



# Public policy and rural tourism development in East Java Province, Indonesia

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## Abstract

This research mainly focused on introducing the reforms of the public sector and their relevance to rural tourism and discusses the process impacts of the regional regulations towards rural tourism in East Java Province to the current time. Specifically, this research aimed to analyse and identify obstacles which facilitate and may influence the legislation process. A qualitative research method was implemented by using in-depth interviews and questionnaires distributed to stakeholders as respondents. The results of this research shows that experts and rural tourism communities focus group discussions had been involved in the legislative process. Since the upcoming period (2014- 2019) of the Regional Council (DPRD), the regional regulations have still not being issued. A sense of urgency as well as legal protection are increasingly needed for the development plans of rural tourism in East Java to be realised.

**Keywords:** Policy, Regional regulations, rural tourism, East Java.

## Introduction

Aspects which are socio-cultural, economic, special and serve an environmental function, and are also a positive influence in rural tourism are perceived to be enticing and are being supported in countries nowadays. By this study, a conceptual framework will be drawn up which emphasizes the rural tourism concept. Furthermore, the national and regional tourism policy will also be summarised.

With a range of wealthy landscapes and ecosystems, Indonesia is positioned as an attractive destination for tourists. Therefore, Indonesia needs to take responsibility as a main tourism sector in providing the opportunity for any people and/or legal entity in order to support the development of the national economy which is explicitly stated in article 33 section (4) of the 1945 Constitution of Indonesia (Sinaulan et al., 2018). Consideration of a tourism plan approach is mandatory in order to obtain a more objective public policy. Integrative tourism planning as an approach focuses on tourism's role in providing secure and sustainable livelihoods for society (Marcouiller, 1997). The basis point of this approach depends on a comprehensive societal perspective with developmental impacts over longer periods of time.

Integrative tourism planning actions are coordinative, iterative, and strategic by their full recognition and awareness of stakeholders towards interdependency in the "domain" of complex tourism (Marcouiller, 2007). Regional autonomy (Otodora) in Indonesia as mandated by Act number 22 of 1999, later amended by Act number 32 of 2004, which was the right moment to construct an Act and regulations more in line with the spirit of diversity and within a local context. The implementation of regional government actions got into a new era once Act number 32 of 2004 was amended by Act number 23 of 2014.



Regional Government which is regulated in Act Number 23 of 2014 specifically explains that as an autonomous region, regencies / cities have the right and duty to regulate and arrange their own region, and such regencies / cities are provided financial resources to be able to fund the governance and development. This research addresses literature related to national governance and policy particularly East Java, Indonesia. This paper aimed to introduce the reforms pertaining to the public sector and its relevance to rural tourism, and in promoting the tourism marketplace which is increasingly competitive.

This paper pays attention to and seeks to contribute to the tourism policy discussion by giving a brief explanation of role of Regional Council's (DPRD) of East Java, the Tourism Department of East Java, and also Regional Government planning regulations. The attention is directed at (1) The need to explore the inter-relationships between regional planning, policy studies and tourism; (2) The need to find out the political character on tourism planning processes and the role of power in making policy process decisions; and (3) the unsuccessful approach of Regional Government in protecting and utilizing potential tourism resources in rural areas.

## Literature Review

Rural tourism is one of the main components of tourism and has become an indicator of social change in rural areas from the production of economic activity to consumption of economic activity (Woods, 2005). This condition has an impact on the change of rural area identity. The specifications of rural tourism are the integration of attractions, accommodation, and supporting facilities presented in a structure of the community life that blends with the local traditions in the region (Nuryanti, 1993).

There are so many opportunities provided by rural tourism for tourists to rediscover the values of rural resources which are often neglected in globalization and in the modernization era until today. Generally, rural tourism involves very holistic rural activities such as agricultural production process, custom as a cultural expressions, historical buildings, folklore, natural conservation, and rural spatial landscapes as main attractions (Lane, 1994).

The discourse on tourism villages was understood by the policy-makers to formularize a policy on tourism villages. The policy formulation process has been implemented but the dominancy of the legislative political rhetoric has caused this process to be severely impeded (Sharpley, 2002).

Some policy-makers argue that the rural tourism development requires an act like government intervention for the failure of market in rural areas to be stopped. Their argument emphasizing failure in the achievement of appropriate goals such as creating employment opportunities, the favorable employment condition, and new income sources is strong. Even though this might seem that rural tourism is not a catalyst for rural revival and be perceived as a controversial entity, rural tourism policy can be considered as a way to revitalize rural societies around the world (Devine & Devine, 2011, Knowd, 2001, Sharpley, 2002).

## Research Methodology

This study was an exploratory and qualitative analysis based on a documentary research. The analysis and validation of results was conducted through pairing related theoretical frameworks and through consulting previous studies. The use of pairing is justified when the objective is to understand about the phenomenon studied on a theoretical perspective, and when examining the correlation between theory and reality (Krippendorff, 1980). The research methodology implemented a questionnaire survey and a semi-structured interview with relevant stakeholders. In the evaluation framework of the obtained primary data, the study



focused on the contrast analysis in response to various stakeholder groups. This methodology produced relevant results in term of the potency of practical effort for reconciling the attitudes of individual stakeholders which is a critical aspect in any effort to align tourism stakeholders if success is to be achieved (Nicolaidis, 2015)

## Results

### Indonesian Acts in Rural Tourism

The participation of local society is significant for success in rural tourism and high levels of society integration in tourism planning lead to greater socio-economic benefits (Mitchell & Reid, 2001; Nicolaidis, 2015; 2017). Ideally, tourism in rural areas is necessary for being developed by using characters and resources from certain places including natural environments, local culture, and traditional system of land utility and traditional farming (Falak, Chiun, & Wee, 2014).

The discussion on rural tourism emerged in Indonesia since the Indonesian Government issued Ministry of Culture and Tourism Regulation Number: PM.26/UM.001/MKP/2010 concerning in the National Program for Community Empowerment (PNPM Mandiri) in tourism through the notion of Tourism Villages. A year later, it was amended in the Ministry of Culture and Tourism Regulation Number: KM.18/HM.001/MKP/2011 concerning PNPM Mandiri in Tourism. This amendment was intended to accomodate the technical implementation of this programme and expand the scope of programme itself.

Nowadays, the development of tourism into rural areas has expanded into "the building of villages" which means, that through Ministry of Culture and Tourism, central government placed villages as objects of development. Five indicators for determining limited aid receiver village status included:

1. Having potential tourism and having been visited by tourists;
2. At least 20% of the population in the area are poor;
3. Having tourism activities in the area;
4. Prioritized areas with have a village medium-term development plan;
5. Prioritized areas have implemented PNPM Mandiri from other sectors.

Since 2014, tourism has become one of the government's main priorities. The National Medium Term Development Plan (RPJMN) in the period of 2015-2019 and the accompanying tourism strategy ("Pengembangan Destinasi dan Industri Pariwisata") set policy directions for this sector. Various planning exercises interacted in the central government level, including the medium-term plan, the Long Term National Development Plan (RPJPN) and the Long Term National Tourism Development Plan (RIPPARNAS) for 2010-2025. In the plan the government selected 50 tourism destinations nationwide to be developed by 2025. The objectives set out in the medium-term plan have been speeded up and attract massive infrastructure investment. The initial focus was on 10 "New Bali's" and thus gradually switched to four priority destinations namely, Borobudur, Mandalika, Lake Toba and Labuan Bajo. Despite a high degree of decentralization in national government, planning is mostly top-down; aside from local stakeholder involvement, and it also lacks ex-ante and ex-post evaluations (Haxton, 2019).

Based on above elaboration, it can be noted that the emergence of national policy for the development of tourism villages began on the issuance of the Minister of Culture and Tourism Regulation Number: PM.26/ UM.001/ MKP/ 2010 concerning PNPM Mandiri in Tourism through Tourism Villages, was amended by the Ministry of Culture Regulation and Tourism Number: KM.18 / HM.001 / MKP / 2011 concerning PNPM Mandiri in Tourism.



## Local Governance Responses

The Regional Government places rural tourism development into the Long Term Regional Development Plan (RPJPD) 2005-2025 and the Regional Medium Term Development Plan (RPJMD) 2014-2019. Moreover, it is also stated that rural tourism plans must be included in regional tourism planning initiatives (Article 23 [2]). The Master Plan for Provincial Tourism Development (RIPPARPROV) 2017-2032 is a regional tourism plan at provincial level which is derived from RIPPARNAS. Based on Regulation of The Ministry of Tourism Number 14 of 2016 concerning Compilation Guidelines for RIPPARPROV, Regional Government is responsible for it.

Regional Governance in the RIPPARPROV document considers that the development of tourism villages is able to increase the potential and capacity of local resources. The derivative of the RIPPARPROV document is the initiation of the establishment of Regional Regulations (Perda) on rural tourism in Province of East Java. Placed on Java, the second biggest National Tourism Development Area (KPPN) from 222 KPPN in 33 provinces in Indonesia, is in East Java and has great potential in this sector. From the establishment of 88 National Tourism Strategic Areas (KSPN) as derivatives of KPPN, East Java has 4 KSPN; Bromo Tengger Semeru KSPN, Trowulan KSPN, Ijen Baluran KSPN, and Pacitan KSPN.

## Discussion

### Rural Environment Acts and Rural Tourism Development

Along with its development, the executive and the legislative (DPR) finally issued special regulations through Act Number 6 of 2014 concerning villages. People hope this regulation will be implemented very well. However, there are also people who are pessimistic about the successful implementation of this regulation. The existence and implementation of Act Number 6 of 2014 concerning Villages is expected to lead to fundamental improvements to the administration of village governance. Furthermore, this Act stimulates villages to drive for the emergence of policy ideas that are delegated to distribute funds to villages with very large amounts, more than 1 (one) billion for each village. The Act Number 6 of 2014 concerning Villages, in article 1(1), states that a village is a legal community unit that has the authority to manage and manage government affairs, local society interests based on society's initiatives, origin of rights, and/or traditional rights recognized and respected in the system of government of the Unitary Republic of Indonesia. Determination of the tourism village by the local government by the provincial government, district or city government gives notice to 4 criteria as follows:

1. Village Potential
2. Natural Attraction
3. Human Resources
4. Cultural Characteristics

The development of tourism villages became much clearer along with the issuing of Act Number 6 of 2014 concerning Villages and the establishment of tourism as a priority development programme (RPJMN, RPJPN, and RIPPARNAS). This is corroborated by significant increases in the number of tourist villages since 2014 (Table 1).

**Table 1. Amount of Indonesian Tourism Villages**

No	Years	Amount	Growth (%)
1	2012	978	
2	2013	963	-1.5
3	2014	1.302	26.03
4	2018	1.734	24.9

Sources: bps.go.id, Kemenpar (2014), Reily (2018)

The number of tourism villages in 2014 had a growth reaching 26.03%, which is rapidly increasing compared to 2013 which showed a decrease of 1.5%. Management of tourist villages is also widely owned by Village-Owned Enterprises (BUMDes). BUMDes are a business entity that entirely own or have the assets of the capital which are owned and managed by the village, including services, and other businesses in rural areas, particularly in the tourism sector.

This Act aims to improve prosperity of rural society through BUMDes. However, until the issuing of Law No. 6 of 2014, BUMDes has not been fully implemented by all villages in Indonesia. Even in its implementation stages in several areas, the existence of BUMDes has not been able to run effectively nor does it contribute to the development and empowerment of rural areas' local societies (Prasetya, 2016). Soon after the enforcement of the Law, BUMDes growth also significantly increased, as per the following table:

**Table 2. Amount of Indonesia BUMDes**

No	Years	Amount	Growth (%)
1	2014	1.022	
2	2015	11.945	91.4
3	2016	18.446	35.2
4	2017	31.796	41.9
5	2018	45.549	30.2

Sources: Ditjen PPMD Kemendesa PDTT (2018)

### **East Java Regulations on Tourism Villages**

We compiled the insights from participants who believed that these complex relationships are connected to multiple stakeholders. One detail that emerged from the experiences exploration of the study which was compiled in the study is the involvement of local vendors. The participants engage a clear connection regarding how complex the relationships among indigenous people, local vendors, and policymakers actually are. The problem of developing rural tourism is not merely about building the infrastructure, but it also involves more aspects than financial budgeting. Certainly, it is related to the interrelationship among these three actors as friends, competitors, and at times, even as foes.

High amount of funds for being managed by village governance are perceived to emerge for the large opportunities and challenges provided through village governance based on Act Number 6 of 2014 concerning Villages. Moreover, village governance is transforming from co-executing duty into managing programmes through the local legal rights' at village level. Generally, there is very minimal interaction in economic practices as the impact, and economical implications emerge due to limited economical sector runs. This economic practice is currently inefficient considering the increasing of production costs. Therefore, the developing modern economic production mode (mode of production) is able to create higher income and benefits (multiplier effects).

The demand for integration of efforts between economic actors indirectly requires these actors to build high social cohesiveness. Great cooperation becomes a significant point in building social cohesiveness. Tourism Village is a strategy to raise solidarity, unity and collective productivity. This principle has been used to draw up a Regional Regulation on Tourism Village, which has of yet not been approved.

With institutional instruments applied in the rural tourism legislation programme in East Java, this could be included to build up regional and territorial tourism organizations, uniting different



entities (local independent-government, business entities, and interest associations) and ensuring the coordination running well. In Bali and Central Java Province, various support organizations have been established that provide connection of tourism entities with research organizations, entrepreneur consultants, and they all join in the mutual marketing of tourist destinations.

Diverse discussions on contemporary policies around the tourism village are needed. Beside subsidies of public budgets for promotion, specific public policy issues surround the availability of labour, protection of heritage areas, indicators of determination, availability and legality of tourism workers and hospitality sector skills training all of which are under long-debate at the legislative level (senator).

## Conclusion

The major problem in dealing with tourism planning and policy, or any public policy issue for this matter is whose interests should be served? Is the future easy to be predicted? Which one is more important: present interests to reduce economic problems and the encouragement of mass tourism, or, the future generations interest and environment conservation? Who has a right to decide? Effective governance is needed in dealing equitably with tourism stakeholders and is thus about making sure that decisions in private or public bodies are made effectively and comply with legal and ethical considerations. Many senior managers have too much autonomy and a lack of accountability and control is usually uncovered where failures occur (Gobrie & Nicolaidis, 2015).

Public involvement is needed through carefully planned focus group discussions, nevertheless the status of execution of results is still discordant in the legislators' offices. Compared to Central Java Province in which Regional Regulations (Perda) on Tourism Villages were issued in 2019, the "draft" of East Java's policy on Tourism Villages has been very late. Researchers as responsibility-takers, then, need to find out to whom and how, the pressure should be applied. Also, how and where does the 'trigger need to be pulled'. Moreover, policy processes need to be explained and understood by rural society stakeholders. Thus, insights and wider points of view need to be obtained into how and why tourism development operates. The explanation might help rural communities to develop proactive policies in the process. Thus, local residents' voices and arguments could and should be accommodated and they should be helping in the development of rural tourism.

In the end, there is a sustainable need for extending community-oriented and integrative tourism planning into rural society. It will take both thematic and process elements. Involving wider stakeholder involvement in the planning process while developing and providing a deeper departmental understanding of the tourism implications on local society. This will inevitably lead to development that principal addresses need to be found at the forefront in regional planning efforts throughout East Java and across rural areas in Indonesia.

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