

Chapter 4

Tourism, Cultural Heritage, and Human Rights in Indonesia: The Challenges of an Emerging Democratic Society

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Introduction

Between 1997 and 2005, Indonesia was buffeted by a series of crises that had a devastating impact on one of its prime economic assets: tourism. An environmental crisis linked to the smoke and haze from the unregulated fires of large land owners in Sumatra and Kalimantan in 1997 closed airports in Sumatra and Kalimantan, and disrupted flights and sea traffic from Java to these destinations for several months. Beginning in mid 1997 and crescendoing in 1998, the Asian financial crisis wiped out banks, airlines, real estate projects, and an array of half-built or newly completed tourist-related projects throughout Indonesia. The decaying shell of a partially constructed Westin Hotel on Jakarta's main highway and adjacent to the famous Hotel Indonesia offers a continuing visual reminder of how the collapse of the capital markets impacted the tourism sector that seemed to offer limitless possibilities. Worse still, the Indonesian flag carrier airline, Garuda Indonesia, recorded a 90.3% drop in profit in 2000 owing to rising operating costs and, more importantly, huge foreign exchange losses (*Agence France Press* 21 May 2001).

Woven into the economic crisis in Indonesia was a political crisis that not only led to the fall of the Suharto regime in 1998, but also thrust Indonesia into a political maelstrom for the next 6 years, undermined foreign investments (many of which were intended to feed the tourism industry), and created the image – with abundant assistance from the international media – of a country out of control, both unstable and dangerous, and consequently unsafe for tourists (Maher 2000).

This negative image of conditions was embellished by the outbreak of ethnic/religious-based conflicts (tied to the economic and political crises but also involving longstanding local rivalries) that occurred throughout the country. These began with the attacks on the Chinese in Jakarta during the political crisis in May 1998, and spread to other areas, involving many groups. Areas affected included not only the tourism meccas of central Java in Yogyakarta and Solo, Surabaya in East Java (Indonesia's second city), portions of South and Central Sulawesi especially in remote Poso, but also the regional center of Makassar in Kalimantan (*Jakarta Post* 23 August 2000), with the indigenous Dayaks attacking the Madurese transmigrants (*The Times* 24 February 2001) and most devastatingly the emerging tourism

enclaves of Lombok and Ambon in Eastern Indonesia (*Jakarta Post* 18 December 2000). In these areas of ethnic conflicts, estimates indicated the displacement of as many as 700,000 people as well as the complete cessation of tourism. These conflicts had subsided by the second half of 2001, but sporadic violence remained a problem and threatened to escalate into something bigger.

Yet just as the Indonesian economy began to recover from the fiscal crisis, and ethnic conflicts had subsided, international terrorism (with implied connections to Indonesian Muslim militants) hurled a new broadside into the recovering hulk of tourism trade. The attack on the World Trade Center in New York City, and the subsequent invasion of Afghanistan hit directly at Indonesia's tourism market (*Agence France Press* 19 September 2001). The Bali bombing in October 2002 and subsequent bomb blasts in Jakarta, which seemed to be directly linked to the jihad proclaimed in the aftermath of the 9/11 incident, thrust Indonesia squarely into the maelstrom of global terrorism (*The Economist* 6 February 2003). In addition to being identified as a nation linked to international terrorism, the Indonesian government had to deal with three notable succession/separatist movements, each related to a long-term internal struggle to create national unity in the face of powerful cultural opposition to the unitary state. These were in East Timor, which gained independence from Indonesia but at the price of a massacre, in Papua (or Irian Jaya), and in Aceh (at the northern tip of Sumatra). Charting the locus of the ethnic and political conflicts on a map shows how they reached from one end of the nation to the other, and in almost all cases involved places where cultural heritage tourism was a significant component of the local and national economy.

Conflicts, Tourism, Cultural Heritage, and Human Rights

There is a direct and powerful connection between these domestic and international conflicts and the state of tourism, cultural heritage preservation, and human rights in Indonesia. Looking at these local conflicts through the perspective of tourism, it is evident that the events of the past 8 years have put cultural heritage and human rights on a collision course in Indonesia. This collision has been exacerbated by the democratization movement underway since 1998 in the world's fourth most populous country. Some critics of democratization suggest that the changing political structure has contributed to the instability as much as anything else.

One of the underlying issues raised in this brief assessment is how Indonesia's political transformation has fueled conflict, challenged conventional notions of cultural heritage in Indonesia, and, in turn, affected human rights. The cultural clashes that have occurred throughout Indonesia since 1998 have contributed to undermining the seemingly integrated and stable multicultural society that was the bedrock of Indonesia's thriving tourism industry prior to 1997. But can and should responsibility for the demise of the tourism industry be pinned on the democratization process, or has the political transformation itself unveiled a highly localized cultural pluralism that had been submerged for decades beneath a powerful state?

In other words, the degree of integration and national stability was more a function of operation of an authoritarian state rather than the result of a national consensus. Democratic reforms and the shifting of power from the central government to the local governments fueled an intense new “localism” that has had direct implications on cultural preservation and human rights. But does this imply some sort of degenerative condition that should be balanced by reassertion of the traditional role of the state, or has the reduction of the state’s control offered up new opportunities to rescue cultural tourism?

To gain perspective on this matter, it is useful to examine historically the emergence of cultural heritage tourism in one Indonesian locality to see how it developed. This can be done by briefly looking at one of the showcase areas, Bali. The case of Bali tourism shows the powerful influence of colonialism, subjugation of local culture through war, and eventually the imposition of the state over local authority.

The Case of Bali

The colonial holdings in Indonesia were aggressively managed in the twentieth century, and throughout the archipelago the impact of Europeanization was increasingly evident. At the beginning of the twentieth century the Dutch had just concluded war in the North Sumatra area of Aceh, located at the other end of the archipelago, and only the tiny island of Bali maintained resistance. Between 1904 and 1914, the Dutch colonial government focused on Bali as the last outpost refusing to come under their rule. The Balinese leadership staunchly resisted absorption in the system. When it was apparent that they could not win militarily, the royal families, rather than submit, walked into the Dutch guns in a sacrificial act known as *puputan*. The royal families of Denpasar, Badung, and then Klung Kung followed this traditional practice and the resistance to the colonial administration suddenly ceased.

While slaughtering the royal families of Bali did not square with the stated intention of the Dutch for benevolent colonialism under what was known as the “Ethical Policy,” the pacification that had occurred by 1914 was followed by an effort to make Bali into a “living museum” of fourteenth-century classical Hindu-Javanese culture. At the same time, there was a heightened sensitivity to local culture and to the potential losses that would accompany Europeanization. The study of local cultures in the Netherland Indies became a major new field in Dutch universities (especially *adat* law).

Tourism in Bali is a direct result of war, local subjugation by the Dutch, and the establishment of a state enterprise. The Dutch created a new company to run tourism, Royal Paket Navigation Company, which in turn built Bali’s first hotel in 1928. In pursuit of success with this new tourism enterprise, the Dutch government took a variety of measures to protect and celebrate cultural heritage.

Many years later Indonesia’s first president, Sukarno (1945–1967), and his new government-sponsored company, Natour, built hotels and promoted tourism

using war reparations and international loans. Sukarno's successor, Suharto (1967–1998), transformed Bali and Indonesian tourism in general from a purely state-run enterprise to project the ideal of nationalism and national pride into a cash cow for the private corporate sector. In Suharto's view, tourism was intended to be a major form of economic development for Indonesia and by the early 1990s, led by Bali's massive tourism enterprise, this sector of the national economy had become the third most important source of foreign exchange behind oil and agricultural products.

In Bali, it was the development of the 425-hectare Nusa Dua tourism development (a cluster of 5-star hotels and resorts on the southern tip of Bali) that reflected the national vision for tourism. Cultural heritage was an explicit component of the Nusa Dua approach: the design of this complex of expensive hotels incorporated local values and regulations. These posh resorts represented a hybrid of the modern, the indigenous, the Indonesian, and the Balinese. They were the foundation of cultural heritage tourism in Bali, albeit in its commodified form.

Abidin Kusno's (2000) recent study of architecture, design, and politics in Indonesia shows how the use of cultural heritage by Sukarno and Suharto extended notions of the predominance of the state and nation over the local in cultural heritage. Taman Mini Indonesia, the theme park in Jakarta promoted by Suharto's wife, sought to resurrect local culture but within the very constrained political confines of the New Order government, which demanded unity over diversity. Had not the financial crisis intervened, there would have been plans for other Nusa Dua-like complexes in other strategic tourism locations in Indonesia, all helping to push cultural heritage to the forefront of the larger effort to move the nation from developing to developed nation status. The whispers of discontent that "real" culture and heritage was being subsumed under this corporate/theme park approach were not enough to challenge this approach. It required the economic and subsequent political crises of 1997 and 1998 to thwart the movement.

Tourism in the Era of Crisis

Beginning in late 1997, the collapse of the tourism economy was prevalent throughout Indonesia, although this collapse must be seen as a multistage process. While tourism in Indonesia consists of both a foreign and domestic market, it is the level of international tourism that is a determinant of its economic impact. Available data on foreign tourists in Indonesia between 1996 and 2000 indicates that the drop in tourism from the events of 1997 and 1998 was modest and short-lived, especially given the depth and duration of the crises affecting Indonesia. A sharp drop in foreign tourism occurred between 1997 and 1998, with a loss of approximately 11% from the record 5.185 million in 1997. By 2000, however, overall foreign tourism nearly returned to the 1997 record level. Available evidence suggests that the impacts of international terrorism after September 11 produced an impact as discouraging as the foreign tourist decline in 1998. Unlike the previous crises that

could be readily connected to internal matters, the impact of international terrorism on tourism had a global dimension, with Indonesia's misery being shared by many other destinations. (*Statfor GeoEconomic Analysis* 27 October 2001; Crampton 2001). Although the full impact of the September 11 incident has not been assessed, what is notable from select data is how resilient Indonesia's tourism sector was in the face of multiple crises. In the case of two key Indonesian destinations, Bali and Bantam, tourism actually thrived in the midst of the pre-September 11 crises (see *Indonesia Tourism Market Database* 2001).

From 1996 to 2000, foreign arrivals at Bali's Ngurah Rai airport grew from 1.194 million to 1.468 million persons, with a modest drop (approximately 47,000 persons) between 1997 and 1998. Batam also maintained its role as an important foreign tourist destination for those entering by sea. Unlike Bali, Batam reached its peak of 1.248 foreign arrivals in 1999, and fell off only slightly to 1.134 million in 2000. But it is important that the year 2000 figure was greater than either 1996 or 1997. It was the increase in arrivals of Singapore residents that sustained Batam's foreign tourist growth, with the number of Singaporeans increasing from 597,453 in 1996 to 742,272 in 2000. (Note the drop off after 2002: 1.5 million in 2004, 1 million in 2005).

The real victims of Indonesian crises were the urban tourism markets, notably Jakarta, Bandung, Surabaya, and Makassar, places where the political battles and ethnic conflicts were played out. In 1996, the capital city attracted 1.565 million foreign arrivals. That figure declined slightly in 1997 to 1.457 million, probably related to the effects of smoke and haze generated by the fires in Kalimantan and Sumatra. It was in September 1997 that an ill-fated Garuda flight from Jakarta crashed into the mountains near Medan because of the haze. In 1998, the number of arrivals fell to 883,000 persons, a drop of 39%. Over the next year, the Jakarta arrivals fell another 7% before picking up in 2000 to regain part of the previous loss and record slightly more than one million arrivals. It is significant that 2000 saw the Indonesian economy recover partially from the 1998 to 1999 collapse, although it was a partial and short-lived reversal. While arrival figures for other urban tourism centers in Java, Sumatra, Kalimantan, and Sulawesi are not available, available data on hotel occupancies from other urban tourism centers, especially Yogyakarta, Medan, Surabaya, and Makassar, suggest that all of these markets have been hard hit by the crises.

It is probably not coincidental that these urban areas have been featured in the international media as centers of social and political unrest. The image of urban mobs, coupled with such antitourism acts as the recent threat of "sweeps" aimed at driving foreign tourists out of the country, certainly helps to explain a part of the fall-off in foreign and domestic tourism visits (*Detikworld* 18 December 2000). It is the local environment for tourism that has become an ever more important factor under a newly implemented system of decentralization in Indonesia, and this change requires a whole new set of strategies and a dramatic orientation of the tourism industry. This is especially important now because expanded tourism, especially aimed at foreign arrivals, is recognized as a sustainable approach to economic recovery in Indonesia.

Decentralization and Democratization: The Indigenous Movement

In January 2001, Indonesia implemented two legislative acts that had been promulgated in 1999 (Law 22/99 and Law 25/99) which together greatly expanded the powers and responsibilities of district (*kabupaten*) and city (*kota*) governments. Law 22/99 consolidated central government offices with their local counterparts, including tourism (*dinas pariwisata*), ending decades of a system that had made central government the dominant player in local governance. Law 22/99 made the local governments fully responsible for developing and implementing programs, including tourism. This change in local government responsibilities occurred when Indonesia was in the throes of a severe economic crisis and on-going political instability, and so primary attention has focused on initiatives to tackle directly local unemployment and to provide basic services, with no attention to tourism. Under Law 25/99, the central government shifted the process for providing financial support to local needs from a system of targeted grants and direct payment of the costs of all government salaries to a single block grant to local governments known as the Public Allocation Fund (Dana Alokasi Umum: DAU). This new fund covers salaries, development projects, and other routine expenditures, with locally generated revenues (PAD) providing additional necessary funds. For most localities, however, locally generated revenues represent a small proportion of overall revenues, in most cases less than 30%. Indeed, what many localities discovered under decentralization is that the costs of all local employees (including those transferred from the central government offices to the local offices) coming from local revenues leaves them with far less for nonpersonnel expenditures than before (see Usman 2001; Saad 2001; Silver et al. 2001).

There are exceptions, however. For example, districts rich in resources – for example, Kutai in East Kalimantan (which recently was divided into three smaller districts) – have benefited from the redistribution of revenues derived from the extraction of gas, timber, and mining. Under the pre-2001 system, these revenues went entirely to Jakarta, but now they are shared with the localities from which the revenues are derived based upon a fixed formula. For the great majority of localities that lack these natural resources, there is a natural tendency to regard the formula for DAU as unfair and to favor a system that sends more funds to Jakarta, where they would potentially be redistributed to resource-poor areas. The real problem is not so much an unfair DAU formula but rather declining domestic revenues overall coupled with negligible locally generated revenues that in some cases had fallen in recent years. Declining tourism contributed to lost local revenues. In many of the resource-deficient areas of Indonesia, the opportunity to increase local revenues through greater tourism is more important than ever under the revised public financing processes since enactment of Law 25/1999.

Locally generated revenues from taxes were changed through tax reform legislation that was implemented just prior to the onset of the fiscal crisis in 1997. In essence, the reform removed unproductive local taxes that appeared to cost more to

collect than was actually collected. The consolidation of local taxes into a smaller number of sources (the most important being land tax, hotel tax, restaurant tax, and license fees) seemed a reasonable move at the time, and was justified as a necessary modernization effort. Recent data suggest that the localities with the highest locally generated revenues are also those with the strongest base in tourism. The Badung and Giandyar districts in Bali, for example, had significantly more locally generated revenue than any other areas in Indonesia in 2001. Conversely, those areas where the tourist trade is small are able to secure far less in their own source revenues. This suggests that the strength of tourism at the local level can have a positive impact on local financial resources.

The other half of the equation – as local funding decisions replaced those of central government – was a continuing push for increased democratization of the entire political process. From 1999 through the elections of 2004, Indonesia changed from a country where all political decisions flowed from the central government without popular participation (and where there was really only one viable political party), to a system where the local legislature, the provincial and national legislatures, the major, district heads and governors, and then in 2004 the president and vice president, were elected by popular vote.

Locally Focused Tourism

How did these events affect tourism, especially in cities and towns in Indonesia? Certain internal and external factors have exerted influence, not all of which any individual locality has the capacity to control. For example, the Bali districts benefited from the overall growth in tourism in the province from 1997 to 2000 because of a combination of good value at low prices because of the weakness of the rupiah, and also because initially Bali communities avoided association with the political, ethnic, and environmental crises that so afflicted other places in the archipelago. Moreover, Bali localities had the unique advantage of receiving most foreign arrivals directly through its own airport, connecting to the large Australian and Japanese markets. During 2000, Bali hotels averaged between 85 and 95% occupancy whereas during the same period Yogyakarta star hotels were ranging between 40 and 60% occupancy, which was an increase from the average occupancy in Yogyakarta of 24.8% in 1998 and 30.45% in 1999. It is important to note that Central Java experienced some of the most vehement antiforeigner protests during this period. Cities such as Yogyakarta and Solo were among the popular tourist destinations which westerners were warned by their consulates to avoid. Although various militants had threatened to sweep hotels of foreign guests, focusing especially on the city of Solo, the threats were never carried out. But the perception of danger for foreign tourists had the effect of literally turning off the tourism faucet. In contrast, Bali resorts never experienced that problem (*Jakarta Post* 22 October 2000).

Yet Bali was decimated in the wake of the October 2002 bombing of Paddy's Bar in Kuta (Bali) which killed 200 people; virtually all tourists left immediately; and less than one-half of the number of tourists that had been anticipated in November showed up, with many hotels under 10% occupancy, and this in the face of a continuing national economic crisis that had elevated the cost of everything. The only way that Bali was able to rebuild part of its tourism base by 2003 was to offer deep discounts to Asian visitors (up to 50%) and this had mixed results since they tended, unlike westerners who had disappeared altogether, to move beyond the commercial areas into the villages and interior areas (i.e., locally based tourism). The Bali bombing rippled into Yogyakarta in Central Java, where according to the Director of the Indonesian Culture and Tourism Board, about 45% of the small shopkeepers and vendors went bankrupt after the Bali bombing incident. Later, the Marriott and the Australian embassy bombings in Jakarta kept this fear factor alive.

Expanding the tourism potential of localities is directly tied to political stability at the local and national levels, however, and political stability, as long as it is not achieved through totalitarian means, is closely linked to public welfare and ultimately human rights. As previously noted, the politics of protest since the fall of the Suharto regime have tended to include explicit antioutsider sentiments, with arguments propagated among some government critics that foreign investment is a move toward a new form of economic and political colonialism. In other words, localism has trumped globalism. Yet tourism-based economic development has also offered the greatest opportunity for local multipliers, for bringing foreign exchange with minimal loss to outflows, and strengthening local political identity. While there is evidence of some leakage in foreign exchange, displacement of labor, price inflation, and economic volatility in localities that are overreliant upon tourism (see Hall 1994), within Indonesia only Bali localities, and possibly Lombok and Yogyakarta, possess even the potential for these sorts of negative externalities. In general, the current level of reliance of other cities and districts on tourism as a component of local economic development is well below its potential to generate positive externalities. Indeed, there is much more evidence that tourism generates new small-scale enterprises that directly benefit the host community (Cushnahan 1999). But this does not mean that if localities build hotels, and advertise that they have nice beaches, the tourists will come. There are too many examples in Indonesia of government-built hotels and resorts in the 1970s and 1980s that were situated in attractive localities but remained virtually empty most of the time. Local perceptions of assets and liabilities are filtered through the cultural and political norms of that locality and may be completely out of step with potential foreign tourist markets. If marketed, these local assets may be presented to potential tourists in ways that may not adequately convey their attraction. To benefit from tourism investments, localities must understand better their market, their strengths as a destination that relate to that market, what is necessary in the way of investments to secure its market, and how tourism assets relate to those of its competitors and its natural allies in other localities.

But how is this done? First, a correction must be made, for there is one important structural impediment to local engagement in tourism outside of the destinations

directly served by foreign carriers that must be recognized: The local transportation system has relatively little access to external markets. Most Indonesian cities and towns, except for Jakarta, Batam, Medan, Manado, and localities in Bali, lack direct overseas airline connections. As a result, most localities (including the cultural center of Yogyakarta) are reliant upon the domestic transportation system to provide access to the foreign tourist market. Yet under decentralization, local governments have relatively less capacity to influence directly the domestic transportation system than under the previous centralized system. Transportation services have been disrupted by the economic crises, with a fall-off in air travel and greater demands on rail and bus service. Overall, there has been a significant reduction in domestic flights to many urban destinations since 1997.

Therefore, how can cities and districts take advantage of tourism to support economic development, revenue generation, and urban revitalization under such unfavorable conditions? A necessary precondition for localities to utilize tourism as an economic development strategy is to have access to a more thorough understanding of possible markets and to devise plans to utilize local resources to make the tourism sector operate effectively. For the most part, however, local leaders do not understand what it takes to accomplish this, and the current system lacks the institutional mechanisms to make it work. Decentralization has placed tremendous new responsibilities on local government to manage the tourism sector but without any precedents to draw upon or any viable models to emulate. The logical response for local governments would be to lodge responsibility for expanded tourism in either the tourism agency (*dinas pariwisata*) or within the local planning board (*bappeda*).

But neither of these agencies alone is capable of managing the multisectoral nature of tourism, especially in growing urban areas and under such challenging political, social, and economic circumstances. A more effective mechanism would be to establish independent, quasigovernment urban tourism corporations with revenue-generating capabilities and with leadership drawn from the key local stakeholders (government, the business community, labor groups, and the transportation sector). This group would be responsible for identifying the requirements of marketing and promotion by the tourism agency, determining infrastructure and public service needs through the local planning and public works agencies, and proposing intervention that would bolster local tourism capacity, including structuring public-private partnerships for tourism-related investments.

One way to ensure a higher level of expertise among the many local novices in Indonesia's tourism trade is to establish networks of local destinations through collaborative planning and cooperative projects. Local tourism networks must respect the autonomy of cities and districts inherent under decentralization, but this can be a device to promote greater collaboration between localities that are linked within particular geographic regions through the transportation system or that offer potential synergies to attract increased tourism. The idea of *local tourism networks* offers an innovative approach to overcoming local deficiencies and strengthening the tourism component of local economic development throughout Indonesia, not just in the established tourism centers. Yet to utilize an approach such as a local tourism

network requires some fundamental changes in the conception of tourism, the planning process, and local governance. Some of the changes in the local mindset necessary to utilize local tourism networks are as follows: (1) embrace the idea of localities as a tourism object in their own right; (2) treat tourism as a legitimate and key component of local economic development; (3) utilize a planning process that recognizes the interconnectivity of localities especially with regard to the infrastructure, service, and marketing components of tourism; and (4) promote a participatory planning and implementation process that enables the full range of local stakeholders to identify benefits from local tourism development.

The challenge confronting localities in Indonesia under the new system is to strengthen interjurisdiction cooperation rather than competition in tourism. In the context of Indonesia's struggle to promote overall development within a decentralized governance structure, cooperation rather than competition offers a more appropriate and viable strategy. The competitive model assumes that there is a fixed market and that local efforts should be geared toward gaining a great share.

In the case of Indonesia, the net effect of local tourism networks should not be to strengthen any one region's share of a fixed tourism market, but rather to create attractive new opportunities throughout Indonesia that will appeal to a larger segment of the global and local tourism markets. In other words, local tourism networks would expand the number and diversity of destinations, facilitate investments that would improve conditions in larger geographic areas, and help to overcome the growing separateness of localities that seems to have been engendered in the initial experiences with decentralization. Importantly, tourism development on a local basis would stimulate respect for local cultural heritage and could lead to a heritage management model whereby Indonesia's pluralism would become its signal asset. Local tourism would drive overall national tourism development rather than each locality just trying to get its share of the existing pie (Ashworth 1989).

There are some obvious and less obvious geographical configurations for potential local tourism networks in Indonesia that would expand the range of options for foreign tourists. The ten examples listed below are merely indicative of an approach that shows how local tourism networks would create new configurations that cross traditional, provincial, cultural, and political boundaries. Each is also premised on provision of an integrated transportation system to facilitate access by tourists within a designated geographical region, and that these would in turn be integrated into a national network. Moreover, each cluster would likely include a substantial larger grouping of localities than is implied by those identified in the list itself. These key actors would likely encourage other localities to play a role within the network, especially when involvement benefited all partners. The important point is that through a system of local tourism networks the potential tourist centers in Indonesia would be enlarged appreciably from the current level, that investments in public infrastructure and private facilities would be geared to a larger geographical area through coordinated efforts, and that the interaction of highly skilled tourism communities with novices in a collaborative endeavor would lead to an overall expansion of tourism in Indonesia's localities.

Local tourism networks in Indonesia, based upon a combination of geographical proximity and cultural diversity could include the following clusters:

1. Jabotabek–Baten–Bandarlampung
2. Bandung–Sukabumi–Cirebon
3. Yogyakarta–Solo–Semarang
4. Surabaya–Malang
5. Denpasar–Mataram–Maumere–Kupang
6. Padang–Bukittinggi
7. Balikpapan–Samarinda
8. Makassar–Pare Pare–Menado–Ambon
9. Medan metropolitan region
10. Batam region

Conclusion: Decentralization, Cultural Heritage, and Tourism

Decentralization and democratization in Indonesia have transformed the role of local government from that of implementing national development objectives defined largely through the central government agencies in Jakarta to one of serving local community needs as identified by local stakeholders. This is not to deny national expectations and values but rather to acknowledge that these derive from a multitude of local sources.

Under the governance and financing schemes for decentralization set forth in Law 22/1999 and Law 25/1999, localities are afforded new responsibilities to govern their affairs, provided a commitment of limited central government funding to carry out a larger share of responsibilities, and afforded the legal means to devise their own approach to meeting those responsibilities. In other words, Indonesia's approach to handling local versus national (or minority vs. majority) interests has been to move in the direction of localization. There is a clear human rights benefit here as local communities gain voice and claim the right to represent their own heritage as distinct from that of urban centers or the nation as a whole. Because of its extensive and varied assets, Indonesia represents one of the leading tourist destinations in the world. As recently as the mid-1990s, prior to the demise of the New Order regime, it was anticipated that tourism would soon overtake oil and other natural resource exports and textiles as the leading generator of foreign currency in Indonesia (Booth 1990). A powerful economic force, tourism can enable the diversity of cultural expression.

As demonstrated by the data presented above, Indonesia's tourism sector struggled under the weight of the multiple crises of an economic collapse, a massive environmental disaster, extensive political turmoil, and ethnic conflicts between 1997 and 2005. At the same time, however, localities struggled to provide for their basic needs under the new governance and finance systems, and searched in

desperation for workable solutions to increasing fiscal and service provision challenges. Strengthening the involvement of localities through networking arrangements in tourism offers not only some short-term solution to local fiscal problems but introduces a new cooperative model that allows decentralization and local autonomy to flourish while knitting together into a new fabric the political and cultural diversity that is the strength and the uniqueness of Indonesia.

The end of the authoritarian regime of Suharto's New Order government and the subsequent democratic movement coincided with a severe disruption of the tourism market, and with a variety of cultural clashes throughout the Indonesian archipelago. To mitigate these circumstances, is it necessary to utilize an authoritarian or at least a centrally controlled heritage/tourism/political system to ensure that the necessary social stability is achieved? Is democracy antithetical to cultural heritage and preservation of human rights, given the abuses that have accompanied the political and economic transformation of Indonesia since 1998? The democracy movement obviously contributed to a period of political and social destabilization, but there are widespread examples of the democracy movement reinvigorating Indonesia's cultural diversity and cultural heritage, which had been submerged under a political definition of Indonesia linked to colonialism, nationalism, and modernization movements from the early twentieth century. A new paradigm of local decision making where citizen participation is not just ceremonial but substantive is one key to the transformative power of Indonesia's democratic movement and the transformation of the style and substance of cultural tourism.

A powerful new localism has emerged in Indonesia and with it the potential to create a sustainable heritage movement that is far more respectful of local tradition. But this new localism has created new points of conflict between cultural heritage, tourism, and human rights. One recent example involved a proposal to construct an art market, known as "Java World," to improve facilities at the UNESCO World Heritage site of Borobudur in Central Java. Proponents of the art market project contended that it would help to conserve the temple site by restricting vendors to a designated space separate from the monument, with parking for automobiles and buses, and where tourists could board a train to visit the site. Opponents included many local artists who objected to this commercial enterprise and also local villagers and vendors who saw the Java World project as a direct threat to the hawkers who would be removed from the site and thus denied their customary livelihood. The project leadership in the Central Java government contended that the project was "meant for public welfare," and some preservationists regarded it as a way to eliminate some of the negative environmental conditions from this revered site. Critics contended it was just a revenue generator for local government at the expense of jobs in the informal sector. The values of tourism for economic development, preservation of a cultural icon, and social justice for hundreds of poor hawkers clashed in the controversy over Java World. This was not a new circumstance in Indonesia, since many of the "megaprojects," such as the Nusa Dua complex in Bali, had also met some local resistance initially on cultural and political grounds. But what was different in this tourism development controversy was the ability of the nongovernmental organizations (NGOs) to mount a successful opposition to the project on environmental,

cultural, and social justice grounds and to effectively counter the government's efforts. The new democratic localism in Indonesia had empowered the previously powerless to stand up for a different set of values around not just tourist-related developments but in a full range of new responsibilities of local government.

A commitment to safeguard human rights has emerged as one of the objectives of the new localism transforming Indonesia. It also has altered fundamentally the approach to tourism throughout Indonesia, greatly elevating the role of local interests over the previously dominant role of national governments and large corporations with government backing. As Indonesia further consolidates its indigenous democratic system, its tourist resources will be transformed as well. In what manner this transformation occurs will vary by locality. But what seems likely is that there will be a greater range of destinations where local cultural institutions are likely to be far more evident: tourist destinations that not only entertain but also educate. The result may be to transform Indonesian tourism into an institution that reflects more precisely the nation's cultural heritage and that supports human rights in new and important ways.

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