

Conference Paper

Regional Tourism Development As Poverty Reduction Strategy in Bangli Regency

Gede Putu Agus Jana Susila

Department of Management, Universitas Pendidikan Ganesha, Bali, Indonesia

Abstract

Poverty which is an urgent problem faced by Indonesia requires systematic, integrated, and comprehensive handling steps as well as approach. Although many poverty-reduction programs have been carried out by government agencies and other institutions, the results have not been optimal yet. This is due to the fact that the poverty-reduction programs carried out so far are generally limited to the symptoms and do not touch the root of the problems. Tourism is one of the alternatives to improve the economy sector because it provides employment opportunities and business opportunities. The purpose of this study was to find out poverty-reduction strategies by developing regional tourism in Bangli Regency. This study used quantitative main approach that was supported by qualitative approach. It was a mixed method combining quantitative and qualitative methods. The quantitative research was carried out through secondary data collection from data sources available at the Statistical Office, the Office of Regional Instrument Organizations (OPD) of Bangli Regency and several articles related to the research available in the institutions. The qualitative approach was also used in this study because some of the problems investigated were carried out through exploration by conducting in-depth interviews. In addition to the in-depth interviews, data collection was also carried out by conducting focus group discussions to explore the specific problems related to poverty-reduction strategy in the form of regional tourism development of Bangli Regency. In general, tourism development policies of Bangli Regency include: (1) The policies of developing tourism destinations in Bangli Regency that cover: (a) improving the quality of facilities and infrastructure as well as supporting services that can still maintain regional culture; (b) developing preservation of historical heritage and promotion of destination areas (DTW) which is carried out in accordance with the tourism development; and (c) conducting tourism activities which are directed to new DTW explorations. (2) The policies of tourism marketing development of Bangli Regency that cover: (a) determining market reach; (b) providing information that can be easily accessed by foreign and domestic tourists from all over the world; and (c) conducting research and development on tourism information systems. (3) The policies of tourism industry development in Bangli Regency that cover: (a) increasing tourism investment and (b) increasing the absorption of labors in tourism field in the context of poverty reduction. (4) The policies of tourism institutions development of Bangli Regency that cover: (a) strengthening tourism management, including management, human resources as well as clean and accountable governance and (b) enhancing the quality of human resources that have certification and international standards.

1. Introduction

Keywords: poverty-reduction strategy, tourism development

Corresponding Author:

Gede Putu Agus Jana Susila
Janos_undiksha@yahoo.com

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1.1. Research background

Tourism is a sector of global economic activity that is utilized by various countries in the world to increase their participation in economic growth. Bryden (1973) states that tourism development and economic growth have a mutualism relationship to alleviate poverty. In line with Bryden (1973), Ashley et al. (2001) states that tourism is an effective means of reducing poverty. Pro Poor Tourism (PPT) has a significant effect on the opening of new employment opportunities, the increased income, the increased welfare of the people, the growth of micro-economic activities, and the reduced number of poor people. There are a direct relationship between economic and non-economic benefits for the poor in implementing PPT, as well as the positive impact of tourism on the poor (Spenceley, A., and Seif, J., 2003).

Jamieson et al. (2004), states that tourism has not given a sufficiently significant evidence in poverty alleviation; strong theoretical indicators and economic concepts are needed to show that tourism can reduce poverty. Mbaiwa (2005) even mentions that tourism does not contribute to poverty alleviation due to the dominance of foreign investment in the tourism sector so that the strategic position is dominated by foreigners, while local people only work in low-income positions. Likewise, Roy (2010) states that tourist visits have no significant effect on poverty reduction.

The existence of debates and difference on the impact of tourism on poverty from previous studies has become an interesting matter to be further investigated in Bangli Regency. This study tried to analyze the Poverty Reduction Strategy by having Regional Tourism Development of Bangli Regency.

2. Literature Review

2.1. The concept of poverty

Poverty illustrates the imbalance between various groups in society, on the political, economic, environmental and social fields. This imbalance occurs because there are groups benefited from the public conditions or decisions and on the contrary, there are also groups that are disadvantaged, so that they become marginalized. Poverty can be divided into two, namely absolute poverty and relative poverty. Absolute poverty identifies the number of people living below a certain poverty line, whereas relative poverty measures the share of national income received by each income class (Kuncoro, 1997 in Wuri 2006).

Bappenas (2010: 8-10) divides the concept of poverty into two types, namely relative poverty, that is the inability to meet basic needs due to the influence of development policies that have an impact on the inequality of the people's income, and absolute poverty, that is the poverty that becomes the result of inability to meet the most basic needs of life such as food and clothing, health, education and clean water needs. In addition to the two types of poverty, the concept of cultural poverty according to Elesh (1970: 4), occurs as a result of internal behavior trap of individuals or groups of the society so that they are unable to carry out social mobility. Moreover, it is stated that structural poverty happens due to the influence of external factors in the form of rules that do not side with the poor, such as limited employment opportunities and inability to get proper education and health.

2.2. The concept of tourism

The World Tourism Organization (WTO) defines tourism as the activity of a person or group of people to stay outside of their own place of residence temporarily, not more than one year in a row for pleasure or other purposes that are not intended to get a job or salary at the place visited. Tourism is built from the relationship between tourists and companies that provide tourism services, and supported by the government and business entities in tourism sector to prepare the facilities needed by the tourists (Theobald, 2005: 17). According to Jamieson et al. (2004: 2) and Reisinger (2009: 8), tourism is an overall activity involving the government, companies driven by the private sector, other agencies related to tourism and the community, which aims at providing and regulating the needs of tourists such as lodging preparation, travel services for goods and services, that become the needs of the tourists.

Pike (2008: 23) states that there is an emergence of tourism activities with special interests that are now becoming more popular, such as: (1) tourism activities while having business activities, (2) educational tourism and field research carried out by students, university students and academics for research purposes, (3) the tour taken by groups of tourists while gambling at casinos, (4) the tour taken while doing natural tourism activities, (5) the tour taken while doing pilgrimages and spiritual activities, and (6) the tour taken while visiting friends and family. Ashley et al. (2001) states that tourism contributes to the new employment opportunities, the growth of the micro economy. Micro-economic growth has a direct impact on the increase and the equalization of people's income and the decreasing number of poor people. The impact of tourism on the improvement of economic performance is supported by the concept of community-

based tourism (Tasci et al., 2013: 10-11); Joppe (1996: 475) and Armstrong (2012: 2). The results of their research state that the impact of tourism development in improving economic growth was carried out by environmental conservation and the socio-cultural life of the local community.

2.3. The relation between tourism development and poverty reduction

The presence of the government in the development of tourism through regulations on investment will increase the entry of development investment in the tourism sector, provide benefits to the community through economic activities and increase the purchasing power of the people. Government regulations on environmental conservation to protect the environment and limited natural resources, through education and training are needed. Pro-poor tourism programs emphasize the development of sustainable tourism to provide benefits to the poor (Ashley et al. 2001: 2; Hall, 2007: 37). Furthermore, Harrison (2008) states that pro poor tourism as a method with a specific strategy, plays a role in increasing tourism activities and is able to provide economic benefits to the poor. With the cooperation and commitment of tourism stakeholders, the poor will feel the benefits generated by tourism.

Tjokrowinoto (2005) states that the tourism sector has enormous potential to reduce poverty, but on the other hand, the tourism sector also has the potential to lead to impoverishment and increase social inequality. Public policy in the field of tourism should not only pay attention to the potential of tourism to overcome poverty, but it should also be aware of tourism potential to impoverish and create inequalities.

Ashley et al. (2001) examines in depth the empirical experience of the PPT strategy from six case studies conducted in South Africa, Namibia, Uganda, St. Lucia, Ecuador and Nepal. The results of the studies stated that the role of pro poor tourism (PPT) was very significant and positive toward: (1) the opening of new employment opportunities, (2) the increase and equalization of income, and the welfare of the community, (3) the growth of micro economic activities, and (4) the decreasing number of poor people.

Spenceley and Seif (2003) analyzed the strategies of five private companies engaged in tourism in South Africa. The findings of this study showed that there was a direct relation between economic and non-economic benefits for the poor in PPT implementation and the positive impacts of tourism on the poor in the rural area.

Croes, R., and Vanegas, M., (2008) analyzed the relation of tourism, economic growth and poverty reduction in Nicaragua by using cointegration and causality tests. The data

used were the annual data from 1980 to 2004 covering gross domestic product (GDP), tourism revenue, and the number of poor people. The result of the cointegration test showed the cointegration of the three variables, while the results of the granger-causality test showed: (1) a one-way causal relationship of tourism development and economic expansion, as well as tourism and decreased poverty, and (2) a two-way causal relationship of economic expansion and poverty.

Klytchinkova, Irina and Dorosh, Paul, (2012) analyzed the impact of tourism expenditure on the growth and poverty in 4 provinces in Panama by using the Social Accounting Matrix Model. The data used were: (1) Provincial income and expenditure structure calculated from the 2003 Living Standard Measurement Survey in Panama, (2) Domestic and foreign tourist visits and expenditures at the provincial level which were calculated from tourism surveys in 2006 and 2007 by Contraloría for the Tourism Satellite Accounts (TSA), and (3) Input-Output Table and Aggregate Social Accounting Matrix Model that represents Panama's economic structure at the national level. The analysis was performed by using a variant of the xed-price, a linear input-output model, and the semi-input-output model. The results showed that the tourism sector had a large multiplier effect on Panama economy and had significant potential benefits for the poor.

Patera, Made., et., al., (2015) analyzed the impact of tourism and economic performance on poverty in Badung Regency, Bali by using Partial Least Square (PLS). The data used were the annual data from 2000 to 2013 including (1) Indicators of Badung Regency Tourism Development which consist of: the Number of Tourist Visits, Contribution of hotel and restaurant tax (*Pajak Hotel dan Bangunan/PHR*), the Length Tourist Stay, and Tourist Expenditures (2) Economic Performance Indicators of Badung Regency which consist of: gross regional domestic product (GRDP) growth, Employment and Investment Absorption, and (3) Poverty Indicators in Badung Regency which consist of: the Number of Poor Population, the Percentage of Poor Population, Poverty Depth Index and Poverty Severity Index. The results were: (1) The development of tourism had a positive and significant influence on economic performance, meaning that the better the tourism developed, the higher the economic performance was. (2) Economic performance had a negative and significant effect on poverty, meaning that the higher the economic performance was, the lower the level of poverty, and (3) the development of tourism has a negative and significant impact on the level of poverty, meaning that the higher the tourism development increased, the lower the poverty was.

3. Research Method

3.1. Data processing and analysis techniques

This study used a quantitative main approach supported by a qualitative approach, a method combining quantitative method with qualitative method. This is in line with the statement by Creswell (2010: 22) and Jonker et al. (2011: 88) stating that with the increasingly complex research problems, using a mixed approach between quantitative and qualitative in one study will strengthen each other, rather than using only one research method separately.

The quantitative research was carried out through secondary data retrieval from the data sources available at the Statistical Office, Office of Regional Instrument Organization (OPD) of Bangli Regency and several articles related to research available in other institutions. The results of hypothesis testing were used to confirm the results of the research and the theories that were referred to. A qualitative approach was also used in this study because some of the problems studied were carried out through exploration in the form of in-depth interviews. In addition to the in-depth interviews, data collection was also carried out by means of focus group discussions to explore the specific problems, related to the Poverty Reduction Strategy through Bangli Regency Tourism Development.

4. Results and Conclusios

4.1. Policies of tourism development

In accordance with the directions of Master Plan of National Tourism Development (*Rencana Induk Pembangunan Kepariwisata Nasional/RIPPARNAS*), the direction of Bangli Regency's tourism development policies include:

1. Policies of tourism destinations development
2. Policies of tourism marketing development
3. Policies of tourism industry development
4. Policies of tourism institution development

In accordance with the direction of tourism development, the tourism development strategy is made by considering the Vision and Mission of Bangli Regency Government and the priority program of Bangli Regency's development as follows:

1. Developing tourism destinations by encouraging improvements and enhancing the quality of tourism infrastructure and facilities networks, consolidating transportation access to tourist destinations (*daerah tujuan wisata*/DTW) in tourism areas and developing strategic areas and tourism attractions based on marine, natural, and Balinese tourism including creative industries, and developing tourism villages through community empowerment in the field of tourism.
2. Developing tourism marketing and promotion by increasing the number of foreign and domestic tourists by 20% gradually in 5 (five) years, promoting all DTWs in Bangli Regency through creative and effective marketing as well as advertising channels, strengthening integrated tourism marketing and promotion strategies based on information and communication technology, and being responsive to the market.
3. Developing the tourism industry by creating a conducive climate for investment growth and business opportunities oriented to economic growth, poverty alleviation, and employment.
4. Strengthening tourism institutions by increasing the capacity of institutional human resources of tourism management and local tourism stakeholders, to achieve a competitive level of quality service and hospitality management as well as the quality of tourism research and development.

Based on the above policies, the priority focus of Bangli Regency's tourism development is as follows:

1. Priority focus of tourism destination development, including:
 - (a) Development of tourist attraction (DTW)
 - (b) Empowerment of local communities in tourism destinations
 - (c) Increased National Community Empowerment Program (*Program Nasional Pemberdayaan Masyarakat/PNPM*) Mandiri in tourism sector, and
 - (d) Management support and other technical supports in the development of DTW by community/traditional village/village service.
2. Priority focus of tourism development and promotion, including:
 - (a) Increased tourism promotion abroad
 - (b) Increased tourism promotion domestically
 - (c) Development of tourism market information

- (d) Increased tourism publications
 - (e) Increased meetings, incentive trips, conferences and exhibitions (MICE) in Bangli Regency.
3. Priority focus of tourism industry development, including:
- (a) Development of business tourism facilities, small and medium-sized industries supporting tourism, and increased tourism investment
 - (b) Development of standardization of tourism services
4. Priority focus of institutional development, including:
- (a) Strengthened institutional infrastructure and facilities for tourism management
 - (b) Development of institutional human resource through certification and international standards
 - (c) Research and development in the tourism sector.

5. Conclusion

In order to increase the tourism development in Bangli regency in general and the development of the tourism sector in particular, the involvement of all communities and related institutions in the tourism sector and the efforts to empower all sectors related to tourism are needed. In connection with the foregoing, and in order to make the implementation effective, efficient and provide optimal results for the development of tourism in the Province of Bali, the efforts need to be institutionalized and organized.

Bali Province through Bali Governor Decree No. 2.136/03-O/HK/2012 concerning determining elements of the policies of Bali Regional Tourism Promotion Agency (*Badan Promosi Pariwisata Daerah/BPPD*) which stipulates the establishment of the Bali BPPD on December 21. Tourism promotion policies in Bangli Regency are organized by the institutions/agencies appointed for it. The implementation of Regional Tourism Promotion Agency has the following main tasks:

1. Improving the image of Indonesia's tourism, especially regional tourism
2. Increasing foreign tourist arrivals and foreign exchange receipts in particular
3. Increasing domestic tourist visits to Bali Province and spending

4. Raising funds and other sources of State Revenue and Expenditure Budget (*Anggaran Pendapatan dan Belanja Negara*) and Regional Revenue and Expenditure Budget (*Anggaran Pendapatan dan Belanja Daerah*) in accordance with the provisions of the legislation.
5. Conducting research in the development of tourism businesses
6. Conducting cooperation with the Provincial and Regency/City Governments in the management of tourism in the region
7. Coordinating the promotion activities of the Regency/City Regional Tourism Promotion Agency
8. Coordinating the implementation of its duties with the Tourism Office

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