

**Chapter 9** (*Inequality, Crisis and Social Change in Indonesia*, T.Reuter [ed.], London & New York, RoutledgeCurzon, 2003)

## **The Value of Land in Bali: Land Tenure, Land Reform and Commodification**

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Once upon a time, according to a scholarly just-so story supported more by repetition than evidence, land was a resource of little import in the political-economies of Southeast Asia (Errington 1983, Geertz 1980:24&171, Gullick 1958:125, Reid 1988:129, Schulte-Nordholt 1996:35, Warren 1993:86, Wiener 1995:44). If this were ever true, it is no more. Times have changed and land is now central to many of the most critical conflicts in contemporary Indonesia<sup>1</sup>. As the proverbial real-estate agent, who flourishes wherever local economies meet the global market, says of land: “God is not making any more of it” and, as population densities, standards of living and the demands of commercial development all increase, competition for land is becoming more intense. In Bali, a small island with a long tradition of intensive agricultural land-use and high population density, land has been a critical issue since at least the 1930s (Robinson 1996:56-7). More recently the leasing and disguised purchase of land by foreign expatriate residents, growing demand from an expanding indigenous middle class, and the development of large-scale tourism resorts have intensified this pressure. The resulting scarcity of land has led to widespread public concern manifest in the main local newspaper; in an editorial (Bali Post 1996) and a series of articles explaining aspects of land legislation (Windia 1996a-e) and even in an article in a national newspaper (Jakarta Post 1995) entitled “Foreign land ownership erodes Bali’s cultural identity”. Despite its central place in local concerns, however, studies of land use and land tenure in Bali have been few and far between, since the pioneering work of Dutch colonial scholars Gunning and van der Heiden (1926), de Kat Angelino (1921) and Korn (1924). The purpose of this paper is to document the history of land tenure and use in and around Ubud, a thriving tourist town in south-central Bali, in the context of past and present land crises

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<sup>1</sup> The ongoing political crisis since May 1998 has obviously superseded all other problems, but even within this context, conflicts over land continue to erupt (e.g. Indonesian Observer 2000, Jakarta Post 2000, Wirata 2000).

and, further, to use this material to reflect critically upon some scholarly assumptions about land and land-related social conflicts.

### **The Current Crisis: Land in Ubud in the 1990s**

The symptoms and aspects of the current land-crisis in Bali may be summarized as follows:

1. A general scarcity of land, created in the first place by rising population, with direct effects on inheritance and resulting in a trend toward increasing demand and prices.
2. The effect of tourism and the international real-estate market, creating an additional layer of inflation of land-prices.
3. A progressive shift from collective *adat* control of use and access to land to individualized private ownership.
4. A progressive shift of land (and labor) from subsistence agricultural use to tourism and other commercial uses.
5. Increased state intervention, in the form of systematic registration (*sertipikat*) and a more rigorous tax regime.
6. A rush on the part of owners to register their land.
7. Consequent loss of local control over land and opening of the door to foreign ownership.
8. The economic and social consequences of landlessness
9. Cultural consequences of separation of village land from village *adat*.
10. Most of these effects are more marked in the areas where tourism is most dominant.

In my explorations of the villages in the Wos valley, upstream of Ubud, since 1993, I am frequently greeted with the question “Do you want to buy land here?” Land-hunting has obviously become a significant motivation for foreign strangers to explore the bucolic byways of Bali. Even before the liberalization of laws restricting foreign ownership of land, foreigners had been involved for some years in de facto purchases made in the name of Indonesian (usually local) partners. Demand for picturesque rural house-sites, and for scarce street-front land for commercial tourism enterprises in central Ubud and the beginnings of a local speculative investment market, had led to a steady inflation in the price of land, beginning in the 1980s and reaching astronomical levels in the early 1990s, as shown in the following table.

<b>Year</b>	<b>Value (Rupiah / ara)</b>
1951	500
1957	333
1959	1,000
1964	1,140

1965	2,000
1968	3,830
1971	7,700
1980	200,000
1981	400,000
1986	500,000
1990	10,000,000
1993	32,000,000
1996	20,000,000

Source: MacRae 1997: Tables 2.9, 2.10

**Table 1: Value of Rice-field Land, Ubud 1951- 1996**

This quantitative inflation was accompanied by qualitative shifts in the relative valuation of land, and by corresponding shifts in patterns of wealth and poverty. Poor families, owning the least valuable agricultural land along river gorges, suddenly found themselves the recipients of offers they could not refuse from representatives of international hotel chains<sup>2</sup>. Owners of prime rice fields (*sawah*) in central Ubud were, at the same time, able to make a better income by selling or even leasing their land, investing the proceeds and living on the interest, than by growing rice on it<sup>3</sup>. Many others without these options continued to farm, earning incomes which slipped ever further behind those of their neighbors in the tourism industry. The agricultural use-value of land has been progressively superseded by its capital-value and this has had repercussions throughout the local economy.

[Figure 1: Real-estate Advertising. Source: *Bali Advertiser*, November 1999]

By the early 1990s, land, along with certain other strategic resources, had become the prime determinant of a household's ability to compete successfully in the new tourism-based economy. Land can be used to generate profit either by building residential or commercial premises on it, renting or leasing it to others to do likewise, or simply by allowing its value to appreciate. This is, for the people of Ubud, a significant change from a generation ago, when land was valued primarily for its rice-producing potential and even this benefit was offset by the tax liability it attracted. The change from a couple of generations earlier is an even more dramatic reversal; from when the tax liability was so feared that many people that they, according to oft-recited oral history, voluntarily

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<sup>2</sup> Such land is relatively unproductive (of rice) by virtue of restricted sunlight, often poor water supply (and most labor-hungry). Its value to the hotwires lies in its often spectacular views, seclusion and exposure to cool breezes.

<sup>3</sup> I thought this was a joke farmers made at their own expense until I did a rough calculation which confirmed its literal truth (MacRae 1997:78).

turned over their land to the *puri* (royal house) of Ubud to avoid tax (MacRae 1997:331).

### **Traditional Land Tenure**

The story of this change may be told, at its simplest, in terms of supply and demand. Until the late nineteenth century, the population of Bali was relatively small, less than 1 million in 1874 compared with almost three million at the time of writing [Vickers 1989:219]), and land for subsistence was readily available to anyone prepared to move into virgin territory.<sup>4</sup>

Local oral histories in this part of Bali are replete with stories of the founding of villages by people moving from another, more crowded area, clearing forest, and establishing subsistence-based communities (see also Howe 1980, Schulte-Nordholt 1996:56). Although such land was nominally under the control of a local ruler (or in the mountains, the village), access to it was rarely denied and indeed the authorities concerned welcomed the increase in human resources available to them.

Land was understood to be ultimately the property of the gods, with kings and local authorities exercising earthly rights in mediating between those of gods and ordinary mortals (Hobart et al 1996:49-56). Worldly tenure of agricultural land was achieved by clearing, use and occupation. Residential land was held in collective trust by the *desa*, an association of households defined socially and spatially. Socially it is defined by joint responsibility for the maintenance, physical and spiritual, of two or more temples dedicated to the deities associated with a specific area of land. Spatially, it is defined by common residence on an area of land bounded usually at the uphill and downhill ends by rice fields and on the cross-slope sides by river gorges (MacRae 1997:190-194). Use-rights to residential land were conditional upon contribution to collective ritual obligations (Warren 1993:141-2). Each household consequently had secure use-rights to residential land with associated garden space and access to agricultural land through outright ownership or a variety of tenancy and sharecropping arrangements.

Across this primary system of village tenure was superimposed, albeit unevenly, the authority of the *puri*, princely houses with zones of political control which they sought endlessly to defend or expand. Such control was always tenuous and dependent ultimately on their ability to muster human labor power for military or ritual purposes, and this dependency on human resources was the undeniable fact on which the orthodoxy I am seeking to

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<sup>4</sup> Although population density was low compared with the present it has always been high by Southeast Asian standards – one of the reasons why land was perhaps more politically important in Bali than scholarly orthodoxy would suggest (see also Hobart et al 1996:54).

critique herein was presumably based. The problem with this prioritizing of human over material resources is that the ability of a ruler to command a large group of supporters was itself dependent on his ability to ensure the material subsistence of his supporters (Schulte-Nordholt 1996:35). This in turn depended on secure control over land, especially productive rice-growing land and the irrigation water which fed it (1996:55-57).

Ubud lies within the area once under the dominion of the eighteenth century kingdom of Sukawati, which had upstream outposts at Peliatan and Tegallalang. By the late nineteenth century the entire area of what is now Kabupaten Gianyar was more or less settled and although nominally under control of Puri Gianyar, competition between rival princes, especially those of Sukawati descent, for control over it was intensifying. The rapid expansion in the 1880s by the sub-kingdom (*pungawaan*) of Negara (near Sukawati), up the Wos Valley as far as Kelusa and Keliki, threatened the stability of the entire kingdom and most directly the closely related *puri* of Peliatan and Tegallalang. The latter combined forces, ostensibly on behalf of Gianyar, to defeat and destroy Negara (MacRae 1997:Chapter 6).

### **From the Sea to the Mountains: The Rise of Ubud**

Ubud was, until this time, a poor and peripheral outpost of Puri Peliatan, itself a *pungawaan* of Gianyar. It depended for subsistence on a small grant of local land from Puri Peliatan. In the war against Negara, the head of Puri Ubud, Ck. Gede Sukawati, distinguished himself as an indomitable warrior, astute commander, and a man of great magical power (*kesaktian*). He took, as the spoils of war, the lion's share of the territory previously controlled by Negara; the majority of the Wos Valley, as local stories have it, "from the sea at Ketewel to Taro in the mountains" (MacRae 1997:330). This land provided the material (*sekala*) base, underpinned [in local thinking at least] by the supernatural (*niskala*) base of his personal *kesaktian* (spiritual power) and by an older mythological charter to Sukawati dominion over this territory, through which Ck. Sukawati was able to maintain the control over human resources necessary to maintain his power until the coming of the Dutch.

[Figure 2: Ubud Territory, Late 19th Century]

According to a consensus of contemporary oral history, Ck. Sukawati managed these far-flung resources in a manner which diverges somewhat from the widely accepted model of South Balinese land-tenure<sup>5</sup>. According to most accounts,

<sup>5</sup> I discussed land-tenure practices, past and present, with dozens of (mostly) men, especially older ones. The majority had only partial knowledge but the vast majority shared in the broad outline of "consensus" referred to here. More detailed explanations came from a few men who were old enough to remember

the majority of farmland was *tanah pecatu*, land granted to farmers in exchange for various services to village or lord (the former was also known as *tanah ayahnya desa*, the latter as *tanah ayahnya dalem*).

Scholars have varied over the years in their interpretations of the exact nature of this relationship between land, the peasant farmers who work it, their produce, and their aristocratic patrons (Boon 1977:56, Geertz 1980:176, Gunning and van der Heiden 1926, de Kat Angelino 1921, Korn 1924: 127, Hobart et. al. 1996:55, Schulte-Nordholt 1996:60&129, Warren 1993:63). All agree (at least implicitly), however, that *pecatu* was the dominant form of relationship between lord and peasant, land and labor in pre-colonial South Bali. The only other agricultural land, according to Schulte-Nordholt (1996:129-30), was simply “privately owned”. What is important for this discussion is that *pecatu* involves the granting to farmers of relatively unencumbered rights to the use and produce of land in exchange for labor obligations to the lord of the land.

Ck. Sukawati (according to the oral accounts), rather than distributing land as *pecatu*, retained direct control, something akin to ‘ownership’, allowing local people undisturbed use for subsistence purposes, but claiming, instead of labor-service, a portion of the produce. The collection of the king’s portion was administered by *sedehan* and either brought back to the *puri* or sold, on-site at low prices, much of it back to its producers. Described this way, the system seems much more like the relatively well-documented tenancy / sharecropping arrangements of the twentieth century (Raka 1955:32-35, Robinson 1995:256, Schulte-Nordholt 1996:250-1) than any variant of the *pecatu* model, though it operated on a larger scale and a more permanent basis.

The harvest share claimed by the *puri* is also the subject of divergent opinion. Of my two most reliable informants, both former *sedehan* of different *puri* branches, one claimed that there was so much land that the *puri* could afford to be very generous and this portion was relatively small and flexible, dependent to a degree on calculation and voluntary submission by the farmers involved. According to the other, the *puri* took three parts to the farmer’s one, a system known as *mpat* or *merapat*, the least generous but common division of the harvest in this part of Bali (Raka 1955:34-5, Robinson 1995:256).

This system of remote administration of the periphery was supplemented at the center by an even more peculiar arrangement. A stock item of local historical knowledge runs something like this: “The *puri* told people not to worry about

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the pre-WW2 period and who had been involved professionally in the management of land on behalf of either the *puri* or the state. These positions (known as *sedehan*) were usually inherited, so that the men I interviewed had a good idea of the systems administered by their fathers as well. Especially well informed and helpful were I G. M. Sumung of Taman Kelod, I W. Lungsur of Ubud, and I K. Teler of Padangtegal.

working in the rice fields, all they had to do was go to the *puri* and they would be given food.”

The ubiquity of this rather remarkable claim is matched by its extraordinary resistance to clarification let alone verification. As far as I can make out, it refers to a general availability of cooked rice (*nasi*) in the palace kitchens and especially of grain (*beras*) stored in the palace granaries. The source of this never-ending supply of rice was the portion steadily flowing into Ubud from far-flung harvests throughout the kingdom.

It seems likely that such a system may have begun in the provisioning of what was in effect a standing army, based in Ubud itself rather than outlying villages, which must have been on almost full-time alert during the last decade of the nineteenth century. If so, this system of provisioning may well have been a factor in the sustained willingness and effectiveness of this highly successful army. Most of my informants regarded the system as something which had operated in the remote past, but according to one of the more reliable ones, some semblance of it remained in operation until the land reform of the 1960s. The scale and regularity with which the contemporary *puri* is able to mobilize an army of civilian workers for its extravagant ritual campaigns may be a relic of the system. A further trace remains in the generous meals served by the palace kitchens. Members of the communities most closely linked by ties of hereditary ritual service to the *puri* may to this day be seen helping themselves in the *puri* kitchen.

A direct consequence of this system of labor management was that while many local people did not labor in the rice fields neither did they acquire any established rights to them. Indeed, I heard the item of local oral history quoted above usually in answer to my questions as to why so few people (and especially certain *banjar*) own land in Ubud. The majority of land immediately around Ubud itself was, and much still is, controlled not by Puri Ubud, but the senior *puri* at Peliatan. Most of that which is now owned by local farmers, especially in the former Peliatan dependency of Padangtegal, was distributed by Puri Peliatan on a *pecatu* basis while that owned by Puri Ubud is sharecropped<sup>6</sup>. In addition to sustaining an unusually effective army for over a decade, this system enabled Ck. Sukawati to maintain an export-import trade via his port at Ketewel, a small but well-qualified elite of religious, artistic and administrative specialists, and ritual production sufficient to maintain his status.<sup>7</sup>

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<sup>6</sup> This is the explanation for the contemporary status of Padangtegal; relatively wealthy in land and ritually independent of Puri Ubud. Padangtegal was from the start, and remained, a direct dependency of Puri Peliatan, from which its people received *pecatu* land and eventually the option of ritual independence.

<sup>7</sup> This elite included refugees from other kingdoms, especially from the destruction of Ubud's ill-fated ally, Mengwi (MacRae 1997:325).

This dual system of military and ritual center, supported by the surplus of a productive rural periphery, can be viewed from the point of view of management of land or of labor, but neither view does justice to their mutual, if somewhat asymmetrical, interdependence in practice. Ck. Sukawati's success, and the relative prosperity of Ubud as a whole was built upon his ability to mobilize labor, but this was integrally bound up and utterly dependent on his control over the resources - productive, human and ritual - of a specific area of land<sup>8</sup>.

Many of the distinctive features of contemporary Ubud are held in local opinion to be the results of this system: The abundance and geographical spread of land held directly by the *puri*, the correspondingly widespread sense of loyalty to Puri Ubud throughout the Wos Valley, the landlessness of many Ubud people, as well as their disinclination for manual labor and corresponding talent for cultural and ritual production<sup>9</sup>.

### **Land under the Dutch**

After the voluntary submission of Gianyar to the Dutch in 1900, Ck. Sukawati was allowed to retain relatively unrestricted control over his kingdom, supported no longer by his own military might but by that of the Dutch. With the need for military expenditure eliminated and with special exemption from taxes and retention of his private landholdings in recognition of his services in brokering the deal with Gianyar, he was able to continue to amass wealth, apparently without either excessive demands upon his sharecroppers or a reduction of his local largesse (MacRae 1997:371)<sup>10</sup>.

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<sup>8</sup> Henk Schulte-Nordholt notes the mutuality of the relationship which he expresses in terms "mobilized manpower" as a manifestation of "property" rather than the reverse (1996:35). He also describes the *pecatu* system as a "material basis for followership" (Schulte-Nordholt 1996:129).

<sup>9</sup> This at least is the picture painted by the majority of my informants, including the best-informed ones. There is a contrary opinion, claiming that beneath the appearance of loyalty is an underlying lack of respect for the *puri* as a result of their harsh and unforgiving attitude in revenue extraction. This opinion is also well represented, but usually by people with their own reasons to dislike the *puri*, and usually without the support of much in the way of evidence. It is my opinion that the better documented extortion practices and unpopularity of Ck. G. Sukawati's son and heir, Ck. Raka, are extrapolated to the *puri* as a whole in some of these accounts.

<sup>10</sup> According to van Kol (1914:346-8), Ck. Sukawati was, by 1914, the wealthiest of the kings of Bali. Robinson (1995:256) reports the Gianyar region as having least favorable sharecropping regimes in the 1930s, but this referred both to a later period and probably more specifically to the notoriously oppressive regime of Puri Gianyar itself.

By the time Ck. Sukawati died in 1919, the situation had begun to deteriorate. Changes to the colonial tax laws and administrative boundaries began to erode his privileges, and the influenza epidemic of 1917 significantly reduced both rice production and population. The earthquake of 1917 also destroyed his favorite palace and presumably with it some of his standing in the eyes of his people. The earliest memories of his younger son, Ck. Agung, are of great material luxury but they are soon replaced with images of a *puri* in internal disarray (Hilbery 1979:9-15).

The effects of these changes on ordinary people in Ubud are not entirely clear. According to Robinson's account of Bali as a whole, the 1920s are generally regarded as having been a time of prosperity, fuelled by high prices for export cash-crops. At the same time, however, the introduction in 1919 of a requirement to pay taxes in Dutch currency and a more rigorous land-tax regime in 1922 were also the beginning of a new form of tax-induced hardship. A combination of increased cash-crop production, rising commodity prices, and the relative ease of tax evasion enabled many farmers to keep their heads above water and the state to maintain, even increase, its taxation levels through the 1920s. Yet there is evidence also of considerable hardship and the beginning of a pattern of transfer of land from smaller to larger landowners (Robinson 1995:52-9). Accounts of both Gianyar and Mengwi, immediately east and west of Ubud, suggest that by the early 1930s indebtedness, poverty, hardship, and ultimately landlessness were extreme and widespread in this area (Robinson 1995:53, Schulte-Nordholt 1996:253-254 & 288-290).

It is difficult to believe that Ubud was immune to these effects on all sides but it seems also that, at least in the 1920s, the land-tenure policies of the *puri* may to a degree have (intentionally or otherwise) protected ordinary farmers against the direct effects of taxation and the accumulated wealth of the *puri* may have acted as something of a collective buffer for the whole community.

Ck. Sukawati's successor, as head of the entire *puri*, was his eldest son, Ck. Raka, a man of abilities comparable to those of his father, but whose values and loyalties were greatly influenced by his education and patronage by the Dutch regime. In the space of a few years, he managed to lure Walter Spies to Ubud, take Gusti Nyoman Lempad's daughter as a concubine, organize the first tour of a Balinese dance troupe to Europe, collecting a French wife en route, and most importantly, to manipulate the division of his father's inheritance greatly to his own advantage, at the expense of all his siblings. By the time he moved on to the national political arena in Jakarta in 1932, not only was the inheritance but the *puri* itself divided by the inheritance dispute, but some of its members relatively impoverished and its vast landholdings fragmented between several competing sub-*puri*.

These sub-*puri*, deprived of much their previous economic security, their landholdings reduced, divided, and newly vulnerable to a less generous taxation regime, came to depend increasingly on their reduced landholdings to keep them in the manner to which they had become accustomed. If there were

a time when the reputation of Puri Ubud as a rapacious landlord was established, it was through the practices of some of the sub-*puri*, especially that of Ck. Raka himself, during this period. Stories abound of abuses against anonymous villagers, against such notable local citizens as Gusti Nyoman Lempad, and even against *laba pura*, the land set aside for the support of temples<sup>11</sup>.

Farmers depended on cash crops, especially copra, coffee, pigs, cattle and rice for export to pay their taxes. The Great Depression dramatically reduced world-wide demand and prices of these crops. Many farmers were unable to pay even when the colonial administration reduced its demands. People lived in fear of taxation and title to land became a liability, in many cases greater than its value as a subsistence asset (MacRae 1997:376, Robinson 1995:54-59, Schulte-Nordholt 1996:253). These were the circumstances, beginning perhaps in the 1920s and certainly in the 1930s, in which it was said that, in Ubud, some people “gave their land to the *puri* because they were ‘afraid of taxes’ (*takut pajak*)”.

What exactly happened is unclear from these accounts, but what is clear is that is that during this period, and as a direct result of this pressure, substantial amounts of land passed or returned from the control of farmers to that of the *puri*. It seems likely that this occurred through a variety of mechanisms referred to in the vague accounts of my informants. Some said that farmers simply “gave” their land to the *puri*. Others said that farmers asked the *puri* for assistance in paying their taxes. The *puri*, likewise may have offered assistance to farmers in difficulties. In any of these circumstances the *puri* probably took possession of the *pipil*, the taxation records which served as a kind of *de facto* title to land.

Schulte-Nordholt (1996:250-251) relates how these matters were managed by officials known as *sedehan*, who had become colonial tax-collectors but were, in local understandings, as they had been in pre-colonial times, agents of the *puri*. The interests of these *sedehan* coincided with those of the *puri* in relieving farmers of title to their land. Once again, the system in Ubud appears to have been similar, with the fact that the *puri* retained *sedehan* of its own to manage its landholdings, only adding to the potential misunderstandings (and exploitation of them).

Although the general exemption of *puri* from land tax was lifted in the reforms of 1919 and 1922, there is some evidence (in the form of local anecdote and

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<sup>11</sup> I use the terms Puri Ubud and “the *puri*”, as do local people, contextually, to refer to several levels of aristocratic authority: the entire establishment of interlinked sub-*puri*; the pair, Puri Saren and Puri Saren Kauh, in which greatest ritual authority is concentrated, to either of these two or to other branches acting independently in specific contexts, or even to the actions of individual *cokorda*. While this may be confusing to the reader it is consistent with local usage which emphasises not specific socio-political structures but the ritually based authority common to all levels and parts of the *puri*.

Hilbery 1979:19) that Puri Ubud may still have received special treatment, at least for some years. Such immunity would have facilitated their willingness to relieve farmers of their tax-burden by taking formal possession of their lands just as *sedehan* in Mengwi “paid the land rent for others, thus gaining possession of the land” (Schulte-Nordholt 1996:289 n.86).

This, combined with the residual awe in which people held the *puri* as a whole, would also have placed the *sedehan* in a position to exercise considerable control over the terms of the subsequent relationship between farmer and *puri* in relation to the land involved. It seems likely that this also was the period in which the contemporary pattern of landlessness among sections of the Ubud population was more firmly entrenched, and also when the less-than-generous shareholding practices for which Gianyar was notorious (Robinson 1995:256, Schulte-Nordholt 1996:293) were developed<sup>12</sup>.

### **After the Dutch: The Development of a Land Crisis**

The Japanese interregnum of 1942-5 replaced taxation in Dutch currency with direct appropriation of surplus production of foodstuffs, especially rice, and the forced production of additional crops such as cotton and sisal (Hilbery 1979:24, Robinson 1995:75). It also caused dramatic inflation of the prices of basic commodities which had the side effect of allowing debts to be paid back with relative ease, thus enabling some small farmers to retain land which might otherwise have been lost to money-lenders. After the defeat of the Japanese, and the Independence struggle against the returning Dutch, the farmers returned to their fields, but once again political and economic turmoil prevailed. Despite legislation in 1951 prohibiting harvest shares of less than 50% to tenant farmers, old patron-client relations prevailed and many landlords, in Ubud as in the rest of Bali, retained much higher harvest shares (Robinson 1995:252). As the 1950s progressed, there were several steep rises in the price of rice and productive agricultural land was the only guarantee of survival. Population had increased dramatically and average landholdings were a fraction of what they had been a generation previously (1995:251). The resulting pressure for a more equitable distribution of land was one of the dominant political issues during this period. It was taken up most forcefully by the Communist Party (PKI) and its subsidiary rural organizations, notably

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<sup>12</sup> According to a contemporary informant, relying on stories from his father and uncle, standard sharecropping practice in Ubud moved progressively from *mepat* (25 % to the farmer), through *lon* (1/3 to the farmer) and *nandon* (2/5 to the farmer), to *piat pada* (50% to the farmer). Those working on *puri* land, however, enjoyed a relatively generous 50% share (although this view was not shared by other informants and was at best probably offset by additional ritual obligations).

Barisan Tani Indonesia (BTI), for which *landreform* became a central aim.<sup>13</sup> By 1960, they had managed to persuade the government to initiate a program of land redistribution. But the situation was to deteriorate further before the program reached Ubud.

In the early 1960s the shortage of rice was exacerbated by plagues of crop pests and the eruption of Gunung Agung. Inflation reached crisis proportions, with the price of rice rising over 400% in less than a year from late 1962 to 1963, further increasing the pressure on the government to reform relations of agrarian production. This was the time at which Ubud people recall eating the trunks of banana trees to survive and many young men took to the roads in search of employment or food.

### ***Landreform***

*Landreform* was ostensibly designed to reduce all large landholdings to a scale enabling landholders to still support their families comfortably while transferring legal title of the surplus to those, sharecroppers or tenants, who actually worked the land. The regulations allowed landowners to retain additional lands for the support of dependent kin and also to reserve land for *laba pura*. By skilful manipulation of these regulations, and other aspects of the system, many of even the largest landowners were able to subvert the system and thus retain very high proportions of their land (Mortimer 1972:18-19, Utrecht 1969:79, Robinson 1995:255-257).

In Ubud the process did not begin until 1963. At this time the *kecamatan* (sub-district) had a population of some 31,000 of whom the vast majority were farmers. The allowable limits were 7 ha. of *sawah* (irrigated-) and 9 ha. of *tegal* (dry-fields). Only twenty-one landowners reporting holdings in excess of these limits. Between them they reported a total of over 1000 ha. which is about 28% of the total productive land in the *kecamatan*. These landowners were, with partial exceptions, members of several related *puri* or their close retainers. Of this Puri Ubud itself reported 636.24 ha. or nearly 60%. The remainder was held by four related *puri*. Of the land reported by Puri Ubud Ck. Raka Sukawati personally owned over 250 ha. or 24% of the total reported<sup>14</sup>. These figures are summarised below.

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<sup>13</sup> I defer here to standard Indonesian spelling of *landreform* to indicate its specifically local practice.

<sup>14</sup> My quantitative knowledge of *landreform* in the Ubud area comes from the official records of the process, which are written in school exercise books tied into bundles with string and stored in a dusty, glass-fronted cabinet in the Landreform Office of the BPN, Gianyar. I am grateful to the staff of this office for their good-humored resignation to my intrusions. The more qualitative aspects of my knowledge are the result of countless conversations with farmers and

Land Areas Reported, Redistributed and Retained in the Wake of <i>landreform</i> , <sup>15</sup> Kecamatan Ubud 1963-1996 (all areas in hectares).				
Landowners	Reported 1963-4	Concessions (dependent family and <i>laba pura</i> )	Balance designated for redistributi on	Redistributi on by 1996
Top 21 owners	1067.055	464.064	602.991	467.77
Puri Ubud	636.24	N/A	N/A	N/A
Ck. Raka	254.89	N/A	N/A	N/A

*Source: Landreform Office, BPN, Gianyar.*

**Table 2: Excess Land Reported.**

Through judicious exploitation of the rules regarding dependants and *laba pura*, the top twentyone landowners were able to retain 464 ha., over 43% of their total reported holdings, the majority of it the more highly valued *sawah*. This left a surplus of 602.991 ha. for redistribution to farmers. To receive this land, the farmers had to pay a fee of the order of Rp. 15,000 to Rp. 30,000 (not much less than the market value of the land at the time) to the government which was passed on to the landowner as ‘compensation’ (*ganti rugi*). Thirty-three years later, in 1996, 467.77 ha. (just over 75%) of this land had been redistributed, to a total of 1529 farmers (although by 1996 only 1013 had obtained certificates giving irrevocable legal status to their ownership). The majority of *sawah* plots are in the range 0.2 to 0.4 ha. which, if the land is good, is just sufficient to feed a small family.

In 1996 I found, to my amazement, that the process was still going on, managed by a staff of some six people in a small, stifling office in the Gianyar branch of the Badan Pertanahan Nasional (or BPN, ‘National Land Agency’). Much of their work involves laboriously following through the processing of old claims and dealing with new ones, often brought by farmers, who after decades of submission to their landlords, have finally summoned up the courage to protect their land by application for proper title. In addition to this, cases of *tanah gelap*, ‘dark’ or ‘obscured’ land, not declared as excess by landowners,

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other people in Ubud old enough to remember the process, as well as more formal interviews with some of the surviving officials involved in the process.

<sup>15</sup> The BPN records consist of a number of books and files, none of which are complete and which are not totally consistent with each other. The figures presented here have been compiled from a number of these sources and represent a certain amount of selection, editing and interpretation.

are still coming to light. These too are investigated thoroughly and if found to be true, lead to the summary confiscation of land. The extent of this *tanah gelap*, other circumstantial evidence, and reports from other areas suggests that the amount of land initially reported is at most around 75% of true landholdings which adds a further layer to the pattern of inequality both before and after redistribution (MacRae 1997:393).

Another common practice employed by landowners to subvert the process was “illegal transfers to relatives and dummies” (Mortimer 1972:18). Robinson’s research confirms that Bali was no exception to this pattern. One of his more graphic examples is from a village near Ubud in which the “aristocratic” owners used a complex of false sales to disguise the extent of their holdings (Robinson 1992:521). Several local people have told me privately that this was precisely what happened in Ubud and the consensus of more public oral opinion supports this claim, while falling short of asserting it in specific terms. The records of BPN and local *sedehan* confirm the transfer of increasing amounts of land from large (mostly *puri*) landowners to (what appear from their names to be) ordinary farmers, beginning well before *landreform*. While the nature of these transfers is not clear from the records, the balance of anecdotal evidence suggests that whatever the intention had been, *puri* landlords have since attempted to reclaim at least some of this land (MacRae 1997:398, Nusa 1996). After some thirty years the process of *landreform* is still incomplete, and appears only partially successful. At best it reduced the upper extreme of landholding inequality and ensured that most farmers have at least some access to land of their own, but it has not created a real basis of equality in landholdings. Furthermore, many of the gains have since been offset by further population increase and consequent subdivision of already marginally small holdings. And, as subsequent events have shown, *landreform* merely set the scene for the greatest transformation of all.

### **Foreign Money: Tourism, Inflation and Commodification of Land**

The population-driven inflation in the value of land referred to above has coincided with and been accelerated geometrically, especially since the mid 1980s, by the development of tourism and the associated growth of a resident expatriate community. These developments have had a number of effects, both direct and indirect on land use, land value, and land tenure. Firstly, the growth of the tourism sector has led to a comprehensive shift of both land and labor from agricultural subsistence to tourism-based commerce (MacRae 1997:47-49,71-73). Secondly it created a demand for street-frontage land through which restaurants and shops could have most direct access to the tourists on the street. Accommodation was provided initially within existing family compounds. Families whose residential land fronted onto main streets had an immediate advantage, but as the tourism zone spread into surrounding agricultural land, farmers began converting or selling their fields for more profitable tourism uses.

[Figure 3: The Meeting of the Landscapes of Tourism and Agriculture]

Thirdly it created a market for quiet secluded residential sites with views, preferably of mountains or rivers and with access to cool breezes. This combination of qualities occurs mostly along the edges of the steep river gorges, land which previously was the least valuable on account of its difficulty to access and cultivate, reduced sunshine hours, and often poor water supply. So while the uses of land have been stood on their head in the space of a generation, in an environment of general inflation, so also have the relative valuations of different categories of land been drastically transformed. Needless to say such transformations have provided unexpected opportunities for some and losses for others.

In effect there began, for the first time, a true *real-estate market* based on the value of land as *capital*, rather than as a *subsistence* resource. The prices which entrepreneurs were prepared to pay for land were determined no longer by its ability to produce rice but directly by the expected returns from the tourism enterprises or residential property which could be built upon it. By the mid-1980s this return was more than could be made growing rice and the rate of conversions, sales and leases increased dramatically. Fortunes were made, through sales of relatively unproductive but strategically located land. Some of these fortunes were subsequently lost through extravagant expenditure on non-productive consumer items and gambling.

New classes emerged: The cash-rich but land-poor unemployed peasant, the tourism entrepreneur using investment capital or partnership with landowners to obtain access to land on which to seek a return on his investment, immigrant laborers, real-estate brokers and speculators, the disgruntled former

landlord seeking to evict his former tenants from land redistributed to them by *landreform*, and the well-heeled foreigner looking for land on which to build a house or establish an export business.

As the quantity and quality of tourism increased, so did the flow of foreign cash into Ubud, while the supply of prime land dwindled and prices inflated astronomically. It was at this stage that farmers, struggling to keep up with the rising general cost of living, began to joke about being better off selling their land, banking the proceeds, and living off the interest. Many took the joke seriously and have done just that.<sup>16</sup> As might be expected, these changes have also led to conflict over use and particularly ownership of land.

### **Land Conflicts: The Ayung Gorge**

The deep gorge of the Ayung river, just west of Ubud, has long been a site of conflict; a natural border between rival kingdoms whose decisive battles were often fought on its banks (McPhee 1947:92, MacRae 1997:299, 303 & 324). The villages along the east bank of the gorge were established in the nineteenth century as defensive outposts of Puri Peliatan. Since then it has become the site of conflicts of another kind.

When the Canadian composer Colin MCPhee announced that he wished to build a house in Sayan, on a spectacular site overlooking the river, he inadvertently opened a Pandora's box of conflicts and confusions in the local community. He wanted to lease the land for ten years and when it was rumored that Rendah (the presumed owner of the land)

... would profit considerably [...] a long and bitter dispute arose over the ownership of the land. The village claimed it had always been village property. Chokorda Rahi, the prince, suddenly appeared ... to say that the land actually belonged to him, had been given to him long ago by his father, in the palace at Ubud. The land had merely been loaned to Rendah ... Rendah however insisted that the land had been given outright to him by the Chokorda in return for money he had once loaned ... (McPhee 1947:81-2).

The legal status of the land was recorded in a palm-leaf document called *pipil* which "No one had seen [...] for ages, and it took a month to find". When it was eventually found, the matter turned out to be less than straightforward and

... the Chokorda had to retreat, baffled. This *pipil* ... turned out after all to be made out in favor of Rendah's elder brother, the *klian* (headman), with items - the coconut trees remained the property of Chokorda Rahi: the crop was his;

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<sup>16</sup> Land / interest calculation taken from MacRae (1997).

one-fifth of it went to Rendah in payment for watching the trees (McPhee 1947:81-2).

This was in 1933, and over sixty years later, essentially similar dramas were still being played out as local entrepreneurs, usually in partnership with foreign capital, have tried to gain access to prime land overlooking the gorge, by fair means and foul.

In early 1996 a local newspaper ran a story in which it was claimed that some Balinese *puri* were attempting to reclaim land previously granted, in some cases several generations previously, to their dependants. The article cited a specific lawsuit between Puri Ubud and the aggrieved 'owner' of a prime development site overlooking the gorge (Nusa 14.04.1996). My personal experience of such stories is limited to witnessing the parade of petitioners to the Landreform Office seeking assistance in their problems with former landlords, and to one more direct experience:

I was sitting on the verandah of a friend's house when a young man rushed in, visibly distressed and gasped, "A *cokorda* is coming at midday". My host excused himself, changed his clothes and they hurried off together. The young man was from a family with long-standing links to my host's family. They lived in a village overlooking the Ayung gorge. They were hereditary clients of a branch of the *puri* living on land granted to them long ago. They were in fact thinking of selling their land and were in the process of seeking proper certification of it. The *cokorda* in question was of the younger generation and well-known for supporting certain expensive habits by selling land reclaimed from unwary former clients of his ancestors.

My host assembled his worldly-wise and heavily-built brother and a relative from another village who had already lost a substantial amount of family land to the same *cokorda*. Together they hurried to the scene. The *cokorda* never turned up, warned I was told, by his 'eyes' in the village. The family hastened to complete the certification process and when he did arrive some weeks later, the land was legally secure and he could only ask indignantly why they had not trusted him, their hereditary lord, to look after their interests instead of turning to 'outsiders'.

It was precisely to avoid conflicts of this kind, and urged on by government advertising, that people applied in droves, through the 1990s, to obtain indisputable legal title to their land, a procedure which ironically frees their land from customary restraints on alienation and opens the door to its inevitable commodification.

### **State and Real Estate: *Pajak* and *Sertipikat***

The main thrust of Dutch economic policy in Bali was to pay for its own administration and the primary means for this was taxation. While they levied a bewildering variety of taxes, the main one was on productive land. To provide a basis of this, they began a system of surveying and registration of land, in the name not of its 'owner' but of whoever was working it. The unrealistic levels of Dutch land tax caused significant hardship, indebtedness, and ultimately loss of land during the 1930s.

[Figure 4: Dutch Land Map of Ubud]

The Indonesian state inherited this system which it continued to work, half-heartedly and inefficiently, through the 1950s. The *landreform* program of the 1960s was enacted under a comprehensive piece of legislation known as *Undang-Undang Pokok Agraria 1960* (UUPA). While *landreform* was its most immediate aim, this legislation had several other ancillary purposes, including the prevention of foreign ownership. It was also a de facto step toward reorganizing the state's imperfect knowledge of land tenure and facilitating the systematic transfer of land from *adat* control to that of national law. It created provisions and procedures for the 'conversion' (*konversi*) of land from its existing status under local village *adat* to a new status of private ownership (*hak milik*) subject only to national law. This conversion of status is effected by the issue of a 'certificate' (*Sertipikat*) which identifies the land according to its area and boundaries, provides legal title, establishes its status as a taxable entity, and enables it to be bought and sold free of *adat* encumbrance. Once certified, any land becomes legally alienable in principle, regardless of the opinions of local *adat* or community sentiment.

The vast bulk of land subject to *konversi* is agricultural land, but the same principle applies also to residential land. Village residential land (*tanah pekarangan desa*) is, under the *adat* system, owned by the village and is in effect 'leased' in perpetuity to the household occupying it subject to performance of the *ayahan* (unpaid labor) duties required by local *adat*. Once certified, however, it too is theoretically freed from *adat* control and may be bought and sold. As Warren (1993:293) points out, this cuts across and undermines the whole basis of village solidarity and citizenship. In practice, however, there are very few cases in Ubud of *tanah pekarangan desa* being sold and these cases are exceptional in various ways.<sup>17</sup>

Other categories of land remained notionally exempt from registration and taxation: Temple lands (*laba pura*), land granted to village officials (*tanah bukti*), and village agricultural land *tanah ayahan desa*. In fact they became property

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<sup>17</sup> I am only aware of two cases in Ubud. One involves a small portion of street-front land sold for a restaurant. Another involves a family in dire circumstances, both materially and ritually, who sold part of their houseyard.

of the state, but in practice continued to function as if they were owned by the village.

In Ubud, certification of land is not systematically recorded on the land records, but evidence of it begins to appear in the late 1970s. The consensus of local opinion supports the commonsense supposition that it increased steadily through the 1980s building to the peak which I observed in the mid-1990s. By this stage the frenzy was driven not only by the astronomical inflation of prices, but advertising on government television, urging people to 'secure' their land by having it certified. The Government is assisted and encouraged in this task by the Australian Government and the World Bank.

The "Land Administration Project" is a tripartite venture involving the Indonesian Government, the World Bank and the Australian agency AUSAID. Its stated aims involve the registration of large amounts of land, to establish a "solid reliable database" of land information, and to transfer skills to the National Land Agency (BPN) (*Inside Indonesia* 1998). Although the project is based in West Java, I met, in mid 1996, a BPN staff member who had been involved with it and seconded to Bali to apply his new expertise to specific problems there. He was hoping to go to Australia for further training the following year. Critics of the project, both within and beyond Indonesia, are explicit in their belief that it is part of a larger agenda to free up land for sale.

After we register our land, who will get the comparative advantage? [...] Having a certificate puts you in the capitalist arena. But you will be a weak participant ... The rules will result in unequal land distribution (Noer Fauzi, interviewed in *Inside Indonesia* 1998).

In Ubud it is clear that this is exactly what has happened, with rich and poor alike selling land, in some cases resulting in impoverishment. More recently, however, there has arisen a widespread aversion to selling, especially to outsiders, and a shift to leasing land for anything from 10 to 30 years, at prices not much less than market values. Thus the people of Ubud are attempting to have their land / cake and eat it - using it as a capital resource but retaining ultimate ownership of it.

## **Conclusion**

Some of the conclusions to be drawn from this account are fairly obvious. Firstly, the predictable pattern of increasing scarcity and hence price of land. Secondly, the systematic changes in land use and land value associated with the general economic shift from subsistence-based agriculture to tourism-based commerce. These have had secondary consequences in terms of employment and the opening up of new avenues of socio-economic mobility, with some

groups previously wealthy losing their automatic dominance and others having at least the opportunity for considerable gain.

What is less obvious, but has become particularly apparent through attention to the historical process, is the role of land ownership in creating and maintaining the unique position of socio-cultural dominance of Puri Ubud. It was land, won in war, which provided the springboard for their rise to power. It was land, on which they paid little tax, which enabled them to retain a relationship almost unique among the royal houses of Bali, with their local community. It is land, hugely inflated in market value, which they are today exchanging in order to invest in the symbolic capital of ritual leadership in Ubud and beyond (MacRae 1999:144-5).

The material presented here suggests also some more general points for Balinese, Indonesian and Southeast Asian studies. Firstly that the *landreform* process in Ubud was at best only partially effective and remains to this day incomplete. Secondly, that the *pecatu* model of land-tenure and land use was not universal throughout pre-colonial South Bali. Finally, that while the relative value of land and labor have indeed tended to become reversed during the twentieth century, this has never obscured from the oral historians of Ubud, and should not obscure from us, the vital role played by land in the material support of the labor upon which the power of nineteenth century rulers was based.

Should we be disinclined to take this last point seriously it is worth noting that, at the time of writing, there are reports of landless Javanese farmers occupying plantation lands they believe to be traditionally theirs and the new President made promises to once again redistribute state land to the landless. The urban unemployment created by the Asian economic crisis has exacerbated this trend and the pressure on rural land is increasing as people return to their villages in search of subsistence (Bachriadi 2000), although there was in late 1999 little sign of this around Ubud. In Ubud to date, the foreign exchange generated even by reduced levels of tourism has so far insulated most people against this, but many successful tourism entrepreneurs are now diversifying their investments by purchasing land. Likewise the devaluation of the Rupiah has made land in Bali even more affordable to foreigners. So the value of land continues to rise, as it did during the 1950s, despite the general economic downturn. A further, long-term downturn in tourism would make very visible once again the ultimate dependence of labor on land and the new levels of inequality based on ownership of land in which case the voices of the landless and the farmers, muted since 1965, may be heard again in Bali.

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