

Poverty Reduction Through Strategy of Regional Tourism Development

Gede Putu Agus Jana Susila
 Departement of Management
 Universitas Pendidikan Ganesha
 Singaraja, Bali, Indonesia
 Janos_undiksha@yahoo.com

I Nengah Suarmanayasa
 Departement of Management
 Universitas Pendidikan Ganesha
 Singaraja, Bali, Indonesia
 Nengah.suarmanayasa@undiksha.ac.id

Wayan Cipta
 Departement of Management
 Universitas Pendidikan Ganesha
 Singaraja, Bali, Indonesia
 Wayan.cipta@undiksha.ac.id

Abstract—Tourism is a sector of global economic activity that is utilized by various countries in the world to increase their participation in economic growth. 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 which was supported by qualitative approach. It was mixed method combining quantitative and qualitative methods. The quantitative research was carried out through secondary data collection. The qualitative approach was also used in this study because some of the problems investigated were carried out through exploration by conducting in-depth interview.

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. In addition, Regional Tourism Promotion Agency also has the following functions: 1) As coordinator of tourism promotion carried out by the business community in the province on tourism promotion activities at the international, national, and regional levels. 2) As work partners of government and regional government.

Keywords—Poverty Reduction, Tourism Development, Bangli Regency

I. INTRODUCTION

Tourism is a sector of global economic activity that is utilized by various countries in the world to increase their participation in economic growth. Tourism development and economic growth have a mutualism relationship to alleviate poverty [1], [2]. 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.

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 [3]. 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, 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.

II. LITERATURE REVIEW

A. *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.

In other words, the income of absolute poverty is not enough to meet the minimum needs set in the poverty line, while relative poverty is a comparative condition between income groups in the society. Poverty is a level of life that is below

the minimum standard of living necessity which is determined based on the basic needs of food which makes the people have enough work and live healthy based on the needs of rice and nutritional needs. A person is categorized as poor if she/he is unable to earn per capita income which is equivalent to 320 kg of rice for the people in rural areas, or 480 kg of rice for urban residents.

The Central Statistics Agency (*Badan Pusat Statistik/BPS*) uses the concept of the ability to fulfill basic needs (*basic needs approach*). With this approach, poverty is seen as an economic inability to meet basic food and non-food needs measured through the expenditure. The poor are people who have an average per capita expenditure per month below the Poverty Line. The Food Poverty Line (*Garis Kemiskinan Makanan/GKM*) is the expenditure value of the minimum food requirement which is equal to 2,100 kilo calories per capita per day. Non-Food Poverty Line (*Garis Kemiskinan Bukan Makanan/GKBM*) is the minimum requirement for housing, clothing, education and health.

Concept of poverty divides 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. Poverty can be considered as a result of internal behavior trap of individuals or groups of the society so that they are unable to carry out social mobility [4]. 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.

The concept of poverty can be seen from the inability of the people to fulfill basic needs (*basic needs approach*) and from the aspects of low economic ability and welfare, as well as the limitations of their daily political and socio-cultural participation [5].

B. 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 [6]. 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 [3], [7].

Tourism chain in the form of trade activities between countries, improves economic performance, export and import, trade, labor supply and investment growth as well as the emergence of various contributions related to tourism services [8]. Economic growth can be ascertained to have an impact on increasing income, which leads to the reduction of poverty. Economic growth is closely related to the improvement of welfare of the community, including those who are in the poorest condition [9].

C. 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 [2]. Furthermore, 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.

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 [10]. 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.

Tourism consists of various activities conducted by the people who travel and live in places outside their daily environment for no more than one year in a row for the purposes of vacation, business and other purposes that are not related to paid activities in the place visited. According to Law No. 10 of 2009 concerning Tourism, it is explained that tourism is a travel activity carried out by a person or group of people by visiting a particular place for recreational purposes, personal development, or learning of the uniqueness of the tourist attractions that are visited in a temporary time.

Tourism opens up various opportunities through the entry of investment as a driver of economic growth, employment opening, and increasing foreign exchange earnings of the government. The amount (volume) of tourist expenditure will create a direct impact on the trade, hotel and restaurant sector [11]. The growing development of the tourism sector has an impact on the increase of regional revenue.

The empirical experience of the PPT strategy from six case studies conducted in South Africa, Namibia, Uganda, St. Lucia, Ecuador and Nepal [2] showed that the role of pro poor tourism (PPT) was very significant and positive towards: (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.

Pakistani tourism was able to be a motor to increase the economic growth through its contribution to gross domestic product (GDP), the increasing exports of tourism products, and tax revenues [12]. The development of community-based tourism as an alternative for tourism development began with the social and cultural traditions of the community which were integrated with the community with wider scale in tourism and non-tourism-based areas. This study concluded that pro-poor tourism (PPT) activities could be used as a broader community development strategy, which could improve the lives of marginalized communities.

The impact of tourism and economic performance on poverty in Badung Regency, Bali by using Partial Least Square (PLS) has been carried out previously [13]. 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.

III. RESEARCH METHOD

A. 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.

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.

IV. RESULTS AND CONCLUSION

The rationale in establishing the concept of tourism development in Bangli Regency is the basics to provide the concept of tourism development as a whole with consideration of the policies and conditions of Bali Province.

A. Development of Sustainable Tourism

Sustainable tourism development is a development that is supported ecologically in the long term, economically feasible, as well as ethically and socially equitable. United Nation Environment Program (UNEP) develops the basic principles of sustainable tourism development. In tourism and also in other industries, sustainable development consists of three interrelated aspects: environmental, socio-cultural, and economical aspects. Because of its 'continuous' nature, sustainable tourism includes conserving biodiversity; minimizing ecological, cultural and social impacts; and utilizing of conservation and local communities maximally. In addition, the management structure is also needed to achieve it. The principles of sustainable tourism development, are as follows:

1. The integration of tourism and general policies for sustainable development so that tourism development is aligned with

national and regional economic, social and environmental objectives.

2. The development of sustainable tourism must be supported by two important components, namely planning, as well as arrangements and standards. Planning ensures alignment of the development plans with other plans in a broader dimension of space and longer time dimensions. The formulation of regulations and standards provides a clear legal framework and corridor in the development.
3. Sustainable tourism management is carried out to maintain the consistency of development through cooperation and initiatives of all sectors and stakeholders, including direct involvement of local communities, monitoring and use of environmental-friendly technologies.
4. Success cannot be separated from the consistency of all stakeholders in carrying out plans that have been set and in improving continuously the capacity of human resources through the exchange of information on sustainable tourism development.

B. Reduction of Regional Development Inequality

Community growth and activities tend to be concentrated in the areas that have relatively better resources, which often cause areas that are less developed to become more left behind. The regional development should be done to reduce inequality and not aggravate it.

Inequality in the development of Bangli Regency is caused by, *inter alia*, the resource ownership, accessibility of transportation infrastructure, physical condition of the region's geography, and the terrorism issues causing the existence of travel warnings some time ago. Considering that tourism needs to be developed as a driver of development in places where other sectors are difficult or cannot be grown, tourism can be one of the tools in reducing the imbalance in the development of Bangli Regency.

Tourism is a sector that can be relatively developed anywhere, by creating attractiveness and accessibility, as well as conducting effective promotional activities to the target market segments of tourists.

C. Inter-sectoral Relations in Tourism Development

Regional development sees sectors as interrelated systems. The main economic and accessibility sectors in an area need to be developed within the framework of mutual complementarity and mutual support with other sectors. Tourism is

multisectoral and cannot progress and develop itself without supports from other sectors. On the other hand, other sectors can also utilize tourism to positively synergize so that they can get mutual support and profit. With creativity and innovation of planning, tourism can be developed along with other sectors without bringing up conflicts.

D. Relations of Tourism, Trade and Investment (TTI)

TTI integrates tourism activities, trade and investment as parts that can be accommodated in one joint activity, where one activity can influence and support other activities. Tourism activities result in the movement of people to a place so that tourism can be appointed and developed to support trade and attract the investors who have already know the area.

For this reason, a conducive atmosphere and climate are needed so that tourists or visitors who come can get a good impression and image of Bangli Regency. The trade that runs as the effect of the visit needs to be supported by the ease and clarity of the procedure as well as other various incentives to be able to run smoothly. Expected investments can also occur, if all parties support and provide the facilities.

E. Concept of Tourism Hierarchy and Leveling

The concept of leveling in tourism development of Bangli Regency is carried out by:

1. Dividing the scale of tourism area development into (i) local scale that serves local visitors (recreationist), (ii) regency/city scale that serves tourists from other cities, weekenders and/or short holidays, and (iii) provincial, national, and international scale that serves regional tourists.
2. Distinguishing the form of tourism development in an area based on the potential characteristics for each scale owned.

With this leveling concept, the development of tourist areas in Bangli Regency will have different scale and development priorities.

F. Development of Superior Tourism Area

In relation to the concept of leveling, the Regional Tourism Development Master Plan of Bangli Regency will focus on the tourism areas with the provincial/national/international scale that are considered superior. Superior Tourism Areas (*Kawasan Wisata Unggulan/KWU*) of Bangli Regency is a tourism area with a provincial/national/international scale which has a strategic role because of the location/intensity of the tourist visit, or because of its potential that is

related to the strategic issues of Bangli Regency regional development. The *KWU* can consist of several tourist attractions, and is in a different administrative area. The location and/or the intensity of tourist visits at the *KWU* causes the *KWU* to function as a showwindow of Bangli Regency, that is to spread tourists to other areas in the regency.

Tourism areas with a district scale or local scale can be superior tourism areas at the district or local level. The development of tourism areas of this scale is expected to support the province tourism scale or the scale above it. The diversity of tourist attractions in each of the superior areas in Bangli Regency can jointly strengthen the competitiveness of tourism products in Bangli Regency.

G. Community Empowerment Tourist Attractions Object (Obyek Daya Tarik Wisata /ODTW)

In addition to causing expected changes, tourism development activities that emphasizes on the growth targets also result in the unexpected impacts. The efforts to correct the development are carried out by introducing the principles of sustainable development.

The essence of a sustainable concept is to meet the needs of the present generation without reducing the right of future generations to obtain their rights. This principle is then developed not only in terms of inter-generations (vertical) but also inter-regions (horizontal). Any effort in the development and management has to consider the impact on the environment and all of its components, including the impact on the surrounding community.

Regardless of their difference, intergenerational sustainability of a region will not be possible to happen without the existence of interregional sustainability, so that the concept of sustainability must also be applied to all regions and various sectors. It is impossible to create a beneficial condition for future generations without guaranteeing more equitable welfare for the current generation. The demands for changes in local people's behavior must be balanced with the availability of opportunities to improve their welfare.

In line with the tendency of fundamental demographical and psychographical changes in tourist profiles which lead to an increase in the number of tourists with the insight of sustainable development, the concept of sustainable development is also adopted by the tourism sector. It is packaged into the definition of sustainable tourism development. As in the notion of sustainable development, sustainable tourism development also has two dimensions, namely inter-generations and inter-regions.

However, the main basis for sustainable tourism lies in the participation of local communities. The community is expected to protect all its interests, both natural and cultural resources. People are also given space to express their opinions to accept or reject the development of tourism activities in their area. The indicators of sustainable tourism are:

1. Supporting the improvement of the welfare of the local community;
2. Emphasizing ownership of local communities;
3. Supporting environmental conservation efforts;
4. Increasing the contribution to regional sustainable development;
5. Minimizing of consumption patterns for non-renewable natural resources.

V. 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.

To implement the Law number 10 of 2009 concerning tourism, it is necessary to establish a Regional Tourism Promotion Institution of Bangli Regency which is in the form of independent institution or an institution under the auspices of the Tourism Office or the organization on tourism affairs to promote the entire potential or strength of the regional tourism sector and set the organization and working arrangement for tourism promotion.

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

In addition, Regional Tourism Promotion Agency also has the following functions:

1. As coordinator of tourism promotion carried out by the business community in the province on tourism promotion activities at the international, national, and regional levels.
2. As work partners of government and regional government.

REFERENCES

- [1] J. M. Bryden, "Tourism and Development: A Case Study of the Caribbean Commonwealth." London: Cambridge University Press, 1973.
- [2] C. Ashley and D. Roe, *Pro-poor tourism strategies: Making tourism work for the poor: A review of experience*, no. 1. Iied, 2001.
- [3] W. Jamieson, H. Goodwin, and C. Edmunds, "Contribution of tourism to poverty alleviation pro-poor tourism and the challenge of measuring impacts," 2004.
- [4] D. Elesh, "Poverty theories and income maintenance: validity and policy relevance," *Soc. Sci. Q.*, pp. 359–373, 1973.
- [5] C. R. Laderchi and S. Ruhi, "Stewart. 2006. UNDP, Poverty in Focus." International Poverty Center, Brazil.
- [6] W. F. Theobald, *Global tourism*. Routledge, 2012.
- [7] Y. Reisinger and F. Dimanche, *International tourism*. Routledge, 2010.
- [8] A. Athanasopoulou, "Tourism as a driver of economic growth and development in the EU-27 and ASEAN regions," *Res. Brief. Eur. Union Cent. Singapore*, 2013.
- [9] G. S. Fields, "ILR Impact Brief-Economic Development, Labor Markets, and Poverty Reduction," 2007.
- [10] M. Tjokrowinoto, "Pengurangan kemiskinan melalui pariwisata: Perspektif kebijakan publik." Dalam Damanik, J., HA dan Raharjana, DT (Ed). *Penanggulangan Kemiskinan Melalui Pariwisata*. Yogyakarta: Kepel Press, 2005.
- [11] B. H. Archer and others, "Tourism and island economics: impact analyses.," *Prog. Tour. Recreat. Hosp. Manag.*, vol. 1, pp. 125–134, 1989.
- [12] R. Karim, F. Mohammad, and L. Serafino, "Integrating pro-poor tourism activities in a community-based idea of development: the case of the district of Hunza-Neger, Pakistan," in *Proceedings of the International Colloquium on Tourism and Leisure (ICTL)*, 2012, pp. 9–12.
- [13] M. Patera, M. Sukarsa, and A. A. S. Wiranatha, "Effect of Tourism And Economic Performance On Poverty In Bali," *Int. J. Multidiscip. Educ. Res.*, vol. 4, no. 12, p. 1, 2015.