Conference Paper

Social Entrepreneurship in Tourism: A Way to Involve Locals in Tourism Development

Dian Yulie Reindrawati
Hospitality Management, Vocational Education Program, Airlangga University

Abstract

In developing countries, tourism is typically implemented through a top-down planning approach ([12]; Teye, Sirakaya & Sönmez 2002), and decision-making is mostly based on the interventions of government agencies and large multinational tourism firms [12]. As a result, the dominance of external, often foreign capital, and the marginalization of local people is common (Dola & Mijan 2006; Hampton 2003; [12]). Local communities in developing countries often gain only small advantages from tourism (Hampton 2003; [13]). This has been attributed to local people being exploited and having little power to control the tourism development process. In fact, local communities in developing countries are frequently excluded from tourism development, particularly in decision-making and the management of tourism projects (Teye et al. 2002). Braga maintains that social entrepreneurship is the creation of social impact by developing and implementing a sustainable business model that draws on innovative solutions that benefit the disadvantaged and, ultimately, society at large. This article reviews social entrepreneurship in tourism as a way to participate in tourism. Tourism often neglects the opportunity of local people to involve locals in tourism development in their own area. The positive economy of tourism is often enjoyed by outsiders. This article also slightly draws result on how the tourism social entrepreneurship is implemented. Drawing on in-depth interviews of 37 residents, this study explores the social entrepreneurship in tourism in Madura Island. It is argued that the social entrepreneurship is mostly developed initiatively by the participants and indeed is a way to involve locals to participate in tourism.

1. Introduction

Tourism in Indonesia has growth significantly. The Indonesian Statistical Bureau shows that the total number of international visitor arrivals had increased by 11.95 per cent in February 2015. Overall, in 2014, the Indonesian travel and tourism economy generated IDR856 billion. It contributed around 8.8 per cent of Indonesia’s 2014 GDP, with 2.9 per cent of the entire Indonesian work force engaged in tourist employment [27].
As well, tourism in East Java has revealed a significant increase. In 2014, 217,193 tourists from overseas visited East Java Province. Although this number has shown a decrease compared to last year (217,761 people in 2013), due to Kelud Mountain explosion, but tourism in East Java has still been promising. In East Java, recent tourism developments have taken place making it an ideal context for studying tourism and local residents’ participation in tourism.

According to Sharma, Dyer, Carter & Gursoy (2008), tourism has the potential to be a means for improving regional economies, especially through its ability to generate employment, export earnings and revenue for both the government and individuals. Although the Indonesian Government ranks tourism as a priority of its development sector, this approach has not been applied consistently to all regions. In Madura, only a meagre number of tourism establishments existed. The number of accommodation offerings in Bangkalan and Sampang remained the same between 2005 and 2007. A slight increase was found in Pamekasan where offerings increased from 10 to 11 and in Sumenep where they increased from 5 to 7. The number of recreational amenities that had potential to be developed as tourist attraction was also small (48 total in the four regions). In light of this, it is not surprising that Madura Island is considered the least popular destination in East Java both for overseas and domestic tourists (East Java Tourism Board 2009). Compared to other regions in East Java, international arrivals in Madura have always been very low. In 2007, Bangkalan, Sampang and Sumenep attracted only 164, 116, and 51 overseas tourists, respectively, while no one visited Pamekasan.

2. Community Participation in Tourism

A lack of community support has also become one of the major problems of tourism planning in developing countries. This is in contrast to the sustainable tourism principle that entails a long-term perspective and broad-based participation in tourism, particularly in policy formulation, decision-making and implementation at all levels. This is articulated in the following report:

One of the fundamental prerequisites for the achievement of sustainable development is broad public participation in decision making. Furthermore, in the more specific context of environment and development, the need for new forms of participation has emerged. This includes the needs of individuals, groups and organisations to participate in environmental impact assessment procedures and to have knowledge about and participate in decisions,
particularly those which potentially affect the communities in which they live and work (United Nations 1992, p. 23.2).

Community participation in tourism development process has been widely recognized as essential (Cole 2008; Marien & Pizam 1997). It is believed that participation of locals in tourism planning results in better support and attitudes toward tourism and subsequently, this creates a successful industry (Timothy 2002). Yet, if the aspirations of locals are ignored or not included in tourism planning, resentments and hostilities may happen and these may have the potential to damage the industry (Haywood 1988; Murphy 1985; Zhang, Inbakaran & Jackson 2006). Roberts (2013) argues that since no one can judge the perceptions and preferences of residents except the residents themselves, their involvement in tourism planning is essential. In addition, the involvement of residents in the decision-making process in developing countries is important because tourism will generate profits for the residents [17].

As part of the wide recognition of the importance of community participation, this topic has become a debated issue in the tourism management literature, particularly around its definition. The term ‘community participation’ has been interpreted by scholars in varying ways [26] and agreement on a common definition of community participation has been hard to achieve ([11, 23]; Tosun 1999). Community participation can refer to collaboration (Bramwell & Sharman 1999; Jamal & Getz 1995; [7]), involvement of the community in the decision-making process (Aref & Ma’rif 2008), or a multi-stakeholder approach in decision-making, all of which are referred to as participatory tourism planning [22] or cooperative tourism planning (Timothy 1998).

Key factors in community participation that relate to the input of locals are contribution, influence, sharing, or redistribution of power and control, knowledge and skills of locals in decision-making [26]. These include empowering the community by a consultative process which provides the community an opportunity to choose, make decisions and implement those decisions (Sofield 2003), as well as by enhancing self-esteem and pride in cultural traditions through an outside recognition of the values and uniqueness of the culture (Cole 2008; Scheyvens 2003b). Therefore, participation should place an emphasis on the resources, needs and decisions of the community, whereby opportunities are provided for local communities to mobilize their own resources, define their own needs, and make their own decisions in order to meet their own needs [23].

Timothy (1999) suggests that community participation may happen in two stages: in the decision-making process and in gaining the benefits of tourism development (see Figure 1). Participation in the decision-making process refers to the empowerment of
local residents to define their own goals for development, as well as consultation with them so their hopes and concerns with regard to tourism are addressed. Participation also encompasses the involvement of other stakeholders in the decision-making and development process. The benefits of tourism refer to increased income, and opportunities for employment and education for the locals and are the most evident way of involving local community members in the benefits of tourism development [22].

![Diagram](image_url)

**Figure 1:** A normative model of participatory tourism planning. Source: Adapted from Timothy (1999).

Both of these stages – involvement of locals in decision-making and in the benefits of tourism – are closely related and entangled [11]. The involvement of locals in decision-making influences the generation of the benefits of tourism, and vice versa [11]. For example, if there is no involvement of local stakeholders in decision-making, disparity in the benefits of tourism might occur (Madrigal 1995). If local residents are to benefit from tourism, it is imperative that they are involved in the decision-making process. However, the study of Li (2006) in China found the contrary. Li’s (2006) study results showed that even though there was low participation of locals in the decision-making, local communities were happy with tourism because they received satisfactory benefits from tourism. Several elites, who were decision-makers in the process, were from local villages and may have contributed to this outcome because they may have had the interests of the local community at heart (Li 2006).

Another tourism planning approach which emphasizes the collaboration of varied stakeholders is cooperative tourism planning. Sustainable tourism development, which entails consistently meeting the needs of the stakeholders involved in tourism development, as well as the need for environmental protection, requires effective planning and implementation of collaboration and partnerships among various stakeholders (Hall 2008).
3. Limitations of Community Participation in Tourism Planning in Developing Countries

Since participation has been developed and promoted primarily in the political and social context of developed countries [11], its application to developing countries is problematic [11, 23]. Several operational, structural and cultural aspects are identified as barriers that typically hinder community participation in developing countries (Tosun 2000). Tosun (2000) maintains that included in the operational problems are issues related to the strong centralism of public administration such as a lack of coordination between tourism stakeholders and a lack of communication. For instance, some people choose not to get involved in tourism community participation activities due to time pressures (Pongponrat & Pongquan 2007). Timothy (1999) states that local people may feel they cannot afford the time to participate, especially with their low socio-economic condition. This situation causes them to be more focused on making ends meet.

Some scholars claim that politicians in developing countries seem to be reluctant to adopt and implement participatory development approaches (Tosun & Timothy 2001). It has been argued that this lack of will on the part of the government is the result of the unequal distribution of power and resources between government and the local community – a situation that has mostly existed in the tourism development process in developing countries (Tosun & Timothy 2001). Also, since the main aim of tourism development in developing countries has most often been to increase foreign revenue (i.e., by applying the boosterism and economic approaches), the government has mostly driven tourism development toward this aim, often disregarding other community interests (Tosun & Timothy 2001). The absence of a participatory planning approach in developing countries is indeed like ‘a missing ingredient of development’ in many developing countries (Tosun & Timothy 2001, p. 355).

The lack of coordination between different government agencies can also be a hindrance to the participation of local benefits to tourism. The research of Hampton (2003) in Yogyakarta, Indonesia, shows that the central government in Jakarta is responsible for four and five star accommodation and facilities across the whole country, whereas the provincial governments are responsible for the no-star to three-star accommodation in their areas. This minimal coordination is compounded by the lack of government interest in participatory planning (Timothy, 1991).

Other operational issues are related to the limited data available about tourism as well as its inaccessibility to the public (Tosun & Jenkins 1996). As a result, most
residents have little knowledge regarding tourism development and, consequently, public involvement is low. For example, in Iran, tourism plans are inaccessible to the public, therefore, local communities have little knowledge about these plans and public participation is low (Aref & Ma’rof 2008). Often, the information about plans in developing countries is limited to the rich and educated elites, leaving communities with low level knowledge of plans (Tosun & Jenkins 1996).

Included in the structural issues are a number of issues such as institutional problems, power and legislative structures, dysfunctional economic systems, a lack of will to adopt participatory tourism development amongst professionals, a lack of knowledge on the part of planners, domination by elites, lack of an appropriate legal system, lack of skilled human resources, and funding issues such as the high cost of community participation and few financial resources (Tosun 2000). A lack of public meetings is another significant barrier to participation. In China, even though there were many ways of attracting public participation such as attending public meetings and the submission of opinions, these procedures were only formalities, and public opinion was rarely reflected in final decision-making (Wang, Yang, Chen, Yang & Li 2010). Furthermore, lack of expertise for both planners and residents is another major problem. With regard to planning, government officials and private planners both lack understanding about the nature of involvement in tourism planning [22]. This condition is worsened by the modernization ethos that focuses primarily on the elites and economic development (Graf 1992). In addition, the newness of the industry means there is a dearth of planners with adequate planning skills, including the skills to attract community participation in the industry (Brown 1994).

In terms of structural limitations, one of the issues is tension between the professionals who formulate the plan. This tension is usually associated with difficulties in persuading professionals to accept participatory tourism development as a viable approach in many developing countries. In this context, emergence and acceptance of participatory tourism development may depend largely on the existence of a powerful Non-government Organization (NGO) defending participatory development as a democratic right of host communities in tourist destinations (Tosun 2000). In many developing countries, there is limited planning capacity, in part because they lack experts with the appropriate training (De Kadt 1979c). The research of Lai, Li, and Feng (2006) indicates that a lack of expertise dominated the local government’s ability in China, which, in turn, limited the ability to conduct planning as a whole.

The cultural limitations include the problems of low levels of knowledge and awareness in the local communities (Tosun 2000). For example, the research in Indonesia
found that strong cultural and political traditions create barriers to participation. The Javanese concept of power and authority that requires respect for people in positions of power or those with high social standing has created a situation whereby common people accept their decisions without question [22]. Reisinger and Turner (1997) maintain that when the authorities make decisions, their decisions tend to go unquestioned. In this regard, the common people, regardless of whether they agree or not, accept the decisions [22]. Discussions with the leader are a tool used to determine what stance people should take on an issue (Jackson & Moeliono 1973). In the village in Java, for example, a great deal of respect and authority go to the head of the village. Thus, few villagers would bypass the village head when needing advice, as this behavior would be regarded as offensive and cause the village head to lose face [22]. Even though in some areas in developing countries, the strong role of the leaders can be important because they can influence community participation (Pongponrat & Pongquan 2007), the strong traditional culture which attributes unquestioned reverence to community leaders has also created a major challenge in developing countries.

In relation to this low level of knowledge, Mosse (2001) maintains that local people’s voice and understanding about plans, their needs and the problems they have in relation to the plans are not actually addressed through participation. Rather, local people’s understanding is strongly manipulated and formed by those in positions of power and the project organization (Mosse 2001). In this case, negotiation takes place between project staff and villagers, who in practice, according to Moose (2001), are represented by key village leaders. Indeed, the local knowledge is essentially about ‘a collaborative product’, which effectively hides the discussions between villagers and the project staff. Thus, local knowledge becomes matched with what the project can actually provide for the people.

Local community participation in the decision-making process of tourism development in developing countries has often been lacking and is often limited or marginalized, as host members are often excluded from planning and decision-making (Dola & Mijan 2006). In this regard, Cole (2008, p. 58) raises the question, ‘...about how can they [the community] participate in something about which they understand so little’, as ‘...so many factors, so far from local community control, make tourism an unreliable prospects on which to base economic hopes’. This question leads to two important points which can impede locals from participating. First, Cole’s question indicates the lack of knowledge or understanding of the community in relation to tourism. In the case of the Ngada Village in Flores, Indonesia, the people have little understanding about tourism development in their area (Cole 2008). They expressed
their lack of understanding of tourists and tourism; that they have little idea as to why tourists arrive and what they want. Cole (2008) notes that this lack of understanding eventually led to the inability of local residents to understand the tourism process as a whole. Second, Cole’s question elucidates the existence of dominant power, which has controlled tourism in the area and effectively excluded the locals. Thus, in this case of tourism development in Ngada Village, the issues of the loss of power, powerlessness or marginalization of local people has been apparent (Cole 2008). In an attempt to review challenges for community participation, Cole’s question suggests an important idea - whether the unequal power that exists in developing countries has created a base that strengthens the limited opportunities for local communities to participate in tourism planning in developing countries.

The unequal power which is concentrated in the hands of a few has resulted in the benefits of tourism accruing mostly to these powerful people [13]. The low levels of access by the locals to financial and other tourism resources have caused an inability to negotiate and little to no sense of ownership of tourism resources. These situations are the cause of the residents being powerless in participation (Aref & Ma’rof 2008).

The perceived benefits resulting from tourism have provided the required encouragement to participate in tourism development programs (Eshliki & Kaboudi 2012). With regard to Ramsar city in Iran, the results show that there is a significant relationship between the effects of tourism for the community and degree of participation (Eshliki & Kaboudi 2012). In this case, the more people receive benefits from tourism, the more they tend to participate in tourism development (Eshliki & Kaboudi 2012).

However, Li (2006) found that community participation can be counterproductive in certain stages of tourism development, illustrating the case in which, despite poor participation in decision-making caused in part by a lack of finances, there were positive outcomes for the community. Notably, positive outcomes resulting from a decision-making process where participation is weak cannot demonstrate that participation was not effective, only the possibility that there is the need to reshape the concept and design of the participation model in developing countries (Li 2006).

The participatory planning approach has also been challenged by the complex nature of communities and the power differentials in participation which can often challenge expected beneficial outcomes. The research of Roberts (2013) makes this point. In her research of the Lowlands community on the island of Tobago, the smaller of the unitary state of Trinidad and Tobago, Roberts (2013) found that there were three factors identified as mediating the extent to which communities are able to access the benefits of community participation initiatives. These factors were clear vision of objectives,
The 2nd ICVHE sustained interest, and institutional support. In other words, if vision of objectives is unclear, interest to participate is low and institutional support is inadequate. For example, lack of training in negotiation has hindered people from participating in decision-making [17].

Moreover, participation is tending to become a management procedure without considering the social structures of potential participants, such as participants’ positions, the variation in advantages or disadvantages of joining participants, individual motivations, and the opportunities and problems which limit the desire of participants to participate. Cleaver (2001) suggests that further analysis about social structure may also be necessary to include the interests of poor people. The beneficial nature of individuals in participation should not overlook the social structures that underpin the desire to participate.

Indeed, as discussed earlier, the principle of local participation may be easy to promote, but the practice is more difficult [13], especially in developing countries due to a top–down development culture (Teye et al. 2002) and the socio-political structures [11]. With so many limitations in developing countries, participation initiatives should be analyzed with care to determine how genuine they really are [11].

4. Social Entrepreneurship As a Way to Involve Locals

Entrepreneurial activity is a dynamic activity (Braga 2014). According to Brock and Steiner (2010 in Braga 2014), ‘social entrepreneurship is the creation of social impact by developing and implementing a sustainable business model which draws on innovative solutions that benefit the disadvantaged and, ultimately, society at large’. Certo and Miller (2008) defines social entrepreneurship as a process in which involves the recognition, evaluation and exploitation of various opportunities to produce social values. Social values are insufficient availability of basic needs such as food, health and education. Social entrepreneurship is an activity that emphasizes the achievement of common goals (Steinerowski, Jack & Farmer 2008). It was also emphasized that social entrepreneurship is done in the context of social, economic, environmental and cultural (dacin 2010). Social entrepreneurship promotes solutions to social problems. Furthermore, social entrepreneurs are people who identify failures in society and transforming them as the business opportunity (Thompson 2002).

According to Ashoka in Brock and Steiner (2010), an attempt is referred to as a social entrepreneurship when covering the following items they change system,
innovative, replicable, empower beneficiaries, scaling social impact, measurable, ultimately, and sustainable (Ashoka in Brock and Steiner (2010). Meanwhile, the main difference between entrepreneurship commercial (the commercial entrepreneurship) and social entrepreneurship is in entrepreneurship commercial, the main focus is on profit/economy, while in social entrepreneurship is a social return is a matter that the main goal. The economic return is the main focus of economy entrepreneurship, while social entrepreneurship is becoming the primary purpose is social enterprise and economic sustainability. However, it should also be remembered that the dichotomy between entrepreneurship conventional and social entrepreneurship cannot be separated in apparent dichotomy (Braga et al.), for instance the reason social entrepreneur entrepreneurship also in personal fulfillment realization (Mair & Marti 2006). Furthermore, many scholars who claim that the motivation social entrepreneur is a strong desire to change the condition of society, discomfort in the existing circumstances, and helpfulness of sesame (Mair and Noboa, 2005). Steinerowski et.al (2008) adds that social entrepreneurs are motivated to make changes in others.

In this study the concept of social entrepreneurship is defined as an activity of tourism social entrepreneurship in tourism. Social tourism entrepreneur is defined as those who conduct tourism business activities that inspire and encourage local communities to participate to carry out business activities travel. Here there is a strong effort from one to change himself and others by doing tourism business activities.

This was shown in some interviews as follows.

I was the only one who opened this [Batik] business. Then I teach my neighbours how to do Batik and I invite them to sell it. (Jari, 50, Batik Entrepreneur, Sampang)

I ask my neighbors to help me and they are happy with it.

At the beginning, I did it by myself. After that, I ask family and relatives to involve in this business. The business really can help our economy.

The aforementioned interviews indeed show how social entrepreneurship has allowed locals to be more participate in tourism. Locals who used to be passive to tourism has started to involve in tourism. This happens in Adi, for example. Living next tourist destination may mean nothing for Adi. However, by being asked by his neighbors to help him in his business, he started to participate in tourism.

The social entrepreneurship is not just the economy alone but rather on social oriented. This is seen in Ani. She even looks herself as a leader of entrepreneurs in the region, because she thinks others will join and copy what she does.
People here do not have an idea to develop their business, to expand their business. No one has an idea as me. While I have a dream to open a gift shop which is more permanent, they do not. (Ani, 29, a souvenir seller)

The statement “... no one has an idea as me” implies some important points. This is a pride to be a leader in her community. It also shows that she has an ambitious attitude, as she wants to increase its business in the future to have a gift shop that is much better that her current stall. A more permanent souvenir shop can be interpreted as a symbol of her desire to have a more stable business in the future, which represents a more secure source of income. Furthermore, the statement also shows the strong entrepreneurial spirit of Lestari. By comparing themselves with others, she looks herself in different positions; she is the only person that can see a business opportunity. Thus, it can be interpreted that she believes in running her business and, on the whole, confident about future changes.

Indeed, the participation of locals in tourism planning results in better support and attitudes toward tourism and subsequently, this creates a successful industry ([3]; Timothy 2002), the social entrepreneurship mean giving access to locals to participate in tourism.

5. Conclusion

This review concludes that the social entrepreneurship is one of ways to empower local community and involve locals in tourism. Even though, the recruitment of new ‘people’ to the business, with reference to Madura, by the entrepreneurs is limited to kinship and friends, it is believed that social entrepreneurship has improved the local community participation in tourism. Therefore, the social entrepreneurship in tourism should be developed and support from the local government should be improved.

References


