

CONSTRUCTING INDIGENOUS ACCOUNTING STANDARDS IN BALI: A STUDY OF IDENTITY POLITICS

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ABSTRACT

This paper examines the formation of indigenous accounting standards in Bali as a manifestation of identity politics within the accounting discipline. It highlights how accounting practices, often considered neutral and technical, are deeply embedded in ideological and political structures reflecting dominant values. The central issue addressed in this study is: How can identity politics be reflected in accounting practice and the preparation of customary accounting standards as a manifestation of identity politics in Bali? The novelty of this study lies in its use of a critical accounting approach integrated with identity politics theory to analyse the process of standard setting within indigenous contexts. While previous studies have highlighted indigenous accounting as a form of resistance to colonial systems, few have explored the institutionalisation of these practices through formal policy, particularly in the Indonesian context. The research method is a critical literature review that synthesises postcolonial, critical accounting, and cultural identity frameworks. It draws from secondary sources, government regulations, and theoretical discourses to reveal the symbolic and political dimensions behind developing indigenous accounting standards in Bali. The findings indicate that formulating Indigenous accounting standards in Bali is not merely an administrative innovation but a cultural-political project that asserts local identity, challenges the universality of conventional accounting systems, and opens epistemological space for indigenous representation. However, it also risks being co-opted by formal power structures, thus requiring participatory safeguards to preserve authenticity. This study concludes that the initiative to develop indigenous accounting standards must be understood as part of a broader decolonial project that emphasises context-sensitive accountability and challenges epistemic marginalisation. It contributes to the discourse on alternative accounting by advocating for systems that are not only technically sound but also culturally resonant and socially just.

Keywords: identity politics, indigenous accounting, decolonial epistemology, critical accounting

INTRODUCTION

Accounting standards have been dominated by a technocratic approach considered neutral and universal. However, this approach often ignores the social, cultural, and political complexities that accompany economic practices at the local level. Within this framework, accounting cannot be understood simply as a system of recording and reporting, but also as a social and symbolic construct that contains certain power relations and ideological interests (Cooper & Hopper, 2006; T. Tinker, 1985).

Chua, (1986) Stated that the practice and theory of accounting reflect the ideological structure of his society. Therefore, accounting is not value-free, but contains normative assumptions that support the capitalist system, economic efficiency, and administrative compliance. Tinker, Merino, and Neimark (1982) It should be mentioned that positive accounting theory was born as a reaction to the ideological need to maintain the economic-political status quo. Accounting, in this case, is a reproduction tool of the dominant ideology that strengthens the interests of economic and political elite groups.

Furthermore, accounting can be read as a symbolic practice. In this context, financial statements convey numerical data and represent social meaning: who is in power, who is considered relevant, and what is considered valuable. In other words, financial reporting practices operate in a discursive space, where economic realities are constructed, not simply mirrored (Hopwood, 1994). Accounting has the *Power to shape perception*, creating a reality that suits the interests of the dominant entity.

Various critical studies in the accounting field have emerged in this context that seek to provide a new perspective on accounting practice. In a recent study, Bryer (2023) emphasised that critical accounting should be read as an indigenous project that dismantles the hegemonic structure of knowledge and opens space for the representation of marginalised communities. One of the important indigenous projects in accounting is the scrutiny of accounting practices among indigenous peoples. In the context of indigenous peoples, accounting is used as an instrument of reclamation—that is, to reclaim the rights to economic and social narratives that were previously monopolised by the capitalistic system and the state. Likewise, in a systematic review, they show how indigenous peoples' accounting practices are a form of epistemological reconciliation with the colonisation of information and reporting (Bujaki et al., 2022).

Efforts to ground accounting and adapt to local demands can be shown by efforts to prepare indigenous accounting standards in Bali. Through the Decree of the Governor of Bali No. 158/03-O/HK/2024 concerning the Establishment and Composition of the Membership of the Balinese Indigenous Accounting System Guidelines Drafting Team, the Bali Provincial Government seeks to establish an Accounting Standard that can 1) compile guidelines for recording and reporting indigenous finances, 2) integrate local values with formal accounting systems, 3) improve the financial accountability of Indigenous Villages, and 4) provide a regulatory basis for indigenous governance. This step shows that there is an encouragement to recognise economic practices based on local wisdom as well as a form of articulation of cultural identity. In the context of identity politics, the practice of the preparation of indigenous accounting standards is not just a matter of reporting techniques, but an attempt by communities to define themselves in a formal system (Hall, 1997). In other words, indigenous identity in Bali is mobilised in the policy space as a symbol of resistance as well as legitimacy against the dominating external value system, including the conventional accounting system rooted in the logic of global capitalism (Neu, 2000).

Bali as a case study offers unique complexity. The social structure of the Traditional Village, the value system based on the Tri Hita Karana Ideology, and cultural sustainability are the normative

foundations for local economic practices. The Bali Provincial Government together with a number of academics and indigenous institutions have initiated the preparation of accounting guidelines for Indigenous Villages. However, this process is not free from the tug-of-war, symbolic representation, and possible co-optation by formal power structures. From a critical perspective, this begs the question: Is this an epistemological emancipation of the local community, or is it a new form of domination? Various previous studies have shown that indigenous peoples have a different logic of accounting, which emphasises spirituality, social relations, and sustainability, rather than capital accumulation and individualism (Gallhofer & Chew, 2000). Therefore, it is important to examine the process of drafting the standard not only in terms of technical formalities but also in terms of the power relations and identity discourse involved.

This paper aims to critically examine the process through a thorough review of the literature on the formation of indigenous accounting standards in Bali. The literature review was scrutinized using the approach of identity politics theory and critical accounting. The focus is directed at the analysis of how indigenous identities are mobilised, who the dominant actors are in their formation, and how they impact the epistemological autonomy of local communities. With this approach, this article contributes to the development of alternative accounting discourses that are more contextual, participatory, and equitable. The structure of this article begins with a discussion of a theoretical framework that integrates identity theory and critical accounting, followed by an explanation of the sociocultural context of the birth of indigenous accounting standards in Bali, and ends with a reflection.

ACCOUNTING AND IDENTITY POLITICS

Identity politics is a concept born from the historical struggle of social groups that have experienced marginalisation in the modern political, economic, and cultural systems. The study of identity politics is rooted in the struggle of groups to demand recognition of their collective identities, whether based on race, ethnicity, gender, religion, sexual orientation, or customs, as a form of correction against the dominant discourse that is universalistic but often exclusive.

Historically, the idea of identity politics emerged in the late 1960s to the 1970s along with the emergence of the civil rights movement in the United States, second-wave feminism, and the ethnic liberation and decolonization movements. One of the critical early milestones was the Combahee River Collective Statement in 1977, a black feminist manifesto that stated that the experience of black women could not be reduced to a mere issue of gender or race (Izenberg, 2016). In this context, identity politics is used as a tool of emancipation, to articulate experiences and oppressions that are untouched by universal liberal politics.

In the 1980s–1990s, academic studies of identity politics developed rapidly along with the influence of postmodernism, poststructuralist theory, and postcolonial studies. Figures such as Stuart Hall (1997) criticized the view of identity as a fixed and essential entity. Hall states that identity is formed discursively through representation and power relations; Identity is not "discovered" but "formed in and through differences". Meanwhile, in postcolonial theory, Edward Said (1979) and Gayatri Spivak (1988) show how Western colonial discourse constructs the identity of the "East" as the Other, making identity politics an epistemological and symbolic battlefield against colonial cultural hegemony.

This study then developed into the debate between redistribution and recognition, especially through the writings of Charles Taylor (1994) and Nancy Fraser (1995). Taylor emphasises that cultural identity recognition is a basic moral necessity in a multicultural society, while Fraser highlights the tension between the demand for economic justice (redistribution) and cultural justice (recognition). Both approaches show that identity politics cannot be separated from the economic-political structures that make up the living space of marginalised groups.

Entering the 21st century, identity politics has become increasingly complex. On the one hand, it is used as a tool of resistance to global hegemony and the homogenization of Western values; On the other hand, he has also been criticised for being caught up in political fragmentation and identity commodification. However, in the context of postcolonial countries such as Indonesia, identity politics remains an important framework for understanding the articulation of the rights of indigenous communities, religious minorities, and local groups that have been set aside by the centralistic and technocratic national legal and administrative system. Thus, the history of identity politics studies shows that identity is not a stable fact, but the result of social and historical constructions that are always negotiated in power relations.

The idea of identity politics in accounting departs from the realisation that the financial reporting system is not a neutral technical practice, but a social construct full of interests, ideologies, and representations of power. Identity politics, in this context, refers to the struggle of social groups, such as indigenous peoples, to gain the right to speak, representation, and control over reporting systems that reflect their own values, social structures, and cosmology.

Initially, accounting was positioned in the tradition of modernity as an objective and universal technical practice. This system evolved as industrial capitalism and global colonialism expanded, and became part of the state and market power apparatus. Tinker, Merino & Neimark (1982) and Chua (1986) were important figures in dismantling this assumption, showing that accounting reflects the ideological structure of the dominant society and serves to maintain the status quo of economic-political power. This is where the critical accounting approach was born, which became the initial foundation for the articulation of identity politics in this discipline.

The inclusion of indigenous issues and colonialism enriches this landscape. Research by Neu (2000) in Canada, Greer & Patel (2000) in Australia, and Davie (2005) in Fiji highlights how accounting is used as a tool of administrative conquest, reducing indigenous social relations to entities that can be controlled and bureaucratically calculated. It is at this point that identity becomes important, not just as a social category, but as an epistemological battleground. Accounting standards are no longer only questionable for their technical validity, but also for who is represented, whose value is measured, and whose interests are prioritised.

This thought continued to evolve with the support of postcolonial theory and the discourse of multiculturalism. Gallhofer & Chew (2000) states that inclusive accounting must involve indigenous peoples' local values, such as spirituality, relationships with the land, and intergenerational communal responsibility. Meanwhile, Bujaki et al (2022) and Vidwans & De Silva (2023) A systematic literature review shows that colonial accounting practices inherited an ethnocentric and exclusive reporting system, as well as ignoring the voices and participation of indigenous peoples in the formulation of reporting systems that concern them.

In the current phase, identity politics in accounting has evolved into an epistemic and decolonial strategy, as described by Bryer (2023) who calls critical accounting an Indigenous project—a knowledge project that seeks to reclaim the space of representation of Indigenous peoples in a system that has marginalised them. In this context, preparing indigenous-based accounting systems is not just an administrative reform but a political and cultural action to affirm the community's right to a system of representation that is in harmony with their cosmology.

Thus, identity politics in accounting represents a paradigm shift: from accounting as a neutral tool for economic record-keeping to an arena of discourse contestation in which local communities fight for symbolic and institutional sovereignty. Indigenous accounting is not the antithesis of accountability but rather contextual and dialogical accountability that recognises the plurality of social values and experiences.

RESULT AND DISCUSSION

Indigenous Accounting Standards as A Form of Identity Politics in Bali

Bali is a region with a very distinctive socio-cultural structure in Indonesia. Collective identity is manifested in cultural symbols such as customs, religions, and languages and carried out in communal institutional structures such as Indigenous villages. Identity politics in Bali was born from historical tensions between localities and external authorities, both in the form of colonialism, national development, and the globalization of tourism.

The rise of identity politics in Bali can be traced back to the early 20th century, particularly through the dynamics of discourse between two opposing cultural organizations: the Surya Kanta Association and the Bali Adnyana Association. The feud between these two groups not only reflects the ideological differences between modernity and traditionalism, but also serves as a starting point for articulating the collective identity of the Sudra people in the face of the symbolic and structural dominance of the Triwangsa (Ariyani et al., 2022).

The Surya Kanta Association was founded by Sudra intellectuals who experienced social exclusion due to the rigid caste system. Through the Surya Kanta media, they raised issues such as the rationalisation of religious ceremonies, criticism of the Balinese language as a tool of subordination, Balinese Hindu reform, women's emancipation, and strengthening the people's economy through cooperatives. More than just a moral or educational movement, Surya Kanta is a space for articulating identity politics that fight for symbolic equality and cultural recognition.

In response to this modernization, the Triwangsa established the Bali Adnyana Association and published Bali Adnyana to defend the traditional values and social hierarchy they considered sacred. This is where the battle of identity representation takes place: who has the right to interpret Balinese culture, on whose values society is defined, and who has the right to speak in modern Balinese public spaces. The dynamics between Surya Kanta and Bali Adnyana reflect the rise of collective identity awareness structured in media, organization, and discourse strategies. This awakening was not just a resistance to structural injustice, but an early form of identity politics that combined social struggle, cultural reform, and claims for a space of representation in the indigenous Balinese people. In this context, identity politics is not understood solely as a conflict between groups, but rather as a historical process in which marginalized groups begin to negotiate their positions in social structures and cultural discourse. The case of Surya Kanta

became an essential forerunner for the development of contemporary Balinese identity discourse, which is still a central theme in the relationship between customs, the state, and modernity.

The struggle for identity among the Balinese people cannot be separated from the development of the world of tourism. The *Baliseering* policy in the 1930s, namely the Balinese cultural preservation program by the Dutch colonial government to highlight Bali as a "cultural island" in order to attract tourists and strengthen political control. *Baliseering* not only influenced the image of Bali in the eyes of the world, but also engineered Balinese identity for colonial interests, making culture an object of colonial governance that was aesthetic but controlled (Sendra, 2016).

Control over identity in Bali also emerged after the independence era and increased when entering the New Order period. The Indonesian state implemented a modern government system that reduced the position of indigenous villages to the bureaucratic framework of official villages. However, Balinese indigenous communities, through traditional villages, do not stay silent. They carry out various forms of symbolic and structural resistance to maintain their communal identity. Efforts to defend identity have led to the success of revitalisation of indigenous villages through regional regulations, institutional strengthening, and formal legal recognition, especially since the enactment of Law No. 6 of 2014 concerning Villages (Astara, 2024).

Efforts to resist formal control and show cultural identity also occur in accounting standards applied to indigenous villages and economic institutions formed. Conventional financial accounting standards are considered to only attach importance to the reporting process that is oriented towards profit/loss, efficiency, and effectiveness and does not consider the efforts of traditional villages and economic institutions formed by them in preserving culture as Balinese identity (Karyada, 2024). This understanding shows that indigenous accounting standards are not only aimed at shaping the financial reporting standards of indigenous villages and their formed economic institutions, but also an effort to resist conventional accounting standards that are built on the assumption of universality, as if economic practices around the world are subject to the same logic. In fact, economic practices are very contextual, and often not in line with the capitalistic principles that are the basis of conventional standards.

CONCLUSION

The preparation of indigenous accounting standards in Bali is not just an administrative effort, but an articulation of identity politics that carries local values into the formal policy space. This practice reflects resistance to the hegemony of the conventional accounting system that has been rooted in the logic of capitalism and epistemic colonialism. In the context of the Balinese indigenous people, accounting is an arena of struggle to reclaim the space of representation and recognition of ways of life, cosmology, and spiritual values that have been marginalized.

This study shows that accounting is not neutral, but full of ideological and political interests. Identity politics in indigenous accounting offers an alternative paradigm that emphasises spirituality, social relations, collective responsibility, and cultural sustainability. In this perspective, indigenous accounting standards are a form of reconciliation between the reporting system and the cultural values of the local community.

In practice, it is important to ensure that the drafting of these standards is carried out in a participatory manner, avoids co-optation by formal power structures, and truly reflects the aspirations of indigenous

peoples. This process should be understood as part of a broader accounting decolonisation project, which recognises epistemological diversity and promotes representational fairness in financial reporting practices. Thus, indigenous accounting is not only a symbol of resistance but also a foundation for building a more inclusive and equitable governance system.

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