



Mobility of the new class in the tourism industry in Bali

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Abstract

The study focuses on empirically addressing the disputes among the researchers over the source of injustice in the tourism industry created by the class structure. This is firstly related to the theory of postindustry which suggests that class should be more human. Secondly it relates to Marx's theory that class should be more orderly. This study used a concurrent triangulation mixed methodology. The analysis of the interclass relationship shows a strengthening class i.e. the professional class (54.5%) with the higher bargaining power against the capitalist class (1.5%) and the proletarian class (44%). This condition reinforces the post-industrial theory which shows that the open system, technological advances, and specification facilitate the mastery of expertise towards a higher level of professionalism based on the border-crossing protean career and not a consistent proletarian process. This study estimates that the transformation of the proletariat class into the new class structures is increasingly stronger, in line with the growing tendency of the professional class towards a dual position as the workers and professionals- capitalists range from small to the big scale individuals and business owners. The development and improvement of public and private tourism organization and worker development is critical for sustainable growth.

Keywords: class, mobility, tourism industry, Bali, Marx theory.

Introduction

Recently, the articles on the workings of class structure (for example, Ehmer, 2014; Evans and Colin, 1998) and the repeated disputes over the relationship among classes in the tourism industry have significantly drawn the public interests and reviews in various scientific articles (see, Marx, 2006; Goldthorpe, 2000; Magnis-Suseno, 1999; Guy and Allen, 1975; Nicolaidis, 2016; Friedman, 1974). The study on the emerging new classes to the welfare issues, however, is inadequate in number.

In fact, a new class energizes an individual to be more active, not simply as having an equal opportunity; everyone can get into any classes. Everyone might strive to climb up to a higher class or social stratum for better welfare and not to be alienated socially or economically. Nearly all sectors, government agencies, and the world institutions build the political commitment to improving the welfare of allegedly alienated classes. In this, a series of reviews, discussions, seminars, conferences, and workshops have been conducted like the ILO's annual conference 2009 in Bali. As explained previously, many have written reviews on the class structure in the



tourism industry such as Wright and Martin (1987), Wright and Singelmann (1982), Farmer (1966), and Friedman (1974). The reviews, however, focus more on the dichotomy of two antagonistic classes i.e. the proletariat and the capitalist class. Unlike the previous studies, these examined the possibility of the newly emerging classes particularly the interclass analysis, with the introduced harmony and then they were further developed by Anker (2002), so as to build prosperity for all classes. The term "class" refers to a group of workers in various business types in the tourism industry based on the equality of properties (Rose & Karen, 1997). To this extent, the definition of class analysis was chosen as it explores the class categories (Rose & Karen, 1997) and has significance for the new classes to tolerate (Korpi, 1983), and is empirically tested (Anker, 2002). In particular, this study aims to analyze the class structure within the work structure of various business types in the tourism industry in Kedonganan-Jimbaran Bali. Finally, this study is expected to encourage the alienated class to climb up the social ladder and provide more direct input for the policy holders to provide greater access for them.

Literature Review

The dichotomy of two antagonistic classes i.e. the proletariat and the capitalist class is debatable since a revolution in industry. Based on the theory of Marx (2006) that since: (1) *in Feudalism* there has been class alienation between the classes of landlords who have a higher bargaining position than other classes of economic actors. But the mobility of class (2) *in the Capitalist era*, the bargaining position of the capitalist class was higher than the others especially the working class. Workers are generally heavily exploited and the capitalist class focuses on capital accumulation and replaces production equipment with machines. Furthermore, (3) *in the socialist era* the capitalist class made investment in technology which further increased unemployment among the worker class (Nicolaidis, 2016) and the same may happen with the Fourth Industrial Revolution (Mpofu & Nicolaidis, 2019).

This is also stated by Gandhi's as in his opinion God gives everything in this world enough. If there are some of lacking it simply means that others have taken more. This condition is also stated by Fagertun, (2017) in that if the capitalist has taken more accumulating capital through labour exploitation or replaces them with machines, it creates unemployment and when people have nothing and are completely lacking this often can and does can trigger labour movements to rise up leading to social conflict. However, the facts show that the tourism sector in Bali has been growing with the support of more workers from a proletarian background. The tourism sector is one of the largest sources of employment in the country and has a very high usage rate of unskilled labour. The government needs to provide some direction in tackling the challenge of providing decent work in the sector.

Based on the analysis of the theory development put forward by Karl Marx (2006) it does not always divide the structure of class in society into two distinct parts according to the stages in the historical era of feudalism, capitalism and socialism. The authors believe that theory of Marx about alienation of two classes does not still apply to the modern era in the tourism sector in Bali. According to Smith and Staveley (2014), the tourism industry in Bali has an open organizational structure which shows the structural work of a commodity production process that gives equal opportunity for each worker to shift from a position or field of work to one that that require specialized workers. Therefore, the positional role was based on the workers' expertise and professionalism. The capitalist owners realize the importance



of competence in that position. That's why they stay outside or entrust the management of the company to the management and staff with adequate expertise.

When the business grows bigger, and the network is broader with more open organizational structure, the type of human resources for the positions is increasingly more complex. On the contrary, the smaller business will lead to less specialization of human resources needed. The specialization, however, does not suggest alienation but is rather an integration of workers into the company vision and the workers deserve equal opportunity for career and personal achievement. In this, the workers' loyalty is not to be dedicated to the boss or leader, but to the work accomplishments in achieving the company's vision and mission. The career movement of workers within the organizational structure from one position to another, one business type to another, one industry to another and one country to another or across borders is known as a protean career in which the workers seek a series of experience in improving the skills and expertise required for professional status. This suggests that the workers, not the company set the career advancement. Critics of the theory of Marx on the issue of the concluded that the open organizational structure in tourism industries in Bali make workers and capitalists 'grow up together'. The development and improvement of public and private tourism infrastructure and especially employee/worker growth is critical for sustainable growth.

As stated by Fagertun, (2017), in the sustainable tourism industry based on Balinese culture and tradition it is difficult for workers to be replaced by machines. Smith and Staveley (2014) state that of the three forms of tourism Bali tends to choose sustainable forms of tourism rather than mass or virtual tourism which all use machines. The professional touch and uniqueness of indigenous Balinese as actors in the tourism sector cannot be replaced by the Robotic Human Interactive (RHI) concept which is believed to bring about imitative and unsustainable tourism. So, the structure class of Balinese society is not only divided into two but is in essence even more fragmented.

Research Methodology

The notion of class structure is perceived in structures of work and in organisational matrices in various business types in the tourism industry in Kedongan-Jimbaran Bali and this study unpacks this to an extent. The study used a concurrent triangulation research method as follows: In-depth interviews were held with 10 informants using a snowball sampling technique. In addition, field observations were carried out in different tourism business purposively selected at the same time. Meanwhile, the questionnaire-assisted survey was conducted using 789 respondents as the sample of workers drawn via a random sampling of 8,641 workers in 528 tourism businesses (see, Morgan, 2007; Ritchie and Goeldner, 1994).

A deep analysis was done to the qualitative data obtained from the interviews and observations along with the quantitative data of class group frequency with the use of SPSS 19 software. The inductive and deductive findings resulted from the analysis of triangulation which were integrated into a single unified and mutually reinforcing finding (Creswell, 2012).



Discussion

The field observations (2019) found that various types of businesses in the tourism industry are closely related to spatial geo-topography, the effect of the capital circulation, and the available workers' conditions. Relatedly, the tourist attraction offered and the flourishing types of business in the tourism industry on the research site in Jimbaran - Kedonganan can be seen in Table 1.

Table 1. The Distribution of Respondents by the Types of Business in the Tourism Industry

No	Types of Business in the Tourism Industry	N	Percentage
1	Tourist Destination Area (DTW)	4	0.5
2	Tour and Travel Business (BPW)	5	0.6
3	Accommodation	210	26.6
4	Culinary	295	37.4
5	Souvenir	216	27.4
6	Spa	46	5.9
7	Tourism consultant	1	0.1
8	Meeting, Incentive, Conference, and Exhibition (MICE)	9	1.1
9	Village-owned Enterprises (BUMDes)	3	0.4
	Total	789	100

Source: Primary Data, 2020

Details: DTW (*Daerah Tujuan Wisata*, Tourist Destination); BPW (*Bisnis Perjalanan Wisata*, Tours and Travels); MICE (Meeting Incentive Conference and Exhibition); BUMDes (*Badan Usaha Milik Desa*, Village-owned Enterprises)

In the 9 types of businesses in the tourism industry, the respondents fall into the various types of tourism businesses, among others, as follows: 37.4%, 27.4%, and 26.6% for culinary, souvenirs and accommodation, respectively. This suggests that the three types of business become the most dominant businesses compared to the types of peripheral tourism business such as spas 5.9%, meetings and shows organization 1.1%, tour and travel 0.6%, natural landscape beauty 0.5%, village-owned tourism enterprises 0.4%, and 0.1% tourism consultants. The variations of the main and the peripheral types of business contribute to realize the real work in the tourism industry.

The structure of employment in the tourism industry is explained by the characteristics of the organizational structure and the working class structure. The organizational structure, which affects the class structure, falls into two characteristics i.e. the closed and open one (Observation, 2020). The effect is indicated by the correlation between the closed or open organizational structure and the class structure. The more open the organizational structure the more it will facilitate the working class to climb up to the higher classes. On the other hand, the more closed the structure of organization will make the working class stay stagnant or likely left behind at lower rungs. The open organizational structure gives greater opportunity for the workers in the positions or businesses to switch jobs. Meanwhile, in the closed structure, the opportunity is made limited by the dominance and power of capital owners who employ the workers. As a result, the workers in the more open organizational structure will climb up to the higher class faster, whereas the ones in the closed structure will likely climb down to the lowest class with the minimum standard of needs available.

Such a dual organizational structure depends on the accumulated capital. The detailed observation in the research site (2020) indicated that greater accumulated capital investment will lead to the broader management network, and an increasingly more complex work-sharing arrangement with a more open



organizational structure as the consequence. The organizational structure in the tourism industry is growing dynamically towards the openness given the changes in technology, continuously developing positions, accelerated accumulation and circulation of capital. Various types of small, medium to large scale enterprises grow towards the open structure with varied levels of complexity and specialization. Some business, however, remain closed and concentrated in the structure, but they exist as a peripheral or semi-autonomous business. Notably, the business apparently moves to the synchrony of work with the open organizational structure (Observation, 2020).

The main business and the peripheral one are symbiotically intertwined and contribute to create the working class in the tourism industry which can be microscopically (specifically) and macroscopically (generally) viewed. Inevitably, the microscopic and macroscopic structure, position and rank issues, as well as capital ownership and non-ownership are the determinant factors to realizing the working class structure. Nevertheless, the factors are not the sole determinant factors. The detailed observation (2020) during this study showed that other subsequent factors significantly affect the realized structure of the working class. Such factors, among others, are the domination and control over the workers, the workers' levels of expertise and professionalism and their entrepreneurial capabilities, all of which are reflected in every commodity production process in 9 types of business in the tourism industry. The interviews with some key informants in this study help describe the facts.

"...Nowadays the hotels or tourism enterprises need a lot of new positions. Many professionals sit on the positions with high turnovers. They perhaps seek for high salaries, peace, comfort, or career. I have also heard that quite many employees felt uncomfortable and then resigned because of the massive interfere by the owner. At present, everything is possible. As noted, in Kedonganan-Jimbaran, many people become new bosses with businesses like hotels, cafes, and restaurants after they gained enough experience during their previous jobs in in the tourism industry in a variety of jobs in the tourism industry several types of businesses previously..... that's it, many workers come in and come out with their different reasons, "(Informant, Farida, the employee at the Keraton Jimbaran Bali, January 2020).

"...That's it Sir ... many workers have indeed done dynamic move nowadays. Career in the tourism industry has shifted considerably. The work structure also changes a lot. Seems to be the common demand, Sir. The hotels, restaurants or cafes in Kedonganan-Jimbaran must recruit new professionals to stay strong in the competition. That's why, the job switching from one hotel to the others is a common practice around here. To my mind, it's just fine. Even when fired from a hotel, the workers will just take it for granted. They could easily move to another hotel. Some of them even have better career despite being fired. They then worked in the cruise ships, then moved to several countries. One of them becomes the Food & Beverage Director in Jimbaran Intercontinental Hotel..Some switched job because of their good skills and professionalism. As I heard, some worked and moved to several companies in Australia, China, Saudi Arabia, Dubai, England, Francis, Switzerland, or the United States, by their the professionalism. "... Now everything is a completely transparent, Sir. It's simply because the work in the tourism industry is increasingly more complex and demands a lot of professional workers "(Informant, Wayan Arcana, Human Resource officer in Four Season Hotel, January 2020).

The informant's experience suggest that the working class structure has been very complex and diverse, allowing the professionals to switch job even across the border. This fact indicates the protean career in the tourism industry, which refers to the changes in career by the professionalism needs of workers, along with changes in the functions of the position due to the needs and progress of technology at the workplace (Noe, et al., 2000).

This represents the biggest challenge for the workers in the tourism industry today i.e. high turnover, tendency for career development, recognition, higher and better positions. On the other hand, this phenomenon is also driven by the needs for professionalism in the tourism industry and the workers themselves. The advances in technology and tourist's behavior encourage the tourism industry to develop innovative office functions along with the professional workers. Thus, human resource turnover is a common practice. As the informants elaborated, the turnover is not only in the Bali area but also across the country. This condition illustrates that the microscopic and macroscopic structure of the working class is increasingly more complex, open, and unable to get determined solely into the two major classes i.e. the capital owner (capitalists) and the proletariat (workers).

The turnover pattern suggests that the existing working class structure is unable to be classified into the two major groups i.e. the capital owners and the workers. Therefore, the professional class exists in between as the new variation. This variation exists not only by the openness of the tourism industry towards the high turnover, but also by its flexibility towards various investments, capital accumulation, and changes in technology. As table 2 describes, the overview of the work structure in the tourism industry in Kedonganan-Jimbaran reinforces such empirical insights.

Table 2 Work Structure in Tourism Industry in Kedonganan-Jimbaran Bali

Work Structure of Employment in Tourism Industry						
Organizational Structure	The Working Class Structure					
Open	DTW: Head, Div. Head and Employee	Owner/ shareholder/ boss		Investor	1,5	
	UPW: Manager (Owner), Employee	Director/ manager/ Head	Manager		Professional	4,6
	Accommodation: Owner, Commissioner, Director, Manager, Supervisor, Worker	Supervisor/ Superintendent	Supervisor			
	Culinary: Boss (Owner), Manager, Supervisor, Worker				14,6	
Closed	Souvenir: Boss (Owner), Manager, Supervisor, Worker	Manager, Supervisor, and Proletariat doubling Investor			35,4	
	Spa: Boss (Owner), Worker					
	Consultant: Manager (Owner), Supervisor, Worker	Labor/ Staff/ Worker/ Non tenure Worker/ Employee/ crew/ clerk/ outsourcing		Proletariat	44,0	
	MICE: Manager (Owner), Worker					
BUMDes: Head, Div. Head and Employee						
Total (N=789)					100,0	

Source: Primary Data, 2020

As Table 2 shows, if macroscopically classified, the working class structure falls into 3 major classes, i.e. (1) the capital owner, (2) the professional; (3) the proletariat.



First, as the high rank worker, the owner invests capital for more benefits or profit in each accumulated production process of commodity. This group only consists of 1.5%, but it controls huge assets by more than 70% of the entire production process accumulated on the research site. Given the capability for asset control, this group has domination and control over all accumulated assets.

The second group refers to the professionals including managers, supervisors and workers with dual identity. This group is the largest in population on the study site compared to the owners and the proletariat. The professionals occupy 54.5% population with 4.6%, 14.5%, and 35.4%, as the managers, supervisors, and workers with dual identity respectively. The group controls the asset management and has good bargaining power against the capital owners. In line with the duties, both the managers and the supervisors are responsible for incorporating the capital owners and the proletariat to achieve the company vision. To this extent, their loyalty refers not to the capital owners or directors, but to the work accomplishments. Therefore, job specifications, disputes over the domination and integrated control in the working class structure lead to the achievement of the company's vision.

The position of the managers and supervisors depends on the achieved company profits, not on the capital owners. They stand on wages or salaries like the proletariat that is taken from the company profit, not the personal fund of the owners.

The third group refers to the low-level workers or the proletariat. They labor to exchange for wages or salaries to sustain their family's life. They work in a different status such as permanent workers and non-permanent ones like interns, non-tenure workers, daily-based workers or outsourcing workers. They compose 44% of the total working population in 9 types of business in the tourism industry on the research site. They contribute to the production process considerably in achieving the company's accumulated profit. Their wages or salaries with the standard of the regional minimum wage, however, are smaller than that of the above groups. Nevertheless, they deserve the same rights as the other workers to obtain decent work service facilities in every production process.

The overall description of the working class structure indicates that the tourism industry has variedly developed and can no longer be classified into two major groups i.e. the capitalist and proletariat, as the previous researchers categorized it (see, Marx, 2006; Furaker, 1982). The working class in the tourism industry has been fragmented into the groups of professional workers in terms of capital, skills and expertise self-reliance and entrepreneurship. This professionalism bears a number of dual identities among the workers in various businesses in the tourism industry. In addition to being the workers, they become the independent entrepreneurs by accumulating their capital into investment in restaurants, boarding houses, cafes, souvenirs, homestays, and guest houses.

They managed to mobilize themselves into the periphery to the major entrepreneurs as Table 5.2 presents. As the peripheral entrepreneurs, they grow the same characteristics as accumulating a small scale capital beyond the main production resources of the huge capital owners. They have a different market segment. The profit is obtained from the surplus value of work yield. They move to, and deserve any positions by their willingness and ability. The proletariat climbs up to the professional class, and the professional gears up to the investor class meanwhile the professional investors are willing to accept the dual status. Likewise, other



classes find it possible to move into a dual status. The mobility of both the proletariat and capital owner class into the professional class or otherwise aligns slightly with the intelligence-based class structure which the previous researchers observed (see, Ehmer, 2014; Furaker, 1982; Szelenyi and Martin, 1988). Another finding was the repeated previous class structure based on the perspective of Marx in the manufacturing industry dubbed as the intellectual class (Gouldner, 1980; Kitschelt, 1993). At last, the simultaneous movement of the work structure along with its implications determines the welfare and happiness in each class. To note, this study, however, serves as an encouragement for the future studies on reviewing the welfare of new class associated with the concept of decent work in various types of business in the tourism industry.

Conclusion

The above discussion concludes that the working class structure in the tourism industry has been varied and fragmented into the class of proletariat, capital owner and the new professional one. The classes tend to move to the dual class status, for example, apart from being a Sous Chef at the Four Seasons Jimbaran, a worker also owns the Blue Moon Cafe on Kedonganan beach, which he rents from one of the *banjars* (community centers) in the area. The dynamic movement of this class determines their own welfare and happiness. Thus, it characterizes the class mobility and emerges a new class in the tourism industry.

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