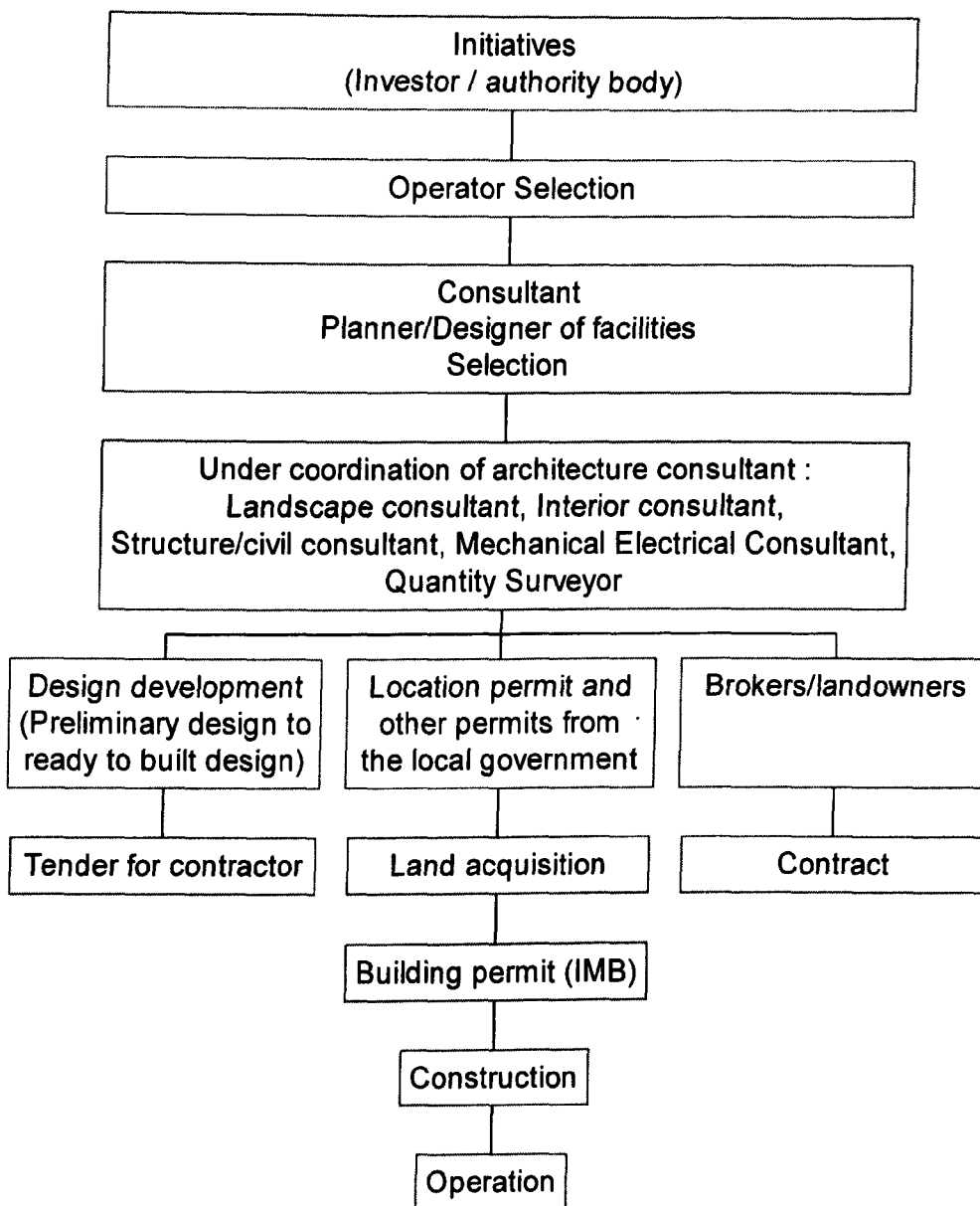


Figure 10.2 The formal land development process

This location permit process, as argued by developers, is too bureaucratic, resulting in lost time and money. This procedure indicates that the government has already strongly intervened in the process at the *kelurahan*, *kecamatan*, *kabupaten*, and at the provincial levels. In theory, this step is critical in terms of land use control by the government, because several criteria are applied to any application. Criteria here include compliance with regional and city plans, and the avoidance of environmental pollution. But the *Bappeda* staff suggested that these general criteria are usually set out in vague terms, or are absent from the regulations.

When a location permit has been obtained, the private sector developer can then continue to the next step in the process - land acquisition. This can be done in two ways. In Nusa Dua, the BTDC acts as a government agency, and land acquisition is executed through The Land Delivery Committee (*Panitia Pembebasan Tanah Negara*). For non-government agencies like developers, land acquisition is executed directly between the owner(s) and the developer with the presence of the staff of the *BPN* local office or *Camat*. Again, in this step the intervention of government occurs.

Applying for a building permit from the Building Permit Agency is the next step in the process. At this stage, the detailed design of the project will be evaluated by the agency, based on existing building regulations. Several criteria such as the setback, building safety, building infrastructure and other aesthetic criteria are employed.

After acquiring the land and building permits, developers who wish to obtain a loan from the bank for construction, will be evaluated by a bank based on the ten requirements as follows: (1) location permit, (2) land rights, (3) site plan, (4) construction plan, (5) infrastructure plan, (6) technical specifications (e.g. building material), (7) time schedule of construction, (8) financial cash flow, (9) bank references, and (10) a report on the companies financial situation during the last three years. These requirements were developed in order to ensure that developers would be credible and responsible for the project. Developers argue that this process is time-consuming.

Interviews with developers revealed that construction is not a difficult stage. Many technical problems can be solved with a flexible and efficient construction system. Some developers make contracts with building contractors and some developers (usually the small ones) undertake construction by themselves. It means that they directly manage skilled construction workers, who are in good supply in Bali, especially with the influx of workers from Java.

For clean water and electricity, developers must apply for, and make contracts with, the government agencies responsible for those two basic services. The *PDAM* is responsible for water and the *PLN* for electricity. The provision of piped water by *PDAM*, however, is not always reliable. Some developers argue that pump wells are much cheaper and are generally more attractive to house seekers than piped water from the *PDAM*.

Actors and agencies involved

There are many actors and agencies involved in the informal and formal sectors of land development in Bali. In the informal sector, most actors are individual households (landowners, speculators, house-builders, and house-seekers) acting without assistance from government or the formal, professional, private sector. While in the formal sector, the actors are formal

professional agencies such as developers, government agencies, contractors, and commercial banks. Each actor and agency has its own role, expectations, goals and strategy.

The role of each actor and agency is very complicated due to the informality and complexity of relationships. But, the general involvement of each actor in each case study can be understood better through its representation.

The first category of actors includes those who open up opportunities of access to land both in the formal and informal sectors. These are landowners, land renters, and speculators. In this case, landowners actively play a major role in development, by initiating and managing the development process. In some cases, landowners play an initial role but are not involved in the whole development process. In other cases, landowners can be said to have limited involvement since they simply release their land for commercial purposes, without further involvement in the land development process.

Speculators have a substantial involvement in all cases except where the landowner acts as tourist facility builders. Most developers and private sector agents explained that representatives/intermediaries were used to negotiate land transactions with the landowner on the behalf of the investor. This included land registration and other administrative requirements. Speculators get a fixed commission, based on a prior agreement usually at around 3 to 5 per cent of the selling price. The speculators acted mostly as informants/intermediaries between investors and landowners.

The second category of actors includes private sector agents and/or investors. Private sector agents who operate tourist facilities can be different from investors who have the initial capital to build tourism facilities. Most private sector agents tend to have a limited involvement. However, investors may have quite significant roles in deciding the design and construction of tourist facilities.

The third category of actors consists of informal builders, those who act as producers in the land development process, acquiring land, constructing buildings and selling or renting to the private sector. Informal builders were strongly involved in many developments for tourist facilities in Kuta. In this cases, the landowner and the builder usually were the same person.

The fourth category of actors comprises community or traditional leaders (e.g. the head of the *banjar*, *desa adat*, or *subak*), local formal leaders (formal village/*kelurahan* and sub-district/*kecamatan* levels), and several government agencies, particularly the land registration agency, the location permit team, and the building permit agency. The local-traditional and formal leaders - although their involvement is not always strong, nevertheless play a unique role

because they act, first as an intermediary and second, as the front line of public administrative machinery. In the first instance they act as mediators and informants among interested actors, especially in the land transaction process. In the second instance they know and, to some extent have rights to intervene in every single development activity located within their administrative boundary. All location permit and building permit approvals are required to have approval from these local-formal leaders. All construction activities, especially those carried out by members of traditional *banjars*, are usually reported to traditional leaders. The roles of several government agencies, such as the *BPN*, the location permit team, and the building permit agency, are strong or significant only as part of the formal process.

The fifth type of actor are those who provide financial assistance. These include, commercial banks and informal banks. Commercial banks serve commercial land developments with higher interest rates. Informal banks include families, friends, or moneylenders and these local financial sources serve almost all of the informal development.

The last category of actors is contractors, government agencies responsible for land development and infrastructure (*PDAM*, *PLN*, Public Works Agency), and construction workers. The contractors played a major role only in the formal development process. In the informal development process, builders simply managed all construction stages by themselves, from designing, buying materials, hiring construction workers to managing building construction.

It is clear from this study that a wide range and number of actors are involved in the informal and formal development sectors.

Limitations of the formal sector

Interviews with developers indicate that there are at least three major problems faced by formal sector development. These are land problems, financial problems, and administrative-bureaucratic problems. According to developers, prominent among problems is land price. Land prices in most tourist areas are too high. Therefore, it is difficult, today, to expand tourist projects for 'low-budget tourists', for example.

Problems in land acquisition for developers are also caused by the complex nature of land ownership, in which land is owned in many smallholdings of irregular form. This situation creates difficulties for developers because they have to make transactions with many parties. One developer reported that it was necessary to negotiate with at least 30 households for the acquisition of about 10 hectares. This does not include the many intermediary parties that may

also be involved in the process. In addition to this, it is sometimes found that the land has internal problems: its status is unclear, for example, in case of inheritance land or there maybe conflict within a family.

Land development requires a continuing supply of land. But the supply of land in tourist areas is uncertain. In the past ten years the number of location permit approvals has fluctuated considerably, presenting a picture of land supply uncertainty.

The administrative and bureaucratic process is also seen as being too costly and time consuming, especially in the location permit process and in the land registration process. Location permit approval usually takes more than three months. Besides, developers also argue that a 'tight monetary policy' implemented by the government, combined with the increasing interest rates, make it difficult for them to continue their projects. Most developers are small companies, and to some extent are in 'voluntary' business groups, meaning that they are not really interested in land and land development. Or they may be 'opportunistic', meaning that land development is only one activity among others, and they withdraw from the market when it is fragile, even though they still hold extensive land resources.

The potential of the informal sector

In contrast to the formal sector, the informal sector is very adaptable to the variation and dynamics of tourist development. This sector is more likely to respond to the problem of accommodating seasonal and low budget tourism, or even the problem of local housing in general. Therefore, its potential is evident, as it has become the main source of the development of tourist facilities, especially accommodation in tourist areas. In assessing the case studies in more detail, it was found that five determinant factors contribute to the practice of informal tourist facility development.

The first determinant is land tenure flexibility. This means that the right to use a parcel of land is not restricted to the land owner who legally has the 'right to own' because there are several other rights that can be granted to use the land. The system of land tenure in Indonesia, including the formal and traditional, also provides opportunities for informal land development. In Kuta, several *banjars* give permits to individual households for occupying traditional land, based on social reasons. Traditional rules and solutions regarding 'inheritance' land are also important influences on the process of informal land development.

The second determinant relates to the weakness of the land administration system. It is estimated that, to date, not more than 30 percent of the land has been registered in tourist areas

(interview with the land registration office). Thus, because land is not formally registered, an important factor that enabled people to occupy the land was the uncertainty of its status.

The third determinant is the weakness of development control measures. Several development control measures employed by the government do not impinge upon informal sector development. This weakness allows the informal sector to operate. Most land development processes never involve a location permit, building permit, environmental impact analysis, or any other form of development control measure.

The fourth determinant is the efficiency and flexibility of local building construction methods, combined with a conducive natural setting and the increased accessibility for consumers of varying socio-economic status. The temporary building construction system, which is cheap and simple to follow, provides a convenient way of developing land.

The last determinant is the existing traditional pattern of community and house yards that is highly accommodative to any form of improvement, reorganisation, and renewal. Combined with relatively large lots (200-1000 sq m), some cases show that residents can also extend the building into their backyard that has been used traditionally for a garden and as a waste disposal site. In other words, the existing pattern of the village could undergo socially and economically acceptable physical adjustments to gain price advantages, to the benefit of local residents, migrants, and tourist industries.

10.2. Problematising the dichotomy of formal and informal institutional behaviour

This section puts some further thoughts forward about the formal and informal tourist facility development process by looking at the context of informal economic activities general. It starts by analysing (formal and informal) agencies' behaviour, and decisions to operate outside the legal framework as based on a rational preference.

The informal development in Kuta demonstrated that the costs of adhering to formal development procedures are too high for all agencies but a few privileged groups and thus unlikely to be acceptable for those developing low budget tourist facilities. Although we have split formal and informal development processes in the previous section, the example of the Kuta case study in Chapter 6 shows that it is not a clear-cut choice between a regulated/formal or an irregular/informal built environment, but between different sets of development and planning constraints. This is because various modes of informal institutional regulation exist in different parts of the informal development process that is not necessarily, and not for all types of tourist facility businesses, less complex and more appropriate than the formal or state

mechanism. Outside interventions are then unlikely to succeed if not accompanied by changes in the formal and/or informal regulatory framework.

It is the informal land development sector that offers the main potential for fulfilling the facility needs of the rapidly growing low-budget domestic as well as foreign-based tourism in Kuta. Its promotion is one 'enabling' strategy now promoted by many public agencies, especially for extensions of indigenous houses for tourist accommodation (see Pictures: 6.6; 6.16; 6.17). However this promotion is rarely translated into systematic policies. Apart from boosting supply, one objective of formal bureaucratic interventions is the upgrade and eventual legalisation of informal or 'illegal' tourist facilities. At the same time a certain weariness can be observed: would not the mainstreaming of informal tourist enterprises in Kuta, and any other tourist destination, mean the loss of their main competitive advantage, not being subject to those rules and procedures imposed by formal institutional bureaucracies?

For problematising the dichotomy of formal and informal institutional behaviour this subchapter has put forward discussions on, first, agencies behaviour within the context of informal and formal development processes and, secondly, informal institutional behaviour.

In Kuta, and many tourist destinations in developing countries, as informal development is one of the most voluminous and profitable segments of the informal sector, it can be expected to show a relatively high degree of institutionalisation. The terms 'spontaneous settlement' and 'land development' (World Bank 1997, GTZ 1998) suggest that land is just there for the taking - for enterprising individuals and families. This picture is somewhat misleading. Even for the most modest tourist development demands, a parcel of land has to fulfil two minimal conditions to be suitable: accessibility (some public transport) and a source of water. To be attractive, it has to be located not too far from the main tourist attractions, such as the beach in Kuta. If unused land of such quality does exist, it is as a rule hazardous. Many tourists like beaches, mountain slopes and riverbanks but they may put their inhabitants and tourists at physical risk, especially in the tropics where heavy rains come in certain seasons and the tides are very high. If a suitable site is vacant because it is held back for speculation purposes, the owner will use all means available to evict unwanted occupants.

In Kuta and locations surrounding the Nusa Dua resort, less marginal locations in the tourist areas usually have a price tag attached to them. Even sidewalk souvenir sellers have to pay regular fees to policemen or 'syndicates'. The distinction between non-commercial and commercial articulation of informal or illegal land supply becomes, thus, questionable. Where traditional, patronage-based systems of land allocation exist they are often losing their

significance or becoming commercialised themselves, such as found in the *Banjars'* properties in Kuta.

As with the other informal land transactions, the definition of informal subdivision is unresolved. Transactions in the informal land market are not controlled and registered by the authorities. This implies that tourist facilities and houses are built without permits and their quality as well as the provision of infrastructure may be below regular standards, which is precisely what makes them affordable for low operational costs, and suitable for low budget tourist facilities. It is precisely the ability to cut corners and costs which has helped commercial sub-dividers to expand their operations and to provide plots which are more appropriate, affordable and easily available than any other tourist facility option. The land subject to informal subdivision is often zoned for other purposes, e.g. open spaces, locals' recreational facilities and most land suitable for this purpose is located in tourist destinations. It cannot be too far from tourism attractions, however, because unlike up-market tourists, the prospective users are not willing to spend extra money to get to the main tourist attractions.

Agencies behaviour within the context of informal and formal development processes

Apart from the common characteristics described previously, there are notable differences in the legal status of informal tourist facilities. A continuum of subdivisions varies from almost, or partly, legal to completely illegal. Private land owners in tourist destinations usually behave as developers and sell or rent out parcels. This procedure can be seen as semi-formal as property rights are not violated. Moreover, this type of 'tolerated invasion' is beneficial for all parties involved and tourists find relatively comfortable facilities at a (at least initially) modest rate. They accept in turn that the infrastructure is at best minimal, and at worst nonexistent. Whilst the owners not only derive a short-term profit from rent or sales but also increase the value of their assets and create a 'fait-accompli' for future zoning. As the landowner usually keeps the formal title, they can later capitalise on the value added.

In the course of the commercialisation of land markets which have great potential for tourist development, the conversion to tourist facilities is increasingly being usurped by professional, tightly organized syndicate-agencies that combine the roles of entrepreneurs and regulators, and make huge profits out of the tourist development needs of low budget tourists. In order to do so they have to be capable of establishing effective control over a suitable area of space.

The whole phenomenon of informal development processes indicates that the behaviour of syndicate-agencies varies between places and over time, even within a relatively informal integrated tourist resort like Kuta. Outright 'land-grabbing' against the expressed will of the legal owner appears to be rare, except in cases where the syndicates have political backing. In

the case of public land, local administrators, police officers and/or military personnel almost invariably have a hand in the syndicate-agencies either actively or as recipients of bribes. In the extreme, politicians and officials manipulate the regulations to create artificial land shortages in tourist destinations and drive people towards the *informal sector*, which may then be supplied by the same public officials acting as private developers, but using public land. Depending on the particular culture and legal system of a place, local leaders who have the influence in land decisions may also hold stakes in these decisions.

A developers' initial investment in infrastructure is restricted to the most basic needs. One such necessity is accessibility, as tourists have to get to and from the airport. Basic access roads will attract suppliers of public transport, e.g. communal taxis, tricycles, and *ojeks* (often unregistered themselves). The second precondition is a source of water for which faucets may be set up, or a deep well is drilled or at least a delivery service is organised. Illegal electricity taps are not uncommon. Environmental concerns, e.g. with sanitation and garbage removal, are obviously not high on the list of priorities in the informal, integrated, tourist resort.

In the context of land development driven by tourism such as in Kuta, any kind of tourist facility, even if it is just an informal one, is after all an asset that is likely to grow in value in the course of tourism development. Incremental improvements of the facility may be seen as a form of saving - as labour and capital are invested to make the asset more valuable. Increased certainty, however, is unclear. Even in uncertainty people will think twice about selling their informal tourist facility as this may jeopardize their access to their sources of income. Improving certainty of tenure is thus a major goal for residents of most tourist destinations, which carry out informal development processes.

Informal institutional behaviour

As abundantly stressed in the 'new' institutional economics (Alston et al. 1996, Benham 1997, Menard 2000, Eggertsson 1990, Furubotn 1997), in principle three forms of inter-agency relations can and do play a role in economic transactions which influence the behaviour of each agency: namely trust, violence and social sanctions based on collective action. These inter-agency relations can be applied to tourism and land development also. Trust plays an essential role in overcoming information deficiencies. Based on individual acquaintances or collective experiences (reputations), trust is an extension of personal relations into the tourist market sphere. Individuals and agencies will not pursue their interests at the expense of others if and as this jeopardizes their future tourist-based business. So there is an incentive to stick to the rules, all the more so if not only the victims of fraud but also members of their network boycott wrongdoers. There still though remains an obvious behavioural hazard problem: people and agencies will cheat if the immediate gain is large enough, and the risk of being caught limited.

Given the (usually) smaller scale of operations in informal tourist development, and the limited number of people involved, it is plausible to assume that trust does play an important role. Moreover, an extension of trust through the use of patrons and guarantors serves as an essential backing for *informal tourist businesses*. On the other hand the behavioural hazard problem is even more difficult to solve than in the formal sphere if transactions go beyond direct exchange, take place between genuine strangers, and there are no means of punishing fraudulent behaviour. In a low-trust environment, tourist entrepreneurs' attempts to engage in complex contracting tend to lead to the decline and death of their businesses. Eventually, trust in itself offers no solutions to disagreements about the interpretation of rules. In short if there were no mechanisms of sanction, dispute solution and arbitration, operations in informal tourism development would be largely restricted to the narrow scope and space of land development location.

If an over-emphasis of trust leads to an overly optimistic picture of informal development, concentrating on violence certainly results in an overly pessimistic one. With a formal bureaucratic line of argument, the absence of state, and thus formal, control is equated to an absence of any kind of regulation. There is clearly no absence of violence in the informal tourist and land development sectors, and it is again plausible to assume that violent conflicts over resources are more frequent than in the formal economy. The observation in Kuta indicates that a certain degree of violent behaviour exists in informal land and tourism businesses and it is one of the modes of governance with informal development. The agency that has more power and a greater threat of violence possesses a relatively stable and accepted authority to impose social sanctions on rule-breakers and make decisions over conflicts. Their role articulates trust and (potential) violence in an organized manner. It may combine legislative, executive and judicial elements, and include the collection of 'taxes' and 'fees'.

It should also be noted that these modes of 'governance without formal or state regulation' are not mutually exclusive. In places where traditional leaders prevail their rulings are increasingly commercialised: corrupt officials are not rarely involved in syndicates and the boundaries between the latter and 'genuine' community based organisations are far less distinct than those supportive of informal institutions would like us to believe. Informal institutions tend to combine several sources of authority, thereby broadening and stabilising the basis of their power. At the same time they may be as exploitative as their formal counterparts.

The following is not a systematic analysis of the gaps left by the absence of formal regulations (and ways in which they are filled), but highlights some examples.

- Allocative rights and fees: informal tourism and land development activities often imply the private use of public property, for instance of sidewalks for hawking and vending. Locational advantages and disadvantages are just as pronounced as in formal development. A vendor of souvenirs will prefer a place close to a main tourist attraction; a developer may prefer underused land along the beach. A first-come-first-serve system would literally force the entrepreneurs to spend day and night in ‘their’ location and create a lot of space for conflict;
- Property rights and prices: A substantial part of low-cost tourist facilities in an integrated resort, such as Kuta, is produced through informal land transactions and illegal subdivision. A plot of land is serviced with basic infrastructure (water and traffic connection), subdivided and sold or inherited, and;
- Conflict solution and arbitration: Transactions in informal development processes go far beyond simply bartering or sale for cash, and often imply fairly complex contractual obligations.

10.3 Traditional and current planning practice in Bali

Considering the two institutions in the Balinese planning system, the traditional and the formal, the next exercise now is to compare these two sets of institutions. This part is an effort to compare the normative character of ‘the rules of the game’ in the Balinese planning system. The scope of normative comparison is an evaluation of social factors that have an extensive and long-term influence and that govern the relations among agencies who occupy particular social positions in the planning system. Research on the traditional and current planning processes in Bali brings out the contrast between the two.

Planning theories and approaches

Planning can be defined as a process that links a knowledge of social processes to actions that change the course of segments of society (Cooke 1983) - “as with so much of Western culture, the contemporary idea of planning is rooted in the enlightenment tradition of ‘modernity’” (Healey 1996:236). Approaches in current planning practice view development as being linked to goals of economic growth and increased material consumption. They subscribe to a view of history where ‘progress’ is attained by moving from a position of ‘under or less developed’ to a position of ‘developed’. All that is different within the approaches is the path that they prescribe to reach the goals. The planning process within these dominant approaches has necessarily been linked to the realisation of economic growth. It believes in those scientific and material values of the development paradigm in which it is embedded. Local culture, local values, local

knowledge and different visions of the world do not seem to have a place within such a paradigm.

Picard (1996) and Warren (1993) have identified forces of 'modernisation' as the main factors behind environmental transitions in Bali since World War II. It seems that the inter-related factors of a modernising economy and tourism have worked together to transform aspects of life in Bali in the same period. So what values guide current planning processes in Bali? How does it compare to the traditional planning process?

The two sets of planning institutions in Bali

Most planning practice in Indonesia is based on rational comprehensive models that have been criticised widely. Other research argues that traditional institutions have intrinsic worth and should be preserved. Using the Bali case studies, this comparative chapter explores the comparison of the traditional (see Chapter 8, especially Section 8.2) and current (see Chapter 9) planning process.

Bali is developing rapidly, spatially as well as economically. At the local level, two institutions function as built environment change agents - *desa dinas* and *desa adat*. Balinese *adat* institutions, which have long been studied sociologically and anthropologically, espouse as fundamental organising principles, a reliance on local knowledge and the capability for enabling local people. However, with the rapid development of tourism, such as that found in the Kuta case study, the findings indicate that *adat* institutions are unable to prevent overcrowding and environmental degradation in the built environment. On the other hand, local area planning in Indonesia is still fundamentally tied to national level goals and policy, which is also very problematic. The formal planning procedure is based upon the capacities of local government administration (*dinas*), rather than local communities (*adat*).

Balinese culture and *adat* are dynamic entities that continue to evolve. This comparative analysis will try to relate the findings in the case studies that partly show how the *adat*-influenced planning process has evolved within the changing socio-economic circumstances in Bali. The role of *adat* within the village system is then compared with its (non)-role in the formal government development planning system (*dinas*) of Bali. The two planning systems are contrasted.

Traditional planning practice

As explained in Chapter 8, the traditional or 'informal' planning of *Desa Adat* is not planning in the rational, linear, 'goals and concrete action' sense, but rather planning which addresses day-

to-day problems through the ingrained value systems of religion and tradition. The *Adat* community is responsible for guiding ritual activities and collective action (for example, social or co-operative works, enforcement of *awig awig* or mutual self-help). *Adat* planning looks to the past for guidance and places great value on the continuity of behaviour. Goals and objectives are not determined rationally nor are they worked through 'logically', but rather they evolve organically through conformance to socially determined *adat* behaviour.

Day to day *adat* functions, and land-use planning, revolve around the order of the traditional calendar and its prescribed ritual ceremonies. Any problems are dealt with through traditional ways by traditional 'experts'. *Adat* institutions formulate 'correct actions' within a framework of local knowledge, values and behaviour. Decisions are made on a consensus basis, with *adat* solidarity paramount and this endogenous, adaptive mode of planning has proved resilient and continues within traditional *adat* institutions.

Traditional built environmental processes in Bali show that the *adat* is founded on religious values, collective experience and local knowledge. Balinese religious concepts assign sacred status and ritual obligations to space and sustain *adat*-influence on community lands. House compound productions from such land places the community, and its non-material harmony, above the material rewards of the market. The sacredness of distinct places represents a natural symbol of community solidarity and renewed social harmony.

Obligations and duties to the *desa adat* are the responsibility of all members, although physical tasks may differ. Social solidarity, community norms and traditional law reinforce the way that the community guides its members through the communal rites of life and ensures proper nurturing after death. Participation in the *adat* sphere (community, non-material) is still more important to the Balinese than participation in the economic sphere (individual, material).

As demonstrated in the study of built environment changes in Bali (see Chapter 8 and partly Chapter 6), *adat* beliefs and institutions still guide the socio-cultural/religious sphere of village activities. However, *adat* boundaries and power, which engage with activities in the profane sphere, continue to be transformed. Traditional institutions such as the *desa adat*, founded on principles of participation and equity, are necessarily empowering. When people have control over their resources, whether material or non-material, they hold power over their use. Leadership and decision-making in traditional Balinese institutions, such as the *desa adat*, is still firmly in control of its members although its power in certain areas has been curtailed, especially in tourist development that is mainly derived from global market mechanisms and global institutional rules.

Current planning for the built environment

Current built environmental planning relies on economic rationality, where short-term goals are presented as sectoral targets, which may be attained through the effective control or management of system resources. Long-term goals are abstract notions of 'development', 'modernisation' or 'industrialisation'. This focus on 'modernisation' mostly views the traditional uses of resources (e.g. ceremony, ritual) as inefficient and traditional socio-economic systems (i.e. traditional villages) as barriers to development.

In Bali, current development projects/programs are planned and implemented through the formal *dinas* sphere of the state. Development funds are funnelled exclusively through the *dinas* sphere of government whether in the form of INPRES grants (presidential directive development fund) or sectoral programs. Planning in this sphere does occur at the village level with local consultations occurring at the beginning of the yearly planning and budgeting cycle. Within this 'bottom-up' mechanism, village proposals for funding are passed up to the *Kecamatan* (District) where, if met with approval, they are passed up to the *Kabupaten* (Regency) for approval, and so on. In theory, it is at the *Kabupaten* level where 'top-down' and 'bottom-up' components of Indonesian development planning meet.

While appearing to take into account local needs and desires, in practice, the 'bottom-up' process often excludes non-influential villagers from participating, and leaves the ultimate decision making to government bureaucrats who are trying to meet national development goals. Furthermore, as village proposals work their way up the system, social projects (e.g. health, religion) identified by villages tend to lose out to physical projects (e.g. roads, bridges) identified and preferred by non-local village bureaucrats. Within this formal planning process, rural people remain instruments in a national development strategy designed and implemented by a bureaucracy attuned to meeting centrally defined goals.

Comparing current and traditional institutional planning practices

In Bali, planning is practised by two distinct spheres, or sets, of institutions. On the one hand are traditional institutions such as the *desa adat*, *banjar adat* and *subak* (irrigation association), which have regulated local attitudes and behaviours for hundreds of years. Villagers are intimately tied to, and participate in, these organisations. On the other hand, there are the more recent central government (state) institutions, which aim at achieving national goals of integration, economic development and the provision of basic services, and also operate at the village (*desa dinas*) level. Whereas *adat* institutions involve wide participation, *dinas* institutions view the village as a 'subject for development' and meaningful participation is limited.

Research on traditional and current planning processes, especially in Bali, brings out the contrast between the two. Philosophically, traditional planning follows the religious beliefs of the communities in the area. It is based on values that seek to harmonise the material and non-material world. While implementing planning processes, community members work together for the local needs, taking account of ancestors, gods, and the environment. Therefore their traditional knowledge system has no formal theories. It is based on local values, beliefs and traditions; inextricably tied to religion, and is consequently spiritual and non-material.

On the other hand, current planning processes in Bali, as applied at the local community level by the extension of formal national government actions, is philosophically based on the rational comprehensive model. The planning process is implemented by individuals, either formal civil servants working at the particular level of *dinas* institutions or hired, appointed professionals (planning consultants). These base their work on rational techniques to achieve economic growth and material production. The knowledge systems of these planners are based on the scientific approach and are usually quantitative and they incorporate formal theories and formal development models. Their knowledge emphasises the material and physical values of 'urban' activities.

The traditional planning process can also be described as cyclical and organic, it emphasises social continuity through the '*adat*' that is reflected in behaviour and life cycle rites. The goals and objectives of such planning are quite abstract and embedded in cultural value systems. The objectives of traditional planning also evolve to meet day-to-day problems. During the planning process, all members of the community participate in consensual decision-making. The organisations that initiate and conduct the planning process can be described as traditional, local, and 'democratic' institutions, such as the '*desa adat*,' the '*banjar adat*,' and the '*subak*.' Their perspective on the environment is based on '*Tri hita karana*', which binds nature to the community and the gods. People are part of the environment, and the environment is not external to people.

The current planning process driven by the state government conducted in Bali is a more sectoral, linear and mechanistic process, driven by goals and objectives. The long-term goal is usually some form of development, which contains an element of modernisation. The short-term targets are set to ensure concrete action. Participation from the locals is limited and the 'bottom up' process is often dominated by a few, influential, villagers and civil servants. The organisations involved in the process tend to be bureaucratic and highly tied to national level sectoral policy. It is part of the institutionalised development process. Their perspectives on the environment incorporate rational management by professionals, they view the environment as external to people.

In the traditional planning process, the meetings in the '*banjar adat*' indicate that 'every one is a planner' that decisions are made based on shared local knowledge and that all aspects of traditional institutions work on the plan together as a social group. To adapt to the changes brought from outside the communities, the *adat* institutions evolve organically.

Meanwhile, for the current planning process, planners are professional experts. The involvement of locals is very limited, usually to just obtain data relating to the planned area. Interaction between the planner and the locals occurs at the end of planning process when there is '*penyuluhan*', a meeting to publish the results of the planning process such as recommendations written by the planners. During this '*penyuluhan*,' the locals listen to the presentation and talk to the planners. Within this current planning process, all is coming from the 'outside', the funding from the 'higher' hierarchy of government, the models, projects, and programs are all based on outside values.

10.4 Emerging agencies behaviour and contextualising the dichotomy

The previous section is presented with an awareness of the simplification embedded in dichotomising analysis of social institutions. To pursue the comparative exercise with regard to current and traditional institutional practices in Bali, it is obviously very useful to know who the agencies are, what their behaviours is, and to look at how agencies relate to the bigger context.

In the case of the example with which this section began, this entails identifying and classifying the agencies and actors within distinct planning institutions, within the interrelationships of tradition, the built environment and tourism. First, the traditional institution of the *desa adat*, defines rules and asserts values in Balinese communities, while its constituent *banjars* are the communities that apply and make use of those rules. Secondly, there is the creator of formal institutional norms and behaviour: the relatively centralised and recognisably formal (state-extension) planning agencies (see Chapter 9). So far, the previous subchapter 10.3 has only made a distinction between these two classifications of agencies. However in the arena of change in the traditional built environment, as driven by tourism, there is clearly a third classification: the private sector or (the focus of this thesis) the tourism industry as the main supporters of market mechanisms. The following section discusses the question of what kinds of agencies behaviour are emerging and might emerge in the future in Indonesian context. The relations among the state, traditional agencies, and tourist industries (and the market in general) will be examined. This lays the ground for further reflection in the final chapter, conclusion ('coordinative planning'). This section focuses on the emerging institutions that are in the process of restructuring the economy towards tourism development as part of the global market. However, institutional behaviour classification and analysis have a weak point. There is a

process of ongoing negotiation and mediation particularly between the agencies involved. It is understood that beyond the three classifications above, there are some other non-market actors, such as NGOs, the media, and other religious agencies. However, it is this tripartite set of relations (government, traditional institutions, and the private sector), is key to the future direction of tourism development, and change in the built environment, as driven by tourism.

The state, traditional agencies, and the market

As an introduction to this section, the Indonesian context is explored so to analyse changes in agencies behaviour. Over the years in Indonesia there has been a significant change in attitudes towards traditional institutions, the market and the private sector (including tourist industries) and their role in economic development. As indicated in the Nusa Dua resort development, the prevailing attitude in the 1970s and 80s was that long term development required not only strong state control over key institutions within the economy, leading to the nationalisation of existing bodies and state investment in new, major productive (tourism) enterprises, such as the BTDC. But also there was a strong belief in government that direct state control was a better long term bet for trade and distribution as well, services as well as industry, in both urban and rural areas, leading to the dismantling of the strong, and in some regions, large, co-operative retailing and distribution system. Thus both private and co-operative systems were weakened through the state-led development strategies of that period. This state attitude informed current planning institutions as explained in the previous section.

Although, in Indonesia, economic growth is in crisis, in late 1996, and structural reform policies have been in place since 1997, the changes in the type of agency behaviour, market, state, and traditional institutions have been slow and uneven. The crisis of the developmental state has led not only to a sense of 'government failure' but more importantly in terms of explanation, to growth in the use of public office for private gain and for empowering traditional institutions associated with declining real wages in public services. Insecurity and a search for survival lead to 'private interest' behaviour (or privatisation) by all levels of employee, and hence the disintegration of a cohesive public administration. This is perhaps the most important change in Indonesia from the state-led period of controlling public office.

At the same time, there has been private interest behaviour in the private sector towards the state. Beyond being a statement of the obvious, during the new-order era (1966-1998) this was manifested in the fragmented way in which parts of the private sector have negotiated with government. Individuals or small sectoral interests have used personal networks of influence to obtain licenses or concessions, rather than approaching government collectively to present a unified voice. Such practices, it might be argued simultaneously reduced efficiency where

individuals (in either the state or in the private sector) stand to gain at the expense of collective goals. This in turn fed responses including a breakdown in trust within and between groups. Thus, in Indonesia, what is taking place is not the 'obvious' results of 'government failure' but a weakening of public administrative behaviour during a marketisation, that will be hard to transform. To a certain extent, it is during the move to market-led reforms that state agencies have been weakened - from what was a collective and inclusive vision of national development with rules of honesty in public behaviour. This illustrates the danger that, in Indonesia's case - and it is not the only national case - moving to market-led strategies can lead to 'indifference' over 'developmental' states.

In the tourism market-led process, large foreign tourist companies have expanded their businesses into Bali (and Indonesia generally) making the sector grow rapidly, meanwhile small scale indigenous tourist businesses have been pushed to the margins, as can be seen in the Kuta case study. As seen in the motivation of state agencies in developing the Nusa Dua resort, it indicates that small-scale tourism was not in the national interest, on the grounds that it is inefficient and does not contribute to wealth creation for the nation (national economy versus local economy). On the other hand, traditional institutions are balancing national and local interests by supporting small-scale tourism businesses as well as embracing large, externally driven tourism development. Lately, during the reformation era in Indonesia, it has been shown that a number of different interest groups were able to sit down and talk to each other in negotiation over the planning and policy process, including in tourism development. Increasingly in Indonesia, as elsewhere, such dialogue is being encouraged and planning (as well as policy) outcomes is an interesting area in which to understand development agencies behaviour.

Whilst the relationship between the state and traditional institutions is arguably the most important issue for most of the development planning driven by tourism in most developing countries, the present role of the private sector (especially tourist industries) are also key. The large quantity of tourist industry initiatives, such as found in Kuta, is evidence of the scale of change in the built environment, driven by tourism. Generally in Indonesia, tourism activities have moved towards a partnership model that includes government, and a sectoral approach with co-ordination between other private sector interests. Interestingly however, such a co-ordinated approach is not that strong in the area of the promotion of traditional institutions. Co-ordination such as there is tends to occur at a level lower than at the traditional institutional level, for example, over micro-finance programmes, for training initiatives, or in the strengthening of particular organisations such as business associations etc.

The emergence of tourism development, and of the private sector generally and its interactions, displays elements of all three modes of inter-agency relationship: co-ordination, as traditional and state institutions involvement continues: competition, as market reforms come into contact with most sectors; and, co-operation where trust building emerges with the emergence of new economic groupings. In terms of agencies behaviour, all the main agencies – traditional institutions, state agencies, and the private sector ‘speak’ a language of tourism development and promotion, at least on paper. This common voice hides differences in approaches as well as differences between rhetoric and reality.

While the Indonesian experience of economic crisis in 1996 was a bitter pill to swallow, the state institutions had little choice but to comply with the requirements of global economic structural adjustment to promote the private sector (including tourist industries). Tethered with an international agenda of market reform and national debt as well as the national financial crisis, the state government is in a reasonably weak bargaining position. In practice, state institutions show ambivalence towards both development requirements and private sector pressures. Despite the fact that the reformation era in Indonesia has been very supportive to decentralisation and local autonomy, the indigenous institutions remain marginal. There is still continuing scepticism between state agencies (the main creator of current planning institutions), indigenous agencies (the foundation of traditional planning institutions), and the private sector. In spite of advances, there are still many ‘obstacles’. On the side of state government planning agencies there is: a lack of autonomy and dis-coordination between departments, a lack of knowledge and/or interaction among traditional institutions, a public and private sector outside regulatory functions, a continued demoralisation based on low pay, resentment that charges of corruption are only levelled at government officials, and a continued belief that the government needs to guide the market (investment, management as well as ‘enabling’). On the side of the indigenous agencies, there are complains about over bureaucratic procedures, the mismanagement of resources, hostility, and a lack of information. The list can be extended.

From the perspective of the state, promotion of tourist industries and the private sector in Indonesia is an attempt to pull the country out of a severe economic crisis and, along the way, to find ways of securing continued financial development. The latter is conditional on adopting market led economic policies. In other words, the state and its extension of formal planning institutions have been forced by internal and external institutional pressures to make a major transformation in its economic policies. In any planning of development, state intervention was significant, had a certain logic, as well as being partially successful for a transitory period.

In the case of tourism development, in Indonesia and developing countries generally, the promotion of the private sector has, certainly in the early period of transformation, been

paralleled by 'private interest' led weakening of state institutions. 'Pure' free market visions can, it seems, only lead to policies that weaken all institutions of the state, not only those that are seen as overreaching themselves. The transformation from state-led to market-led development is to be accompanied by the strengthening of new behaviour and norms of non-market actors and institutions. However the implications for traditional institutions do not seem to be too positive.

Actor/organizational level behaviour

At the actor level, new behaviours and norms are emerging within and around the state, and also within and around the private sector. Going beyond the simple divide state/market, there is the beginning of a process of realignment and emerging relations between individuals, agencies and institutions which in turn create new 'configurations' of actors, not only within tourism development but also in other sectors as well. Arguably, the most important set of group relations is between state institutions (privatising, and rethinking development policies), the private sector (old and new, local and foreign capital) and traditional institutions (supporting private sector promotion but still not sure about whether to work with the state or the private sector).

Traditional forms of authority and organisation are being modified by a variety of largely imported substitutes and by the globalisation of tourism, trade, investment and economic governance. Observation has shown that the extent to which traditional and formal institutions have developed effective working relationships varies considerably across Bali province as well as across the nation. In some places traditional governance systems have been mostly ignored by formal, government structures. Planning (including for built environment change) remains top down with little opportunity provided for community input. The result is poor targeting of development initiatives, a lack of ownership - and therefore sustainability - and a continuing deterioration of traditional institutions, legitimacy and values with few effective structures or organisations to take their place.

The balance of behaviour between co-ordination, competition, and co-operation, is uncertain. The state remains ambiguous over its control function, the competitive environment is under negotiation and co-operation and trust has to be rebuilt. To summarise, in the interrelationships between traditional and formal planning, in the context of tourism development and change in the built environment, as part of a marketisation agenda, there is an extremely unpredictable situation, as the macro-context changes towards some, as yet, unclear form of market system. Moreover, unpredictability is increasing if the behaviour and vulnerability of the global tourism industry is taken into consideration.

Global tourism is very much influenced by global economic conditions, international security (against terrorism), and the precondition that people are motivated enough to travel. Both the non-market and market actors lack preparedness in this emerging, and unstable, market situation. But there is some evidence that interesting non-market institutions are emerging that need strengthening if the situation is to stabilise towards a system based more on co-operation and trust, in the transformation from a state-dominated to a multi-actor situation. Both co-operation and trust are key for the main tourism agents to foster its development and further drive change in the built environment.

However, the next phase might be characterised as improving public service, balancing power for traditional agencies and building institutions that can assist and sustain private sector activity, including the tourist industry and land development. This is a more complicated process since it involves fundamental change in the behaviour and norms of the three agency classifications mentioned earlier in this section. These are deeply ingrained on tripartite sides of the divide between public, traditional agencies and private. The shift from a single power and control mode of behaviour to one based on a combination of markets and co-operation is incomplete.

CHAPTER 11: CONCLUSIONS

This chapter gives a retrospective view on the main accomplishments of this thesis. It starts with a further thought on the dichotomising of traditional and current planning practice, then proceeds to a reflection on the institutional model applied in this thesis, as well as addressing the general question as to whether the challenge of applying built environment change theories and models, when conducting future research, will need to be developed. Finally, we will reflect on the changes in the built environment of Bali generally.

11.1 Dichotomising traditional and current planning practice: a further thought

Defining planning is really quite complex. The term can be understood in its broadest sense as ranging from an evolutionary biological adaptation through to individual and social activities, and has social and practical connotations (e.g. who are recognised as professional or expert planners) that vary across cultures. In discussing formal and informal planning, a narrower definition of planning in its collective sense is more useful. In other words viewing planning as the deliberate social or organisational activity of development, and deciding upon strategies for future action.

In reality, formal and informal land development mechanisms, as well as indigenous and contemporary planning processes, are interlinked and highly dependent on each other. In dichotomising formal versus informal land development mechanisms, as well as traditional versus current planning practice (as in Chapter 10), a common understanding of mainstream contemporary planning practice as used by many planners and planning theorists, is prominent; see Friedmann (1987: 38) and Sanyal (2000: 326-332). In the sense in which it is commonly understood, formal land development is any activity involving making a plan: "to devise...design (some)thing to be constructed... something to be done or some action to be carried out; to scheme, project, arrange beforehand." (Operation Evaluation Department-World Bank 1971: II P-Z 941). But more advanced theories and observations suggest that, in reality, this dichotomy is no longer applicable. Many definitions of planning (e.g. as rational choice, as anticipatory coordination, or as the attempt to control future actions) are so general (perhaps too universal) as to surpass this dichotomy.

Social theorists, especially cultural analysts, have been debating the respective qualities of indigenous planning practice and various alternative forms of traditional organisations. Meanwhile, in the public policy arena the exploration of traditional organisational structures and

systems has ranged from those that serve local interests, through various mixed forms, to formal/modern bureaucracies that are ultimately manifested in the built environment.

During fieldwork in any tourist area in Bali, except in extreme cases such as in Nusa Dua, formal and informal land development mechanisms are analytically or empirically intermingled and indistinguishable. The dichotomy, as written in the comparative analysis of chapter 10 is based on a widely held association between contemporary planning practice and governmental or state regulation and action, as opposed to indigenous activities in supposedly informal-traditional planning practice.

There is incremental planning in informal land development processes, e.g. timeframes to finish a construction within a given 'consecrated-deadline', planning to consider 'sacred/blessing days', planning to locate sacred facilities in sacred axes (see figures 6.16 and 6.17). There is also a traditional element within formal development processes as manifested in the *pura* within hotels in Nusa Dua (see figures 7.11), or the *banjar* that accommodates hotel employees in a five star hotel.

So, in reality, formal and informal mechanisms as well as traditional and contemporary planning practice cannot be separated. Yet the following question emerges, rather than juxtaposing those dichotomies further, would it be more useful to think about what kind of planning processes would be suitable to accommodate contemporary and traditional/indigenous based planning practice? Further, when this is subsumed under the more general concept of *governance*, then the question is no longer "formal or informal planning", but: What is the most effective form (or mix of forms) of planning? What is the most effective form (or mix of forms) of governance? Whilst asking these questions, in the historical sense, it may be appropriate to use institutional analysis, in the context of addressing a land development issue (Alexander, 1995: 51-52; Bolan, 2000; Salet, 2000: 16-21).

Next, a discussion on problematising this dichotomy, in order to bring further understanding of how tourism-led change in the built environment of Bali operates will be attempted. This includes an academic exercise on the application the 'modified' Healey model, and the applicability of institutional analysis to this study.

Planning activities in distinctive institutions

Conventional explanations of planning in the academic arena explicitly or implicitly associate planning with government intervention and state action, the (planned) public sector is thus contrasted with 'invisible' indigenous planning. Other discussions of planning and traditional

cultures reveal the same dichotomy, contrasting 'indigenous-' and 'plan-rationality' or comparing informal planning to an incremental political decision-making.

The development of planning practice in Bali explained in Chapter 8 and 9 indicates that the increasing complexity in land development processes within traditional communities has also blurred the boundary between the elements of this original duality: formal state planning and traditional local planning. In the Indonesian context, historical roots and the decentralisation of legislation (UU No.22 / 1999) have diluted the public sector, which is no longer the exclusive domain of sovereign state agencies. The Kuta case study written in Chapter 6 illustrates the interdependence and interaction between formal and informal government, as tourist facility construction and procurement highlight various types of roles-integration between government and traditional institutions at different levels and over time, highly influenced by their circumstances.

The indigenous/traditional planning system, too, is rarely the 'perfect' indigenous system beloved of the cultural conservationist, but has evolved into a variety of hybrid institutional forms, which include large integrated organisations with many of the attributes of (public) bureaucracies. Consequently (as explained briefly below), planning is not limited to the public sector and as an extension of state government. Traditional/indigenous organisations plan their own activities, and planning is formally applied as traditional planning, based on their cultural values.

On the other hand, interviews with planning academics and consultants, referred to in Chapter 9, explained that most planning documents used by the formal government in Bali were made by planning consultants. Private, 'expert' planners, also do most of the planning that is actually done in Indonesia generally. They are the outsourced providers of the governments' comprehensive strategic land-use/development plans that back up statutory planning and development control, and they do almost all of the sectoral planning, e.g. for infrastructure and strategic facilities, land development and improvement, industrial production, and telecommunications. Planners, then, are as omnipresent in the private sector as in government. They may be independent 'expert' consultant firms, or they may be an in-house unit of private firms and corporations.

Within the Bali context where traditional institutions exist side by side with the extensions of state government, it is found, however, that planning is not only a property of the public sector, but is widespread in the informal and traditional institution as well as in the private sector. So should not an adequate theory be able to account for planning in a way that can explain planning

in the traditional domain itself, and not only as something external or complementary to contemporary planning practice?

Coordinative planning

In informal land development mechanisms and traditional planning, the implementation of collective decisions, as briefly written in Chapter 8 and 9, is 'unplanned'. The participants are all small, simple units: groups or families (as producers and consumers of construction materials/services and price setters), households and individuals (as suppliers of labour, consumers of economic and infrastructure/services), legislators, simple organisational units and parts of public agencies.

Decisions in informal processes are spontaneous, in light of the circumstances and information available, are guided by some basic deliberations and are mutually adjusted based on collective action and cultural values. In Kuta and in Bali more generally, the normative pillar of institutions is the *Tri Hita Karana*. This is 'informal' and may be largely intuitive, involving information processing and evaluating alternative courses of action in the light of possible contingencies. In the economic or public arenas, this is the kind and level of planning that goes into deciding upon and drafting a simple enforceable contract or agreement.

Collective outcomes here are 'unplanned'. They are the aggregations of all individual decisions and spontaneous mutual adjustment, in these traditional political agencies Indigenous planning, then, is associated with 'non-planning'. In indigenous planning, outcomes are the systemic results of individual (*banjar* members) decisions. In indigenous planning, collective decisions emerge as an incremental process of partisan mutual adjustment. These normative pillars of institutions become their way of thinking and it is reflected in how the locals in Kuta built or converted their houses to accommodate tourist facilities (see figures 6.6, 6.16, and 6.17).

Traditional Balinese institutions do not need 'formal planning' to make collective decisions; the extension of state government system does. On the other hand, single units of formal organisations need integrated planning to synchronize their action with other elements of government and to articulate their objectives, and to design and evaluate future courses of action to meet possible contingencies. They also engage in routine planning activities to meet goals set by national government.

To see the single unit of local government as a simple organisation, appears to limit themselves to certain kinds of planning. But, in Bali specifically and anywhere else, few local government organisations are that simple. As they increase in scope, size, and complexity, hierarchical control becomes inadequate to identify and implement common purposes. Planning becomes

more interactive, to bring the divergent objectives of different units into harmony, by agreeing upon frames of reference for future decisions and actions. This is coordinative planning.

For example, a regional tourist agency or a local public works office needs coordinative planning to determine its tourism management strategy, and planning in detail, the execution, of the strategy, involves interaction with local government, employers, and other interests. This includes the interest of traditional institutions and all agencies/actors involved in it. Another aspect of coordinative planning, then, is devising strategies for arranging relevant organisational units and ensuring the commitment of each to its assigned role. In this way coordinative planning can be recognized as the 'missing link' between planning and implementation, the implementation of formal planning documents within traditional communities. Ultimately, such coordinative planning leads to an organisational and institutional design that involves traditional/indigenous institutions.

As ('planning') organisations grow and differentiate, the interdependence of internal and external stakeholders also increases, making the distinction between the organisation and its environment ever more vague. At this scale, coordinative planning in an organisation alters into coordinating interorganisational systems. Much of what the planning scholars observe as planning is anticipatory coordination of this kind.

The local government's master plan can be seen as means to be a framework for coordinating its own units', and its residents', and private investment, and location decisions in a way that unplanned interaction among agencies cannot. A mandatory regulatory system usually supplements such plans. An analysis-exercise based on 'institutional' units offers a convenient explanation (perhaps not the only possible one) for why this hierarchical system of public agencies, households, firms, developers, other interests, and the planning that goes with it, have come into existence. In any coordination, especially those involved in idiosyncratic coordination, there are incentives for developing structural linkages that generate hierarchical organizations (or agencies of planning institutions) and interorganisational systems (between units of indigenous-traditional and state-extension organisations). Collective outcomes, economic or political, are aggregations of multiple self-interest decisions and organisational adjustments through systemic interactions.

Planning, therefore, is part of the response to unconventional interaction between parties, and is a property of conventional and formal forms of organisation. In particular, planning is associated with formal organisation, which appears in various structures ranging from unitary hierarchical organisations to complex interorganisational systems. This does not mean that planning is identical to formal organisation only. Association means that where there is formal

organisation, there is likely to be planning too, because organisations rarely improvise or take unplanned actions.

These organisations exist in the modern and traditional institutions in Bali, as well as in the public and private sectors. The consequence of institutional adaptations to is to minimize uncertainties during each transaction in land development processes. Since it is associated with organisation, therefore in Balinese and any traditional communities context, planning is not only a governmental intervention in the built environmental change process.

Land-use planning and development control

The discussion and application of institutional analysis in Subchapter 3.2 to 3.5, and the attempt to apply institutional analysis in Chapter 6 and 7 indicated that institutional analysis could offer an approach to understanding why formal land use planning and development control existed and why they are accepted in a traditional Balinese community context. These approaches represented different levels of analysis in a three-level schema of society. The micro-level, dealing with the individual actor and/or agent, such as explained in chapter 8.3 (for traditional planning practice) and figure 9.1 (for current planning practice). The meso-level dealing with forms of governance and their relative costs, such as explained in chapter 8.2 (for traditional planning practice) and chapter 9.1-2 (for current planning practice). Finally the macro-level, beyond the scope of this thesis, is the global institutional environment, the domain of mainstream institutional economics. For example looking at globalisation as a structure that influences tourism development and, ultimately, manifest itself in change in the built environment, triggered by tourism.

Formal/governmental land use planning and development control can be defined as "government delineation and/or restrictions of rights over land within certain spatial confines" (Lai, 1994: 77). In this sense, then, they are a significant part of built environment changes, triggered by tourism development especially, and the institutional environment of the land development process generally. Formal planning assigns and restricts land development rights. Development control intervenes in the processes of land development, construction, occupancy and uses to enable and constrain interactions among units of organisations and agencies in accordance with prescribed institutional rules that are defined by the agents involved in the particular circumstances.

The phenomena of tourism or any other global industry that alter the built environment suggests that these make the effective operation of change in the built environment, for all stakeholders involved, impossible without some third-party enforcement of contractual commitments. Though voluntary institutions can be set up (such as arbitration or mediation), these will

ultimately also be confronted with the problem of enforcing compliance. A state administered institutional framework of third-party enforcement, therefore, is essential. As too is a clear delineation of property rights - a critical precondition for equality in the built environment.

Rights over land are an interesting case. The assignment of, and control over, land uses will generally reduce conflicts and can create or increase changes in the built environment that are fair. But recognising planning and development control as part of the formal institutional environment still leaves the question open: Why use the public sector or an extension of state government? Is it not possible to substitute voluntary compliance and enforcement for parts or all of the regulatory institutions of governmental intervention in the land development process? This is a valid question, which gets different answers depending on the level of analysis.

An abstract/normative level approach answers in the negative, emphasising that assigning property rights in land (which is what land use planning and its implementation through regulation and development control do) is a 'ruler' task. Ruling involves commands (laws, regulations, rules) that can only be issued and enforced by the state.

When it defines land use planning and development control as ruler tasks, making them part of the formal institutional environment, institutional economics joins mainstream planning theory in acknowledging public and formal planning as essentially a political activity. This is combined with the legal aspects of development control to confirm the public nature of land use planning and regulation. Public intervention is one response, but other possible governance options are discussed below.

Analysing the generic land development process in Kuta, locals' concerns and responses for inadequate infrastructure and overcrowding reveal a form of governance that is incompatible with informal land development alone. The local concerns expressed by indigenous/traditional leaders demanded planning practice modification through some hybrid form of governance that would accommodate traditional institutions and their behavioural features. Some forms of land use planning and development control can do this.

Forms of governance

An inventory of alternative forms of governance and their transaction-related characteristics is shown in Table 11.1 below. These are the various ways in which land use planning and development control may be delivered. Planning in bilateral governance involves deliberate intervention in the land development process. This can be done directly by government and its agencies, or through public-private partnerships, which have become popular development instruments.

Indicative planning is a form of bilateral governance where government does not intervene directly but provides indirect support for traditional/indigenous planning. Indicative plans show public investments (infrastructure, strategic facilities and public amenities) and indicate desired patterns of area development.

An indicative plan needs private investor confidence in government's commitment to implement its own decisions, and in the quality of its data. Its success also depends on how it incorporates tourist-led development, that would occur in any case. To the degree that it is normative, prescribing development contrary to expected development by the indigenous organisation, an indicative plan must be supported by a political community of interests or be supplemented by other implementation tools.

Table 11.1. Forms of governance in land development processes within traditional communities

Form of Governance:	Third Party Governance (administrative support)		Bilateral Governance (supporting indigenous institutions)		
Agent:	Formal Government	Informal (delegated)	Formal Government	Mixed (Formal & informal)	Informal (<i>Banjar, desa adat</i>)
Task: <i>Planning</i>	Statutory public planning (government agencies)	Indigenous institution or unit organisation	Public developer-planner (government/public agencies) Indicative planning: (Public planner and/or delegated traditional leaders) Infrastructure, public facilities/open space, indicative designation of private land uses/intensities	Formal & informal agencies partnership	Indigenous institution initiated planning Informal planning
<i>Development Control</i>	Regulatory: (government/public agency) Zoning, building regulations, other (environmental hazard, special area designation, etc.)		Contract zoning: Plan as a condition of: contract of lease or sale between public landowner and developer		Contractual agreement & restriction between developer/planning agent and indigenous institution

The bilateral governance alternative to regulation is contractual development control, which takes two forms. When the state is the landowner, contract zoning ensures implementation that conforms to public plans. On indigenously owned area, land development planning can link-up

with voluntary development control in the form of contractual agreements and restrictions. Evaluations of their success are mixed and raise many contextual considerations that are highly influenced by the cultural and indigenous institutional context of the particular area.

Discussion

This institutional analysis of land and tourism development illustrates further thinking in the exercise of dichotomising formal planning (by the extension of state government) and informal planning (by indigenous organisations). It is hypothetically here suggested that it is in third-party governance that land use planning outside, and complementary to, informal planning can be found. Here, planning and regulatory development control are conceived of and delivered as ruler tasks, becoming part of the land and property institutional environment as institutional economics would prescribe.

However, consideration of the applicability of planning, as the deliberate social or organisational activity of developing, and deciding upon strategies for future action reveals alternative forms of governance. In bilateral governance various forms of planning and development control exist as administrative and informal supports in the land development process. Non-statutory planning ranges from public agencies planning in developer roles, through public indicative planning and formal-indigenous partnerships, to indigenous-initiated planning of new communities and large-scale areas. Development control done by external agencies and institutions, such as tourism, includes contract zoning and contractual agreement. Considering the involvement of local indigenous institutions, local government as a sovereign state agency, and tourism as an external agent that triggers change in the built environment, the simplistic dichotomy of formal and informal development planning needs to be conceptualised further to provide a form of governance suitable to a particular area.

11.2. Reflections on the Institutional Model, on methodology, and on theories of change in the built environment

As mentioned in Chapter 3, this research tries to employ Healey's institutional model of land development. The model itself is from other land development models as it is about providing guidance to create a particular model for a particular case, condition and environment. There is much theoretical and empirical research based on variants of Healey's institutional approaches to property markets and the development process. These demonstrate how 'institutions' constitute and frame those markets and how they are important for understanding how the built environment is produced and used. All are based on the case studies in developed countries. Healey's institutional model is a point of departure and this thesis tries to develop the institutional analysis by combining it with contemporary institutional theory (see Subchapters 3.4 – 3.7).

Any researcher employing the institutional model will normally view and frame the institutions based on his/her discipline background and understanding, and later on combine their view with the data and information available for their particular research. Not only can the information on which the institutional analysis is based be considered restricted, but also the available information is filtered by the researcher's own perceptions. In analysing the land development process and change in the built environment, in developed countries, the researchers' perceptions are usually shaped by theories which are firmly based on rational economic methodology and assumptions, which perhaps can be labelled as an economic institutionalist approach.

In explaining traditional change in the built environment, this research shows that the institutional frame in Healey's model can be broadened beyond economic assumptions, to incorporate other factors such as religious beliefs, or normative pillars as per Scott (1995). The writing of section 3.4 about *problematising the institutional framework is evidence of this notion* and it inspires the writing of Chapter 8. Nevertheless, it should be noted that institutionalism is not without its own limitations, internal inconsistencies, and critics. Despite the fact that the definition of 'institutions' is necessarily central to any thesis in which 'institutions matter', the definition is vague, ambiguous and varies within and between disciplines. This leads to ambiguity and imprecision. Moreover, clearly the wider the definition of 'institutions,' the easier it is to uphold the argument that institutions matter, and the less informative the theory becomes.

Institutional analyses may also be criticised for the vagueness of approaches, partly because there are different forms of institutionalism, partly because different writers focus on different aspects of institutions. There is thus no single and central analytical structure. To a certain extent, institutionalism is an approach rather than a theory. The use of an institutional model is more like empirically based presumption than theoretically driven research. This observation can also be applied to the use of institutional model that is used in this research. As has been noted in the discussion on institutionalism in chapter 3, the notion of institutions in Healey's model gives flexibility for a scholar to frame ones' own understanding of institution. It stresses the potential productiveness in examining agencies in land development.

The concern with 'institutions' suggests an understanding of the land development process and property markets as social products, and therefore embodiments of context-and historical-specific practices. Built environment processes and their outcomes are seen as the complex result of economic, social and cultural processes from which geography and history cannot be ignored. Simultaneously, this research is another contribution to the empirical investigation of the role of 'institutions' in explaining development processes and the characteristics of the

resulting built environment, driven by tourism. Within the planning discipline, and especially the land development arena, most economic-institutional-approach-research has been conducted in developed countries. This research has partly been based on a sociological-institutional-approach to analysing change in the built environment arising from tourism development in traditional Balinese communities.

The relationship between theories and models of change in the built environment

In general, the linkages between theories and models of built environment change have not been strong over time. Early theories and models tended to be interrelated but the level of abstraction on which they operated and the limited number of real world situations which they could successfully approximate did not lead to any widely known useful operational tool. Rational economic theory has guided model building and has provided theoretical support to modelling efforts, but the scope of this theory is limited in the light of the socio-culturally and geographically varied nature of change in the built environment. In several cases, theories and models were developed independently, hence, neither theories led to models nor models were based on theories. Most frequently, however, especially in contemporary practice, scholars attempted to include in their designs determinants of built environmental change as revealed by theory. The discussion in Subchapter 2.4 on tourism development theories and models highlights the tourism area cycle model, initiated by Butler (1980), as an example.

Risking a rough comparison of theories and operational models of change in the built environment, it seems that, overall, the latter are more developed than the former. Although this is not the place to explore into the reasons for this gap in development between theories and models, two broad groups of reasons are suggested for further elaboration: substantive and practical. *Substantive reasons* pertain to the difficulties associated with building theories for such complex phenomena as tourism and change in the built environment and with trying to disentangle the interactions among their diverse institutions. Important (and socio-politically sensitive) among those difficulties are those associated with identifying the role and contribution of institutional and cultural factors especially at micro-spatial levels, such as found in the case study locations (see Chapter 6 and 7), where they may be more influential of the direction and quality of the built environment. Moreover, an elaborate and detailed theory will, most of the time, result in a rather involved and fixed model whose use will be questionable.

Practical reasons that may account for the priority given to models over theory include both the availability of resources of various kinds (money, time, personnel, know-how, effort, administrative support) as well as the demands of the decision-making 'clientele'. The former are critical and they are usually directed to activities that will bring 'visible' and 'operational' results within reasonable time; i.e. to activities with high value-for-money. Theories compared

to models may have a lower potential in terms of value-for-money, at least in Western societies. The decision-making 'clientele', on the other hand, irrespective of their attitude towards theories, may be placing higher priority to operational and easy-to-use tools in decision-making where decisions may have to be made in relatively short time, controversial issues are to be avoided, and the results have to be easily translated into concrete actions. Theories of land and tourism development may rate low in this respect too although one should keep in mind the controversial nature of several models also. Naturally, these are very sketchy explanations of the gap between theories and models and further analysis is needed to give them more concrete form and substance.

It must be admitted that the linkage between theories and models is not an easy one to achieve. Theory is indispensable in meaningful model building as 'the role of theory is to explain experimental findings and to predict new results' (LUCC 1999 in Manson 2001: 89). But one of the reasons why satisfactory models of change in the built environment (moreover driven by tourism) have not appeared yet is the lack of a comprehensive and integrative theory of human-environment relationships. Built environmental change research is embedded within human-environment relationships. To date, these relationships have proven difficult to conceptualise in a theoretical framework (Archer 1996, Redclift & Benton 1994, Turner 2001). However, what is important for the development of models appropriate for concrete spatio-temporal contexts and decision settings is the synthesis of elements from the variety of available theories to help explain the dynamics and interactions between the built environment and the drivers of its change in the particular situation being studied, for example in this study, tourism development in Bali.

Another difficulty surrounding the linkage between theory and models is that theories usually place heavy demands for operationalisation, especially when important built environment drivers (i.e. tourism development) are qualitative and there is no consensus on how best to express and measure them. Scale considerations complicate the operationalisation issue further. Models at the micro-level of the site require a theory of how individual and higher-level factors combine to produce the built environment changes observed, as well as how to accumulate micro-level changes into higher-level changes in built environment change. Models which attempt to provide more a 'realistic' view of the complex socio-economic and physical environment may become burdensome and, ultimately, unusable. Hence, exchanges between theoretical rigidity and practical usefulness are unavoidable. The nature of the linkage between theories and models is a matter of the exchanges chosen in particular applications.

The issue of correlation between theory and model builders should not be underestimated. Disciplinary fragmentation and compartmentalisation frequently obstruct the correlation

between those developing theories of change in the built environment and those building models. Frequently, these individuals reside in different scientific subject areas that make the mutual exchange of ideas, knowledge and tools problematic. True interdisciplinary research, a basic prerequisite for the development of theoretically informed and sound models of built environment changes, is rarely practiced. In the absence of information about the availability of a variety of theories that deal with those multiple dimensions of built environment change, then, model builders rely inevitably on the most widely publicised and easy to access theoretical frameworks. This is the case with economic theory and its wide use in supporting models of built environment change at all spatial scales.

The use of theories and models in decision-making

The above discussion leads to a more important aspect of the whole research activity – that which concerns the contribution of theories and models of change in land development or even (formal and traditional) planning to improved, informed, and rational decision making on built environment issues. The question is whether and how all this available stock of knowledge and analytical capability can assist in making decisions that improve the quality of human life by preventing undesirable, and promoting desirable forms of built environment change; i.e. that leads to sustainable environment. The issue of theory and model use is particularly important nowadays because there are more and more spatial planning tools being created for development in, for example, computer technology. Such models are there to aid developers, to offer support and improve the quality of decisions – on built environment issues, including tourism. So is worthwhile to have a discussion as an attempt to examine the use of theories and models in built environment decision-making, focusing on the central concern of the issue – the *users* of theories and models. Two questions are addressed in this respect. First, who are the actual users - i.e. who are the people *interested in using* theories and models of built environment change when making related decisions. Second, what kinds of theories and models do users subscribe to - i.e. what is the underlying character of users they try to serve.

The first question - of the users of theories and models - does not have any one answer. Interest in using theories and models in making decisions on change in the built environment, and effective demand for them, depends, among others, on the socio-economic, cultural and institutional context, as well as on the decision making tradition on built environment issues at particular spatial levels and over time. In other words, it is a matter of whether a 'culture' of using science, in general, in decision-making in the public, or in the private domain exists. The literature on this issue is not very rich but it seems that demand for decision support tools is higher in developed countries compared with the rest of the world. Most of the applications of the models examined concern western countries - applications in other countries are usually by

professionals educated in Western institutions. In a great number of countries, however, decision-making follows different patterns and logic that function without the use of *formal* theories and models.

Even in those cases where real world applications are reported, however, the critical question is *why* theories and models are used; i.e. for what purpose. Is there the genuine purpose of improving the quality of decisions, as theory- and model-developers usually assume? Are they used for merely symbolic reasons? Are they used to justify decisions already made? All answers are possible. The politics of theory and model use in decision and policy making, in general, has received considerable attention in the related literature but its discussion is beyond the scope of this thesis contribution (see for example: Wildavsky 1979; Mann 1993; Szanton 1981; Hall and Jenkins 1995; MacAndrews, Fisher, & Sibero 1982; Morah 1996).

Assuming that theory and model users have a genuine interest in getting assistance in making built environmental change decisions, the critical question arises as to whether they are capable of using the guidance of theories and the results of models. However elaborate, sensitive, carefully designed, and technically perfect theories and models may be, their ultimate contribution to informed decision making depends on how 'wise' their users are. 'Wisdom' in this case has to be construed in the particular sense of users comprehending the theories and models used, being aware of the range of their applicability, and being able to judge whether they are appropriate for the problem at hand. This means that sensible and correct use of theories and models requires that users are aware of and understand the assumptions underlying theories or models, recognise their possibilities and limitations, and use them for the uses for which they are designed. So not to use them as 'hammers which make everything look like a nail'. The question that arises, then, is whether theory and model users satisfy these requirements.

The theories and models presented and applied in this study leave no doubt that a certain level of education, not to say of specialised education in several cases, is needed in order to comprehend most of them and, consequently, to use them sensibly and appropriately. The higher the level of sophistication of a theory/model the greater the demand for scientific (broadly conceived) competence on the part of the user. The crucial implication of this discussion is the inevitable fact that the wealth of knowledge and information provided by theories and models (for example land development models as well as the institutional model reviewed in Chapters 2 and 3) is essentially accessible to an *elite* of educated users. Matters of appropriateness of information or information custody aside, the greatest barrier to using any theory or model is general and special education.

But is it possible that all interested users of theories and models possess the requisite education? Probably not, especially in the present information era when the production and dissemination of information move at remarkable speed, and a whole set of issues arise with respect to the social and economic consequences of information technologies. Given all the constraints surrounding the proper use of theories and models, those who possess the requisite education and skills have an ethical obligation to guide the users of theories and models, i.e. the actual decision makers, to make wise use of them. It rests, therefore, with those individuals who 'control' the available information to assure its sensible and appropriate use.

11.3. Reflections on built environment change in Bali

The aim of this section is to reflect upon the way changes take place in the built environment as a result of tourism in Bali generally, and especially in light of the case studies in Kuta (Chapter 6) and Nusa Dua (Chapter 7).

As has been noted in Subchapter 2.6, within the framework of the first Five Years Development Project (1969-1974) the government in Jakarta decided that tourism had to play a central role in Indonesia. Bali was chosen to become the main centre for tourists. Of these tourist destinations, the most affected by tourism - those whose landscapes bear the most visible marks of the presence of tourists - are obviously the resort areas. Their development testifies to the evolution of Bali's tourist market - a market that has proved to be much more diversified than the experts anticipated. Even beyond the simple division of enclave and integrated tourism resort, such as explained in Subchapter 2.5.

The decision to develop Bali as a main tourist destination by the Indonesian government implied that the airport had to be enlarged/reconstructed and hotels had to be built. The Balinese decided that cultural tourism should be emphasised. The state government (with a French consultants recommendations) were, however, afraid of what they called 'cultural pollution'. In order to avoid negative contacts between the local population and the tourists it was decided to construct hotels, shops and amusement centres as much as possible outside domestic areas. To the extreme, top down decisions were made to develop an enclavic resort in Nusa Dua. At the same time, this enclavic showcase for 'up-market' tourists had to look as authentic (as Balinese) as possible. On the other hand, Kuta, which was developing as the resort for less affluent tourists, has grown 'un-planned'. As a result cultural transformations took place and are still taking place.

The state and its government have to some extent replaced traditional rulers from the point of view of both legislation and authorities. Bureaucratic administration and Balinese ritual life seem not to have much in common at first sight, and the separation of the two ways of life, into

adat and *dinas*, seems to express this separation perfectly well. Nordholt (1991) and Warren (1993, 1995) have pointed out that the division into *adat* and *dinas* (i.e. Balinese customary institutions and bureaucratic institutions respectively) goes back to the Dutch colonial policy. Warren states that *adat* and *dinas* institutions overlap and interact in complex ways though, she acknowledges 'real differences in objectives and principles of organisation' (Nordholt 1991: 213).

Formal conventional planning activities in Bali were introduced by the national government and so far have operated as if they are completely separated from the people in affected areas. Formal government conducts planning processes, which touch localities through the *dinas* structures (*kelurahan* personnel). The notion that planning is part of daily life is taken away from locals by formal government – rational, more knowledgeable, individuals who are trained by universities and obviously use rational comprehensive planning.

Apart from the regional inequities, development in Bali is highly influenced by a central government of socio-cultural and political dimensions. Yet much of the island's economic success depends on the vitality of Balinese culture and religion as tourist commodities. This has been a constant concern for middle-class Balinese opinion leaders and has found expression in many forms of rhetoric over the past two decades (Picard 1996: Chapters 4 and 5, Yudiata 2001 in Balipost 6 August 2001, Suartaya K 2003 in Balipost 16 November 2003). Criticisms of Nusa Dua and other enclavic international resorts in Bali took the form of concern over the social tensions created by the inequitable distribution of wealth from tourism and the fact that the commercial exploitation of Balinese culture may lead to its degradation. The Balinese are not alone, however, in articulating their apprehension about the social effects of the state commitment to economic development on a capitalist model.

By early 1998, the political landscape in Indonesia had changed dramatically. Economic collapse triggered political crisis on a national scale. Until the collapse of the *rupiah*, stringent International Monetary Fund intervention in the country's economic governance and the changes of 'new order regime' in 1998 large-scale resort and shopping mall developments continued apace on Bali, as did unjustifiable land acquisitions and compensation arrangements. For example, the cases of farmers in Pecatu, Badung, whose land was taken for another luxury tourist development and the residents of Culik, Karangasem, which experienced land disputes in which regency officials were implicated (Bali Post, 14 September 1996). In late 1997 two major resort developments on land supposedly protected by customary rights and religious tradition (in the north of Sanur and on the island of Serangan) met widespread opposition not just from the communities affected but also throughout the island. The more recent case is the reaction of the Balinese against the development of Vila Bukit Berbunga in Bedugul (Balipost 11 July 2001).

As a result of these protests, construction has been halted and the earthworks removed. But as in many land development cases, it cannot be assumed that developers have abandoned their project. Even in times of national economic hardship, the Balinese have not become insensitive to land alienation, capitalist exploitation, and cultural commodification that tourist development imposes. The tragedy of the Bali bombings, the SARS epidemic, and the war in Iraq have impacted on Bali's tourism development. The recovery mechanism has been of concern to all institutions involved in tourism development. (For example see UNDP's report in http://www.undp.or.id/programme/conflict/bali_crisis.asp visited on 20 May 2004). Some see the current decline of economic growth as offering an opportunity to rethink development priorities.

International investors (together with national ones and the national government), influence change in the built environment in another way. Picard (1993: 83) pointed out that "the Balinese authorities did not really have a say in the decision of the central government to trade in their island's charm in order to refill the coffers of the state ...". This is illustrated by the case of the land of the Nusa Dua resort, which has been controlled under the autonomy of the BTDC, and where a web of investor's and government's interests became apparent. In Bali generally, land along the beach has become the most valuable in the context of the tourist industry and its economy.

The beach traditionally represented a dangerous and feared borderline between the everyday living world and the invisible (most profane) world. Only some temples associated with the sea or the beings living beyond the sea were sited on the beach. The land gained economic value only with the onset of tourism. The price of land along the beach - as far as it is all still available - has reached the highest value. Thus even land around temples has been sold. Some of the temples were demolished, others became surrounded by hotels, restaurants, and art shop complexes. Some temples have even lost direct access to the sea (which was an essential feature and even a requirement of these seaside temples). Therefore, these temples nowadays are without the environment that was part of their character, their remoteness and loneliness constituted the sacredness of the space where they were located. Most of these seaside temples have become secularised or even profane.

There was much criticism of the changes in attitude towards the sacred and the profane, because, in the opinion of specialists, the sacred became more and more profane in the service of tourism. Balinese society, it was feared, would become more and more money-oriented and religion, including the arts and the architecture, would be sold to foreigners. There is, however, yet another factor that may influence Balinese society, and that is the pressure of the Indonesian government to create a universal Indonesian culture in which local arts, architecture, and

'useful' foreign elements have merged. The burden of globalisation is the latest concern of the Balinese.

Yet, in many aspects Bali and Balinese culture have not (yet) undergone major changes. When entering a Balinese village outside the tourist centres one can determine with certain amount of accuracy which social group inhabits it, which temples they sustain, and what their main source of income is. The built environment that is evident in the layout of a village, of the house-compounds, the architecture of the walls and gateways give information on the social structure of the village. The outward appearance of the walls, gateways, reliefs, statues, building materials, roads and the way they are surfaced give extra information. Pavilions and shrines are called 'traditional buildings'. Much attention is paid to prescriptions for hygiene, waterworks, and warnings are given not to construct too modern and tourist-style buildings (BaliBagus 2003).

Since the development of tourism in Bali, change in the built environment can be seen in such changes as layout, architecture and building material that have occurred in villages and towns. The split gateway (*candi bentar*), which originated as the gate for holy temples, now serves to give access to the forecourt where cars and motorbikes are parked. The door giving access to the main building is often similar to the central section of a gateway or a stone replica of the wooden door with carved lintels of a major shrine or building in which holy masks are kept in a temple compound.

An innovation is the building of gateways at the entrance of a village, city, or province. This is of national character, as it is to be found everywhere else in Indonesia. In Sumatra, another island of Indonesia, for instance, the gateway with a roof is common. The roof has the shape of the roof characteristic of the *adat* house of Sumatra. In Bali the split gateway was chosen, which makes sense, because this type of gateway gives access to an area that can be entered by anyone. Panels with reliefs or statues indicating the specialty of the village (a dancer, a flute player), the capital of province, or the province itself (a crown associated with the former king ruling the area) is to be found as well. The building materials of these gateways are traditional (brick, volcanic stone), but the statues are usually made of concrete.

Problems are posed by the new trend to construct buildings with more than one floor. In a traditional compound only the rice barn had more than one floor. In the capitals of the provinces and the towns apartment buildings are constructed with three or more floors. Even in a little village the building of the bank (*bank pasar*) may have three floors. Private persons may also construct a two-floored building in their compounds. This implies that the people on the top floor are higher than the shrines of the gods. They touch as it were with their feet the heads of

the god, which is regarded as very impolite, and a great offence. However, nobody will enter the compound and summon the builder to change this situation. Often the owner will fall ill, visit a medium and the medium will tell him/her that it is because the wrong building design has been used. In such a case the builder may decide to tear the building down. Another solution is the construction of a domestic sanctuary on the top floor of the new building.

A major problem is posed by the building of large hotels too close to holy sites and temples. The board of priests and learned advisers has to cope with new problems and find solutions. So one of the new building laws was that a building should not be taller than a palm or coconut tree, and that the roof of an apartment building may not cast its shadow on the house of a neighbour. There have been several cases in Bali, such as found in Nusa Dua, where the developer built around a large hotel complex and golf compound close to the holy temples. The reaction of the Board was to establish a free zone of one *kilometre* around a not so holy temple and of two kilometres around one of the six major holy temples of Bali. However, this decision would be acceptable if the owners of the land were Balinese. But in many cases in Bali the land is sold to non-Balinese. They have no bonds with Balinese religion and do not need to follow the decisions of the Board.

It is arguable that built environment change in Bali cannot clearly be separated from 'modernisation'. Although it may encompass modernisation in a distinct way, since it seems to produce something qualitatively different from an 'improved' or 'decorated' built environment. Land development in Kuta and Nusa Dua resort have been 'reproduced' with a certain degree of modern radicalism. The qualitative difference to pure 'modernisation' consists in divorce from traditional values: the earth, the sacred temple ground, which was perceived as a kind of living entity, are intentionally made to disappear. It is as if nature had to be walled up or eliminated. On the beach traditional nature was untouched by human hands and only small sanctuaries existed. The gigantic machinery of the constructing companies unscrupulously pulled down whatever had been growing and living there before.

Instead, an artificial world was laid out, constructed by means of all modern building materials available. The natural world, which always has been an integral part of the Balinese worldview and religion, was replaced by a human-made fancy tourist world. Similarly the earth, which had been considered living and life-giving, is buried and sealed under a layer of shining but lifeless tiles and concrete. The 'nature' represented in the built environment as an integral part of the cosmos thereby becomes extinct compared with the natural environment along the shore which was demolished with the establishment of the tourist industry. It is the change in the traditional built environment that is one of the consequences of the continuous expansion of tourist facilities.

In an unusual way, therefore, the 'tourist world' invades the sacred world and partially eliminates its foundation or, to put it differently, changes the sacred world from within. When Nusa Dua was finally built and Kuta was felt to be too crowded by the locals, this implies that the sacredness of the ground which had temporarily resisted attempts of superimposition had finally been overcome, profanity dominating sacredness.

What is happening in the Kuta and Nusa Dua case studies can be considered as a radical 'modernisation' in Bali. With a completely tourist-led built environment that gradually represents a 'stereotype' environment a further separation is perhaps achieved, one between the visible and the invisible that previously formed a unity. At the same time they are put in a hierarchical relationship by expanding and emphasising the visible, human-made-environment, and by superimposing it on the invisible and the 'traditional'. As constructed in other manifestations of Balinese culture, examined by Yuga (2004) and Putra (2004), perhaps in this case, it means a Balinese way of adapting to modernity.

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- <http://www.cebe.ltsn.ac.uk/resources/index.html> (visited on 1 May 2004)
- http://www.undp.or.id/programme/conflict/bali_crisis.asp (visited on 20 May 2004)

APPENDIXES

APPENDIX ONE

INTERVIEW GUIDELINES FOR EACH TYPE OF INTERVIEWEE

APPENDIX TWO

LIST OF INTERVIEWEES AND TOPICS OF DISCUSSION

APPENDIX ONE

INTERVIEW GUIDELINES FOR EACH TYPE OF INTERVIEWEE

(PAGE 2)

QUESTIONS:

**FOR EXPERTS (i.e. PROFESSORS, PLANNERS AT THE REGIONAL LEVEL) WHO
HAVE KNOWLEDGE OF TOURISM OR CHANGE IN THE BUILT ENVIRONMENT**

(PAGE 3 - 4)

QUESTIONS:

**FOR DEVELOPERS AND AGENTS INVOLVED IN TOURIST FACILITY
DEVELOPMENT (PLANNERS / DESIGNERS / CONTRACTORS / DEVELOPERS)**

(PAGE 5 - 6)

QUESTIONS:

**FOR THE TOURISM INDUSTRY AND/OR THE PRIVATE SECTOR THAT MANAGE OR
OPERATE TOURIST FACILITIES IN THE AREA (HOTEL / RESTAURANT / TRAVEL
AGENT / TOURISTS INFORMATION)**

(PAGE 7 - 9)

QUESTIONS:

FOR LOCALS AND TRADITIONAL COMMUNITIES

I. QUESTION LIST FOR COMMON LOCALS (PAGE 7 - 8)

II. ADDITIONAL QUESTIONS FOR PROMINENT COMMUNITY LEADER

(PAGE 9)

**QUESTIONS:
FOR EXPERTS/PERSONS WHO HAVE KNOWLEDGE OF TOURISM
OR CHANGE IN THE BUILT ENVIRONMENT**

Main questions:

How are tourist developments influencing change in the built environment and what affect does this have on traditional communities?

How are traditional communities affecting the (re) production of the built environment in tourist developments?

Elaboration of main questions:

- How is planning, design and constructed traditionally done in a particular area without tourism?
- What form of built environment is traditionally established in these particular areas without the influence of tourism?

- In the same areas how is the planning, design, and construction of the built environment done with the influence of tourism?
- In the same areas what form of built environment is established with the influence of tourism?

- What are locals' social, economic, political relations with their traditional built environment without tourism development?
- In the same areas what are locals' social, economic, political relations with their built environment with tourism?

**QUESTIONS:
FOR DEVELOPERS OR AGENTS INVOLVED IN TOURIST FACILITY
DEVELOPMENT (PLANNERS / DESIGNERS / CONTRACTORS / DEVELOPERS)**

A. TOURISM DEVELOPMENT PLAN

1. Is there any plan for tourist development in the area? Since when?
2. Who made the plan(s)?
3. Why choose this particular agent to make the plan?
4. Who was involved/had a voice in making the plan?
5. What are the main considerations for making the plan (funding/demand/supply/others)?

B. TOURISM DEVELOPMENT HISTORY

1. What is the history of tourist development in this area?
2. When did changes in the built-environment, from tourism, start to occur?
3. Who/which agent brought about the changes?
4. What is each agent(s) role(s)?
5. What is the relationship of these agents?
6. How were the changes in built environment funded?
7. How fast was the tourist development?
8. What are the impacts for the locals?

C. CHANGES IN THE BUILT ENVIRONMENT

1. What in the main is the built environment being developed for, because of tourism? (access to destinations, the destination/attraction, tourist accommodation, second homes, retail, restaurant, others)?
2. How is each of the facilities being developed?
3. Who designed it/them?
4. Who/how funds?
5. Why chose these particular designers?
6. Who is/are the contractor(s)?
7. Who/Why/How chose these contractors?
8. Who operates/manages them?
9. Why/who chose the particular operators/managers?
10. How did they manage them?

11. What issues have occurred in the process of change in the built environment, especially as related to tourist development?
 - land: land use, land values, land prices, land ownership?
 - the role of intermediaries, and the degree to which those intermediaries identify with tourists or hosts?
 - the degree to which investors obtain ownership of land or properties, as tourist development?
 - the degree to which incoming tourists purchase properties?
 - the degree to which local people retain ownership of properties and tourist facilities?

12. How would you comment on the physical size of the tourist area and the densities of the tourist population?
13. In your opinion, is tourist development under/at/over the carrying capacity?
14. What kind of policy will be conducted regarding this issue?
15. In your opinion, at which stage is tourist development currently (referring to Butler product life-cycle)
16. Which part of traditional built environment planning and design are adopted widely for tourist facilities? Why? How? By whom?

18. Are there any regulations and enforcements to use traditional elements for tourist facilities? What are they? Who makes them? When was it started? What event(s) encouraged regulation/enforcement? How is it implemented?
19. Which institutions in traditional communities are involved in the planning and/or design of tourism facilities? What is the mechanism for their involvement?

D. USERS OF THE BUILT ENVIRONMENT

1. Who are users of the facilities? More locals or tourists – domestic or foreign, individual explorer or mass tourist -?
2. What is the contact between visitor/tourist, newcomer/immigrant and local?
3. How does this contact influence perceptions of the built environment?
4. Which groups of visitors are especially attracted this area?
5. Comment on the growth of visitors/tourists?
6. What is the greatest potential for the future?

E. OTHER GENERAL QUESTION ON TOURISM DEVELOPMENT

1. Which elements do you consider as opportunities and obstacles to tourism development in this area?
2. What are the advantages and disadvantages of tourist development in this area?
3. What is the contribution of non-local to tourism development in this area?
4. What is the role of tourist development in the regional development of the area?
5. Are there any specific organisations in the tourist development sector in the area to be mentioned? What are its/their characteristics? What role do they have in tourism development?
6. Is there any research about tourist development in this area?
7. What is the economic, social and environmental impact of tourist development in this area?
8. What have been/will be done to minimise the negative impacts and maximise the positive benefits of tourism development?

**QUESTIONS:
FOR THE TOURISM INDUSTRY AND/OR THE PRIVATE SECTOR THAT MANAGE
OR OPERATE TOURIST FACILITIES IN THE AREA (HOTEL / RESTAURANT /
TRAVEL AGENT / TOURISTS INFORMATION)**

The name of the facility:
Address:
Tel./Fax:
Owner of the facility:
Operator of the facility:
Position of respondent:

A. THE BEGINNING OF THE ESTABLISHMENT

1. When did your company first start a business in this area?
2. Where did your company originally come from?
3. Why did your company choose this location?
4. What was the function of the original location/property before you opened the business?
5. The owner of the original land/building is:
6. When did your company/business organisation first build a building/facilities in this area?

B. THE ESTABLISHMENT PROCESS

1. The building/facilities design was by:
2. What was the main consideration in construction design?
3. What kind of planning report(s) or design regulation(s) influenced the establishment of your facilities? Are there any that you know of?
4. Did you consult any *undagi* or traditional builders when designing the facilities?
For what particular aspects:
No, because:
5. Did you/your architect adopt any traditional Balinese elements in your building/landscape?
Yes, such as:
No, because:
6. The construction of the building was carried out by:
7. How did your company get the initial capital for the construction?
8. How would you describe the influence of the construction of your building/business to the environment or to tourism development in general?

C. CHANGES DURING THE OPERATION

1. Have there been any changes in ownership during the operation of the facilities
If yes, when
from to
2. Has your company made any alterations during the operation of this business?
If YES,
What is/are the reason(s) to make alterations?
What kind of changes?
How did you get the capital for the alterations?
Would you say the influence of the alterations has increased/decreased the number of the customers, or provided benefits/negative impacts to your business in general?
If NO,

Did you want to make alterations but for some reason you were stopped?
If Yes, the reason is:

D. GENERAL QUESTIONS ON THE TOURIST ENVIRONMENT

1. Who are your customers, predominantly?
2. In your opinion, in general, have there been any changes in tourist activities before and after the construction of new facilities in this area?
3. What kind of facilities do you think are needed in this area for tourism development?

QUESTIONS: FOR LOCALS AND TRADITIONAL COMMUNITIES

I. QUESTION LIST FOR THE COMMON LOCALS AND LEADERS

A. CHARACTERISTICS OF RESPONDENT

1. (Name of respondent)
2. (Address)
3. Gender
4. Ages
5. Ethnic group
6. Educational background
7. Occupation (main and additional)
8. The origin of respondent:
If migrant:
What were the reasons for coming to this area?
When did you start living here?
9. Are you (ever) involved in any work related to tourist activities?
If yes, when? As the main or as an additional occupation?
If no, why?
10. Are you (ever) involved in any work related to the establishment of tourist facilities?
If yes, when?
If no, why?
11. Are you involved in the planning, the design or the construction of tourist facilities?
If yes, specify
12. Do you know others who are involved in this regard?
Yes, specify

B. PROPERTY OWNERSHIP

1. Do you own any land or buildings in this area at the moment?
2. Have you ever sold or bought any property?
If yes, specify land or building? How big? When?
To/from whom
 - a. Person from the same district (local)
 - b. Non-local, specify tourists / investor / migrant fromWhat was the reason to sell/buy the property?
3. Are there changes that induced the sale/buying of the property?
If yes, specify:
change of use/function: from to
change of building form: from to
Other:
4. How many people do you know have sold their land?

C. OPINION ON CHANGES IN THE BUILT ENVIRONMENT

1. What is your opinion about the changes in built environment caused by tourism in this area (hotels/restaurants/other facilities)?
What is your main concern?
What can you do about this?

What do you think it will be like in the future?

2. The changes of built environment caused by tourism in this area:

Is it changing the perception/symbolic meaning of the place?

Has it become:

more sacred or more profane

more modern or more traditional

more public or more private

more rural or more urban

more heterogenous or more homogenous in character

Are the changes contrasting or contextual?

Is it changing the landscape, townscape, and streetscape?

If yes, in what way:

Is it changing the use of materials?

If yes, in what way:

D. GENERAL IMPACT OF TOURISM

1. Are the changes brought about by tourism influencing the way of life of the local people?

If yes, in what way:

2. What is your opinion about the situation of the following aspects at present compared to before tourism developed, the first time you moved to the area?

Occupation

Income

Cost of living

Opportunity for entrepreneurship

Social solidarity/co-operation on the community

Security of the area in general

Opportunity to own housing/property

Condition of the youth

Crime

3. Are there local's institution(s) established because of tourism in the area?

If yes, what do you call them?

II. ADDITIONAL QUESTIONS FOR COMMUNITY LEADERS

What are the locals social, economic, political relations with their traditional built environment, without tourism development?

In the same area, because of tourism development, what are the locals' social, economic, political relations with their built environment now?

ELABORATION

Local's social relations with their built environment

Which built environment(s) belong(s) to which group/person, who decide this?

Any philosophical/religious background?

How do locals view the establishment of new tourist facilities?

Does tourism change the original/traditional state of affairs?

Local's economic relations with their built environment

Local's definition of land/property ownership:

How do locals value the land/property economically? Who define this?

Who can decide about selling/buying property?

Does tourism change the original/traditional state of affairs?

Local's political relations with their built environment

Is there a local's political body/organisation concerned with their built environment? Who are the leaders and members? How does it operate?

Does tourism change the original/traditional state of affairs?

Is there any political movements, as a result of tourism development? When? Who are the actors? What are the issues?

APPENDIX TWO

LIST OF INTERVIEWEES AND TOPICS OF DISCUSSION

GOVERNMENT AGENTS (9 interviews)			
Each visit for each office mainly to acquire secondary data, interview guideline becomes checklist of topics for discussion			
	Institution/ Agency/Actor	Position of Respondents	Topic of discussion
1.	Kanwil Parpostel Tk. I	Head of the office	Provincial policy/program for tourism development
2.	Bappeda I	Chief of Information Unit	Planning & other reports related to tourism development in Bali Province
3.	Bappeda II	Chief of Physical/Spatial Unit	Roles and function of Bappeda; regional gov programs; problems in developing built environment for tourism; co-ordination among government agencies
4.	Kanwil PU (Public Works)	Chief of Planning Unit	General spatial plan of Bali province & problems related to tourism facilities development, application of traditional planning rules in tourism development
5.	Dinas PU Tk. II	Chief of Building Permit Office	Building permit procedure, problem in developing tourist areas, monitoring process
6.	Dinas Pariwisata Tk. II	Chief of Planning Unit	Co-ordination among gov agencies, problems in developing tourist areas, monitoring development of tourist' facilities
7.	Desa Dinas Kuta	Formal Head of the Village	Problems in coordinating tourism development, local's response to built environmental changes
8.	Desa Dinas Bena	Chief of Information & Tourism Unit	Local's involvement in and reaction for Nusa Dua development, traditional built environment conservation
9.	DPRD Tk. I	One member of public representatives	Debates in provincial people's representative about tourism development

DEVELOPERS (10 interviews)			
Using interview guidelines, improvised very much in each interviewee based on each interest and experiences.			
	Name of respondent	Involvement in development	Main topic of discussion
1.	Robi Sularto	Architect, planners & design committee member for Nusa Dua	Traditional planning system, changes brought by tourism, effort to cope with the changes
2.	Yan Delima	Planners, Indonesian associate for SCETO & Pacific Consultants	Process of Nusa Dua planning document, problems occurred during the process
3.	Didi Haryadi	Architect, tourist's facilities in Kuta	Detail process of designing one tourist facility close to Kuta (Duty Free Shopping Mall)
4.	Ratna	Architect for one hotel in Nusa Dua	Detail process of designing one hotel and one conference center in Nusa Dua
5.	Ahmad Rida Soemardi	Landscape consultant for one tourist destination in Southern Bali	Process of (landscape) designing a monument which is still under construction close to Kuta
6.	Nala Krisna	Architect, Indonesian associate for Hard Rock Café Beach Club Project in Kuta	Mainly critiques and evaluation on local architect involvement in foreign consultant office which design tourist facilities in Bali
7.	Wiedarini	Head of architecture consultant office in Bali, involve in many development projects in Nusa Dua	Design process of many hotels in Nusa Dua, influence of foreign consultant design to further architectural design in Bali
8.	Made Mandra	Operational Director of BTDC	Planning process for Nusa Dua, the role of BTDC
9.	Indah Juanita	Chief of Planning unit of BTDC	Chronological development of Nusa Dua, involvement of foreign consultant
10.	Putu Gedong	Planning unit staff of BTDC	Detail data on Nusa Dua area and each hotel site

EXPERTS (11 interviewees) Using interview guidelines, improvised very much in each interview, based on each experience and interest

	Name	Position of respondent	Main topic of discussion
1.	Kertiasa	Retired Head of Kanwil PU, Dean of Technical Faculty in Bali private university	Bali traditional planning system, the role of Kanwil PU in tourism area planning in general
2.	Nengah Keddy Setiarsa	Lecturer in Architecture in Udayana University, Local Community leader and living in Kuta	Detailed story on development of particular tourist facilities in Kuta
3.	Rumawan	Lecturer in Architecture in Udayana University, Head of Architect Association in Bali	Role of local architect in tourism facilities development in Bali
4.	Widiastuti	Lecturer in Architecture in Udayana University, Master thesis on Kuta	Detailed story about Kuta, information on where and how to collect data
5.	Wayan Diartika	Lecturer in Architecture in Udayana University, Master thesis on tourism development	Planning documents on tourism facilities development in Southern Bali in General
6.	Sulistiyawati	Lecturer in Architecture in Udayana University, Doctoral thesis on Kuta	Different approach and process between traditional and 'after tourism' development planning
7.	Myra P Gunawan	Head of Center for Research on Tourism ITB, Coordinating National Tourism Master Plan	Tourism development planning in Indonesia in general and how local institution deal with it
8.	Ardi Pardiman	Lecturer in Architecture in Gajah Mada Univ., Doctoral thesis on Bali	Traditional Balinese architecture in general, information on studies about Bali
9.	Yuswadi Saliya	Lecturer in Architecture in Institute of Technology Bandung, Master thesis on Bali	'Architectural impact of tourism development in Bali, generally'
10.	Danisworo	Profesor in Architecture in Institute of Technology Bandung	Planning process in Bali and other tourism areas in general
11.	Eko Purwono	Lecturer in Architecture in Institute of Technology Bandung	Detail process of land development, selection of contractor and architect

TOURISM INDUSTRIES (35 respondents)		
IN NUSA DUA		
Interviews using standard guidelines/list of questions prepared for tourism industries, improvised in each respondent based on their willingness to share the information		
	Name of hotel	Position of respondent
1.	Club Mediteranie Hotel	Architect in charge for rehabilitation, the general manager
2.	Melia Sol Hotel	Human resource development staff, as owner representative during the construction of the hotel
3.	Grand Hyatt Hotel	Public relations
4.	Putri Bali Hotel	Resource development chief, work in the same hotel since construction
5.	Hotel Bualu	The general manager
6.	Amanusa Hotel	The maintenance manager, work in the same hotel since the construction
7.	Galeria Nusa Dua	The estate manager, in charge during the rehabilitation process

TOURISM INDUSTRIES IN KUTA		
Interviews using standard guidelines/list of questions prepared for tourism industries		
	Category of industries	Numbers of Respondent
8.	Hotel Melati	3
9.	Homestay/losmen	3
10.	Bar/Discoteque	2
11.	Restaurant	5
12.	Dining stall	1
13.	Car rental	1
14.	Travel agent	1
15.	Water tourism attraction	1
16.	Billiard	1
17.	Beauty Salon	2
18.	Packing and Shipping	1
19.	Art shop	2
20.	Show business & other attraction	2
21.	Massage parlour	1
22.	Children playground	1
	TOTAL TOURISM INDUSTRIES IN KUTA	30

LOCALS

Interviews mainly using interview guideline, selected locals are approached to make other interview at other time to have description on subjects that are not in the interview guideline, such as detail process of tourist facilities construction.

IN NUSA DUA (10 interviews)

Occupation of respondents:

Fishermen & stall owner, raise pigs & stall owner, small scale contractor, building laborer & farmer, renting canoe for tourist & stall owner, BTDC employees, hotel employee, dancer, building laborer,

IN KUTA (18 interviews)

Common locals: 18

Occupation of respondents:

Taxi driver, employee, car rental, entrepreneur (4), public relations, restaurant owner, employee, renting art shop, homestay owner, t-shirt production, renting house tailor, entrepreneur, food seller, artshop worker

LOCAL LEADERS (9 interviews)

Klian Suka Duka Banjar Pekandelan Legian Tengah

Kepala Lingkungan Banjar Pengabetan

Klian Adat Legian

Klian Dinas/lingkungan legian Kaja

Bendesa Adat Kuta

Klian Suka Duka Banjar Pengabetan

Bendesa Adat Kuta Seminyak

Kompiang Widiadana (Legian)

Staf of Desa Benoa