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THE ROLE OF LAND RIGHTS IN URBAN HERITAGE MANAGEMENT – THE EXPLANATORY POWER OF INSTITUTIONAL ECONOMICS ANALYSIS IN THE RECONSTRUCTION OF CULTURAL HERITAGE OF KOTAGEDE YOGYAKARTA, INDONESIA'S POST EARTHQUAKE

THE ROLE OF LAND RIGHTS IN URBAN HERITAGE MANAGEMENT – THE EXPLANATORY POWER OF INSTITUTIONAL ECONOMICS ANALYSIS IN THE RECONSTRUCTION OF CULTURAL HERITAGE OF KOTAGEDE YOGYAKARTA, INDONESIA'S POST EARTHQUAKE

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Abstract

This paper discusses the importance of land rights in providing ways and means for the improvement and preservation of urban heritage cultural values in Yogyakarta. The use of comprehensive institutional approach considers actors' behavior within their informal institutions in the reconstruction of cultural heritage post earthquake. Discussion focuses on the way landowners may constrains or enabling the reconstruction process. Interviews conducted with selected landowners indicated the way in which land rights impede the urban cultural heritage reconstruction. In the end, it shows how institutional economics analysis explains the role of land rights in the improvement of cultural heritage in Yogyakarta, Indonesia.

Keywords: land rights, cultural heritage, institutional economics analysis

1. Introduction

Saturday morning May 27, 2006 at 6.00 am, residences of Yogyakarta City, Indonesia were scared by strong shakes that interrupted their routine activities. Earthquake on the 5.9 Richter scale had caused severe damages in this area, killed thousands people and ruined thousand buildings including valuable cultural heritages.

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This tragedy has stimulated government awareness to take strategic actions to reduce the lost of precious cultural heritages. It is due to diversified additional values attached on the heritage not only upon the economic values but also non economic values to people who live in this environment. Otherwise, by ignoring this critical condition of the importance of preserving cultural heritage and its values, we are neglecting the heritage values and hence putting it into a worst physical obsolescence. As a result, the cultural city of Yogyakarta will lose its identity and sentimental values. Therefore, a comprehensive reconstruction programs which consider all actors and institutions related to this heritage should be taken into account and acted upon.

Rojas (2002) mentioned that in order to be more sustainable, the urban heritage conservation should consist of three conditions. First, it should involve all social actors. Second, the heritage properties are income-producing or fulfilling the social need. Third, the program should encompass both the monuments and their environments. In heritage management, the system should cover various interrelated factors (Adishakti, 2004) including people orientation, consider multi-disciplines and multi-sectors, accommodate community appreciation and initiative and receive full support from the government, strong legal back-up and enforcement, public-private partnership as well as the development of a heritage conservation market by the private sectors.

In this study, institutional economics analysis which concern about the role of actors, the way actors interact to each other, the way actors' decision influenced the legal aspect provides facilities to understand how revitalization of cultural heritage in Kotagede should be taken. Therefore, this paper discusses about the use of institutional economics analysis in identifying the way land rights may impede the reconstruction of cultural values in Kotagede, Yogyakarta.

2. Institutional economics analysis

Institutional economics analysis is an analysis that attracts people, particularly economists, because its ability to provide rich facilities to understand the way human beings interact to one another and produce economics products in the market. Within limited resources, agents may use technology to push for their economic activities and producing quality economic products. This institutional analysis emerges due to the failures of the conventional approach (neoclassical) to approach the real world since in economic activities human behavior is dynamic and a perfect cum equilibrium condition involving fully rational economic man is something rarely encountered. Institutional economics analysis tried to expand the conventional approach by incorporating social factors such as individual's preferences,

technological possibility and constraints which influence people actions in the economy analysis (Hodgson, 1988).

North (1996) defines institution as constraints on behavior imposed by "the rules of the game" in society: "Institutions include any form of constraint that human being devise to shape human interaction". In term of operational environment, Williamson in Parto (2003) distinguishes between institutional micro and macroeconomics. The macroeconomic deals with the institutional environment while in the micro scale deals with the institutions of governance. According to North (1996) the institutional environment can be in the form of formal rules or informal rules. Institutional governance deals with the coordination in transferring good or right through market, quasi-market or hierarchical modes. As such, both formal and informal rules are seen as institutions that may constrain and/or facilitate any economic activities initiated by human agents in the market. Formal and informal rules, therefore, are institutions which may drive and constrain the people to perform human activities. Formal rules, particularly, and informal rules are developed based on the bargaining between agents to reduce the uncertainty (North, 1996). In addition, North (1996) stated that informal constraint (some times called culture) is as part of heritage and transformed from one generation to the next via teaching and imitation, a knowledge, values, and other factors that influence habit. Habit is a certain rule of personal morality (Rutherford, 1994); is the enormous fly-wheel of society, its most precious conservative agent (Hodgson, 2004). Culture is a kind of previous knowledge hold by someone which dictates the way he encodes or interprets the received information. Formal rules include political (and judicial) rules, economic rules as well as contract (North, 1996). Formal rules usually are constructed in the hierarchy framework. Related to the informal rules, formal rules can complement and increase effectiveness, modify, revise or replace informal constraints.

Theoretical concepts commonly use in institutional analysis are property right and transaction cost (Picot *et al.*, 1997). Property right theory helps to design the optimal level of market transparency, whilst transaction cost theory serves as an efficiency measure for comparison of different institutional coordination mechanism. In this paper the next discussion will focus on the property right theory since its nature has very close relationship with the lands.

According to Barlowe (1986), property has a complicated legal concept. However, a generalized definition of property right is "the exclusive right of possessing, enjoying, and disposing a thing" or "the exclusive right to control an economic good". This definition covers the property right concepts which range from complete ownership to the more limited rights. Furthermore, things or economic goods are objects that have a number of attributes such as rights to the use, an exclusive right, the

appropriateness, the value as well as the assent to protect the rights. These rights can be attributed to an individual or can be shared among different individual (Picot *et .al.*, 1997).

Alchian and Demsetz (Alchian and Demsetz, 1973) argued, from an institutionalist's viewpoint, that property rights can be seen as the institutional arrangements that constrain or direct competition over scarce resource. Furthermore, they stated that actually the central theory of the property rights which has important economic implications is the property right paradigm. The central assumption of the property rights paradigm is that the better the property rights delineated and the lower transaction cost, the better the parties involved are capable of internalizing externalities.

Open access property may exist because ownership has never been established, because the state has legislated it, or because no effective controls are in place. Open access resources are resources which may be used by members of a community in an unrestricted way. Two conditions supported this type of right : when a resource isn't scare and when a resource is scarce but the costs of exclusion exceed the benefit of exclusion (Saleh, 2004). Based on certain considerations such as non-rivalry or low marginal costs of use, the state may converts the open access property into public, common, private property by legislating to define rights and to enforce them.

Private property right is the exclusive rights that can be owned by individual members. Full private property rights provide higher incentive to the owner to perform more complex contractual exchange and greater specialization. Considering the exclusive rights, a formalization of private rights in the form of its documentation and protection from the state are really required (Saleh, 2004).

However, besides the obvious incentive of private property rights, restrictions are always placed on the rights due to the potential harms that particular uses may impose on others. Additional fee could be imposed to internalize the externality as long as the harms could be precisely measured at low cost; otherwise quantity regulations may be more appropriate. The right of eminent domain is an example of the restriction of a private property rights. The right of eminent domain allows the government to "take" private property for valuable public purposes (Saleh, 2004).

The strong property rights occupy a prominent position in the list of prerequisites for market economies to function well. The strength of a country's property rights is typically associated with the formal institutions that maintain these rights, such as title registries and judicial systems (Lanjouw and Philip, 2002). The formalization of private rights in land is a necessary step to make as soon as land becomes scarce so that competition arises around it and agents are willing to transact land through markets. Administrative reforms including a formal registration of private land rights and full-fledged land titling

procedures (requiring the completion of a cadastral survey) will solve all conflicts and the social tensions arising from land disputes.

Beside reduces conflicts, land titles either in form of freehold titles or leasehold titles provide some advantages such as the security for the owner and the more able to invest since land acquires collateral value and access to credit is easier. However, if titled land is not considered as a reliable collateral by credit-givers, because it is difficult to foreclose or because the market being thin, the failures to supply credit will happen.

Various researches have studied the relationship between land titling and investment (Platteau, 1999). Theoretically, landowners whose rights are legally protected can be expected to both more willing and more able to undertake investment. Two reasons supported the former argument. First, protected legal right will provide additional assurance to the land owners to invest and gain return in their investment. Second, investment incentives are enhanced since land can be more easily converted to liquid assets. The latter argument is supported by the fact that when freehold titles are established, land acquires collateral value and access to credit is easier.

However empirical studies indicate inconclusive results. It is true that land titling will improve the investment such as what happened in Thailand, India and Zimbabwe. The opposite way can be found in Kenya and Uganda (Green, 1987). The positive influence of land titling on investment behavior is generally conducted through the credit supply or collateralization effect. In fact, land titling besides provide positive effects to the investment aspect, it also produces uncertainty at the same time. This uncertainty emerges particularly for indigenous land when the legal recognition of customary rights to land was denied during the registration process as the experiences from Kenya (Green, 1987). Different experiences come up in the Thailand registration project where land record have been manipulated by powerful government officials so as to allow elites with a high level of political connections (Thomson in Platteau, 1999).

The changing of the user-right may also add the value of the land such as from agricultural to residential land. The construction of public facilities on one hand enhance the market price of the near by lands, such as roads and drainages, on the other hand reduce the land price if the facilities to be built nearby is an airport or motorways (Dale, 1997).

With express and implied restrictions in indigenous land, the transferability of such land is restricted within a certain tribe owners and, therefore may raise up the cost of changing the use or user of land. As a result, this may reduces the profitability of any investment attached to the land. In addition the restrictions also cause a smaller market, lower value as well as limited use as collateral. The difficulty

of locating owners and the cost of establishing trusts strictly affected the ability of owners to develop land and subsequently hindering economic development and finally produce land supply constraint (Guerin, 2003). Green (1987) gives examples where government policy causes the supply of land. In Kenya, in order to protect the member of family to be landless and destitute, the government policy run by District Land Control Boards do not permit any transaction which will leave the families in those situation. This typical policy also happened in Zimbabwe where individual only has the rights to own the land, not the right to buy and to sell the land. It means every transaction should be approved by the traditional village council (the *sabuku*).

The inability to sell the land gradually cause the fragmentation of title among successor such as what happen to Native American land tenure (Anderson and Lueck in Guerin, 2003). Multiple landownership in turn increases the costs of obtaining agreement among the owners and, hence reduces the willingness of individual owners to put effort into development. Although the benefit of the uses of the land quite valuable, multiple ownership discourage uses since it is more difficult to monitor the inputs and outputs by owners (Guerin , 2003).

In the case of cultural heritage conservation, the successful of the program relies heavily on the actors' behavior involved and the institutions governing them. There are various actors with different objectives and interests involve in the conservation process such as the owners, government, private organization and non government organization. Since landowners have exclusive rights to the heritages, landowners' behavior and decision ultimately will influence the success of the projects. The degree of participation depends to the benefits received by the owners. Benefits may be in the form of economics and non economics benefits.

The government role in this case is performed by reducing the exclusive rights and directing the interaction among actors through the establishment of rules and regulations. Also, government may use enacted regulations to give incentive or constraint to actors regarding to a certain activity. On the other hand, a private or non governmental organization can participate through their ability to provide information, financial support or to develop a particular market that raises the economic aspect in the environment.

3. Land Administration in Indonesia

3.1. Cultural Background

Indonesia is the largest archipelago in the world. It consists of five major islands and about 30 smaller groups totaling 17,500 islands and islets. Ethnically and culturally the country is extremely diverse across the width of the archipelago. There are more than 200 ethnic and sub-ethnic groups and traditionally there have been inter island migrations between these groups. In terms of the relationships with land, these differences ethnic and sub-ethnic have produced various degrees of customary systems of land administration. Although the customary systems hardly to be categorized as uniform across Indonesia; a common premise is the conception that land is spiritual or social and community-owned, rather than an economic commodity (Heryani and Grant, 2004).

During colonization period, around 350 years, two land systems were available to ad minister lands in Indonesia. First, western style systems, to meet the interest of colonial governments, and second the traditional unwritten laws based on customary rights to land which exist in the diverse cultural groups mentioned above (Walijatun and Grant, 1996; Heryani and Grant, 2004).

In 1960, government enacted the Basic Agrarian Law (BAL) as national land law to end the dualism systems. The national land law was created based on the utilization of traditional concepts, principles, systems and institutions. This framework allows Private conveyancing, happens when the dealings performed under customary laws, executed in parallel with the initial registration of deeds.

3.2. Land Tenure System

There are two groups of lands status can be recognized: (1) State land and (2) private land. Private land is land with a certain right on it, either registered or not (yet). While, two sub-categories of state land including :

- a) state land the right on which has been designated to person or a legal entity and
- b) free state land or state land without any right attached to it.

Land ownership is individual in which building is not legally part of it. Therefore a separate title for commercial building is required. It means that one person's building can exist on another's land.

There are presently five types of basic tenure with Hak Milik the highest and nearest to freehold tenure. These are: Special Number 1S/April 2009: URBAN ISSUES IN ASIA

- Hak Milik ownership (freehold), has exclusive right on the land
- Hak Guna Usaha the right to cultivate only
- Hak Guna Bangunan (HGB) the right to erect buildings only
- Hak Pakai the right to use only
- Hak Pengelolaan the right to manage the land only.

Except Hak Milik, all existing rights listed above are specific and temporary and need for periodic renewal. For example, the longest time can be granted for Hak Guna Bangunan, the right to construct buildings on a certain land, is 30 years (BAL, section 35). This hierarchy of rights, uniquely linked to the use of land, has blurred the boundary between land administration and land management.

Rights in land can be recorded in three systems : (a) private conveyancing; (b) the registration of deeds and (c) the registration of title. Two of them are in existence in Indonesia : private conveyancing and registration of deeds (Walijatun and Grant 1996; Heryani and Grant, 2004).

- Private conveyancing is not regulated; however it is accepted by the courts as an informal, but not illegal, transfer. This is based on the legal principle that the title is transferred at the time of payment in cash, registered or not. The passing of the documents agreeing to the transfer is done in private, usually witnessed by two persons.
- II. The system that is formally adopted is the Registration of Deeds. A copy of all agreements that affect the ownership and possession of the land must be registered at the Land Office.

The Indonesian system of registration adopts a negative system, what recorded is not guaranteed by the state. The system tries to protect the real owner from the wrong one. It means that the real owner can claim his/her ownership through court. If it is confirmed by the court, the new ownership is registered according to the court decision. To achieve full confidence in their right for the land owners, the recorded data should be as accurate as possible.

3.4. Problems

It is true that BAL has successfully reduced uncertainty because of dualism systems. However, in the middle way of implementation stages, various problems still can be discovered easily such as social conflict over land, uncertainty because of system, effect of decentralization. Social conflicts have proved to be a major impediment to developing tenure systems. The social conflict commonly emerges because of different interest on a certain land from different parties. A number of issues creating social conflict includes: cultivation by communities on sate/plantation land, land reform rules, customary land rights, land compensation, land acquisition as well.

CCASP TERUM

THE ROLE OF LAND RIGHTS IN URBAN HERITAGE MANAGEMENT – THE EXPLANATORY POWER OF INSTITUTIONAL ECONOMICS ANALYSIS IN THE RECONSTRUCTION OF CULTURAL HERITAGE OF KOTAGEDE YOGYAKARTA, INDONESIA'S POST EARTHQUAKE

The second conflict come from uncertainty situation because of private conveyancing which creates an informal environment in land dealings. Private conveyancing is inefficient and subject to fraud as there is no written document to proof the ownership. The lack of reliable documents also results in the slow process of registration and the weakening of the system. The third challenge come from mandate charged to the National Land Agency which covers the whole ranges of land administration and land management to the local government. Unfortunately, until recently the technical components of BPN have remained essentially unchanged since its establishment.

4. Kotagede – The Case Study

Kotagede is the former capital of Islamic Mataram Kingdom located 6 km south eastern of Yogyakarta city. Kotagede is also well known as the center of silver handicrafts in Yogyakarta. Silver handicraft is a culture descended by the ancestor to the next generations. Currently, Kotagede has been established as one of cultural heritage site with various physical and non physical legacy such as spatial organization of Kampung, old traditional houses in Javanese architecture, traditional cultures, traditional foods etc.

Around Kotagede there are 170 old buildings in Javanese architecture built in 1700 to 1930. At the central Kotagede, a traditional market named *Pasar Gede* built in Panembahan Senopati time has been one of economy activities. Fivety meters south of Pasar Gede, a mosque complex is located. At the center of the complex, there is a Great Mosque surrounded by the houses of the court servants. The mosque was built by Sultan Agung with adopted typical Hindu and Buddha architecture. To the south of the mosque there is tomb complex of the predecessors of Mataram Kingdom and their families that used to be dwelling place of Ki Ageng Pemanahan. Please refer to Appendices A to C for details of Yogyakarta and Kotagede maps.

An old house with mixture of Javanese and European styles located 300 meters west of Pasar Gede is well known as *Rumah Kalang* (Kalang House). Kalang are people invited by the King to become carvers of court jewelries. The uniqueness of this Kalang House is unification of Javanese and European elements, namely *joglo* as the main building that is located at the back part and European model for the front part.

People who are staying in the area, surrounding this old building, whether as the main owners or the neighbors who get benefit from those existing building commonly by direct use such as for housing, for renting and for commercial purpose. Other direct use is educational value obtained by student, from education institutions, who use them as field laboratory. There are also non economic benefits from the

heritage property, which satisfy peoples' social or spiritual needs. Social values arise when the heritage elements give rise to interpersonal relationships valued by the community (for instance, places for gathering, discussion, or social interaction where events held within are enhanced by virtue of their status as heritage sites). Spiritual values involve the identification by individuals and communities of buildings or places with their worship or with honoring their ancestors (Rojas, 2002).

Earth quake disasters on May 27, 2006 had caused significant impact to the physical legacy in this area. Some of the culturally valuable old buildings are collapse, indeed some of them are totally collapse. Before earthquake, there are around 170 traditional wooden house (*Joglo*) built before 1900 were found in Kotagede area. Earthquake has ruined 88 of them (Suara Merdeka, 2006). This condition of course bring about fully apprehensive concern from various bodies, not only government but also non government organization.

5. Discussion

In reconstruction of cultural heritage post earthquake as part of conversation management processes, related to the land and ownership, the main problem is commonly most of the old buildings still belong to the individual ownership. It means that the first side directly receive the disaster impact are the heritage owners. Heritage owners have to initiate immediately a real work to rescue the collapse house, before any participation from the outsider. It is due to landowners at a certain degree still use and get benefit from the building such as workshop, dwelling etc. Therefore the landowners in this case have very important role in term of preserving the cultural heritage. To do that, understanding of landowner's condition and rules related to the cultural heritage become the preliminary asset to overcome such problems.

As commonly known that the traditional building in Kotagede were built tenths even hundreds years ago. In fact the oldest traditional building located at Citran Village was built in 1775, or more than 3 generation prior to the current owners. This long time lapse, of course, provides real impact not only for the physical condition of the building, but also the complicated level of the ownership. Imagine, if in one generation 5 or more offspring found in the family, the current total of land and building owners will be 125 or more. Multiple landowners had made decision more difficult to get unanimous decision to undertake redevelopment and reconstruction of the damaged land and buildings.

In term of land title attached to the lands, landowners commonly already have "Hak milik" on their lands, though not all of them have been formally registered to the local land administration office. Whilst, to those registered lands, the name of landowners listed on the registered book are often on the name of

their ancestor. Without these registered land rights, the efforts to gather landowners and agreed upon disaster management fund are problematic and delayed.

The second problem encountered related to the ownership in current situation is that not all the current land owners are the wealthy people and, thus, have problems to undertake redevelop of the old buildings themselves. They need financial supports. In fact, due to financial difficulties some of them are willing to sell the valuable ruins of the buildings including the *joglos*. "Antique-property market" for old wooden house is working actively, even some of antique brokers intensely persuade old building owners to release their property in a very interesting offered price. An old wooden house may reach 50 billion rupiah market price. As a result, Kotagede is losing lots of valuables and antiques.

The multiple ownership and financial problem of land owners in certain degrees may also dictate to the land fragmentation which subsequently cause the difficulty in preserving the property particularly from antique market activities and the delineation of the property because of inheriting processes.

From legal aspect point of view, Indonesian government has enacted Cultural Heritage Act no 5 in 1992. Although this act has tried to mention in detail about the cultural heritage in various aspects from the definition until the management of heritage, uncertainty still appear particularly for those possessed by private owner. Related to the old building in Kotagede, the uncertainty can be addressed to, first, is site/land considered the attribute of the heritage. Second, what is the exact right that the land owners still hold in term of legal and economical rights. The former will influence the strategy taken by landowners in preserving the buildings particularly related to the inherited-lands alienation. If the site is considered as an attribute of the heritage, the separation between the buildings and the land is almost impossible. This means that once the building has been established as a cultural heritage, the landowners' rights in the land and building are attenuated. It means that the individual owners no longer have exclusive right to the building and attached attribute once the building is established as part of the cultural heritage. So that any activities linked to the building and the lands must be controlled by the local government or legal body appointed by government.

With reference to the act, private landowners held huge of responsibilities, but unclear rights that provide benefits to them. Section 7 of the act states that the heritage possessed by individual can only be transferred to the government, and have to be recorded to the local authority (section 8). In term of protection and maintenance of the heritage possessed by individual owner, section 13 definitely states that this is the responsibilities of the owners. In fact, the owner have to make a report to the local government within 14 days when the heritage is missing. Otherwise, certain amount of penalty or punishment should be paid. All sections mentioned above only state about the responsibilities of the

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individual owners, view sections in the act clearly indicate the right and additional benefit hold by owners of the heritage.

Individual owner attitude toward the disaster and the recovery processes

Commonly, landowners are aware about the importance of the availability of cultural heritage and this is not only as local asset but also national asset, and the need to preserve the heritage. They also realize that besides as cultural heritage, the house also brings about intangible benefit such as the proud of the family in the society since it indicates the social structure of their ancestor. They continuously tried to maintain the building and not to transfer to other owners, although to maintain the building is not cheap and simple works such as what Joko Nugroho mentioned that to substitute one of the rafter, the high and similar quality of wood in high price have to be chosen (*Suarakorbanbencana, 2006*). Otherwise, the building will loose its originality.

Earthquake disaster had brought them into the dilemmatic situation. They want to reconstruct the building, but they have no financial support. Soedibyo Prasetyo the owner of the oldest building located in Kampong Citran promised that he will safeguard the building, if there is a benefactor who help him to reconstruct the building (*Suarakorbanbencana, 2006*). This illustration clearly indicates that the existing cultural heritage act does not providing certainties to individual owners particularly related to whom the responsibility must be attached.

The future of heritage in Kotagede post earthquake

Aforementioned in the previous chapters, things that must be considered to preserve the cultural heritage in Kotagede is to establish new additional rules or regulation or to make addendums which states definitely the right and responsibility of the individual owners on the cultural heritage. In other words, win-win solution for the owners and the society (government) should be the primary consideration. Hopefully this changes which have enforcement power will press the related actors' decision to seriously involve in the conservation programs. In the implementation stage, a contract between government and owners can also be used to overcome uncertainty during performing the conservation program.

The developed regulations should not only focus on the physical factors but also cover other various factors such as social, political and economical factors. The last factors is very important because it has multiple effects not only for actors directly involved in the conservation program but also to the community close to the heritage.

Government through regulations can also encourage actors to participate in the program by providing incentive for example direct incentive and tax system. Direct incentive is given by giving certain amount of money to the private heritage owners within certain period of time. Thought this approach is still in doubt to be success since not directly addressed to the heritage its self. While, the latter provides discount or tax exemption to the heritage owners.

In relation to the land title, participation of the local land registration office to minimize the problem with multiple ownership is very important. To do that, the assessment of current land regulation may be performed so that it will cover not only on the administration of the lands but also on the management of lands such as the issue of sustainable environment, land development etc.

Next step is to encourage private organization to actively involve in the reconstruction projects. Private organization may help government or private heritage owners by providing financial support on the basis of mutual relationship. Expertise own by the private organization can also overcome information problem which influence actors' decision through training program or illumination programs to the actors. The public-private partnership is also encouraged to create heritage conservation and this relies on private sectors.

6. Conclusion

This paper has discussed the important of actors' roles, institutions involved in the reconstruction processes which subsequently influence the successful of the programs. Related to the reconstruction of cultural heritage in Kotagede post earthquake, some institutional aspects should be considered. First, the uncertainty about the problematic land rights should be eliminated and the awareness on responsibilities about endangered cultural heritage values must be given a priority. To overcome the problem, assessment to the existing regulation or formal and written rules related to cultural heritages should be done. Second, the institutional land rights arrangement on multiple land ownership. Since the problem is race with the time, immediate action is required. The institutional arrangements of land rights and landownership should be reviewed and the problem minimized wherever possible. Third, to consider a comprehensive and holistic institutional approach that taking into account the whole behaviour of the actors and various factors (social, physical, political and economical) is required. Finally, to handle financial problem and to stimulate heritage conservation market, the need of private organization involvement is significantly unavoidable may be in the form of public-private partnership as part of institutional arrangements to reduce risk and helping each other.

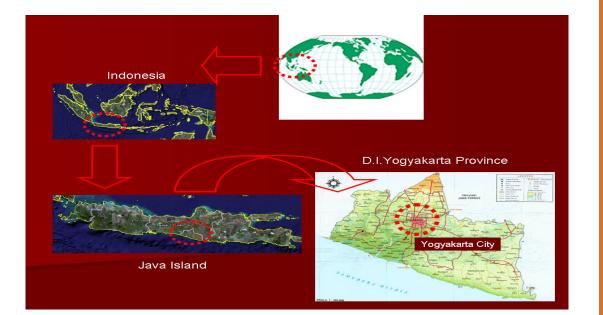
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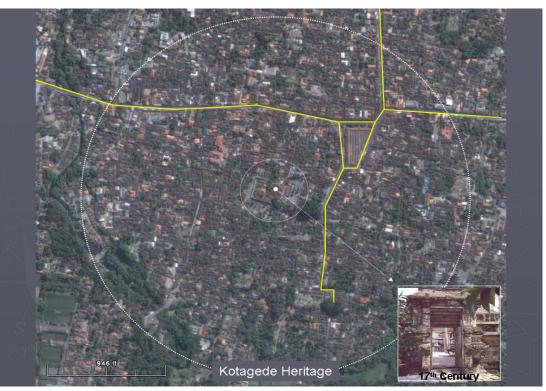


Walijatun, D., and Grant, C. (1996). Land Registration reform in Indonesia. National Land Agency Indonesia. Jakarta.

APPENDIX A : MAP OF YOGYAKARTA, INDONESIA.



APPENDIX B: ARIAL PHOTO OF KOTAGEDE HERITAGE



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APPENDIX C: LOCATION MAP OF KOTAGEDE, YOGYAKARTA, INDONESIA

Theoretical and Empirical Researches in Urban Management