Unfinished Business: The Customary Land Individualization in Olilit Village, Tanimbar Islands

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Bayuni Shantiko

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MEMBERS OF THE EXAMINING COMMITTEE

Dr Murat Arsel (supervisor)
Prof. Dr Ben White (2nd reader)

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Enquiries:

Postal Address:
Institute of Social Studies
P O Box 29776
2502 LT, The Hague
The Netherlands

Telephone: 31 70 426 05 41
Fax: 31 70 426 07 47
Email: Voorvelt@iss.nl

Location:
Kortnaerkade 12
2518 AX, The Hague
The Netherlands
To

My seventh month son, Narendra Juang
and my beloved wife, Fajar Aristiana

You light my fire...

(Regentesselaan 381, December 2006)
Foreword and Acknowledgement

This paper discusses the process of land individualization undertaking in Olilit village, Tanimbar Islands. While the lands are manage under customary management and the village is located in remote areas, it doesn’t prevent them being effected from land individualization. The process takes place when the land is transferred to the outsiders in many ways through land commercialization and appropriation by the local government. Moreover, this paper visualizes the important aspect regarding the impact of the individualization to the life of the people in Olilit. The benefit from land individualization might not be distributed evenly in the society. Yet, the livelihood of the people after land individualization remains a question.

Overall the paper hopes to stimulate further discussion on how best the community deals with the change effected by customary land individualization, especially in rural remote areas. The author felt that the remote areas are often forgotten from the global debates and encourages others to elaborate more on this topic in other locations.

I would like to express my great appreciation to my supervisor Dr Murat Arsel for his thoughtful and helpful supervision. My gratefulness also goes to my second examiner Dr Ben White for his valuable comments. Their expertise have indeed helped me to improve this paper.

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Regentesselaan 381, December 2006

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Glossary

Batu adat: (literally means customary’s stone) a set of customary leaders consists of 10 leaders represented Olilit and Fanumbi on equal representation 5 leaders respectively. In the rituals, they arrange the seat like a boat sailing the sea.

House: cluster of houses; smallest element of marga consisted of households. Several houses can assemble into a marga.

Petuanan: the tract of land which is bestowed by the first settler to other dispersed group in order to make them joining the village. With this portion, the first settler may also offer seats in the ritual office. Petuanan in Olilit is controlled by marga groups.

Mangfaluruk: or land supervisor. He is appointed by marga groups who control specific petuanan area with main function is to grant a petuanan use. Technically he will do worship for somebody before starting any activities on the land.

Marga: clan or lineage families consists of number of houses

Soa: united of marga groups. Several soas assemble into a village.
Abstract

This research discusses the transformation in customary tenure toward commercialization and appropriation in Olilit village, Tanimbar Islands. The study analyzes several factors leading to the customary institutional change. It also looks at the roles of actors shaping the changes and how the actor mostly the elites usurp the benefit from the process.

Since the process of individualization has been a widespread trend and seems to be inevitable in the future, the research suggests the community to think carefully regarding their decision toward customary land. Any decisions they made should be based on voluntary with sufficient information at hand. This research also suggests the community to invest themselves in order to deal with the livelihood change after having no access to the land.
Chapter 1

General background

Historically, many communal lands have been undergoing a transition process toward individual property. The most important force was agriculture commercialization and often accompanied by increasing population pressure on land (Bruce, 1988; Boserup, 1981; Rosenzweig, Binswanger and McIntire, 1988). This has led to gradual establishment of permanent right over the land under shifting cultivation system through new commercial crops. At the same time, the land gained a substantial value causing land competition with the influence of powerful groups in the society, they change the tenure institution. It is not surprising then the land becomes a commodity, enters the market and holds for individual ownership.

On the other hand, other scholars try to explain the same reality from an urban development’s perspective. While the land is getting more importance for non-agriculture purposes especially due to urbanization (Tacoli, 1998), the urban area has expanded its space throughout urban periphery. As a consequence, the rural land encounters a pressure from urban development as reflected by the excessive transfer from communal land to individuals in urban areas. The examples from sub-saharan Africa indicate the massive transfer from customary tenure to individual property occurred in urban areas (Durand-Laserve, 2003; Obala and Kinyungu, 2003; and Kironde, 2003).

With reference to these models and facts, rural people in Indonesia have encountered similar problems. Land still becomes an issue with the fact that many people in Indonesia live in rural areas and the access to land are mostly mediated by group control under customary land management. At the same time, many rural areas are in the midst of pressure from urban development.

Furthermore, access to the customary land entails some dilemmas. While groups control over customary land might create exclusion to minority groups, the land most of the time is inalienable. Whereas the land provides the households with source of income, a valuable asset, a source of foods and an insurance against shocks (De Janvry et al., 2001:4-6), the land individualization would leave several questions of livelihood

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1 See further discussion by Otsuka and Place (2001); Otsuka and Quisumbing (2001); Quisumbing et al. (2001); and Platteau (1996).
sustainability. How will the people cope with the new land relation and will they be able to get a livelihood out of the land-based occupations?

Despite these dilemmas, the land issue has been rejuvenated through the course of history so as the effects of land individualization remains an unfinished business.

**Brief description of case study**

The case study is about the story of people in Olilit village, Tanimbar Islands who are experiencing the process of individualization of their customary land. The access to the land for Olilit society is managed under customary land tenure, namely petuanan. However, over the past 60 years, the Olilit community has been losing its control over their petuanan through various ways.

The communal land has been transferred to private property and mostly is taken by the outsiders living in the town nearby, Saumlaki. While the town is developing as a result of newly established district government, the detached customary lands are used for urban housing and settlement. Moreover, the urban land use becomes more intensive since public infrastructures such as road, hospital and district offices also require land with a lot of space.

Some problems arise after the lands have been individualized. This has to do with the changing livelihood of the people. At this moment, they still depend on agriculture sectors but then it becomes a concern on how they are going to live after they have lost their control over the land. At the same time, much of the lands are exactly converted into non-agriculture purposes.

In the light of this, what happen to the Olilit community was very obvious. The process of change has undergone so far hence, the research is trying to find out how the process has been taken place, what the impacts are and who gets benefits from such process.
Objective and Research Question

This research has two main objectives that is: first, it aims to understand the main features of customary land in Tanimbar Islands, its relationship among the people and the land, social structure and distributional pattern of resources. Second, it intends to explore the processes of land individualization and figure out what the impacts are to the life of the people in the rural area. In order to reach these objectives, research question is raised herein:

What are the factors driving the process of customary land individualization in Olilit village and who gets benefit from it?

Relevance and justification

Land commoditization is still relevant in the developing world despite the fact that it has been more significant in the developed world. The land still becomes an issue since it represents not only economic value but also social and cultural value. Therefore in the
context of customary land, commoditization would change the configuration of access and social relationship related to land use. Furthermore, this research offers another point of view looking at land individualization process as part of an episode of the urban development. The discussion is still relevant and useful for contributing to the debate of rural change while the rural areas in other part of the world and also in Indonesia have been undergoing the similar process of change.

Brief analytical framework

In analyzing the process of the customary land individualization, a number of frameworks are used in this paper. First, it concern with access framework (Ribot and Peluso, 2003) which is helpful explain the structure and access mechanism enable somebody to get benefit whether or not he holds the rights to the resources. Second, the access to resources is also mediated by institution structure comprises of three elements (Feder and Feeny, 1991). The main focus in this paper is the institutional arrangement and assuming the constitutional order and normative codes are given.

A third framework concerns with urban development process and its relationship with rural change. In line with this, Tacoli (1998) discussed the modernization followed by urbanization process which provides an explanation of customary land transfer and spatial pressure in the urban periphery areas. The discussion expands to include government policy as one of the factors shaping the customary land use and rural change. On top of that, the last framework is trying to analyze who gets benefit from customary land individualization in Olilit. The discussion under public choice approach (Grindle and Thomas, 1991) is useful to analyze the tendency of the elites seeks the incentives to maintain their power in the society.

Research method

The research is based primarily on a qualitative methodology. First, the selection of the study location needs to be explained. The site has an importance regarding to its location. It is located outside the Java Island and has different type of land management where customary land management is common in this area. In addition, Olilit village is located at a remote island which encounters transportation problems and access to the market. Despite its drawbacks, the land commercialization is still going on as well as land appropriation for public use. Apart from any noises produced in the center of the country,
the land commercialization in the remote area is likely to be neglected and forgotten. Therefore it is relevant for the research to show that the land individualization process could happen anywhere else including within customary land tenure.

Second, the research employs both primary and secondary data. Primary data were acquired during the fieldwork in the Olilit village by using semi structure interviews, group discussion and informal conversation. The primary data were gathered mainly from interview with new elected village head, former village secretary, businessmen in the city, the villagers especially those who have ever experienced land transactions. Group discussion among youth groups and the elders were also conducted to get more insight on the study topic.

In addition to that, a series of the interview was also conducted to interview the officer in district government. They are: staffs of agriculture agency; head of District Land Board (BPN); head of General Affair of District Office (Kabag Umum); and officer in Public Works Agency (PU). The information to collect was about the Saumlaki's main road project and some issues regarding land compensation scheme. Last but not least, some informal conversations were conducted where feasible.

To support primary data, the secondary data were also collected from Tanimbar Land Use Planning Project Report, district statistical data, national statistics, internet sources and literature study.

Third, the information collected were analyzed upon completion of each interview and organized in the interview log. Further analysis was based on this log and several phone communications after leaving the field were made to seek some clarifications. The analysis was focused on the aspect of shaping the access to customary land and the notion of the elites capture. These were based on the case study concerning three modes of land transfer: kinship relation mode; typical land selling-buying; and land appropriation by government for public infrastructure.
Chapter 2
An Overview of Olilit Community

Olilit village is located at the southern tip of Yamdena Island in the Tanimbar Islands. This village is only a tea-drink away from Saumlaki, the district capital. Roads make it possible for people to travel from the village to the district capital. In terms of population, this village is larger compared to other villages in the island. It has an approximately 1,000 households and around 4,000 inhabitants.

Olilit village consists of two settlement regions, West Olilit (WO) and East Olilit (EO). Prior to 1946, people were all living in WO until the establishment of the sub-district capital in Saumlaki. Although WO and EO became two separate regions, both are still under a single village government.

The villagers give utmost importance in understanding their roots hence; Olilit’s history is being passed on from one generation to another for ages. According to them, the Tanimbarese people do not originate from this island. Myths say that people came to this island through a series of migration, sailing across archipelago and united with other groups forming a new settlement in the present home (Mc Kinnon, 1991:55).

At present, several groups can be found in Olilit namely, Iyat-Taborat; Ngrias or Ivakdalam dayar; Maselar and Mpmrenan; Nifmasar, Ibyaru, Rumray, and Batmwerar; Lakteru, Baritu, Laratmase and Rangkore; and an independent group called Ndriti and Kempirmase. These groups used to live separately but after a series of warfare and alliance, they united and established five soa called Fanumbi, Futuembun, Futunanembun, Ivakdalam, and Waranmaselembun. This was commemorated by changing the name of the old village from Lartutul into Olilit which means round\(^2\). During the union, the following pledge called Ngrimase (the words of gold) was declared:

\(^2\) After consolidation, the people use ‘Olilit’ for an external affair but for an internal affair they use ‘Olilit-Fanumbi. The name of Olilit refers to the united of Soa Waranmaselembun, Futuembun, Ivakdalam and Futunanembun whereas Fanumbi was formerly different group, a consolidation of several groups (Mc Kinnon 1991:67).
1. *Tal da o lan lese, ma tal dol o lan lese* (we together go to the land, only one Olilit, as well as we together go to the sea)

2. *fwalir lan nim bubu roat na dol ma fwalir lan nim ampat werain nada* (you are allowed to harvest your stone fish trap in the sea as well as from your estate in the mainland)

This pledge denotes an important wisdom on how the people in the community should live their lives. Moreover, it serves as a basis of an institutional arrangement on the allocation and management of resources especially the land estates. At this time, people were engaged in subsistence farming, cultivation of estates for coconut and small scale fisheries exploiting stone fish traps in the sea.

**Figure 2** Olilit village from the top

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**Socio Economic Situation**

The main activity of Olilit families is mainly on agriculture sector, with nearly 83 percent of total families in 2003 (PODES, 2003). Although it is a dominant livelihood, this doesn’t mean that they just focus on this activity without doing other livelihood. In fact, the seasonality of income is important to note since some householders also work in the town nearby in order to get immediate cash income. They use some of their time after
cultivation period to do paid-work in non-farm sectors in the town while the women will be responsible for nursing the crops in the field.

The food crop agriculture has contributed a small amount of cash income since most of the harvests are consumed by the households. Some food crops are also sold especially vegetables but the income derived from it is not necessarily aimed for capital accumulation. Therefore, we can say that the people in rural Olilit are still live on subsistence.

The general pattern of income distribution in the southern Yamdena can be seen in Figure 3. The figure shows that the rural global income is divided into various income generating activities. Trading copra (dried coconut kernel) and marine fisheries remain an important contribution to the household income. Besides farming activities, there are several activities which are considered as rural non-farm income such as craftsmen, unskilled labor, driver and entrepreneur. The figure also shows that the non-farm activities are important contributors to the global income.

Figure 3 Global Income Distribution in Southern Yamdena

Source: Shantiko et al., Tanimbar Land Use Planning Project (2004)
In Olilit’s case, farming still plays an important role (see Figure 4). In relation to the recent trend, other activities besides farming are also growing, for instance craft making and wage labor.

From these figures, it can be said that the main livelihood of Olilit people is based on natural resources extraction, which is farming and fishing. But other livelihood activities are growing and attracting many rural people. This is partly due to the growth of the nearest district capital, Saumlaki. Another new livelihood that is favorable for Olilits is motor-taxi driver (ojek). There are about 120 persons developing ojek as their main livelihood; many of which are youth (Belay, interview).

**Socio Political Organization**

Leadership is a central idea in traditional society including in Tanimbar society (Purwanto, 2005:26-27). The leaders are social, political and religious leaders at the same time. They are responsible in managing various aspects of human life such as social, culture, economics, defense as well as natural resource allocation. This means that the traditional leaders plays significant role in Olilit society. The natures of such leaderships are elite domination, single and absolute authority and often inherited.
In this context, the leadership structure is manifested into the boat sailing the sea. Each crew represents a particular leader with specific roles and responsibilities. This idea is translated into a ritual office located at the square in the middle of the village. There are ten seats in the ritual office of Olilit arranged based on left and right positions. After a village union, the ritual office was also merged: Olilit sits on the left side and Fanumbi on the right side. Each row represents a particular function and role among these are the main speaker (mangatanuk silai), second speaker (mangatanuk marumat), prayer and sacrificer (mangsompe double as village’s mangfaluruk), herald (mangfwayak), and last speakers (wilin fian-wilin bayal).

Figure 5 Structure and Organization of Ritual Office in Olilit Village

![Diagram of Ritual Office Structure](image)

Source: Belay, Interview (2006)

The structure in Figure 5 illustrates how the decision might come to an agreement in a hierarchical order. The meeting must be opened by the first speaker and continued by other speakers in sequence. In the meantime, nobody especially those who sit outside the boat, is allowed to interrupt the conversation until given the permission to do so. At the end of the meeting, the last speaker would close the meeting and summarize the decision. Towards the end of the meeting, the herald is responsible for disseminating the result to the whole society which binds the community.

All positions on the stone boat are important but with respect to the land, the officer called mangfaluruk has more importance compared to the others. Formally, the mangfaluruk plays a role in the village meeting but is also responsible for maintaining the relation between the physical and spiritual world by worshiping and making the sacrifice.
In reality, it is the one who gives consent for any land use be it for agriculture purposes or other purposes such as building a house.

**Land access in the Olilit Society**

The sections below will elaborate on land access of the Olilit community. This will explain the development of petuanan at an early period. It will also discuss the role of a distinct land supervisor as well as the distributional rights over petuanan. Issues on land ownership and rights to trees will also be covered.

**The formation of petuanan**

There are at least three ways to obtain the right to control a land, they are: 1) being the first settler; 2) join other groups as an exchange of a portion; and 3) acquisition from the warfare (Purwanto, 2004:87). It was clear that the first settler could claim a tract of land in a particular area. Since the area was very large, it is difficult to control and defend the area from the occupation of other groups. Therefore, the first settler will attempt to call other groups to join by bestowing the position in the ritual office. A ‘stone’ seat, as well as a tract of land or petuanan will be offered as an option for joining (McKinnon, 1991:65).

According to Purwanto (2005:79) the following are the different levels by which the petuanan is controlled: a) household; b) marga; c) soa; and village level. As a concept of territorial property, petuanan is controlled by one or more margas who are connected to each other through elder and younger brother relationship (Purwanto, 2005:77; McKinnon, 1991). This is very common in Yamdena Island but the most relevant aspect in Olilit society is wherein the marga controls the petuanan land.

The rights to control over the petuanan are exclusively determined. It is derived from the history of the ancestors translated to social structure in the society (see Socio Political Organization above). Those who control are small number of marga-owners as oppose to several marga-users who have user rights. To use the land, the marga-users are obliged to ask the consent of the marga-owner. As a distinct feature, only the marga-owner employs the officer called mangfaluruk (see Appendix 1).
The role of *mangfaluruk*

In his study over customary land in Indonesia, van Vollenhoven identified an important officer acting as a land supervisor (Haar, 1948:91). This officer has a power over the land and uses this power to protect anybody in the group from any harms and unintended events. In the Olilit community, the officer is called mangfaluruk.

It is a belief that the petuanan land is not only about physical dimension but also spiritual. That is why there is a need to ask the consent of the mangfaluruk before the first use of the land. It has to do with the belief that any harm from the spirits could disturb the human activities on the land. Thus, mangfaluruk would mediate the spirits not to make any harm. In practice, they will worship and sacrifice by trickling palm wine to the ground. Having this responsibility, the mangfaluruk became an important actor in land allocation in the Olilit society.

**Distribution of rights over petuanan in Olilit village**

Customary land in Olilit recognizes both individual and communal control over the land. They are different in arrangement but exist simultaneously creating a complex customary land relation. Communal management is known traditionally by the term *makan bersama* (Lit: eat together). It is a practice by which the *marga*-users have the opportunity to utilize and take benefit from the plot they managed although the plot is under authorization of a particular *marga*-owner (Purwanto, 2005:81). The plot later on can be claimed into individual ownership when the user marked the plot with perennial crops.

This brings the notion of distinct rights between land and trees. The trees grown on the land also have different attributes. One year crops such as tubers, paddy, and vegetables are temporary in nature; it can not be used as a basis of individual land claim as oppose to perennial crops such as coconut, mango and breadfruit. This has to do with the fact that the working land might fallow after a series of cultivation usually three consecutive years. Moreover, the fallow land provides an access to the land for other members of the community. Thus the fallow land is considered as a communal property. Despite its communality, the use of this land is bounded to the control of a particular *marga* who in turn controls a specific petuanan area.

On the other hand, the household has some choice after using the land for several years. They may open another new plot, convert the old plot into a coconut plantation or simultaneously open new annual crops’ field.
Perennial crops provide individual ownership and are more permanent in terms of bundle of rights. The rights attributed to it among others are right to use, right to alienate and right to inherit. Furthermore, such rights can be transferred fully to the new owner in through commercialization.

At the beginning while the land is still a communal property, the profits derived from the it are treated differently from the profits derived from the tree. The tree profits are individual whereas the land profits are shared to the society (Belay, interview). Later on, it becomes a common practice when the land had been marked by coconut plantation; the planter gets control over the trees as well as the land concurrently (Purwanto, 2005:81).

Conversely, the customary right has a different arrangement for outsiders. They are granted usufruct right combined with land inalienability. In Olilit's case, the outsiders living in the area (Saumlaki town) were granted the user's right and can get benefits from the annual crops; although making coconut plantation or planting any perennial crops were prohibited (Fasse, interview).

It should be noted that the complexity between the communal and individual rights has been recognized in petuanan system. The resources in the sea and in the land are vested in the community but every member of Olilit can access such resources. Vacant areas are considered as communal property and it can be utilized by those who are willing to exploit them. At the same time, individual ownership is recognized especially the area that has been marked like the stone fish trap in the sea or coconut estate in the mainland.

To summarize this section, some features of petuanan in Olilit have been identified. The first feature is that petuanan manages land access through communal management vested in particular marga groups. Such marga groups employ a specific officer called mangfaluruk acting as the land supervisor. At the same time, individual ownership is recognized specifically those areas that have been cultivated. Another issue is that the land and the tree have different rights. The land is more communal but the trees are completely individual. The type of crops is an indication whether the land will be used temporarily or permanently.
Historical Dimension of Agriculture Commercialization

As was mentioned in the unification pledge, coconut is an important cultivation in the ancient Olilit. Situated in Tanimbar Islands in 1900s, Prothero (1920:48) recorded that extensive coconut plantation were lined in the shore area. It was a famous plantation which gained an expression as 'green gold' (Heersink 1999 cited in Trouwen, 2001:175). It seemed that the coconut provided is a source of income for the community. It is interesting for to look back to the Dutch colonial era where trade from outer islands of Indonesia played a significant role.

In the period 1900-1942, several major export crops were rubber, copra, coffee and pepper (Trouwen, 2001:167). Interestingly, the export was based on indigenous crops as opposed to large plantations showing that two probable processes might have taken place, either the indigenous people had planted the crops by themselves or the colonists introduced the cash crops to the people. Whatever it is, the bottom line is a process of agriculture commercialization had been started.

Compared to other products, coconut was a relatively new cash crop in colonial trading in the late nineteenth centuries although it was not a new crops in Indonesia. The scale of commodities trading from Moluccas archipelago for export purposes was relatively low since the transportation costs were very high. In fact, the scale of inter-islands trading remained significant especially to Java (Trouwen, 2001:309).

Based on this historical review, several points can be raised. First, even though the coconut was already planted before the nineteenth century, it was only during the colonial era that it became a major cash crop. This illuminates the reality that agriculture commercialization had taken place even in remote areas like Tanimbar Island. Second, the cultivation of coconut under customary land management shaped the tenure arrangement as well as the patterns of land control.
Chapter 3

Theoretical Background

Access Framework

The theoretical approach adopted in this paper is the Theory of Access by Ribot and Peluso (2003). They view access as a bundle of power as opposed to the conventional approach on property by looking at bundle of rights. This standard property approach focuses on the rights to claim a benefit or income stream (Bromley and Feeny, 1992:4) consisting of a set of multiple rights operated with respect to one particular resource such as access, withdrawal, management, exclusion and alienation right (Ostrom and Schlager, 1996:130).

While Ribot and Peluso (2003:153) define access as the ability to benefit from things, it also explores the notion of power which influences various mechanisms, processes and social relations shaping one’s ability to take benefit from resources. Thus, its focus on ability rather than the rights makes it a comprehensive account of social relationship.

On the other hand, Ostrom and Schlager (1996:130-33) show how bundle of rights are allocated differently for different right-holders. They explained that each rights holder would not hold a complete set of rights. For instance, it is possible to have access right without withdrawal right; so as having exclusion right without alienation right. Among the holders, the owner is the highest authority since it has full set of rights in contrast with the authorized entrant who only has an entrant access and enjoys non-substantive benefit (see Table 1).

<table>
<thead>
<tr>
<th>Access</th>
<th>Withdrawal</th>
<th>Management</th>
<th>Exclusion</th>
<th>Alienation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Proprietor</td>
<td>X</td>
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</tr>
<tr>
<td>Claimant</td>
<td>X</td>
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<tr>
<td>Authorized user</td>
<td>X</td>
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<tr>
<td>Authorized entrant</td>
<td>X</td>
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</tbody>
</table>

Source: Adapted from Ostrom and Schlager (1996:133)
This ‘bundle of right’ approach shows some shortcomings among others. It cannot explain how external interests are able to appropriate the resources considering that the resources are usually controlled and managed by the people within the groups. It means that these external groups may only be an authorized user or entrant but they are able to override the other holder’s bundle of rights. Similarly, it is unable to explain how some users might use indirect means to extract benefit from the resources like benefits derived from illegal activities.

Hence, access theory offers a set of framework that can explain some of these shortcomings. Ribot and Peluso (2003:164) employ the structural and relational access mechanisms which influence access to resources (Figure 6). They argue that access approach is more helpful to analyze how somebody generates benefit from the things whether or not he holds the right to them (Ribot and Peluso, 2003:154).

**Figure 6 Structural and relational access mechanism**

![Access Mechanism Diagram]

Source: adapted from Ribot and Peluso (2003:165-172)

Furthermore, the ability to benefit from resources is also subject to political-economic and cultural frames of the particular access to resources in question. Several factors are also identified, they are: technology, capital, market, labor opportunity, knowledge, authority, social identity and social relation. Access to one or more of these factors will shape the access to the resources and the ability to benefit from them.

Among these, the access to social identity is the most important in a traditional society because it mediated through membership in a community or groups such as based on age, gender, ethnicity, religion, status, profession or other attributes that constitute social
identity (Ribot and Peluso, 2003:171). In line with this access to social identity, access to negotiation and social relation provides a means for the group to negotiate and mediate by friendship, trust, reciprocal obligation, patronage and dependence (ibid.:172). These particular accesses can be use to explain the interaction of actors incustomary land management.

**Property as an Institution**

To begin with overall institutional structure in the society and economy, Feder and Feeny (1991:136) define three basic categories of institution: (1) constitutional order which refers to the fundamental rules in which society is organized; (2) institutional arrangements that are made based on rules defined in constitutional order such as laws, regulations, contracts, associations and property right; and (3) normative codes which refer to cultural values that legitimize the arrangement and constraint behavior.

Property relation is not only relation between persons and things but also social relation (Sayer, 1995:146). It explains the interaction of the right holders with the things that defines what must and must not do, the rights, the duties, the power, the privilege and so on (Feder and Feeny, 1991:136). In relation to that, property can also be seen as an institution where rules and regulation is determined in order to manage social interaction (North 1990 cited in Hanna, Folke and Maler, 1996:1).

At this point, the institution can be viewed as an aggregation of consensus among the actors in concern. But the benefit from the institution might not be distributed equally among individual or social groups in the society. This further creates conflicts as an inherent part of institutional change between dominant and marginal groups who attempt to challenge status quo in order to improve the situation (Lesorogol, 2006:5-6; Fitzpatrick, 2006:1008).

A quite similar point of view, Angelsen (1997:9) explains the institutional change is a product of class structure and struggle. This is a radical view in terms of viewing at trajectory of property right institution toward private property right result in polarization between wage labor class and capitalist agriculture class (Ellis, 2000:23).

On the other hand, liberal view tends to look institutional change as part of societal demand based on rational motives (Firmin-Sellers, 1996:7). In pre-capitalist society, the
property right of the land was preserved and controlled by clans and lineage families showing that the system had gained from underdevelopment of land market.

Explaining some framework for institutional change above mentioned help to address the factors drives the institutional change within communal or customary land tenure in Olilit. However, this paper will not deal with constitutional order and normative codes and would treat them as a given.

**Transaction costs**

According to the neoclassical approach, society makes decision based on rational behavior. The model assumes that everyone has an access to information and it is perfectly distributed (JDS, 2006:1). It is expected that by having complete information, the decisions of the household would reflect a rational choice. This has been criticized by the neo-institutional approach (NIE) which attempted in making neoclassical economics more historical, realistic and social in its approach (Ankarloo, 2002). The central tenet of NIE lies on the argument of imperfect information leading to the occurrence of the transaction costs. Therefore, the institution exists as a central explanation and a means to reduce transaction and information costs (Stein 1994:1835; Bardhan, 1989:4).

Polanyi points that the transaction mode is not associated with transaction costs. Indeed it is, in the words of North (1977 cited in Eggertsson, 1990:286) that transaction mode can be considered as a substitute of price making mechanism. The mode itself, as Polanyi argued, comprises of administered trade, reciprocal obligatory between kin and friends and so forth. The use of this mode is common in the absent of market prices.

The transaction costs are unavoidable as the economy is growing and the networks expand larger. The increase of transaction costs occurs to collect information and the opportunistic behavior would be likely to happen during the exchange process. This is not the case for traditional society in a simple and closed economy. The simpler the networks the lower the transaction costs and it prevents opportunistic behavior like cheating, shirking and moral hazard.

The analysis of transaction costs should help to understand particular mode of land transfer under commercial transaction. While incomplete information is prevalent in rural areas, the land market is not working very well and unable to give an indication of
equilibrium land prices. In fact, the people rely on traditional mode of transaction with personal network as one of the instruments.

**Land Property and Its Relation with Urban Development**

This section will discuss land commercialization in the context of urban development as well as analyze rural-urban interaction. Studying urban and rural areas is important because these two are related in many ways. It will provide several insights in understanding how the cities are growing and its implications to social, economic and spatial aspects for areas.

The city expansion can be seen as a result of modernization and development. This argument has played an important role during the 1950s onwards in fostering economic growth (Nurske, 1953; Lewis, 1954 cited in Tacoli, 1998:150). One of the effects of modernization is urbanization. At that time, it was perceived as a normal consequence in terms of shifting agriculture labor to manufacture industries but later it was found that the absorption of agriculture labor to industries was far less than expected.

Nowadays, urbanization has implications regarding to spatial aspect. Urban areas were enlarged over its official boundaries. The space between countryside and the cities or the peri-urban area has been developed to provide housing needs especially for the commuters; it is cheaper in terms of transportation costs in accessing the city from this area. As a result, the land started gaining its value and land use in the rural areas is increasingly influenced by the real-estate development. In addition to that, the increasing value of land is also aggravated by speculative behavior in anticipating urban expansion (Tacoli, 1998:160).

In relation to the institutions that govern land allocation in rural areas, the urban expansion would induce the change of institutional arrangement on customary land which is common in rural areas. This is one of the external threats that would be encountered by rural society as urban and rural interaction becomes more intensive (Fuys, Mwangi and Dohrn, 2006;14).

**The Role of the State**

While institutional change is seen as a product of the struggle, the state and community are seen in the conflict situation. In the context of land management, it is articulated with
the existence of dual system and the tension between statutory laws and customary laws (Angelsen 1997:10-11; Ezigbalike, Rakai and Williamson, 1996). In many developing countries, such tensions are aggravated by the ignorance of customary institution hence creating deeper pressure on the common resources (Fuys, Mwangi and Dohrn, 2006:15).

Apart from the state's function as a social planner; the state may also exist as an instrument for powerful groups. The latter function known as predatory state has been an explanation to the transformation of many forms of communal property (Angelsen, 1997:10).

From these two approaches neither the dual system nor the predatory state benefits from the communal society instead both are often neglected. In these systems, the state is so powerful and dominant in the policy making process making the community less important and invisible from policy process. Another consequence is that many customary societies that have to deal with the state are prone to appropriation.

This becomes relevant in the context of recent decentralization policy in Indonesia after the parliament passed the law 22/1999. To implement the law, a set of authority has been passed from central authority to the district government enabling them to provide a wide range of public service by their own (GTZ-SfDM, 2006). In practice, the decentralization policy has formed numerous district governments. Those governments are now responsible for their own budget, expenditure as well as local policies. Given the autonomy of local government, in many cases local government struggle for district income (PAD) leading to an excessive exploitation of natural resources (Suwondo, 2002:3).

Both the state and district government represent the same power and ability to influence the communal society. While the central government distributes some authorities to the district governments, they could play the role of the state at the local level.

Therefore this paper would argue that the state plays an important role to institutional change on customary land. At the same time, current decentralization policy provides a means for the local government to influence institutional arrangement and appropriate the land for public use.
Commodity and Comoditization

To find out how something becomes a commodity is the first stage before looking at how commoditization takes place. Quoting to Marx:

"A commodity is, in the first place, an object outside us, a thing that by its properties satisfies human wants of some sort or another. The nature of such wants, whether, for instance, they spring from the stomach or from fancy, makes no difference. Neither are we here concerned to know how the object satisfies these wants, whether directly as means of subsistence, or indirectly as means of production".

Commodity and values are interlinked in a way that enables the commodity to be exchanged. Another similar approach explains the commodity as an object for sale. Therefore, commoditization would be taken place in the market (Polanyi, 1965:72). In the market, a commodity has an attribute of price which is determined from the interaction of supply-demand mechanism.

On the other hand, this approach has some weaknesses among others it focuses only on the commodity translated into economic goods. Thus it can be said that it is materialist in approach. Some scholars offer contradictory view where the commodities are not necessarily entering commoditization process. Instead, commodities can be decommoditized into non-economic goods and situation (Davenport, 1986:105). For example, in the ritual ceremony, the served and blessed things are disconnected from the material world which are sacred and taboo for any commercialization. Likewise, any social pressures such as shame are relatively effective to prevent the things being commercialized (Verdery, 2004:149).

This review shows that the idea of commodity will be useful to see how the value regarding to the land has been transformed from non-economic goods to material and economic goods. From that point, the contradiction would be elaborated to see how it works in the case study.

How market affects rural change

In relation to commoditization process, one must note that the process tempts the rural economy to integrate into the market. This integration has an important implication to

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3 Karl Marx, Capital Volume One, [http://www.marxists.org/archive/marx/works/1867-c1/ch01.htm#S1](http://www.marxists.org/archive/marx/works/1867-c1/ch01.htm#S1) accessed on 8 September 2006 at 7:59 AM

4 Some authors have been contributed to the discussion on the growing of money economy such as Netting (1993:163); Elson (1997:49); Cleary and Eaton (1996:48); Fitzpatrick (2002:171); and Crocombe (1971:6).
the customary land institution in the rural areas. At least Baland and Platteau (1996: 270-8) identify two processes which are going to happen. First, market integration erodes the ability of the communities to manage their communal resources effectively. After some commodities gained commercial value due to market penetration, the institutional arrangement would be distorted and under pressure (Durand-Lasserve and Royston, 2002).

Second, the traditional authority pattern, village solidarity and social cohesion, and old magical belief would erode simultaneously. While traditional authority is very important there is a link between the damage of traditional authority and the collapse of institutional arrangement on communal resources. The reasons are the gradual appropriation of traditional authority by the government and the spread of modern education introducing new values to the society.

As new values such as market value penetrates deeper, the social cohesion and solidarity among people are loosening. This is because market value tends to encourage individualistic behavior like fragmenting old cooperatives tie and to untying the individuals' interest from those of social groups.

After all, the erosion of old magical belief has an implication on ways in which people view the world. They might question the taboo and beliefs held by their father and forefathers. Hence, the institutional arrangement is often overridden since the taboo has little deterrent effect to any improper behavior.

In this paper, the discussion of rural change is important to reveal the effect of rural integration into the market via commercialization. Since it doesn't only change the relation between people and the resources but also between people of different generations.

**The Elites and Their Behavior**

Pareto denotes elites simply as "a class of the people who have the highest indices in their branch of activity". He also divided the elite class into governing elites represented by those who

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5 [http://www2.pfeiffer.edu/~lrdener/DSS/Pareto/PARETOW7.HTML](http://www2.pfeiffer.edu/~lrdener/DSS/Pareto/PARETOW7.HTML) last accessed on 18 November 2006 at 12:46AM
directly and indirectly take part in government and the non-governing elites who comprises the rest. The importance of looking at governing elites is that they are playing an important role to change the society. To what extent the change would be taken place depends on the types of the elites govern the society. As Pareto noted, the society changes faster when governed by the speculator elites rather than the rentiers elites (Delaney, 1971:2).

The elites capture indicates the problems that are often taken place in the situation where the powerful actors intercept the benefit of the resources from particular groups in the society (Johnson and Start, 2001:12). Bardhan and Mookherjee (1999:2) illuminate the discussion by giving an emphasis on the reverse hierarchical capture meaning that the elite capture is more excessive at the lower level of government. This has to do with low transparency as a result of low media coverage at the lowest level.

In addition to that, the same problem occurs in the small society where it is governed by traditional leaders consisted of small number of individuals (Madison 1937 cited in Bardhan and Mookerjee, 2005:14). Whether the benefits are captured by the government elites or the local elites, both are disadvantage mostly for the poor, the marginal groups and the less protected minorities.

From above discussion, it is clear that the elites involved on the act of governing comprising among others undertake decision making activities. In relation to this, the approaches below are suitable to explain the process of decision making and the behavior of the elites. First, society-centered approach looks at the change in policy as a result of change in decisions shaped by the relationship of power between individuals, groups or classes in the society (Grindle and Thomas, 1991:19). The class analysis is one of the implications; The change of policy is seen as the result of interaction between power and domination among social classes.

Second, the pluralist approach explains the decisions made through the conflict, bargaining and coalition among the groups in the society. This assumes the actors involved are self interest therefore negotiation is needed to bridge diverse interests. Platteau and Gaspart (2003:7) illustrate the situation faced by the leader and the grassroots called one-stage bargaining game. It operates through the leader makes an offer regarding the disbursed funds, however the grassroots need to accept the offer though it is small amount otherwise it ends up with nothing.
Third, public choice approach attempts to explain why the elites stay in their position and how they maintain their political support. The elites tend to maintain their influence by seeking strong incentive form whatever they had such as networks, resources and power (Johnson and Start, 2001:10). In fact, they use public resources as ‘a weapon to survival’ (Grindle and Thomas, 1991:25). Furthermore, the process leads to inefficiency, corruption and the worst are political instability and successive regime changes.

**Analytical Framework: A Synopsis**

The analytical framework is going to be used in this paper consists of several working concepts summarize as follow. The core framework concerns about customary land institution. The institutional structure will focus on institutional arrangement which consists of laws, regulations and contracts (Feder and Feeny, 1991). Hence the change of law, regulation and contract will be one indicator to institutional change. The argument here is that institutional change affects the customary land individualization process.

Second, government policy has affected customary land institution through various ways, one of them is the government plays an important role in urban development. This is inseparable from the fact that modernization theory encourages the growth centralized in urban areas (Tacoli, 1998). As a consequence, the customary land in the urban periphery encounters a pressure from city expansion. This is relevant to explain the relationship of recent decentralization policy with customary land appropriation by local government.

Third, by looking inside to petuanan in Olilit one will get an idea that the access to petuanan can be explained with access theory (Ribot and Peluso, 2003). It helps to understand how village members or even outsiders got access to the resources particularly the customary land. The access to the resources after all shapes how customary institution will be.

On top of that, the elite behavior needs to be looked at in order to understand part of the story of customary land individualization in the Olilit village. Grindle and Thomas (1991) contribute to explain the tendency of elites to capture the benefit from the resources especially to maintain their power within society. The main concern of looking at elites is the governing elites.
Chapter 4

Customary Land Individualization

This chapter would be organized in the way that combining the research findings and analysis. First, it elaborates how the customary land individualization was taken place over time, followed by recent practices of individual transaction. The discussion enlightens some issues regarding land security and the motives of individual selling. After that, it discusses some modes of transfer and closed the discussion by putting the idea of the impacts and consequences for further discussion and analysis. The last two sections would argue that institutional change affects the land individualization process and explain who gets the most benefit from this process. Finally, the analysis attempts to relate urban development and rural change especially to locate available livelihood for the people after losing their land.

Patterns from the past to the present

To understand the pattern of customary land individualization, we need to look at several milestones happening within Olilit society. It will explain how the transformation of customary land was taken place from the past to the present time. However talking about the past, we need to consider the past as perceived and memorized by the people. That is why the time frame we set will start around 1940s. After Indonesian independence, there was a need to expand the governmental organization until the lowest level. This organization was led by sub-district head (SDH) who was responsible for several villages under its authority. In order to prepare this, there was a need to locate the capital.

Hence in 1946, the sub-district government requested part of petuanan of Olilit to use as the sub-district capital, namely Saumlaki. It was a small town covering small area of settlement but dominated by mix of coconut plantation and shrub. Since the area was under customary management, the release of the area from customary land was necessary. The detachment had different meaning for village community and the government. The society perceived the government was given a usufruct right which would be reverted to the community when the community needed the land. But the government perceived the land had nothing to do anymore with community’ control.
These contradicting views had several implications to customary land control. While both SDH and community especially village government claimed the same authority, in fact the SDH was more powerful than the village government because he gained his authority from hierarchical order of government institutions. At that point, it was part of SDH’s authority to allocate the land within the town.

At the same time, village government argued that based on the customs, the land supervisor and village government were the authorized body to allocate petuanan land in Olilit. But this would not be possible working in the reverse way on the SDH’s perspective. As a result, the land affairs in petuanan of Olilit had not involved the community so that when the SDH, using his authority, allocated some plots of land then sold them out to businessmen in the town\(^6\), the community could not stop this from happening\(^7\).

The SDH were so powerful and override the customary use especially within the town territory under their authority. They were supposed to ask the consent of the customary leaders but they never ask the community or even involved them in any land affairs (Salembun, interview). As a result using this authority, the SDH sold many plots of land especially to local businessmen then later on the businessmen resold the land to other buyers.

The process was going on and was not stopped. In fact, in 1970 central government requested the land for building fuel storage managed by Pertamina (state oil company). The location proposed was again inside the petuanan of the Olilits (kampong Lakteru) therefore the SDH Matekohi on the behalf of central government requested the land to be released. Having unpleasant experiences few years back, in order to get the land, the community asked the central government to pay some compensation fee. The compensation, IDR 10 million, was initially vested in marga who controlled the area but the village head who received it didn’t share with them.

This was next milestone where the village was involved in the process of land release. In fact, it became obvious that the village head acted by solely him and took an advantage.

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\(^6\) For instance Robert Tanbun known as Kiat, a chinese ethnic businessman held a large amount plots of land bought from SDH B. Koedoeboen (1987-1990)

\(^7\) The incumbent village head Salembun mentioned some of the SDHs who sold the land inside Saumlaki town: M. Arief (1958-1962); S. Adam, BA (1966-1970); A. Matekohi, BA (1970-1980); and B. Koedoeboen (1987-1990)
from that transaction. After the released of Pertamina area, the tension among the villager was ignited especially between village head and his supporters and the mangfaluruk groups.

The tension was resolved partly by passing a village decree No. Pem 2/IV/15/1981 on 27th of February 1981 to justify the rules of the game in land affair. This was a compromise solution between the conflicting parties. The main points in the decree are summarized as follows: (1) land affair is under the management of village government of Olilit including the released of customary land; (2) the role of the mangfaluruk is acknowledged and will be given 5 percent of the compensation fee and the rest goes to the village aiming at village development fund; (3) the village controls the unoccupied land or never been cultivated; and (4) the compensation consists of two elements that is the cultivators enjoy crops compensation and land compensation is taken by the village government.

Looking at the points on this decree, it was not surprising that the people were still dissatisfied. For example at the point (2), while the authority was still centralized in village head, there was no guarantee that the fund would be managed efficiently. Although several village projects had been finished, these achievements were far from expectation (Belay, interview). Again at the last point, it was implied that the land and the trees were separated so that the benefit from it should be divided. To this point, the people felt cheated and demanded for the benefit share.

Therefore the decree was revised in 1986 compromising with the demand of the protestors. The village head and some staffs agreed to adjust the benefit share consisted of 50 percent went to the seller, 35 percent went to the village’s trust fund, 10 percent went to the village’s staffs (village head and his staffs) and the 5 percent went to the mangfaluruk. Based on this arrangement, the people got a good reason to sell their holding individually. This also exacerbated individual land selling regardless of whether they owned the land by inheritance or claimed through coconut plantation.

The share of the village staffs became smaller but it didn’t prevent them misappropriating from other’s share such as from trust fund’ share. While the land transaction controlled centrally by the village head, he was supposed to have transaction records. In fact, the land transactions were poorly recorded as confirmed by the incumbent village head and
several land buyers. Therefore, the likelihood of capturing benefit from the land transaction would certainly be greater.

In 1993, as a result of prolonged tension several years before, the individual started transferring their holding through various ways. These ways would be explained in the next subchapter.

Finally, the last milestone was in 1999 after new district was established in this area. The land selling became more intensive especially because the district capital is growing and the demand of land for housing and other infrastructures is also increasing simultaneously. This process involves several actors not only individual who sold the land but also introduces local government (LG) as an actor in customary land affairs. The detail of this appropriation will also be explored separately in the following sub-chapters.

The milestone of land affair in Olilit is summarized in Figure 7.

**Figure 7 Historical pattern of land affairs in Olilit community**

- 1946: Saumlaki city became enclave in Petusan of Olilit
- 1970: Government asked for land for fuels storage
- 1981: a village decree passed to manage land transaction
- 1993: Individual sold the land
- 1999: new district established; land selling became significant

Source: Field work interview (2006)

**Recent practices in individual land transaction**

As the individuals started cultivating coconut in customary land, they developed individual land relation to the land. Having the coconut grown on their estate, households are able to get a set bundle of rights comprising the right to use, to get benefit, to inherit and to alienate the land. Through this mechanism, individual got land ownership and ability to sell their holding as well.

Furthermore, the individual land transaction mediated through the land market but the land market was imperfect as indicated by imperfect information and distorted land price. To sell the land, the seller has to find the buyer himself (Tandjaya, interview).
information regarding the land availability such as the location and its size would be passed through a chain of personal network. In many cases, the seller goes to the buyer's place in person to make an offer. Hence the information is not equally accessed by the potential buyers in the town.

In terms of preference, the buyers are more interested in buying the land cultivated by coconut rather than bare land. Similarly the lands cultivated by annual food crops are less preferable. This is because the recent practice in customary land in Olilit has shown that by planting a coconut, the individual would get individual ownership of the access to use and extract the benefit from what he grows. On the contrary, the bare land or the land cultivated by annual food crops, it holds temporary access due to the shifting agriculture practices. According to the customs, everybody is able to use them as long as they are members of Olilit society.

Should the potential buyer is interested in the offer; both the land owner and the buyer proceed to the next stage to survey the location and settles the deal. Whenever the buyer and the seller are ready, first, the land actually needs to be detached from the customary relation by issuing a land release letter (surat pelepasan hak). The letter is issued by village head undersigned with other village officers. The transaction would be considered illegal without having the letter afterwards.

Second, to get a release letter after customary land transaction is important. The letter confirms that the land has perpetually been transferred to the buyer therefore the buyer has the right to use and extract the benefit from it concurrently. The letter also confirms that the land in question is free from any liability and should in the future someone else claim the land, the village head of Olilit is obliged to resolve the conflict. By getting the letter, the buyer has responsibility to complete any requirements regarding to legal aspect of the land including but not limited to the cost incurred from the process. The letter is signed by both the village head and the buyer. In addition to that acknowledgement is provided by the herald, the head of soa, village staff, and SDH.

Up to this stage, the transaction is accomplished between the buyer and the seller. Having this paper on hand, the buyer pays the land's price to the seller. The land price itself need to be divided among the village leaders according to the village regulation 1986 (see above).
Third, on the buyer side, he can directly use the land after he receives the release letter and proceeds to further stage such as apply for land certificate in the district land board (BPN). Formally, BPN will issue the land certificate within 3 months but it may be delayed due to incomplete application or the land in question may be in disputes (Batseran, interview). This process seems easy and cooperative but this is not always the case in the practice. The processes according to some applicants were time consuming and sometimes to make it fast, the applicants need to pay an extra cost.

**Land certificate or land insecurity?**

It is a common view among the potential buyers that there is a sense of insecurity dealing with an individual land transaction. This is because the transaction is just equipped with the land release letter and in some cases the letter isn’t secure enough to defend from other claims. For instance another buyer might have the same letter for the same plot of land. The notion of double sales is also important to reveal since it operates through two ways. First, the land sellers didn’t consult their decision to sell the land with the other families and second, due to poor records, the village head re-issued the letter for the same plot.

*Figure 8 The mark was placed on a bought land*
In addition to that another dimension of insecurity was not only because of double sales, but also amid the process of issuing land certificate by BPN. As experienced by some buyers who applied for land certificate, they were ended by waiting their application for more that a year. There is a strong feeling of insecurity when the original release letter was submitted to the BPN, should there be any calamities so the letter is lost, the applicant would be more insecure. Therefore some buyers prefer keeping the original letter with him when applying for the certificate (Tandjaya, interview).

The certificate is a clear example of the working proof in the formal law (Soto, 2000). Whereas the community defines the coconut estates as an indicator of secured individual right so as the benefits derived from them. It means that the community and the government interpret the issue of land security differently and this should not be contradicted with each other since it works at different level.

**The motives**

Looking at the motivation of land selling in Olilit, it can be distinguished between personal motives and distress sales. Personal motives concerning the land selling is taken place as the seller is aware of the consequences of his decision. He might have anticipated the change after he sold the land. This is different from distress sales; it has to do with coping strategy after shock situation. Hence the sales would enable the seller to stabilize short term income but reduce their wealth in the long term income-generating opportunity (Ruben and Masset, 2003:484).

**Box 1 The Motives of Individual Land Selling**

Rinus Kuai, one of the elders, told that he sold his holding of 1,500 m2 in 1998 because he needed money to treat his wounded son in an accident and took his son to a bigger hospital in province capital, Ambon. When he made this decision and the buyer offered the installment payment, he agreed as he had limited choice at that time. He got IDR 11.25 million from this transaction. On the other hand, different story was told by Buang Belay, a young man works as a driver for others’ motor-taxi business. He was the only son in his family therefore inherited from his father several plots of coconut plantation. He sold 2,000 m2 of his plot in 2003 and got IDR 20 million. He spent the money for renovating his house, buying a home audio system and buying a second-hand motorcycle. This was a leap in his life, he started his own business in motor-taxi transportation.

Source: field work (2006)
Box 1 illustrates the contrast between personal motive in one hand and the distress sales on the other hands. As shown above, the different generation seems to have different decision. The elders wanted to keep the land as far as they could while the youth attempted to deal with changing situation. Therefore when the young decided to sell some of their holdings, they had made calculation of something which should be done to compensate their lost from accessing no land afterwards.

On the contrary, the elder also made his efforts to adapt. However it was not easy when they wanted to leave agriculture sector and involve in wage labor in the town, the jobs might only be suitable for the young. At the end, the viable opportunity for them was going back to agriculture sector. The people who still have some plots to work on are in better situation than those who have already sold out their holding. In the first case, although he lost some plots of land, he still had other plots on which he has been working until now.

**The modes of land transfer**

The transfer of land from the hands of Olilit people to the outsiders took place at least from three various ways: (1) requesting the land through kinship relation; (2) typical land selling-buying; (3) land appropriation for public use by LG. Requesting the land through kinship relation is a common practice in Tanimbar society. This practice shows that having kinship relationship (duan-lolat or wife giver and wife taker) including father-foster child relationship ease the land transaction as illustrated in the Box 2.

Under this mode, it relies on social network as a means to access the land. In terms of reducing transaction costs social relations provide a means to do so. For the buyer, the costs is reduced in relation to collecting information and verifying the status of the land he wanted to buy; it must be free from any disputes. At the same time, the advantage from the land holder’ side was he didn’ t need to find potential buyers which costs a lot of time. The use of kinship relation for land transfer opened the opportunity for both parties to negotiate especially for the land value and the condition for payment.
Box 2 Land transfer via kinship relation

In 1993, house Fasse detached an area of 2 hectares of customary land to one of Chinese businessman named Y. Samadara. He wanted to build a real estate area in Saumlaki. This transaction was possible and easily closed by a contract since Samadara’s wife was adopted as a foster-child by the house Fasse. This practice was a common in the Tanimbar Islands especially for the new-comers; they are trying to build relation with the indigenous expecting the protection and help when they need it. Thus the nature of the relationship is reciprocal; foster-children are expected to behave such a way that the children usually do to their parents such as supporting the parents in any difficulties, taking care of them and so on. Similarly, Foster-parent would treat his foster-children in a way that he does to his own children. Though the wife wasn’t an indigenous person and she asked to be adopted, house Fasse accepted this offer since the husband was a businessman.

Having such relationship opened the opportunity for the husband to access the land as he was before considered as an outsider. To request the land, Samadara visited his foster-father bringing a bottle of palm wine and the money for its cork as a medium to convey his request. In theory, the amount of money for contribution was voluntary however Fasse asked him to provide IDR 50 million for an exchange.

(Source: Filipus Fasse, interview)

Requesting the land using this mode was not considered as commercial transaction in the past. It was a practice where an exchange among kinsmen took place and not only relating to the land exchange but also for bride wealth and gifts exchange. This is what Polanyi (cited in Eggertsson, 1990) called as transaction mode and applied when the market prices were absent. Indeed in Olilit society, it is a common practice and works as an alternative to price making mechanism (North cited in Eggertsson, 1990)

However such practice has been changing over generation, the people have been exploiting the mode to take an advantage. Hence it is not surprising the mode has been facilitating commercial customary land exchange as seen in the Box 2.

The second mode is a typical selling-buying which is the most frequent land transfer from the past to the present date and it is more commercial in nature. As it has been elaborated above, the mode is characterized by imperfect information and distorted land price. While the idea of imperfect information has already been elaborated, this is to reveal how land price is determined and distorted in some ways.
The role of village head was inseparable from the process of determining the land price. The village head determined the land price as part of his job to manage and regulate land affairs in Olilit society (see village decree 1981). In the last ten years, the land price was about IDR 2,500/m² and has increased to IDR 3,500/m² in 1998.

The regulated price in practice was ineffective to prevent the outsiders from buying the land (Salembun, interview) and distorted in the sense that it didn’t reflect the equilibrium price. Several cases have shown that some buyers were willing to pay above the regulated price as a result the land holder gained from the excess price. As experienced by Kuai (interview), he gained about 5,000/m² from the land he sold of IDR 7,500/m² while the rest was vested in the village trust fund.

In relation to that the expected land price at community level is far different from the expected land price of commercial sectors (businessmen in the town). Businessmen have their own calculation so they expect the land price would be around IDR 20-50 thousand/m² (Tandjaya, interview).

Again, this is not only market force determining the land price but also from negotiation. How much the holder would gain from the transaction depends on the outcome of the negotiation. In case of distress sales, the holders seem to have few choices therefore it is likely that they would receive the price offered by the buyer. Unlike distress sales, personal sales get a wide range of options so that the offered prices were better and relatively higher. Or even when the price is too low, the seller might retain the land and sell it later.

The last mode was the local government appropriated the customary right for public infrastructure such as road. This was among others facilitated by district regulation (Perda) No 9/2002 concerning spatial plan for Saumlaki town. Based on that spatial plan, the infrastructure such as main road and district offices were going to be built in petuanan of Olilit. Thus, it is not surprising that the land appropriation at this moment has mostly taken place within petuanan of Olilit. In addition to that, the plan has included some other areas in other villages to be used for public infrastructure for instance marine harbor and local trading area are going to be built in Lauran village.
The project is covering the area of 17.2 ha for the main road, 40 m in width and 4.3 km in length. When the project was started in 2002, it was located covering two petuanans that is Olilit's and Sifhana’s. To compensate the people, the series of calculation had been made to count the area to be cleared including the crops on it then a list of beneficiaries was prepared. From the lists, the LG started paying the compensation at the end of 2002.

Due to some administrative matters; the money was allocated in phases in the yearly district budget (APBD). Meaning that some beneficiaries would get the payment while the rest had to wait for the next budget year. This problem led to a dispute between the district government and the land holder. During the field work, the locals were protesting the government to pay their compensation. Besides asking for payment, some other agendas were also raised like to increase the compensation value as well as to add new claimants in the compensation' scheme. The latter led to the increase of the district budget and provoked more tension between LG and the people.

Source: field work (2006)

As we have seen in the Box 3, infrastructure projects run by LG seemed obvious and the same would happen again in the future but for different project, scale and location. It means that future access to the land by local community would be threatened by this kind of appropriation. At some points, the locals would also benefit from being compensated however it would depend strongly on how efficient households use the money.

In relation to that, the amount of the compensation fee was another issue leading to recent tension. Although both LG and rural claimants had agreed for the compensation base value of IDR 5,000/m2, the people felt that it was lower than expected. Moreover the recent inflation has increased basic needs’ price hence the compensation fee was undervalued. For instance compensation for one meter square of land even can’t afford one kg of rice costs of IDR 6,000/kg.
The impacts and consequences

The impacts and consequences of land transfer in Olilit will be discussed in the light of its impact to rural livelihood. The land individualization increases a concern of land scarcity and affecting agriculture sector in this village. As it has been shown in Chapter 2 the main activities of Olilit people are still based on food crops farming and maintaining coconut plantation. Hence when many land plots have been transferred to the outsiders, the availability of land for agriculture activities will be in shortage. At the same time, the plots that have been cultivated by coconut trees are relatively irreversible when it needs to be restored to bare land. Hence the space for doing shifting cultivation becomes more and more narrow.

The young generation encountered a problem of scarcity of bare land when they wanted to continue working for agriculture sector. They may cultivate crops in between coconut trees, though the land fertility was far less than fallow land (Youth leader, interview). Hence it is not surprising for the youth; they prefer working at non-farm wage labor sector such as docker, driver and motor-taxi driver.
In terms of income generating activities, the wage labor is very attractive though it remains insecure to some extent. The laborers at any time are situated in uncertainty as the employer may end the jobs without prior notice. This is different to another type of wage labor as a civil servant. However, only few people with skills and advance education who are able to work there. The people who work as wage labor in town just rely on their lower skill and physical strength.

Hence, the majorities of people in Olilit would be likely affected by the enduring customary land transfer to the outsiders. In the future, what are they going to do without having access to the land? This is contrast to what happen with the land after purchased by the businessmen in the town. The lands are accumulated for other purposes for instance Apinga (interview) accumulated 5 ha land of which 2 ha had been taken over by the LG built for public attorney office. Whereas, with the remaining 3 ha, he intends to keep as a future investment.

In brief, the excessive customary land transfer to the outsiders in the town might affect agriculture sector in this area by means of reducing agriculture land and transferring its labors to wage labors sector in the town. The land accumulation which has been taken place was not aimed at advance agriculture development but merely for future speculation.

**Box 4 The Attitude Toward Money**

Fasse, an elder, has 4 sons and 2 daughters. Among his sons, three of them are working for civil servant. The third son graduated with a master's degree and had just retired as district parliamentary member. Since he was young he worked hard and planted so many coconut plantations which later on he sold out. He spent the money among others for paying his children' education and buying some cars used for public transportation.

On the contrary, some villagers didn't spend the money efficiently. An observation by a civil servant in 2002 illustrated that after receiving the land compensation from LG, some households bought goods like satellite receiver and home audio system. Therefore on that day, these luxurious goods in the town' stores were all sold out.

Source: Field work (1996)

Concerning how the people spent their money is another issue. Several patterns of money spending have been identified and elaborated in Box 1. In addition to that, to spend the
money on long term investment has been a choice, especially children education and movable goods. (see Box 4)

The second case in Box 4 shows how wasteful the people manage the financial resources. Despite the huge amount of money they got, it would not improve their livelihood at all. Therefore the impact to the people will be obvious and evident, in the words of youth leader: “when the lands are sold out, what are the Olilit people going to eat in the future?”

**Institutional Change on Customary land tenure**

This section analyzes institution in the context of institutional structure (Feeder and Feeny, 1991) mainly related to institutional arrangement on *petuanan* in Olilit. The discussion concerning institutional change will be enriched by a closer look at the roles of the actors in customary land management in Olilit. It is also involved not only the insiders but also the outsiders whose behaviors are shaped by various access mechanisms (Ribot and Peluso, 2003).

The institution works in the context of case study namely *petuanan*. In the property classification (for instance Bromley and Feeny, 1992; Otsuka and Place, 2001), the identical concept to *petuanan* is communal property right or customary tenure institution. The latter definition emerges from the recognition of individual ownership originated from exclusive use right on cultivated land within the communal management. This is also a critique to an old-school of customary right in Indonesia led by Vollenhoven (Haar, 1948). The group control, as Vollenhoven suggests, doesn’t mean that communal enjoys the common benefit equally instead some exclusion might be applied for minorities and marginalized groups. In reality, *petuanan* works with the communal principle but here the group also controls individual ownership within communal property.

*Petuanan* system in case of Olilit, as we have shown above, regulate who has the access to the land either communal access or individual access, what benefits can be extracted from common resources such as land and the sea and who control the allocation of resources among the people. One of the early arrangements the community had made was unification pledge which set the basic foundation for the next generation how resources management should be. Other recent arrangements were village decree in 1981 and 1986.
Besides these arrangements, many others were made mainly unwritten law based on the customs.

Institution doesn't only regulate what can and cannot be done but also what sanction should be applied for any offensive behavior. In case of Olilit, sanctions related to customary land tenure are implicitly enforced. It means that the enforcement would rely on the out worldly power to give the sanction so that the outlaw got bad luck or even the loss of life (Bohm, 1995:17). This kind of sanction is common and effective in any traditional society but it is getting weaker over time.

In this paper, the break down of customary institution can be seen as a result of the appropriation by the elites and urbanization process which bring new value of money economy. The interaction among actors with respect to customary land tenure also indicates a struggle between these values to be adapted by the society.

In analyzing institutional change in Olilit, a closer look at the roles of each actor is essential. At the first stage, the role of village head in changing the arrangement was very obvious. The village head was so dominant because he had access to authority. By looking at this access, it provides him the ability to control the society and the resources as well. To illustrate how the power was transferred to the new village head, when he was inaugurated, all leaders who sat on the stone boat bestowed him their valuables as a symbol that the village head had assembled all powers within village. Hence it is implied that the village head is the powerful actor to decide what is good or bad for the village society.

Speaking of domination it is very probable that the village head becomes authoritarian. In addition to that the length of ruling period provides a means for him to be a dictator. In the case of Olilit, as far as people could remember, there have been four village heads. Until recently one of them ruled Olilit for almost 30 years or more (see Table 2).

<table>
<thead>
<tr>
<th>Village head</th>
<th>Started from</th>
<th>Ended on</th>
<th>Ruling period (years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Modesus Naturaman</td>
<td>1940s</td>
<td>1987</td>
<td>± 30</td>
</tr>
<tr>
<td>M Fanumbi</td>
<td>1987</td>
<td>1997</td>
<td>10</td>
</tr>
<tr>
<td>W Batlayeri</td>
<td>1997</td>
<td>2005</td>
<td>8</td>
</tr>
<tr>
<td>Sam Salembun</td>
<td>2006</td>
<td>On going</td>
<td>6 *)</td>
</tr>
</tbody>
</table>

*) a period according to district regulation, however village head can be re-elected. Source: Field work
It becomes clear then by looking at Table 2 and Figure 7 that on the period of 1940s – 1987, the arrangement on land specifically petuanan of Olilit had been undergoing a transformation very rapidly. It didn’t stop anyway instead the successors continued the process of individualization.

In spite of this, the role of elders and other customary leaders need to be considered during the process of change. In Olilit community, the knowledge especially related to history of village and migration process is vested in the elders and the customary leaders. Based on this knowledge, the elders allocated the authority to control the petuanan to particular marga families. The marga in question then employs the officer of land supervisor.

The knowledge of the history becomes important to strengthen their position regarding resources allocation. Realizing the importance of this some people attempted to challenge the interpretation of customary law in order to get better access to the resources. They gained formal education but in the traditional system they are considered as the commoners. Hence we can say that education plays a role in changing the way the society views customary land relation.

Access to authority also works in looking at the role of SDH when they were responsible for managing the sub-district area including the Saumlaki area; they divided the land within the town into several plots then sold them to the businessmen. Despite the fact that the SDH was an outsider on duty, his position made him able to control the land within the town. Similarly the district head had convinced the Olilit to let go the land being appropriated for public use. As a top decision maker at the district level, the district head used his power to persuade the people. In addition to his access to authority, he was advantaged by the fact that he is also an Olilit' descendant which gave him legitimate access to the Olilit' land. Having two means of accesses simultaneously made it easier for him to influence and take control over customary land in Olilit. In fact, the Olilits were relatively cooperative with such development project because of these reasons.

It has been explained previously that the outsiders only have usufruct right for a certain period of time and the right they got is inalienable. It means that the outsiders by any means don’t have access to customary land in Olilit. However, the recent practices have shown that to transfer customary land to the outsider is applicable through kinship
relation and land commoditization. The former mode provides a way for the outsiders to access the land. Hence immersing themselves in kinship relation with rural people would open the chance to access further access mechanism such as access to negotiation and social relation and finally granted them access to the land.

Indeed access to social identity need to be exercised first before exercising access to negotiation and social relation. This would operate through among others patronage relation such as father-foster child relationship. Having such relationship eases the outsiders to get the land they need. It is definite that businessmen would only be interested in getting the land for their investment; hence it is also true they are not interested in doing any advance agriculture. Regardless of land fertility, they would buy it whenever possible. In many cases, the businessmen are more interested in doing real estate projects.

In addition to that access to the land is also mediated through access to capital. By looking at businessmen' interest at customary land in Olliti, they use their dominance in the local economy and the financial means to access the land through land commercialization. Thus it is not surprising that the businessmen are the most preferred land buyers.

To conclude institutional change from the access perspective, it is shown that institutional arrangement in petuanan land provides the way in which the resources are accessed by the members of society. It is implied that those who are not members of the community are excluded. However access perspective provides the explanation of what happened in customary land in Olliti; anyone actually could access to the customary land as long as they have power to control, facilitated by among others access to capital, social identity, negotiation and social relation, knowledge and access to authority.

Who Benefits from Land Individualization?

This section would argue that the benefits from land individualization have been captured by the elites. The elites we are talking about here are the governing elites who consist of village elites and district elites. The main argument is that the roles the elites played in the change of institutional arrangement have to do with the attempts to maintain their position and political support. Therefore they would take advantage from any available resources to survive, dubbed the elite capture.
The long ruling period of village head, as we have seen in the case of Olilit community, has involved several issues. First, the village heads were able to capture the benefit from the land individualization among others facilitated by the centralized leadership system through unlimited governing period. For instance the village head M. Naturaman resigned from his post because he was too old and so did the village head M. Fanumbi. The system provides a means to allow the village head to govern whatever they like including to change the institutional arrangement.

In relation to public choice theory (Grindle and Thomas, 1991), there is little evidence to say that the change in petuanan arrangement for example in 1981 and 1986 has to do with an effort to maintain the position and political support. In fact, the leadership system provided an advantage for the elected village head to stay in the position as long as he could. This was also becoming feasible since the check and balance mechanisms in the village level were less developed. Hence the reason of changing arrangement in these periods was more on expanding the village head’s control over petuanan.

In line to this the issue of fund’ management and its accountability are still relevant. While 35% of the land profit is vested in village trust fund, so far there are no significant fund monitoring. Therefore it would be reasonable to argue that the fund might be captured by those who control it, in this case is the village head. Another indication was the poor records regarding how much land has been released from the customary land.

Recently the incumbent village head is going to increase the land price to minimum of IDR 50 thousand/m2 in order to limit the land transfer. The idea is to make the land affordable only to those who have the money and it is expected that the impact would be less land sales. However, it is almost certain that the new arrangement would transfer more land to the businessmen who have the capacity to afford. On the other hands, the contribution to village trust fund would be higher. This would lead to more questions on accountability. There is every doubt that the fund would be secure from manipulation.

At the same time, the government succeeded to appropriate the customary land for public infrastructure mainly because of the persuasion of the district head. He convinced the people to shift from production sectors to services sector backed with the fact that Olilit village is located close to the town. Furthermore, he used the newly established district issue as a means to negotiate with the people regarding to compensation fee. He did persuade not the village people, but he also convinced the businessmen, who had land
ownership on some plots in the proposed road project, to cooperate and he promised to grant them other district projects as a return.

Beyond this fact, we can conclude that the behavior of the district head corresponded to public choice argument. He attempted to maintain his power especially preparing himself as one of the candidates running for the first direct district election in 2007. Thus it became important for him to offer the best development' achievements and experiences in governing the district. While this has nothing to do with the preference of voting for Olilit society, they would certainly vote the candidate originated from their village even though this can lead to unpredicted future for the some people as a result of petuanan' appropriation.

**Urban Development and Rural Change**

Institutional change can also be seen from the different way especially putting this discussion on the debate between radical and liberal perspective. In the context of evolutionary land tenure, the radical view argued that institutional change is a product of class structure and struggle (Angelsen, 1997). On the other hand, the liberal argued that the society demands for institutional change as a result of modernization interfering pre-capitalist society. Both of them are looking at the same process of agriculture commercialization as a root cause of individualization of property right but using different perspectives.

This paper would argue here that the process of agriculture commercialization has little to do with land transfer and individualization in Olilit village. Instead the individualization takes place as a result of processes and tensions during urban development in this area.

First we need to see why this agriculture commercialization doesn’t fit to explain the case study. Some evidences have been shown especially indicated by the role of coconut trading during Dutch colonial times; it became main commodity to be exported overseas among others to support industrialization in the west. Despite its importance, coconut commercialization was just an early indication of individualization. In fact, as predicted by the radical approach, with reference to this area the emergence of new class (capitalist agriculture vs. landless labor) based on the new property institution didn’t occur.

Here, modernization plays a significant contribution to rural change in this area. Modernization has introduced money economy system where the exchange of goods
needs to be completed by the exchange of the money. Therefore, the commercialization of agriculture finds its way to explain why the people cultivated perennial crops like coconut; it becomes a means to supply the cash income to the households. One of the effects of the money economy system was the increasing demand of luxurious goods as seen in Table 3.

### Table 3 Numbers of HH possessed luxurious goods

<table>
<thead>
<tr>
<th>Village/Town</th>
<th>1996</th>
<th>2003</th>
<th>1996</th>
</tr>
</thead>
<tbody>
<tr>
<td>OLILIT</td>
<td>150</td>
<td>695</td>
<td>28</td>
</tr>
<tr>
<td>SAUMLAKI</td>
<td>640</td>
<td>1125</td>
<td>110</td>
</tr>
</tbody>
</table>


While agriculture commercialization becomes a means to access cash money, it missed a link to the next path as predicted in radical approach. Hence, liberal approach provides a more feasible explanation. It will fit with the path proposed by urban development scholars for instance Tacoli (1998) and Fuys, Mwangi and Dohrn (2006).

The path was urbanization which has an implication to give the customary land a value. As we have seen in the case study, the customary land gained a monetary value during the town development. The town has been growing in space as well as number of inhabitants. The demand for space was not only fulfilled by the area within the town but also over the town’s boundary. That is why the most likely area to be used for the expansion was the closest from the town which was the petuanan of Olilit.

Another effect of urbanization was the growing of urban employment which mostly based on wage labor sectors. These kinds of employment are very attractive to young people especially because it offers immediate cash income. Among the young, the number of those who work in the town is an indication of land scarcity problem. However, it showed the opposite trend among the elders in the past. They were also involved in wage labor sector but this has nothing to do with access to land whatsoever. The demand for immediate cash income became the main reason since the agriculture sector offered just seasonal income.

### A new value for land property

The value of customary land in Olilit has been gradually transformed. In the past, the land had an important value for some reasons like being source of livelihood and it had social and religious functions. Hence the value perceived by the people was more on non-
economic value rather than economic value. However the commoditization process mediated by agriculture product transaction has led to the integration of rural economy into the market. As the market penetration went deeper; the needs were expanding creating increasing demand on secondary and tertiary needs such as luxurious goods.

It is understandable since the social mobility was shaped by the clans’ nobility and heirlooms possession. For many of Olilit, they were trying to challenge existing social structure by using different means that is the luxurious goods possession. At least they attempted to reinterpret what social status meant for them.

While demands for secondary and tertiary goods were increasing, it became a threat to institutional arrangement in Olilit. This has been predicted by Baland and Platteau (1996) that a new value for the land commodity would get rid of some attributes such as sacred and taboo. In relation to that the reliance to old magical beliefs also has been weakened over the generation. The sanctions which part of institutional arrangement became ineffective. Partly because some people might refuse to accept such beliefs and offer an interpretation as new values.

In brief, market penetration has begun new episode of customary land management by first, changing customary land institution. And second, the modernity might generate individualism which diverts local community from the importance of solidarity and social cohesion. As a consequence it drives more land to be detached from customary ties.

To conclude all the arguments in this chapter, a rural area is undergoing a process of changing. External factors such as government policy, urban development and so on are often justifiable to look at this change combined with the internal factors concerning customary institutional structure which shaped by various access mechanism. In addition to that, the value within society is changing facilitated by commodity economy. The new value of individualization, after all, drives people’s motivation to detach more land from customary tie.
Chapter 5

Concluding Remarks

Access to the land still becomes a problem especially in developing countries. At the same time the communal societies who are in better situation regarding such access undergoing a process of land individualization. Likewise in Olilit community, the land initially was held under the control of *marga* groups but gradually it encountered a process of individualization. As a concluding remark, it will be organized to summarize the features of customary land in Olilit followed by how the process of individualization has been going through and lastly trying to answer research question.

The main feature of customary land in Olilit community is the *marga* control the access to the land by employing specific officer acting as land supervisor. The groups of *marga* will ensure that the land accessible for the whole community. By this arrangement, it is communal in nature but also recognized individual claim on the cultivated land. Thus, the *marga* control the land in a way that communal access and individual access work simultaneously.

Bare land has different right attributes than cultivated one. And among the cultivated one, coconut estate or any perennial crops estate gained more permanent use than annual food crop field. Individual claim sourced from having coconut estate and it has distinct right such as right to inherit becoming a strong indication of individualization. Hence in case of land commercialization, it has to acquire one of this attributes such as coconut estate, inherited land or any perennial crop estate.

The land transfer in Olilit has shown some patterns that first, the land has transferred to the outsiders, second, the land has been transferred to non-agriculture purposes, and third, the important consumers who buy the land from Olilit community is businessmen in the town.

Having land individualization process in Olilit community, there are three modes working for land transfer. First, building kinship relation with the community provides a way for an outsider to access the land. It has some advantages of reducing the transaction costs in terms of getting information on the status of the land.
The second mode is concerning typical land selling-buying which has been the most frequent land transfer since the last 20 years. In relation to this, land market which facilitated the land transaction is not well functioned. The reason was the information among seller and buyer weren't exchanged freely and the land price was distorted in some ways. As a result, the price didn't reflect best allocation of land as some businessmen also did internal accumulation. However this has to do with speculative behavior rather than agrarian accumulation process.

Selling their holding was motivated by personal interest and distress sales. The first is concerning individual who thinks that working on the land-based sector doesn’t give much income so instead of keeping it, it is better to sell it and get money from it to start another business. As it has been suggested in the paper, some of them started motor-taxi business. On the other hand, the distress sales reflect vulnerability of rural people toward shocks, so the selling was happening by force and might be involuntary.

The third mode is land appropriation by LG as a consequence of urban expansion. Due to establishment of new district in this region, the district capital started developing and expanding next to urban periphery. By looking at this trend, what happened in Olilit was not stopped here but it is certain that this kind of appropriation would happen again in other villages for different project and scale.

At the moment, the growing of the town is a blessing in disguise for the rural people living in the surrounding. Several job opportunities are available and attract especially the young to get off from agriculture sector. In the case study this effect is very obvious and generates further implication. Starting self-business could be an option, working as wage labor could be also another one and many others else as well.

However, this success story above might be undermined with the facts that some households were so inefficient in spending the money they got from land transaction. They often tempted to spend the money on luxurious goods whereas it would be better for them to spend it for future investment such as children education or saving account. Second, to shift labor force from agriculture to urban wage labor may not be as smooth as it seems to be. At the moment, the demand for unskilled and manpower labor are very high but this type of work doesn’t offer any value added in terms of income increment. Furthermore, since the jobs are mostly unskilled, the more difficult it become for them to compete when the younger labor force entered the job market. At some point of time, they will be wiped out.
And the third is concerning to what should be done in order to adapt with such changes since the land transfer to the outsiders seems to be unstoppable in the future. As the paper suggest, the Olilit people need to think twice before deciding to sell their holding. Instead they need to prepare an escape plan from being crushed after losing the land. Although the investment opportunities in this area are limited, a long term investment such as children education might be one of the options.

According to the paper, the main factor contribute to the process of land individualization in Olilit village is the change of customary institutional arrangement. It was facilitated by the government policy regarding to the land use for local economic development. At the same time, urban area is progressing increased the demand of the land for urban settlement. Both factors intertwine with the fact that access to the customary land in Olilit is shaped by various access mechanisms. There are also several actors involved in this issue especially the outsiders creating pressure on demand of land. In addition to that the actors within the groups are getting more important to enhance the process internally by modifying the customary arrangement.

In answering who benefit from land individualization process in Olilit is a little bit fuzzy. The paper doesn’t want to make an extreme polarization between who benefit and who lost. Instead, the actors related to land individualization process take both benefit and loss at different ways, levels and scales. Furthermore, the benefits so as lost were not always in monetary terms, but also non-monetary terms for instance the district head enjoyed popularity in promoting local development after the success of road project development.

These benefits weren’t necessarily enjoyed by the elites only but also other non elites. However, there is a consistent pattern as expected by the theory that larger benefits were captured by the elites and the other non elites enjoyed a relatively minor benefit streams.

In summary, this research strongly advice the people assessing thoroughly their decision regarding sell their holding. It doesn’t mean that they must keep their holding at all cost so as they have to sold the land out soon. Hence, the decision they made should be based on a voluntary basis with sufficient information at hand. Yet again the people need to anticipate the future considering the recent trend of land individualization seems to be inevitable.
### Appendix 1 List of Clan, Mangfaluruk and House Seated in Ritual Officials

<table>
<thead>
<tr>
<th>Soa</th>
<th>Marga (clan)</th>
<th>House</th>
<th>Mangfaluruk</th>
<th>Ritual Officials</th>
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<th>Ritual Officials</th>
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Source: group discussion with elders of Oillit (L. Belay, E. Batmomolin, P. Fenyapwain)
Appendix 2 Kinship Relationship and Organization in Olilit

![Kinship Diagram]

- Village
  - Soa
    - Clan (marga)
      - House (matarumah)
        - household
        - household
  - Soa
  - Soa
    - Clan (marga)
      - House (matarumah)
        - household
        - household

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## Appendix 3 List of Key Informants

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<tr>
<th>No.</th>
<th>NAME</th>
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<th>ROLES PLAYED IN THE SOCIETY</th>
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<tr>
<td>1</td>
<td>Rein Matatula</td>
<td>August 3, 2006</td>
<td>Forestry agency staff</td>
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<td>Petrus Saiya</td>
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<td>District land board staff</td>
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<td>Freddy Tandjaya</td>
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<td>Businessman, land buyer</td>
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<tr>
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<td>Proto Lololuan</td>
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<td>Public work agency staff</td>
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<td>Agriculture agency staff</td>
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<td>Forewoman, Public work agency</td>
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<td>Head of district land board</td>
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