

# The Analysis of Factors Affecting Community Income Around Bukit Kasih Tourism Objects in Kanonang Village of Minahasa Regency

Ellen E. Poli  
*Geography Study Program  
 Social Science Faculty  
 Universitas Negeri Manado  
 Tondano, Indonesia  
 ellenpoli@unima.ac.id*

Erick Lobja  
 Department of Geography Education  
 Universitas Negeri Manado  
 Tondano, Indonesia  
 ericklobja@unima.ac.id

Kalvin Salindeho Andaria  
*Geography Department  
 Faculty of Social Sciences, Universitas  
 Negeri Manado  
 Manado, Indonesia  
 kalvinsa@gmail.com*

**Abstract** - *In the village of Kanonang, both Kanonang I and II have developed several types of creative businesses, such as souvenir selling in the form of t-shirts, hats and a few others as well as traveling photo services. The presence of traveling photographers is a new phenomenon in the effort to fulfill needs as well as part of offering services. With these services, there should be a study to find out the social, economic and cultural potential of the people in Kanonang I and II Villages in developing their creative economic endeavors. Therefore, the research objective is to find out what drives the emergence of various service businesses in Bukit Kasih, how the income obtained, and how the relationship with the service users is. This study used descriptive qualitative methods with quantitative and qualitative data analysis, namely by collecting, organizing, presenting, and interpreting the results of research as they were. The data obtained were analyzed using diagrams and tables so that the data can be read easily to find out the answer to the problem studied. The results of the study showed several factors affected the income of the community in the Bukit Kasih tourism area of Kanonang Village, including Low capital, remote location, inadequate and less varied merchandise type, the unfixed outflow of work time since it was adjusted to the presence of the visitor. Besides, lack of working experience and low education levels also affect the income. The number of visitors every year shows the external challenges where there is competition with other tourism sites and the issue of poor management. It is proven by many opinions of tourists who stated the need for improvement in the management of the Bukit Kasih tourism area.*

**Keywords:** *Income, Visitor, Tourism, Bukit Kasih*

## I. INTRODUCTION

The current development highly encourages everyone to work in meeting all their needs with various professions and occupations. Then it forces the government to encourage everyone to not only depend on nature but to creatively create jobs in the concept of the creative economy, namely an economy based on creativity and intellectual ability. According to (UNCTAD, 2008) the creative economy is perceived as an evolving concept centered on creativity to stimulate economic growth and development.

The evolving creative industry is currently an inseparable part of the development of the concept of a creative economy.

According to UNCTAD (2008), the creative industry is at the heart of the creative economy for the creative industries contribute significantly to the country's economy by the increase of the value of exports, the absorption of large numbers of labor, and to the Gross Regional Domestic Product (GRDP). The study on Mapping of Creative Industries by the Ministry of Trade of the Republic of Indonesia in 2007 found 14 types of creative industries, i.e. advertising; art and antique markets; design; video, film and photography; music; publishing and printing; television and radio; architecture; craft; fashion; interactive game; performing Arts; computer services and software; research and development.

Concerning economic development, [1] argued that economic development is the key to macroeconomic objectives. First, as long as wants and needs are always unlimited, the economy must be able to produce more goods and services to meet those wants and needs. Second, efforts to create economic equity and stability through income redistribution will be more easily achieved in the periods of high economic growth. Third, the population is always increasing, and economic growth can employ the workforce.

According to reference [2], economic development is a long-term process in increasing per-capita income by processing potential economic power into the investment, use of technology, knowledge addition, knowledge enhancement, improvement of skills and management. The main objective of every developing country is to achieve prosperity and welfare for its people. It is in line with the views of reference [3] that development can be conceptualized into a process of sustainable improvement of a society or a social system as a whole towards a better human life.

Associated with improving the quality of human resources as implementor of development. Human resources are one of the dynamic factors in long-term economic development along with science and technology, natural resources and production capacity attached to the society. Out of the four dynamics factors, human resources have a very central role, especially in the field of economic development in developing countries where human welfare is the main objective in the community's economy [4].

The development of human resources is pursued through investment in human capital including knowledge and skills obtained from education, training, and experience ([5], where humans are educated to be able to recognize their environment as to develop their personality. Economic policies have always been aimed at not only increasing income but also increasing welfare in a broad sense. Economic development activities are always deemed as all development efforts carried out by the community. It includes efforts to develop economic activities and increase the level of income. Low income also generates a low level of consumption by the community. Mutual community efforts with the government to develop economic activities are to increase income [6].

Due to the unlimited compliance of human needs, humans are required to make maximum efforts to meet their needs as a condition of survival. To meet these needs, they have to do an activity called working. By working, humans can obtain income to meet their needs and also the family. According to [7], National income is a standard of the level of living or prosperity of a society, which is quantitatively the level of living of a community determined by per capita income. Per capita income is all income divided by the total population. Thus the increase in people's welfare can be measured by the level of real income per capita.

In Kanonang Village, both Kanonang I and II have developed several types of creative businesses, such as souvenir sellers in the form of t-shirts, hats and several other as well as traveling photo services. The presence of traveling photographers is a new phenomenon in the effort to fulfill needs as well as part of offering services. With these services, a study is required to find out the potential social, economic and culture of the people in Kanonang I and II Villages in developing their creative economic endeavors.

The core of this research is to reveal the factors that encourage the emergence of various service businesses in Bukit Kasih, to obtain accurate data of income obtained, and how the relationship with the customers of services. The expected outcome of this study is to be published in an accredited or international journal.

The social life of the traveling photographer is related to the pattern of interaction between traveling photographers with fellow photographers, organization, consumers of their service, and the surrounding environment. The social life of a traveling photographer cannot be separated from changes in social behavior that exists within the community. In the context of social behavior, it was discussed the changes in behavior, respect the time, changes in geographical mobility, and changes relating to security and changes in emotional behavior.

The Economic Life of a traveling photographer is about a home business activity since they try to obtain income while expecting able to meet the needs of their family. "Income can be defined as earnings in the form of money or other material gained from the use of wealth or independent human services" [8].

According to reference [9], [7], income is all earning in the form of money or in the form of goods gained from other

parties as well as products of industry which are valued based on the amount of money from assets in force at that time. Income is a source of earnings for a person to meet their daily needs and is considered very important for the survival and living of a person directly or indirectly. Income consists of wages, salaries, rent, dividends, profits and is a flow that is measured in a certain period, for example, a week, a month, a year or an in a long period. The income stream results from productive services that flow in the opposite direction i.e. productive services flowing from the community to the business which means that income must be obtained from productive activities. According to M. Friedman in reference [2] that community income can be classified into permanent income and transitory income.

Reference [10] argues that increasing income will raise utility either through increased consumption or additional leisure time. With increased leisure time, it means reducing working hours. Income can be obtained from various businesses carried out by the community. Similarly, according to reference [6], sources of household income can be obtained from:

1. Personal business (entrepreneur), i.e. trading, working in the fields, running his own company.
2. Working for other people, i.e. working in an office or company as employees of both private and government employees.
3. Income from property, i.e. owning rice fields, rented houses, loan interest, retirement salaries for those who are elderly and used to work either in the government or in other institutions.
4. Donations or gifts, i.e. getting donations or assistance from family, inheritance, gifts, savings, etc.
5. Loans or debts, this is an income but it must be returned or paid off one day.

There are three functions of income, as follows:

1. An appropriate form of security for a worker and family members to be his responsibility;
2. Reflects a reward for someone's work or output of production;
3. The driver or motivation of workers to continue to maintain working productivity so that the production process continues to increase and takes place continuously [5].

According to Philip Kotler in reference [7], service is an action or an activity which can be offered by a party to another party, which is basically intangible and can not affect any ownership. Its production can be related or not related to one tangible product.

## II. RESEARCH METHOD

This study was conducted in the Kanonang I and II Villages of Kawangkoan Sub-District of Minahasa Regency aimed at service business. The reason for choosing this location is the Kanonang I and II development of souvenir, food and traveling photographer services is rapidly growing so there are many people from these villages who do this profession. This study used descriptive qualitative methods with quantitative and qualitative data analysis, namely by collecting, analyzing,

presenting, and describing the results of research as they were. The data obtained were analyzed by using diagrams and tables to make the data could be interpreted easily to find out the answer to the research problem investigated.

### III. RESULT AND DISCUSSION

Kanonang I and II villages are part of the West Kawangkoan Sub-District, Minahasa Regency which has an area of approximately 356 hectares with the surrounding boundaries as follows: North of Kanonang IV Village, West Kawangkoan Sub-District. Eastside with Pinabetengan Village, Tompasso Sub-District. Westside with Tombasian Atas Village, West Kawangkoan Sub-District

Kanonang II Village is an expansion village from Kanonang Satu Village in 1977 by the Minahasa Regent. The implementation of the Governmental Administration went well referring to Government Regulation number 72 of 2005 concerning Villages and the structure of Government Organization referring to Minahasa Regency Regulation Number 3 of 2000, while the Implementation of Village Administration was guided by the Decree of Ministry of Home Affairs Number 32 of 2006 concerning Village Administration.

The people of Kanonang II Village are consisted of 245 households, while the population is 814 people. The Livelihoods of Residents of Kanonang Dua Village, namely: Farmers, Workers, Civil Servants, Laborers, Services, Crafts, Private Employees, Entrepreneurs, Pensioners, etc. Supported by the existing Economic Institutions, namely: Cooperation, Farmer Groups, Animal Husbandry Business, Fisheries, Shop or Grocery store. Concerning public health, so far it is very good because there are no outstanding or extraordinary cases of disease because it is supported by the availability of Posyandu and health facilities not far from Kanonang Village. Social Institutions in Kanonang Dua Village, namely: LPMD, PKK, Youth Organization, Farmers Group, Father's Organization Group, Mothers, Youth / Youth, Professional Organization Groups and Istiadat custom groups.

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pace with their routine. On the other hand, land and natural attractions are decreasing, with more areas are utilized for settlements and industries. One of the tourism objects is Bukit Kasih Kanonang, located at the foot of Mount Soputan, which is one of the natural tourism objects in North Sulawesi. These tourism objects and attractions have beautiful natural scenery, fresh air, natural hot sulfur water, culinary tourism, spiritual tourism, and cultural tourism that embrace the diversity of the region in harmony. Visitors of Bukit Kasih Kanonang vary year after year. Based on data obtained from the management, the number of tourists who came in 2013 was 98,840 people, then in 2014 it grew by 103,508 people, while in 2015 it decreased considerably to 77,173 people, and in 2016 it increased again to 104,391 people. It remains uncertain whether the visitors who came were new visitors or returning visitors; however, the existing dynamics can be correlated externally to the competition of other tourist attractions as well as internally with internal management which includes the comfort and safety of the trip.

Based on the interviews with several tourists, it was figured out that the tendency of tourists who came to visit Bukit Kasih was because they wanted to see how Bukit Kasih was managed as a manifestation of the symbol of tolerance of the five religions in Indonesia. The data above showed that Bukit Kasih was expected to be a symbol of tolerance between religious communities in Indonesia. It was proved by the presence of five houses of worship that stand side by side. Each of the five beliefs is carved on each different side of a monument of religious harmony that seems to stand firm. It can be proved by looking at the hillside below the row of houses of worship, sulfur gas vapor appears which appends to the sanctity of tourists.

Based on the type of business developed by the community in the Bukit Kasih tourism area and the results of the data collected it was recognized some factors that affect of the community income in the Bukit Kasih tourism area in Kanonang Village, including:

#### a. Capital

Every line of business, including various business ventures in the Bukit Kasih Kanonang tourism area, need capital to be able to finance their daily operations, working capital is very influential in their revenue. With more than enough working capital will help to get a higher income. With increasing capital, it is expected can increase production, so that it will be able to increase the number of revenue that can eventually increase income.

Based on the data collected, it was found that out of the 45 respondents used as research samples, all of them suggested that the capital was a factor influencing the income of traders in the Bukit Kasih area. Merchant capital sourced from personal capital and loan. Most traders' capital comes from their personal capital, additional capital from loans is limited by their ability to meet loan terms such as guarantee or collateral that traders must provide to secure loans from banks, cooperations or other financial institutions.

The effect of capital on their income in this study was following the theory of Swastha (2008) stating that factors affecting trader income include conditions and ability of traders, market conditions, capital, organizational conditions and other factors that can influence trader income. Samsul Ma'arif's research (2013) shows that the capital factor has a positive effect of 0.269 with a significance value of 0,000 which is less than 0.05 on the income of traders at Bandarjo Ungaran Market, Semarang Regency.

#### b. Location Factor

The results of the data analysis show that another factor that influences people's income in the Bukit Kasih tourist area is a location that is quite far from Manado. According to respondents, the location of Bukit Kasih, which was quite far from Manado, also affected their income. Whenever more visitors who come and buy from traders in the strategic location of selling, the easier it is for traders to sell their merchandise. Besides, customers will also be happier if they shop near their parking lot, near the main entrance, and easily accessible by buyers. The influence of location variable on the income of traders in this study is following the theory of the location of the Losch market approach, from August Losch where the location of the seller is very influential on the number of consumers he can work on. So the location of selling is closely related to the interest of the buyers to buy merchandise and will affect the income of the merchant.

#### c. Types of Merchandise

The type of merchandise sold at Bukit Kasih is one of the factors that affected the community income as it affected the amount of income from the traders in the area. Some types of merchandise sold include t-shirts, hats, accessories such as bracelets, culinary or food and several other types of merchandise. The data analysis above showed that the types of merchandise sold at Bukit Kasih are t-shirts, hats, and bracelets by 40%, then followed by food vendors at 26.67% and direct photo services at 20%.

#### d. Time Workflow

Time Workflow is the length of work time spent by a person measured in hours. The working hours used are different for each person. Basically, a person's income depends on the time or hours of work flowed. The more time spent on a person to work is expected more income to receive. Based on the data analysis, the dominant flow of working hours for traders in the Bukit Kasih tourism area is between 7-10 hours per day (66.67%).

#### e. Age

Age is one of the factors that can affect one's income. Income initially increases with age, culminates at the productive age level, and then decreases again at retirement age or old age. Based on the data obtained, it was found the population in the 25-55 years age group dominates, especially men at 76% and 24% of women.

#### f. Work experience

Work experience is obtained along with the duration of a person pursues a particular job. The longer a person is engaged in a job, the more experience he got, and the better management is applied to do the work, the better results eventually reached and improved. The longer a person runs his business, the more experience he obtains, so he will be more skilled and knowledgeable on the possibilities that will occur as a consequence of the decisions made.

Based on the data obtained, there were 14 respondents (31.11%) who have worked as traders in the area of Bukit Kasih for approximately 4 to 5 Years, while 12 respondents (26.67%) have done this work for 8 to 10 years, and 9 respondents (20%) were for more than 10 years. Some have even traded since the area was built in 2002. Experience can be categorized as informal education. Therefore, the experience can provide practical skills as well as qualifications in doing the work. The more experience they have got on their work, the more income they obtained.

#### g. Education Level

In general, the type and level of education can be considered to represent the quality of the workforce. Education is a process that aims to increase skills, knowledge, and increase independence and the development of one's personality. Education is one of the factors that can improve the quality of human resources. With the higher quality of resources, then productivity will increase and eventually can increase one's earnings. Based on the data above, then according to the basic assumptions of Human Capital theory, a person can increase his income by improving the level of education. The data above shows that 71.11% of the respondents were high school (SMA) graduates. Every extra one year of school, on the one hand, means the increasing workability and income level for one year in attending school, but on the other hand, postponing the income receipt for one year in attending the school. Skills, knowledge, and independence are attributes inherent in a person that can be improved through education and are the basic capital needed to do the work. The higher value of assets, then higher their ability to work.

## IV. CONCLUSION

Based on the discussion above, it can be concluded that several factors influence community income in Bukit Kasih tourism area of Kanonang Village, including: Low capital, remote location, inadequate and varied types of merchandise, unfixed time workflow since it is adjusted to the presence of visitors. Besides, lack of work experience and low education levels also affect income. The number of visitors every year shows the external challenges, where there is competition with other tourism areas and the problem of poor management of the area. It is proven by many opinions of tourists who stated the need for improvement in the management of the Bukit Kasih tourism area.

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