

## Tourism Development and Its Social Impacts in Bali, Indonesia, in the Post-Soeharto Era

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### Abstract

Bali has become the most popular tourist destination in Indonesia. Thanks to its unique culture, the island of Bali is also called the “Island of Gods” and “The Last Paradise.” Though Bali has economically benefited from tourism, it however, has also brought about serious social issues and criticisms because outside forces such as Dutch colonial government and its central government controlled the tourism development from the beginning.

Especially under the Soeharto authoritarian regime (1966–1998), the impacts on Balinese society were not considered well, which were followed by social issues, such as the outflow of tourism revenue, the growing economic gaps among eight districts (Kabupaten) and one city (Kota) in Bali, increasing criminal rates and environmental degradation. In the middle of the 1990s, these issues were criticized as “Bali Jakarta’s colony.” While such social issues became quite significant, the Soeharto regime collapsed in 1998, which was followed by the rapid promotion of democratization and decentralization in Indonesia. In Bali, people expected that this political change would enhance sustainable tourism development under the control of its provincial government.

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What is the actual condition of tourism development in Bali after the political shift? Has it changed the conditions of social issues above? This paper attempts to explore these questions by analyzing current tourism development and social problems in Bali based on my extensive fieldwork. In sum, my paper argues that after democratization, Bali has entered to the era of competition among local players including governments, political elites and social organizations, and that their escalating contestation has ironically provided negative impacts on social problems, undermining the virtue of local autonomy and democracy.

**Key words** : Bali, Indonesia, Democratization, Decentralization, Social Issues

Bali is the most popular tourist destination in Indonesia. While about ninety percent of Indonesians are estimated to be Muslims, the majority of Balinese believe in Hinduism. The culture based on Balinese Hinduism is the main tourism resource. Thanks to its unique culture, the island of Bali is also called the “Island of Gods” and “The Last Paradise.” Though Bali has economically benefited from tourism, tourism, however, has also brought about serious social issues and criticisms because outside forces such as Dutch colonial government and its central government controlled the tourism development from the beginning.

Especially under the Soeharto authoritarian regime (1966–1998), the impacts on Balinese society were not considered well, which were followed by social issues, such as the outflow of tourism revenue, the growing economic gaps among eight districts (Kabupaten) and one city (Kota) in Bali, increasing criminal rates and environmental degradation. In the middle of the 1990s, these issues were criticized as “Bali Jakarta’s colony (Aditjondro, 1995).”

While such social issues became quite significant, the Soeharto regime collapsed in 1998, which was followed by the rapid promotion of democratization and decentralization in Indonesia. In Bali, people expected that this political change would enhance sustainable tourism development under the control of its provincial government (Picard, 2005: 114). What is the actual condition of tourism development in Bali after the political shift? Has it changed the conditions of social issues above? This paper attempts to explore these questions by analyzing current tourism development and social problems in Bali. To answer these questions, first, we will focus on impacts of two laws of the 1999 decentralization on regional governments as well as customary villages. Second, we will see the security and environmental issues in the era of democracy. Thereafter, we will discuss some of the challenges of the sustainable tourism development in Bali as an alternative way to overcome its social issues by presenting its achievements and dilemmas.

## **Who gains the Tourism Benefit in Bali after the Decentralization?**

### *The Decentralization and Widening Regional Income Gaps in Bali*

Bali became a representative tourism area of Indonesia especially after the 1980s when its development was accelerated by the central government. Thanks to its accelerated development, Bali was able to alleviate its long-standing poverty; however, the development being concentrated in south Bali caused a serious economic gap in the island. The Soeharto regime that controlled the Balinese tourism development collapsed in 1998. After that, the democratization and decentralization were promoted rapidly under the name of *reformasi* (reformation). In Bali, it was expected that the provincial government was going to gain control of the tourism development with

increased budgets; however, two laws on decentralization brought down the fragile administration and confusion in Bali.

Firstly, Law No. 22/1999 on regional government (*Undang-Undang No. 22 Tahun 1999 tentang Pemerintahan Daerah*) allowed the district and city a considerable amount of political competence. With the Balinese provincial government as the representative of the central government, having the role of supervising and controlling its eight districts and one city, there were no longer top-down relations between regencies and the province. Further, the heads of the regencies came to be accountable to the regional council, but no longer accountable to the provincial head. As a consequence, regencies in Bali started formulating policies without consulting with the provincial government. When the governor of Bali held meetings to discuss matters of common interest, where he intended to arrive at a coordinated approach, district heads often sent low-ranking staff members to these meetings. These regencies were often called “little kingdoms” and their leaders preferred to ignore the coordinating capacities of the provincial government. It turned regional autonomy into administrative fragmentation (Shulte Nordholt, 2007: 41-42).

Secondly, Law No. 25/1999 on regional fiscal balance (*Undang-Undang No. 25 Tahun 1999 tentang Perimbangan Keuangan antara Pemerintah Pusat dan Daerah*) caused the acceleration of social issues by allowing regional governments to gain their own revenue (PAD, *Pendapatan Asli Daerah*). Thus, local governments embarked on new tourism development for pursuing hotel and restaurant tax (PHR, *Pajak Hotel dan Restoran*). To understand this issue, we need to focus on the economic discrepancy created during the Soeharto regime. Under the control of the central government led by Soeharto regime, Badung became the richest regency in Bali, having control of the

Ngurah Rai International Airport and Nusa Dua. Additionally, it was also famous for popular tourist spots like Jimbaran, Kuta, and Legian where tourism had grown without official development plans. Consequently, Badung gained much greater PHR income than any other Balinese local government by holding more than seventy percent of star hotel rooms on the island (Pitana, 2004: 12; BPSPB, 2010: 374). Denpasar, where the first modern hotel was constructed during the Soekartno era, and Giyanyar, having Ubud, famous as the center of Balinese culture since the colonial era, are also relatively abundant with hotels and restaurants. On the other hand, districts located in the northern and eastern areas such as Buleleng, Jemberana, Klungkung, and Karangasem have been left out from tourism development. Their main economic activities are agriculture, forest, fishery, and cattle farming, generating lower income compared with tourism-centered areas. To adjust the economic gap, the provincial government introduced the redistribute PHR system in 1972. It is important to note, however, that even after the decentralization, tourism development in southern Bali was still active with bringing more PHR income into Badung (Badan Pusat Statistik Provinsi Bali (hereinafter, referred to as BPSPB), 2000: 306-307; BPSPB, 2002: 314-315; BPSPB, 2003: 326-328; BPSPB, 2006: 332-334; BPSPB, 2007: 322-324; BPSPB, 2008: 348-350; BPSPB, 2009: 358-360; BPSPB, 2010: 413-415; BPSPB, 2011: 394-396; BPSPB, 2012: 376-378), which led to Badung being praised as a successful example with its firm financial base during the era of decentralization (*Bali Post* (hereinafter, referred to as BP), 2010, August 9).

Actually, the rise of Badung had a remarkable impact on the PHR redistribution system. In 2001, it was required to reduce the amount from thirty to fifteen percent. Then, the former governor Dewa Made Beratha (1998–2008) and other district heads gathered together and reached an

agreement that twenty-two percent of all collected PHR revenue of Badung and ten percent of revenue collected from Denpasar were to be redistributed to other six districts without Gianyar. The arguments continued, and in 2009, the governor I Made Mangku Pstika (2008–2018), former head of Badung, Anak Agung Gde Agung (2005–2015), a mayor of Denpasar, and Ida Bagus Dharmawijaya Mantra (2008–), held a meeting in which they agreed that Badung would decrease the amount for redistribution to fifteen percent, originally twenty-two percent. While other district heads were against such agreement, Badung implied the possibility the banning the system (*BP*, 2010, November 19; *International Bali Post* (Hereinafter called IBP), 2010, July 19). In fact, responding to the requirement of Badung, the new redistribution system of PHR started in 2017, wherein Badung redistributes at least Rp.30 billion to six districts directly. Consequently, the provincial government that used to collect PHR from rich districts to allocate it to poor districts by taking twenty percent of it for itself no longer intervenes (Putu Wahyura, 2017). Thus, the Badung government had more of a voice as well as a large amount of tourism income in the era of autonomy.

Actually, this economic gap is spreading in customary villages (*Desa Pakraman*). After Law No. 34/2000 on tax and redistribution (*Undang-Undang No. 34 Tahun 2000 tentang Pajak dan Restribusi Daerah*) was conducted out, ten percent of the total amount of the PHR of the regencies was going to be distributed to customary villages. We can evaluate the result of the decentralization to a certain extent that it allowed more chances for customary villages to gain revenue; however, it also caused an economic gap among villages. For example, Badung gained Rp.314 billion in 2001, while Bangli gained only Rp.420 million. Then, the Rp.264 million was going to be distributed to 119 *Desa Pakramans* in Badung, while each *Desa Pakraman* in

Bangli gained only Rp.277 thousand (Pitana, 2004: 12).

Thus, the decentralization has led not only to a larger gap of tourism revenue among regencies, but also among villages. Even after the two new laws on decentralization were conducted in 2004, strengthening the competence of the central government to intervene regencies, we cannot see significant progress in overcoming the current issues. Pastika has claimed this economic gap in Bali as a serious matter since taking up his position as governor. To adjust the gap as well as properly manage the local culture and natural resources, the provincial government issued local regulations on zoning (*Perda No. 16 Tahun 2009 tentang Rencana Tata ruang Wilayah Provinsi Bali Tahun 2009–2029*). Additionally, Pastika cautioned Badung, Gianyar, and Denpasar to limit the construction of new hotels; however, these district heads tend to neglect them because new hotels were in high demand (*BP*, 2011, February 8; *BP*, 2011, May 26). Thus, the provincial government was not successful in controlling rich regencies well; relatively poor regencies regarded the decentralization as a big opportunity to embark on tourism development to pursue their own PHR.

#### *The Outflow of Tourism Revenues*

According to the survey conducted in 2003, there were more than 1,200 hotels, ninety restaurants, and 371 travel agencies whose assets were estimated to be higher than Rp.1,500 billion. What is important here is that about eighty-five percent of those assets belonged to non-Balinese investors (*BP*, 2004, June 2). This structure was expected to change after the decentralization. According to Anak Agung Ngurah Alit Wiraputra, a former head of the chamber of commerce and industry of Badung, about ninety-eight percent of tourism assets in Bali were owned by non-Balinese investors in

2012. Why does such an ironic situation occur in the era of decentralization?

As a first point, we need to see the fact that big projects in Bali are still controlled by the central government. For example, when the international airport and principal roads were renovated for the 2013 APEC Economic Leader's Meeting, Balinese regencies were not well involved in the construction project. The expansion work of the Ngurah Rai International Airport, which was inaugurated in May 2011, was led by the national enterprise Angkasa Pura I. The renovation work for the terminal for international lines and the parking area were conducted, which cost up to Rp.2.8 trillion. Through this project, the capacity of the terminal of six million people per year was expected to increase up to twenty-five million (*Kompas*, 2013, February 4). Actually, the Balinese government had failed to share the airport revenue with the aeronautic administration, then the airport tax, landing fee, rent, and parking fee all have flowed to the central governments via Angkasa Pura I. This structure has continued even after the decentralization (*Bali Travel News* (hereinafter, referred to as BTN), 2004, February 27- March 11).<sup>1)</sup>

Secondly, the construction of the first toll road in Bali opened in 2013, which was also promoted by national enterprises. The department of public works as well as the Indonesian toll road authority had planned to construct the toll roads connecting the Benoa port, Nusa Dua, and Tanjung Benoa in addition to the bay bridge connecting Tanjung Benoa to Serangan. This project was facilitated mainly by four national enterprises, Angkasa Pura I, Jasa Marga, Pulabuhan Indonesia III, and the Bali Tourism Development Corporation (BTDC) (*BP*, 2010, November 13). The provincial government of Bali and Badung also invested in the projects; however, it was not large scale. Then, it drew strong criticism that local governments and construction companies only became observers even though projects were promoted in Bali.



Thirdly, Nusa Dua, a tourist resort area with international foreign-affiliated luxury hotels developed by the central government since the 1970s, has been managed by the BTDC. Prior to the 2013 APEC Economic Leader's Meeting, even new star hotels were constructed to accommodate representatives from 21 states. The lands managed by the BTDC belonged to the central government, which were rented to international hotels. Actually, the revenue of hundreds of billions of rupiahs generated in this area annually flows to the central government, while Badung gains only twenty-one percent of the PHR (*BP*, 2000, July 8). This structure stays unchanged in the era of decentralization.

Balinese governments have requested the central government for more redistribution of revenue. When the decentralization laws went into effect in 2001, I Wayan Koster, a political commentator, insisted on the needs of the collaboration among governments of both provincial and regency levels and the legislature to gain from the central government more than forty percent of tourism revenue that national companies and non-Balinese investors earned (*The Jakarta Post* (hereinafter, referred to as *JP*), 2001, December 27). It is true that the Balinese government has received adjustment funds from the central government, but the amount was significant enough to promote needed projects and administrative service in Bali. Pastika also claimed that thirty percent of the national tourism revenue should be redistributed to Bali (*JP*, 2009, April 8). After the decentralization, provinces with rich natural resources, such as Riau and Kalimantan, have gained more revenue sharing as well as general allocations. Moreover, special autonomous regions, such as Aceh and Papua, have been allocated higher amounts of oil and gas.<sup>2)</sup> Bali does not have rich natural resources; however, it creates more than thirty percent of total tourism revenue in Indonesia. Even after fifteen years have passed since the decentralization, majority of the amount of tourism revenue still flows to

the central government, and Bali's claim to be a special autonomous region has not been accepted.

## Security Issue in Bali in the Era of Local Autonomy

### *Increasing Illegal Cafes*

Balinese good economic condition has attracted many immigrants and investors. From 1995 to 2000, it is estimated that 87,000 immigrants entered Bali, with a population of three million. Bali has not established the secure system to grasp the accurate number of migrants as well as their economic and live conditions. Poverty groups tend to form slums, which evokes anxiety in the local society. If immigrants face any instability of employment, local residents feel afraid that the crime rates would become high (*JP*, 2001, August 14). Especially, immigrants from Java, Sasak, and Madula, accounting for a high percentage of low-wage workforces, are regarded as criminals who engage in thievery, prostitution, sale of illegal drugs so on. Once immigrants commit crimes like thievery and destroying the goods in sacred areas such as temples, Balinese residents would express antipathy. Although the exact number is unknown, there are reports of local people punished with the death penalty. As many as twenty immigrants were punished in retaliation for thievery (*ICG* 2003: 3-4). Especially after the 2002 Bali bombings in Kuta and Denpasar, more pressure was put on immigrants.

While the oversights toward immigrants were strengthened under the name of security, recently, illegal cafes have become a serious issue. In Bali, restaurants and hotels undertake obligations to report information of guests and taxes; however, illegal cafes fail to do this (*BP*, 2011, May 27). What we cannot ignore here is that Balinese residents also work actively in such illegal

business, with most employees being composed of immigrants regarded as main actors. What is the actual condition of an illegal cafe? What is it like with relation to Balinese residents versus immigrants who are looked on with a prejudiced eye?

A cafe is also called *Dakocan* (*Dagan Kopi Cantic*), karaoke and so on. They can be found in both metropolitan and rural areas. In 2011, one-hundred fifty cafes in Denpasar (*BP*, 2011, September 10), seventy-six cafes in Gianyar (*BP*, 2011, March 26), and hundreds of cafes in Buleleng were found (*BP*, 2011, August 4). Most employees of cafes were young immigrants and those who had dropped out of compulsory education. They tended to be poor and hoped to have close relations with customers for advancement in social status, which caused them to have sexual relationships. There are even some cafes that have rooms for the purpose of prostitution. Actually, most cafe employees in Bali are from places called B3M or Bali, Banyuwangi in East Java, Badung in west Java, and Manado in north Sulawesi. They earn a monthly income ranging from Rp.1 million to Rp.1.3 million, including tips (Atmadja, 2010: 214). What is important here is that while some are willing to work there, most employees are enforced to do so as the result of being involved in human trafficking.

The recruitment is done actively in various ways. Sometimes, employees cheat and take women to Bali for their own benefit, and sometimes they are ordered to do so by their boss. It is often conducted under the banner of "help" with introducing the working place. Even some owners visit villages to scout and screen women. Not only rural areas, but also bus terminals, are popular for brokers, cafe's owners, and employees to recruit women. The reason why women from the countryside are preferred is because they are relatively easy to cheat; they also have no relatives in cities to ask help from.

When introducing candidates of workforce to a cafe, women to receive

payment, the amount of which depends on which country the woman is from. For example, if a woman is from Banyuwangi, a hundred thousand rupiah is going to be paid. For a woman from Badung, the amount is two hundred thousand to four hundred thousand rupiah. Sometimes even five hundred thousand to one million rupiah for a woman from Manado is set as the fee. Because the reward is so high, people actively recruit women (Atmadja, 2010: 214-218). In Bali, scenes of immigrants who are suspected for crimes and being arrested are broadcasted often, which also causes the spread of stereotypical tropes; that non-Balinese residents are criminals. In fact, the network of human trafficking has been constructed to force them to work in illegal cafes in Bali.

#### *Less progress in Illegal Cafe Banning*

Pastika not only ordered the police department to intervene with illegal cafes, but also required district heads not to grant permission to run suspected cafes (BP, 2011, February 20); however, it is still increasing, a condition called *Jamur di Musim Hujan* or “Mushrooms in Rainy Season (BP, 2010, October 16).” Why are these problems difficult to solve?

First, as the one of the factors we can point out, the enhancement of powers of custom villages. After the 2001 decentralization, customary villages gained whole control to govern their area where some local elites run illegal cafes. What we should focus on here is the direct election system introduced in 2004 with the new decentralization law. After it was conducted, Balinese customary groups such as Subak (irrigation association), Banjar (the Balinese smallest hamlet), and temple became more important organizations for local elites to mobilize people at the polls. Then, district heads and mayors tend to be reluctant to intervene in any business where local elites could be involved in

(BP, 2011, July 30).

Additionally, the police also hesitate to intervene with illegal cafes run by Balinese investors in their area; instead, they demand racket bribery or even become their client (Atmadja, 2010: 198). Vigilante groups called Pecalang, whose original aim is to keep security especially in ritual ceremony, also fail in cracking down illegal cafes mainly because it belongs to a customary village. To make matters worse, local gangs (*preman*) are also involved in the business of illegal cafes, claiming it to be a community support activity. In famous tourism sites like Kuta and Legian, these *premans* have been actively employed as security guards especially after the 2002 bombings and the murder of Japanese tourists in 2009 (*The Sydney Morning Herald*, 2011, December 6). Moreover, *premans* in Bali work for mediating conflicts among villages to keep its “harmony” and “peace.” Their activities are not always regarded as crimes (Lewis & Lewis, 2009: 148-149).

To make matters worse, groups of customary villages, such as the police, *pemans*, political parties, even have armies. For example, a former mayor, PDI-P (*Partai Demokrasi Indonesia Perjuangan*) or the governing political party, FPD (*Forum Peduli Denpasar*) or gangs of Denpasar and the dynastic Satria had allied while Laskar Bali, the largest *premans* in Bali, Golkar party, the dynastic Pamecutan had built good relations. The Baradika Bali, another big gang in Bali, also had strong relations with some local political parties. Thus, *premans* can continue their business under the protection of political parties, keeping safe from intervention of the police. As a typical example, we can see the structure constructed among the police, a former mayor, PDI-P, and the dynastic Satria that share monthly incomes of Rp.125 million gained from bus terminals, gambling houses, and other entertainment facilities managed by the FPD (Shulte Nordholt, 2007: 44-46).

These security issues are expected to get more serious especially because the number of gangs is increasing after the collapse of the Soeharto regime and the enhancement of local autonomy. New emerging gangs have caused new conflicts over their “market,” such as prostitution and illegal drug trade. Even worse, Laskar Bali, Baradika Bali, and other newly rising gangs are gaining entry into security business in Denpasar and Kuta (Pranata, 2012). It is expected that the conflicts will become more serious by involving their partners. In this manner, security problems in Bali are not caused only by non-Balinese residents, but rather, the Balinese themselves have caused the serious deterioration of security.

### **Bali, the Island of Wastes**

Another serious issue in Bali is environmental deterioration. Here, we can also see that outsiders are recognized as a major cause of the issue, for instance, tourists consume abundant natural resources and the influx of immigrants causes overcrowding of the population, with investors eager to develop Bali by taking most revenues out of Bali. These situations have caused serious environmental problems as delays in the establishment of the environmental infrastructure in Bali (Lewis & Lewis, 2009: 67; *JP*, 2010, July 21; *JP*, 2011, September 2). In fact, the environmental issue has become more serious after the decentralization. So, this means that the problems are not brought on by non-Balinese only. What is the actual state of environmental issues in the era of autonomy? Let us focus on the waste issue, one of the biggest environmental issues in the island.

In Bali, everyday discharged material amounts to 20,000 cubic meters, which are to be carried to official waste disposal sites. While Bali has 2,766 final

disposal sites (TPA, *Tempat Pembuangan Akhir*) and temporary disposal sites (TPS, *Tempat Pembuangan Sementara*), only twenty-five percent of the amount is dealt with properly. Then, the rest are thought to be dumped on streets, rice fields, and other public spaces; amounts are estimated to reach 15,000 cubic meters per day (JP, 2011, September 2). In Indonesia, dumping of waste in public spaces is prohibited by Law No. 18/2008, the law on waste management (*Undang-Undang No.18 Tahun 2008 tentang Mengatur Bagaimana Persampahan Dikelola dengan Baik dan Benar*), and other local ordinances. Such illegal dumping is subject to punishment; however, local people fail to comply with laws, resulting in damage to the landscape as well as health risks. For example, in Klungkung, it is so polluted that the city is implied to be the “waste city (BP, 2011, March 22).” Similar problems can be found in many other places in Bali, as shown by reproaches like “Bali, Waste Island” and “Time bomb of Bali (BP, 2011, April 12; BP, 2012, April 18).”

As one of the reasons behind the issue, we can point out the dramatic qualitative change of wastes. Balinese used to use products made from organic materials such as banana, coconuts, bamboo and so on, materials that did not require waste processing. Nowadays, however, various chemical products like plastic bags and bottles that are not easily decomposed into the soil have become common even in rural areas. On the other hand, we can see little change in habits of local people and they still continue to litter anywhere.

Especially in overpopulated cities like Denpasar, we can easily find illicit dumping areas, with a mixture of garbage, rubber, plastic, electric batteries, metals and other materials. The public cleaning service (*Dinas Kebersihan dan Pertamanan*) and garbage trucks do not collect wastes in such areas. The spread of serious air and soil pollution can be predicted as well as the accumulated garbage blocking up drainages, resulting in floods (BP, 2010,

September 17). Rural areas face similar issues too. While northern and central Bali are famous for its mountainous areas, local people tend to dump their domestic wastes into rivers and mountain fields. In ritual ceremonies held by customary villages, floating offerings into rivers are included as an important process even though these offerings often contain chemical products.

Secondly, the capacity of official waste disposal sites is not high enough to manage waste properly. Although about thirty to forty percent of total amounts of wastes discharged in Bali are non-organic products, most sites have the ability to deal with organic waste only (*BP*, 2011, September 5). Additionally, it also faces the limit in terms of the amount it can contain. Therefore, we can often observe sceneries of wastes scattered even outside of official disposal areas.

Most regencies of Bali, however, cannot afford to expand their disposal sites. For example, in Tabanan, the wastes, amounting to 330 cubic meters, were brought into the disposal spots every day in 2005, which cost about Rp.5 billion annually. Actually, its built budget for disposal was only half of the amount while Rp.1.6 billion were to be paid for salaries of 436 staff. To make matters worse, the amount of wastes discharged in Tabanan increased every year by ten percent (*BP*, 2005, August 24). Similar issues can be found in other areas in Bali, and increasing of overloaded wastes disposal sites in current days requires the awareness of both local people and the administration on proper waste management (Asmara, 2017; Farendra, 2017).

Lastly, we cannot ignore the voice of local governments from eastern and northern Bali that the expansion of their disposal sites would cause wastes discharged in rich southern Bali to be brought into those poor countries for its lower cost. Then, some poor districts hesitate to expand and improve their disposal sites to avoid the situation that poor regencies deal with wastes



discharged from much richer districts (*BP*, 2007, September 5).

*The Wastes Problems and Foreign Tourists*

As shown above, tourists are regarded as one of factors that cause environmental issues by consuming abundant energy and goods in Bali. It is true that the increasing number of tourists has become a burden in Bali where there is limited natural resources and capacity on waste disposal; however, we need to recognize the fact that local people in tourism areas tend to care for nature more actively. We can find this tendency in the appeal of I Gde Dana, a former head of parliament of Karangasem, that wastes must be dealt with properly to keep attracting tourists who are sensitive to the landscape. This caution was given when a large volume of waste was scattered on roads for a few days in Amlapura in Karangasem during Garungan, a Balinese holiday where their ancestor spirits come down to the earth for ten days (*IBP*, 2011, July 19). Similarly, many leaders of regional offices emphasize the importance of proper waste management for tourists. Jatiluwih and Candi Kuning, both of whom became a part of world heritage sites in 2012, are also good examples. In Candi Kuning, village people engage themselves in cleaning the area up, concerned about the impact of garbage issues related to tourism (*IBP*, 2011, May 10). Such is the case of Jatiluwih, whose people have been conscious that the lack of waste management causes the number of international tourists to decline (*BP*, 2011, June 20).

On the other hand, some non-tourist areas have faced serious environmental issues because of the lack of waste management. For example, some local residents in Pikat in Klungkung have suffered from breathing problems caused by burning scattered wastes without any segregation (*BP*, 2005, April 27). Just as the case of Pikat, diseases that seem to be caused by illegal dumping have been reported in Gilimanuk in Jembrana since the 1990s. The local

administration has not dealt with these issues properly, which led to an increasing the number of children suffering from breathing illness in 2011.<sup>3)</sup> Moreover, dengue fever that also seemed to be caused by illegal dumping was reported in Banjarakan in Klungkung. During the rainy season in Bali, accumulated wastes provide a fertile breeding ground for mosquitos (BP, 2010, June 7).

Even though local people called many times on the authorities such as the agency of environment and sanitation (*Dinas Kebersihan dan Lingkungan Hidup*) for improvement of the environment, they often left these issues unresolved (BP, 2005, April 27). As these cases show, Balinese authorities tend to have committed themselves to environmental quality improvements for tourists rather than for local residents. Thus, we can say that the environmental issues in Bali are not attributed to tourists alone but rather also to local people and administration with less environmental awareness.

## **Sustainable Tourism in Bali: Tri Hita Karana Awards**

After democratization, the network for enhancing sustainable tourism has been expanded in Bali. It was a local media company that took the initiative to form the structure. Here, we will see the actual situation, achievement, and its dilemmas.

To develop sustainable tourism in Bali, Bali Travel News, a group company of Bali Post, launched the Tri Hita Karana Awards program in 2000 with the SOCEI (Study on Cumulative Environment Impact) and Bali Study Center (*Pusaka Bali*). The program is an institution that evaluates hotels and tourism sites periodically if they practice the idea of Tri Hita Karana, otherwise known as the Balinese Hindu philosophy of prosperity gained from the

balanced relations of human and god, human and nature, as well as human and human (Ashrama, 2005: 24). In this program, the Tri Hita Karana committees are going to judge sites based on the idea of Tri Hita Karana, for example, how well their temples are managed, how often ritual ceremonies are held, the relations between the company and employees, as well as employees and local communities, and how well the environment is cared for through activities such as clean-up drives and tree planting activities. If some hotels and other tourist sites receive a high evaluation, they will receive an award at the annual ceremony (BTN, 2005: 99-169). This program started with 62 organizations and has become large enough to be a provincial project in 2011 under Pastika who recommended that all hotel owners and managers in Bali join this program (No.556/1237/I/Dispar)<sup>4</sup>.

### **Contradictions and Dilemmas of Tri Hita Karana Awards**

Tri Hita Karana Awards program has obtained broad support from various companies and organizations that support local nature and culture. Additionally, not only the provincial government, but also the central government and international organizations such as the UNWTO (United Nations World Tourism Organization) have started to participate in this program. Led by Pastika and his strong leadership, stakeholders like hotels, travel agencies, tourists, local residents, researchers, NGOs, and international organizations have gotten involved in the program, the processes of which are exactly what the UNWTO requires when sustainable tourism is developed (UNWTO, 2004: 7). It is ironic, however, that the scale expansion of the program has brought about some contradictions and dilemmas.

First, we cannot ignore local voices against this program. For example,

Padangtegal, a customary village in Ubud, has not joined this program with some insisting that the practice of Tri Hita Karana is not for the purpose of acquiring prizes and awards.<sup>5)</sup> Moreover, Bali Travel News that launched the program prohibited the activity in 2010. Since then, it has been managed by the newly established foundation of Tri Hita Karana, which means it lost support from the biggest local media financially, as well as opportunities to offer information about its activity.

Actually, this issue coincided roughly with an expansion of the program. When the UNWTO started supporting this program, there was voiced discontent with the central government for its lack of support (*BP*, 2005, February 11). As the number of participants increases, however, the central government also strengthened its support to the program, which led the BTDC to join the program in 2006. Since then, it has received awards every year until 2012 (Wisnu Wardana, 2011: 50-60; Bali Discovery Tours, 2011; BTDC, 2012) even though BTDC is the symbol of the structure that shows that most tourism revenue in Bali flows to Jakarta.

Additionally, when Jero Wacik, a former minister of Culture and Tourism (2004–2012), attended the Tri Hita Karana Awards ceremony in 2010, he emphasized the need of the international airport construction in Buleleng in addition to the building of tourism railways throughout Bali to adjust the tourism income gaps. Most participants, who were largely composed of foreign capitalized hotel employees, sympathized his idea and applauded him.<sup>6)</sup> At first, the committee members of the Tri Hita Karana Awards program voiced out against the new international airport project, being concerned about the further negative impact on its culture and nature. Unfortunately, however, they had no choice but to follow the government idea especially after the program became the provincial project provided with a good subsidy.<sup>7)</sup>

During the Soeharto authoritarian era, big tourism projects in Bali were severely criticized. After democratization, sustainable tourism was expected to be an alternative form of tourism in Bali which had serious social issues. The enhancement of the local autonomy enabled the formulation of the evaluation system in Bali to promote it by emphasizing Tri Hita Karana in which people respect the balance of religion, nature, and people. Under the process of expansion of the program, however, tourism development is returning to the one used during the Soeharto era. It seems that local residents no longer take initiatives to run the Tri Hita Karana Awards program. Rather, outsiders who enjoy tourism revenues in Bali do it with a small number of Balinese residents. It is an iron fact that such a situation has been brought about by the era of local autonomy.

## **Conclusion**

As discussed extensively above, the social issues in Bali caused during the era of the Soeharto authoritarian regime have evolved into even more serious issues in the era of local autonomy. The uncontrolled developments and social issues tend to be attributed to outsiders, like the central government, immigrants and tourists and so on. This tendency can be found in the new airport development plan in Buleleng. Actually, to promote this project, the central government concluded the MoU (Memorandum of Understanding) with the Indian government in New Delhi, India, on January 25, 2011. The former district head of Buleleng who participated in the meetings with dignitaries from the central government appealed the significance of the highway construction that connects Buleleng to other districts in Bali (*BP*, 2011, January 27). As the criticism "Who own the airport of north Bali?" shows, local

people expect that investors from outside Bali will benefit from the business (*BP*, 2011, May 3). On the other hand, the fact that the local government and people need to take a responsibility to overcome its social issues are less considered, which led these issues to become serious.

As the main obstacle to solve in this structure, we can point out the rising localism in Bali. The 2001 decentralization was followed by promotion of local culture like *Tri Hita Karana* with rising voice that challenges in Bali must be solved on the basis of local idea and the culture. As we have seen already, Balinese communities and agencies actively appeal and often impart the idea of *Tri Hita Karana* into its policy; however, it is doubtful if they truly understand the idea and try to practice it in their daily life. Rather, we can find cases that Balinese themselves cause the social issues to become serious. That is to say, under the process of enhancing local culture and promoting tourism, the facts that are not suitable to their image have become non-visible. As this paper shows that we can no longer understand the Balinese society from the perspective based on dichotomy between Balinese and non-Balinese. Rather, we need to see the new structure that authorized Balinese elites compete with each other by attracting and working with investors from outside Bali. This perspective is needed to deal with social issues in Bali in the era of local autonomy.

## Notes

- 1) I also interviewed a general manager of Bali Travel News on September 1, 2012.
- 2) Under the new system, 85 percent of oil revenues and 70 percent of gas revenues go to central with remainder going to provinces and districts. Special autonomy laws for Nanggroe Aceh Darussalam and Papua treat natural resources revenue from oil and gas in a special manner. Both provinces receive 70 percent of the revenue earned from their oil and gas resources while center receives the remaining 30 percent. These special treatments cause other resource-rich provinces, Riau and East Kalimantan, to continue

- to demand a larger share of oil and gas revenue (Alisjahbana, 2005: 115-116, 121).
- 3) The pollution cause is thought to be the informal final wastes dumping area in mangrove forests in the west national park (*BP*, 2011, June 4).
  - 4) A circular notice sent on August 4, 2011 from a former governor of Bali, Pastika, to all hotel owners and managers in Bali.
  - 5) Interview to some village people in Padangtegal on September 19, 2011.
  - 6) The speech given by Jero Wacik at 2010 Tri Hita Karana award ceremony on 4 December 2010. At the ceremony, Pastika just appealed the importance of promoting tourism with considering nature, however, he emphasized the need of new international airport plan to adjust the economic gap in Bali (*BTN*, 2011, January 14-27).
  - 7) In the interviews I conducted sometimes from 2010 to 2011, the staffs of foundation criticized the business structure controlled by central government as well as the new airport project whose importance was appealed by the governor and ministers. Since 2010 when activity on Tri Hita Karana Award was prohibited in Bali Travel News, however, they tend to hesitate to protest against the government.

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