

The Role of Kulon Progo Regional Government in Developing Nature-Based Tourism

Anggi Rahajeng

Department of Economics and Business, Sekolah Vokasi Universitas Gadjah Mada

anggi.rahajeng@ugm.ac.id

Abstract

Regional governments and the central government play crucial roles in tourism development. Such a role is manifested in planning, policy, regulation, and in the development public facilities to support the tourism industry. Kulon Progo Regency has several nature-based tourist destinations, which have high potential for being harnessed and developed yet to date remain undeveloped. The objective of this study is to determine the role which the Government of Kulon Progo Regency should play in developing an environmentally friendly, nature based tourism economy. This study uses triangulation both with respect to data and methods used. The study is underpinned by institutional economics theoretical approach based on Williamson model. The results of this study showed that the role of Kulon Progo regional government in the development of tourism include the development of tourist attractions, tourism marketing, tourism industry and adequate and synchronous institutional framework. The adoption of 5 zoning destinations/tourism strategic areas (KSPD) in Kulon Progo was based on the priority destinations set by the central government for 2017. Tourism sector policy also requires investment in infrastructure, which is facilitated by improving investment climate and the development of mega projects in Kulon Progo (central-provincial government). Program activities of Kulon Progo Regency Government, through the Department of Tourism, Youth and Sports, are expected to affect the behavior/mindset the tourism actors in instilling more understanding and awareness of the changes in livelihood changes of most people in Kulon Progo that will emanate from changes in tourism sector that are induced by changes in other sectors. Sustainable nature based tourism development, thus, requires the government to put in place adequate monitoring and control mechanisms to ensure that the development of tourist destinations take into account capacity, supporting capacity and environmental sustainability.

Keywords: *model of williamson, new institutional economics, nature-based tourism, roles of government*

INTRODUCTION

Tourism industry in Indonesia has registered spectacular growth (Ministry of Tourism and Bappenas, 2016). Based on data obtained from the Ministry of Tourism, the number of foreign tourists in 2015 reached 9.7 million. Moreover other data sources indicate that by December 2015, the number of foreign tourists had reached 10 million, which is a substantial increase from 9.4 million for the previous year. The tourism sector earned the country Rp 150 trillion (at an exchange rate of Rp 12,000/USD) in foreign exchange of in 2015. Besides, tourism industry contributed 4.01% to Indonesian GDP in 2014, making one of the major drivers of economic growth in Indonesia. With respect to the condition of tourism at the local level, , the tourism sector contributes significantly to the economy of Yogyakarta special administration . This is reflected in rising number of tourists to DIY, during 2010-2014 period.

In 2013, DIY paid host to 2,837,962 tourists, of whom 2,602,074 were domestic tourists and 235,888 were foreign tourists. Moreover, the number of tourists visiting DIY increased by 12% in 2013 from the figure registered in 2012, and by 2015, the number of foreign tourists had reached 300,000. The implication of that is the multiplicity of multiplier effects which the rising number of tourists contribute to the regional economy... The tourism sector is a vital contributor to the to the economy of Yogyakarta special administrative region. This is reflected in the contribution that Trade, Hotels and Restaurants (PHR) makes to) to DIY PDRB. In 2013, PHR registered growth of 6.20% making it the number one contributor to DIY PDBR DIY in that year. The growth in PHR sector arose from increased tourist arrivals and number of activities in the DIY throughout the year 2013. Nonetheless, regional autonomy which is based and emphasizes the role of district/city governments over provincial governments, seem to pay varying attention in terms of expenditure to tourism.. This is reflected in data on district/city government revenue from Tourism Sub Sector in DIY. Kulon Progo district had the lowest revenue from tourism, registering only Rp 2 billion during the last 3 years (2012-2014).

The contribution of income from the Tourism Sub Sector in Kulon Progo district to total district/city government domestic product/income during the 2012-2014 period was very small (around 1%) in. The figure if very small compared with the contribution of tourism sector in Gunung Kidul district (7% in 2014) and Bantul (6% in 2014). Moreover, the number of tourists visiting Kulon Progo is also relatively small compared with those who visited other districts in in DIY.

The level of development in Kulon Progo Regency is relatively lower than that enjoyed by other districts in DIY This is the case despite the reality that Kulon Progo Regency has several nature-based tourist destinations which have high potential to be developed to contribute substantially to the economic growth and development of the district. Tourism has the potential to become one of the key sources of revenue for regional governments due to the high multiplier effect it has for regional economic development (Javier and Elazigue, 2011).

To that end, Kulon Progo district government has a vital role to play in the development of nature based sustainable tourism the. Such role should take the form of policy planning, regulation and development of the public facilities to support tourism industry. Doubtless, activities that relate to planning, policies and regulations in Kulon Progo district are inseparable from experiences in other regions in Indonesia since all follow guidelines and laws that are set by the central government. The thesis statement that this research makes is that regulatory environment in Kulon Progo is contributing to the decline in the number of tourists, hence local government revenue, and in turn adversely affecting the local economy.

Nonetheless, things are not that easy. This is because whenever the number of tourists increase, other issues also come to the surface which include the adverse impact they have on culture and environment, coordination issues among local government agencies, on one hand and between local governments and central government institutions on the other. However, . Moreover, local government often face criticism for their inability to respond quickly to concerns about sustainable tourism and economic de-

velopment, which is as result of their failure to understand the importance of tourism to local and national economy, and what needs to be put in place to promote sustainable nature based tourism. .

Thus, the problem statement for this research is that Kulon Progo has the smallest number of tourists in Yogyakarta special administrative region. In light of the above background, objectives of this research interalia, are i) evaluate the role that the central government and Kulon Progo district plays in the management and development of tourism; ii) determine central and local government policies relating to the development of tourism in Kulon Progo; and iii) determine the extent to which there is consistency between policies of DIY provincial government and those pursued by district government.

Literature Review

Gilbert (1990) defines tourism as part of recreation that involves traveling to a destination or a community in the short term that aims to satisfy consumer demand for one or a combination of activities. The trip is a visit to a place of places that are outside the normal places the visitors usually visit.

Meanwhile, tourists are temporary visitors who stay for at least 24 hours in countries they visit while tourists / visitors are temporary visitors who stay for less than 24 hours in a country that they visit. Similar to Gilbert (1990), Vanhoe (2005) also gives the same characteristics of tourism, Vanhoe uses the terms inbound and outbound tourism, internal and international tourism. By type and category of tourism, the economic contribution of tourism arises from arise from consumption and expenditure of visitors on tourism activities.

Based on United Kingdom experience tourism contributes significantly to the country's economy of the country in terms of scale, job creation, investment and so forth (UK Government, 2011). Besides, the UK Government predicts that financial and business services sector as well as construction, tourism sector will be the main sector of the economy and will register rapid growth until 2020.

The credible data source is to explain the data demand and supply tourism industry

both at national and regional level is the Tourism Satellite Account (TSA) or the (Nesparnas). According to Ministry of Tourism data on Tourism data records (Nesparnas) for 2010-2014, the sector contributed 3.99 % to Indonesia's GDP during the period. Tourism also was source of employment for 9 % of the workforce in 2014, which represented 10.32 million people.

Besides, tourism has substantial impact on the economy and welfare of local communities, by being an important source of income, higher economic status, and elevated happiness (this is one point which is expressed in different terms). Other benefits can include contribution to regional development, poverty reduction, and income inequality. By contributing to higher regional revenues, tourism makes maintenance, servicing of objects of local heritage possible, hence is vital source for sustaining cultural relics to posterity. . Nonetheless, tourism also has its downside to local communities (Buzinde, Kalavar and Melubo, 2014). The downside of tourism include the erosion of local values and traditions, customs, and norms of society/local community, commodification of traditions, thus diluting the essence, purpose, and importance such values and customs for commercial gain, rather than sacred building blocks for a functional society

Sustainable tourism development requires the involvement of the local and national government. . Based on United nations world tourism organization (UNWTO) tourism development requires both top down and bottom up policy making. This is because, the latter approach accommodates aspirations and interests of the local communities and society (Boukas and Ziakas, 2015), which in turn leads to optimal utilization of and allocation of local resources in accordance with needs and interests of the local community (Kelly and Becker, 2000). Incorporating the goals to preserve local, and national heritage and culture in national development planning is one of the outcomes of bottom up policy making (Sofield, 2003).

Moreover, active involvement of the government in tourism development is important as it guides, directs and controls investment into the tourism sector.. This is because, while the private sector has been in-

terest in investing in tourism, its main driver is to maximize shareholder profits sometimes to the detriment of social wellbeing and environmental preservation (Kunst, 2011). Petrevska (2012) notes the important role that the government plays in tourism development, which includes but not limited to, creating enabling conditions for the increased role of the forces of demand and supply through privatization policies, promulgating legislation, promoting tourism and providing fiscal incentives to induce investment in tourism. . It is also worth noting, the conduct and direction of tourism activities is underpinned by government planning. To that end, it is the onus of the government to ensure that tourism policy puts in place incentives that allow private players to obtain fair profits while also contributing to improving local development and environmental preservation of tourist destinations (Goeldner and Ritchie, 2006). The formulation and implementation of development plans chart the course for the future direction of tourism development, which is also the role of the local and central government (Hall, 2005).

With respect to planning, the enforcement of policies and regulations is a vital component of institutional economic theory (Williamson, 2000). Based on the theory of institutional economics, institutions refer to informal and formal rules that affect governance and establish incentive structures (North, 2000, Williamson, 2000 in Jaya, 2010). McLennan et al (2014) recommends that advancement of tourism calls for the creation of a more intelligent, adaptive and transformational organizational environment.

This research uses economic theory and institutional tourism to explain the relationship between tourism-economy and the role that the government plays. Tourism by John Urry (1990).

Besides contributing to the economy of the host area and region, tourism has spill-over effects to areas that are near tourist destinations, hence a vital source of development to such areas as well. The economic welfare (Bahar & tambaru, 2012). To that end, economic theory used to provides a new approach on tourism that underscores the potential the sector has for the regions

that are both directly and indirectly impacted by tourism activities as well as the ability to predict the future trajectory of tourism..

Economic analysis is used to assess the contribution of the new tourism activities toward the economy and social welfare of the citizenry (Sinclair & Stabler, 1997). The contribution of tourism to the region or area that receives tourists lies in its capacity to create jobs, improvement to local incomes, which in turn drives economic growth . Tourism also contributes to higher economic competition, increases investment and a source of business opportunities for the economy (UK Government, 2011). Williamson (2000) model describes the role of government in tourism development based on institutional theoretical framework. y. Williamson (2000) proposes a model of four levels of social analysis that is based on the institutional theories. The four levels of institutions include informal rules such as norms, customs and habits (first level); formal rules which include legislation, policies, strategies, mechanisms, governance and planning documents that created by central and regional government concerning the development and management of tourism sector These encompass level 2 and level 3, which are also referred to as New institutional economics (NIE) that emphasize the roles of all institutions / actors in an organization that involved in the tourism sector that include executive branch (at both the central government, provincial/district, city government; the legislature (House of representatives); the judiciary (law enforcement agencies); and government bureaucracy. Based on NIE, definition and enforcement of property rights and contract law between the agents becomes important.

RESEARCH METHODS

This study used a qualitative-triangulation research approach. Triangulation is one of the approaches that uses multiple methods and data. Denkin and Lincoln (2008) describes the triangulation approach as " an approach that combines more than one method for studying the phenomenon of inter-related point of view and different perspectives to get a comprehensive result".

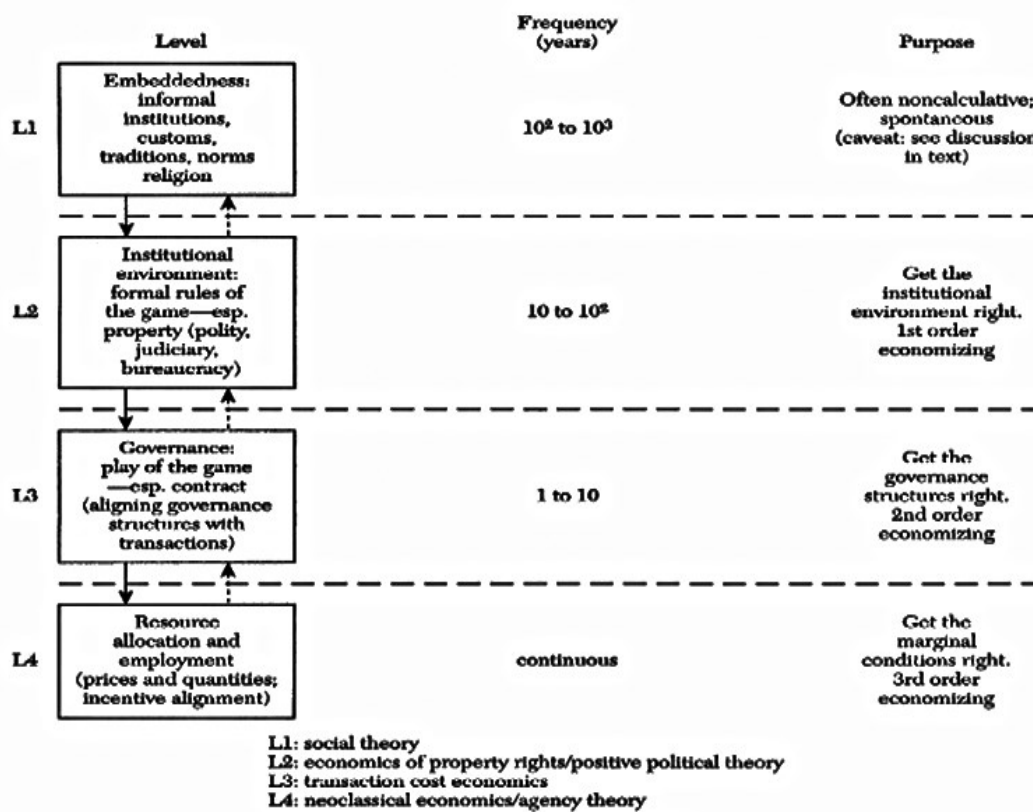


Figure 1. Economics of Institutions

Figure 1. Williamson The New Institutional Economics (NIE) Institutional Economy, Four Levels of Social Analysis

Source: Williamson, 2000

This research used both primary and secondary data. Primary collection techniques included surveys and structured interviews. Meanwhile secondary data was obtained through review of literature, reading regulations and documents of planning in the tourism sector at both district and central government level.

Data collection techniques in this study included review of literature, survey, and structured interview. Using triangulation enabled the researcher to explain a certain phenomenon from various viewpoints and perspectives, as well as using various data sources. The primary data obtained through surveys and structured interviews with various parties, among others: the central government (represented by Bappenas), the Government of Kulon Progo (represented by the Department of Tourism Kulon Progo), managers and entrepreneurs of nature tour-

ism (Glagah beach and Congot beach in Kulon Progo as key informants, expert judgment) and tourists (in some coastal tourist sites in Kulon Progo) as well as other locations in the district.

Secondary data sources included the Central Government (represented by Bappenas), the Kulon Progo district government (represented by the Kulon Progo government tourism office), managers and entrepreneurs of enterprises that are dealing in nature tourism (Glagah Beach and Congot Beach in Kulon Progo); and tourists (in some coastal tourist sites in Kulon Progo).

DISCUSSION AND RESULT

Central/Regional government Policy on Tourism

Tourism development in developing countries has registered rapid growth over

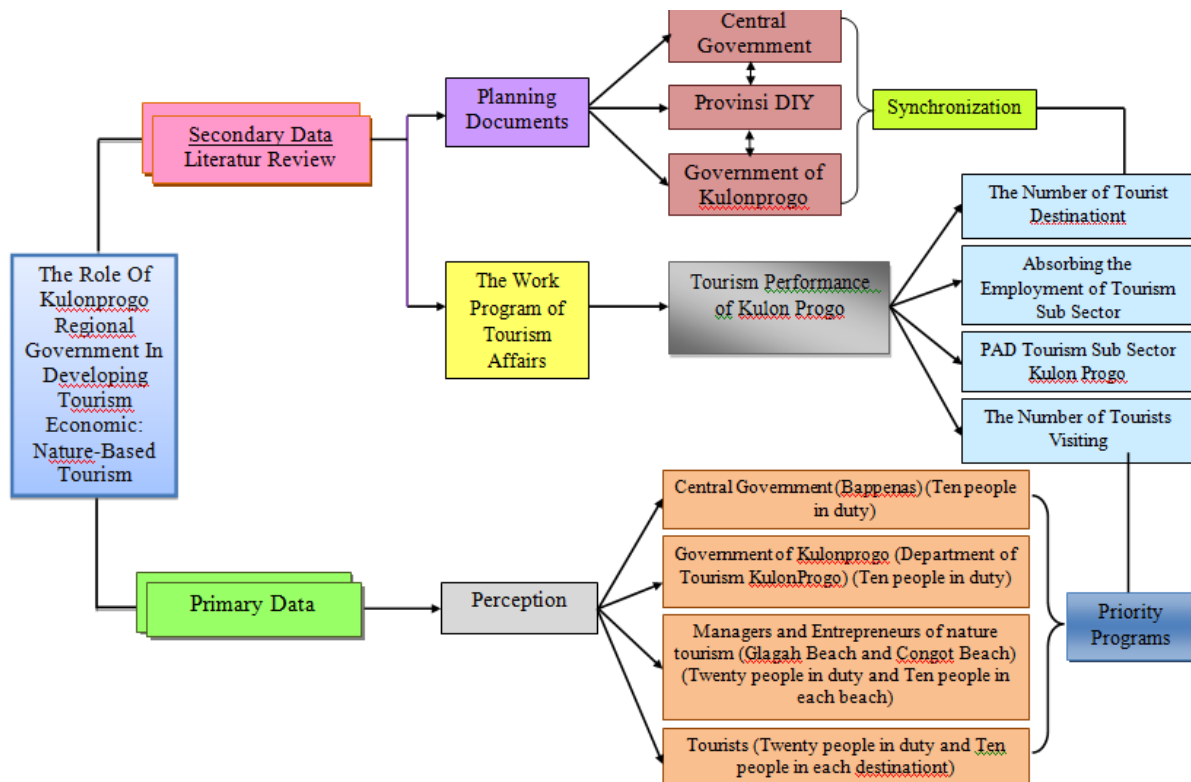


Figure 2. The Flow of Research Procedure

the last three decades thanks to the important role it plays in rising incomes for individuals and regions, which contributes to higher society welfare. . This is reflected in the proliferation of tourist attractions , which have been built , developed, as well as being promoted on a large scale through various media and other tourism promotion tools in developing countries. Countries develop strategies to win the competition of bringing an increasing number of tourists to destinations that are located in their respective jurisdictions. Indonesia is no exception. Tourism industry is a lucrative industry with huge economic potential to contribute to national development in a variety of ways that have been highlighted in an earlier section of this article.. Tourism in Indonesia today is underpinned by provisions of the Law No. 10/2009 on tourism, which among other provisions stipulates that tourism is is an integral part of national development that should be conducted e in a systematic, planned, integrated, sustainable, and responsible manner , by protecting religious and cultural values, as well as livelihoods of communi-

ties in line with principles of sustainability, environmental preservation and national interests. Provisions of Law No.10/2009, continues to stipulate that both the central government and regional governments are required to formulate and implement tourism development plan documents (RIPPARNAS, RIPPARDA).

In accordance with national tourism short term target for 2016, the contribution of tourism toward micro and macro economy is expected increase. In 2016, the contribution of the tourism sector to Indonesian GDP is expected to register an increase of to 11% m bringing in Rp. 172,8 trillion in foreign exchange. That would represent an increase of about Rp. 30 trillion over the value for 2015. To achieve that target of increase in foreign exchange, the government has set an equally ambitious target of attracting as many as 12 million foreign tourists in 2016, with domestic tourists contributing the largest percentage of that figure. In light of that the Indonesian government is also trying to increase the number of foreign tourists by issuing several policies such as

visa on arrival, and enhancing the country's competitiveness index every year, which is expected to contribute to higher efficiency and ease of doing business, as well as others.

Meanwhile, the development strategy for the tourism sector in Indonesia 2016-2019 will entail, The development of a national master plan for all strategically important destinations.. The implication of that the government plans to develop tourism in accordance with the tourism potential of each tourism destination; and development of infrastructure through the focused accelerated infrastructure development plan through the ministry of works and public housing . Based on data obtained from Travel and Tourism Competitiveness Report WEF, 2015, Indonesian was ranked No. 101 on the availability of tourism infrastructure with respect to connectivity and directions, while , and Thailand were ranked 68 and 21, respectively. On the dimension of the quality of human resources and employment in the tourism sector, Indonesia was ranked 53, which meant that it was behind Singapore, Malaysia, and Thailand, which earned third, 30, and 29 rank, respectively. To that end, the Indonesian government considers the strategy of developing institutions, human resources and SME in tourism strategic areas as vital for increasing the competitiveness of the sector in the ASEAN region.

To develop tourist destinations both nationally and regionally, the government formulated a national tourism roadmap for the strategic development of vitally important tourist destinations (RIPPARNAS). RIPPARNAS is an arrangement or a systematically arranged plan, which will serve as the basis for basis and guidance in developing tourism in accordance with existing policies and regulations. The formulation of the master plan has been made in such a manner that it will serve as a reference in the development of national tourism strategically important areas, development of five major plans that are expected to be based on consensus of stakeholders, stakeholder, followed by the determination of the objectives and purpose of tourism priorities. Other expected thrusts to underpin the development of an integrated strategic master plan will entail the identification of infrastructure requirements and optimizing regional tour-

ism capacity.

Specifically, RIPPARNAS as national tourism development plan for 15 years (2010 - 2025, is expected to be the reference and guidelines for regional government in formulating tnce and their respective RIPPARDA document. The policy direction and national tourism medium term development strategy outlines entail, laying out the policy direction on the development of the tourism sector through the development of tourist destinations that have appeal and competitiveness at home and abroad using a number of strategies that include marketing national tourism through policy directions set out and determined by the e tourism industry, and development of tourism institutions through human resource development and national tourism organizations.

In addition, the tourism sector has been determined to be one of leading sectors in the 2017 government action plan for 2017. The development of tourist destinations requires coordination and active role of the central government ; interalia, the Ministry of Tourism in cooperation with regional governments. . With respect to the development of tourist destinations, the government has set 10 priority destinations , which regional governments will develop in 2017. The role which regional governments will play in preparing tourism destinations will include improving tourist attractions through the construction of transportation infrastructure in cooperation in cooperation with the Ministry of public works and public housing; participation in the construction of public facilities in the region and strengthening institutional development of destinations with the collaboration of the Ministry of Tourism, Ministry of SOEs, and Ministry of Finance. Indeed, Borobudur, which is located in Magelang and is bordering some areas of Kulon Progo, is listed as one of the ten tourism destination development priorities for 2017, . To that end, including Borobudur as one of the tourist destinations that will have top priority in development of infrastructure and institutional framework will much to the benefit of tourism development in Kulon Progo. The importance of Borobudur in the development of tourism in Kulon Progo can be gauged from the fact that in order to enhance tourism develop-

ment in Borobudur, a road that will connect Borobudur temple to the new international airport (Bedah Menoreh connection) will be built. Thus, the development of Borobudur as one of the priority tourist destinations by the central government, will have strong spillover effects on the development of tourism in Kulon Progo as well as other surrounding areas.

In accordance with the policy direction of the central government as stipulated in the the medium term plan, national tourism master plan (RIPPARNAS, and government action plan for 2017 in the field of tourism, DIY provincial government in its role as the coordinator of district government activities has delegated the implementation of the contents of the above documents to district governments, including Kulon Progo. Based on advice from the DIY provincial government, the development of tourism in Kulon Progo is one of the three economic sectors that will underpin the growth and sustainable development in the district, others being agriculture and trade. For its part, Kulon Progo government in its development policy direction and strategy on regional tourism destinations as elaborated in regional government RIPPARDA 2015-2025. In line with the policy and strategy of the central government and provincial government on tourism, Kulon Progo Regency had designated strategic tourism destination zones, which among others include :

1. Suroloyo-Sendangsono and surrounding natural cultural themes of the mountains and tourist village, as a special interest tourist segment;
2. Sermo-Clereng-Wates and surrounding areas that include water natural theme, urban and rural tourism, as another special interest tourist segment;
3. The South Beach themed and surrounding natural attractions, beaches, and conservation area, designated as a mass tourist segment;
4. Kiskendo-Kelir Mountain and surrounding areas with the theme of nature, culture, agro and tourism village, also designated as a special interest tourist segment;
5. Sentolo-Sidorejo and surrounding area with the theme of village tours and creative industries.

Moreover, tourism development in Kulon Progo is expected to benefit from development plans that include the mega development of an international airport by the central and regional governments in Kulon Progo (637 hectares) in Temon area; advanced Adikarto Fish Harbour (development 16.7 hectares); construction of a steel plant (2,962 hectares); and the development of Sentolo and Lendah Industrial Zone on 4,700 hectares of land.

The development of local tourism must follow initiatives and policies of the central government. This is reflected in tourism development plan documents.. The development of tourism in Kulon Progo district, therefore, must be in line with not only programs of the central government, but equally crucial, those of the provincial government. To that end, it is worth assessing the extent to which tourism development planning documents of Kulon Progo district are consistent with those of the province and central government. In this respect, the documents to assess include national medium term development plan (RPJMN), Yogyakarta special administrative region province medium term development plan (RPJMD), Kulon Progo local government medium term development plan (RPJMD National Tourism action plan (RIPPARNAS), Yogyakarta special administrative province action plan (RIPPARDA), and Kolon Progo local government local government action plan (RIPPARDA Kulon Progo)

Strategic Issues

Strategic issues must receive priority in development planning due to the fact that they have the potential to have substantial and fundamental impact on entities (regions/communities) in the future. A condition/event is a strategic issue, which is if not anticipated, can lead to greater losses and cause idleness or may not bring expected benefits in terms of higher and better public welfare in the long term. Thus, based on that definition, strategic issues which the development of the tourism sector in Kulon Progo face include the following:

1. The development of tourism products / attractions based on natural and cultur-

- al attractions, which is relatively stagnant;
2. Travel destinations that are not supported by major facilities and qualified and standardized supporting facilities/services (still relatively far from excellent service);
 3. Lack of accessibility. Inadequate and poor quality of accessibility to networks from the distribution node points to the locations of tourist attractions
 4. Low quality of human resources and management of tourist villages or community-based tourism destinations (Management is still conventional, hence not optimal)
 5. Inadequate and poor accessibility and amenities in tourist villages (Poor quality and quality of marketing (information & promotion)
 6. Limited understanding of and how to implement tourism awareness. Most practitioners do not have background in the tourism sector. Formation of local society based institutions to support village tourism has not picked up properly.
 7. Lack of interest in investing in the construction and development of tourist destinations in Kulon Progo.

Resolving the above issues requires the involvement of the Kulon Progo government. Such involvement should take the form of policies and programs, that must take into consideration the importance and relevancy of local wisdom as well as environmental preservation to ensure that tourism sector activities are societally acceptable, and environmentally friendly and sustainable. That waym tourism will become an engine of growth and development that will contribute to the welfare of the local population and beyond.

The Role of the Government In Tourism Development

Based on the dynamics development of the tourism sector at both the national and regional level (Kulon Progo), the sector is increasingly becoming one of the top priorities that underpin socioeconomic development. . Williamson (2000) states that socio-

economic change can work well when the institutional transformation process of society-government runs smoothly.. In the field of tourism, government responsibility lies in four main areas, interalia , planning the tourism area developing the tourism main and supporting facilities formulating and implementing tourism policy, and the creating and enforcing regulations.

Community or society based tourism attractions are initiated , managed, and are run for the benefit of ,members of society, who more often than not, do not previous background in tourism. The economy of Kulon Progo district is by and large, based on agriculture in general and farming in particular. That makes understanding what needs to be done to implement community based tourism very difficult. This is the more so given the fact that effecting community based tourism requires change in informal institutions, culture/customs/habits, as well as thought patterns (Williamson level 1). According to Williamson (2000), changing informal institutions is pivotal but takes a very long time to realize (100-1000 years). To that end, there is need for government involvement to ensure that the changes are done continuously and supported by policy injections in the form of incentives, regulations, and programs.

Meanwhile, Williamson's Level 2 phase, which entails efforts to awaken and develop tourism in Kulon Progo regency, requires the government to identify the potential, needs, problems, characteristics by region/zoning tourist attractions with the collaboration of Universities/academics. This is because tourism development must be based on data, facts and research which are essential inputs into the formulation of rules, policy, planning and regulations. Planning is executed through various approaches, which include technocratic (based on scientific data / facts - evidence based assisted by academics), politics, bottom-up and participatory. In other words, an effective policy making process must be participatory and bottom-up, if it is to become acceptable and owned by the local population.

What is also worth noting is that governance of the policy making process is very vital for tourism development process in Ku-

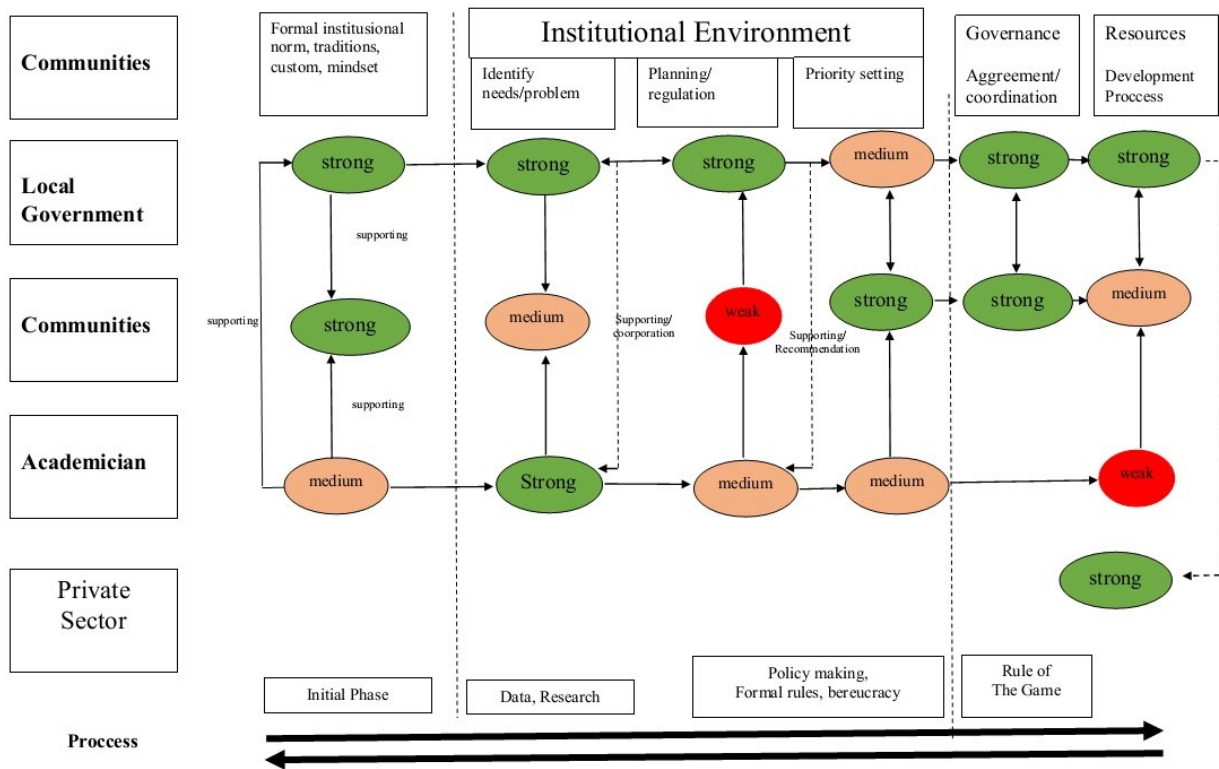


Figure 3. Stakeholder's roles framework

Source : Processed Data

lon Progo district, which is Williamson's level 3 phase.). Governance in the tourism sector should be based on the commitment and agreement between the government and the citizenry on such issues as enforcement of the rules, regulations, and coordination becomes critical and requires cooperation between government and society/community. Williamson's tourism development phases as manifested in Level 1-3 emphasize new institutional economics and science. The need for focusing on the development of institutions that support the tourism sector is important because if without putting them in place, the economic cost of the construction and development of tourism sector becomes extremely high for practitioners, tourists, and policy makers alike. With respect to Williamson's Level 4 phase, which entails the allocation of resources, incentives and pricing, the main thrust is on labor. Based on neoclassical economics the market is the decisive force. This is because the role of the government through APBN/APBD in financing the construction of such

key facilities and supporting facilities as tourist destinations is still limited in terms of quantity and quality. To that end, the e government in level 4 plays the role of addressing some of the obstacles that hamper tourism development as lack of supporting infrastructure that fosters accessibility. Inadequate and poor quality of transportation, including road network that supports accessibility to distribution node points to the tourist attraction destinations

The government must also play a crucial role in the construction of tourist destinations and amenities (clean toilets, clean water, communication networks, health facilities), and in marketing (information & promotions) that is relatively still very poor. Nonetheless, relying on the government budget to finance such services may be futile due to other equally important priorities that await funding from the government budget.. To that end, there is need to involve the participation of the private sector in investing in construction and development of tourism attractions. the The best way to do that is to

create a conducive investment for private investors. There are several ways Kulon Progo district government can create a conducive investment climate include but not limited to public-private joint investment arrangements, tax incentives, easing land acquisition, reforming the bureaucracy to speed up and simplify. Private sector involvement in the form of investment can also be fostered through the application of the *pentahelix* concept, which entails the joint development of society with the collaboration of members of academia.

The role which Kulon Progo government plays in the development of the tourism sector is reflected in the programs it has implemented so far. Such programs include the formulation of the working plan for the Department of Tourism, Youth, and Sports which is charged with Tourism Sector in 2015. The program activities entailed the development of tourist destinations, tourism Marketing and forging and developing partnerships. Kulon Progo Regency Government as an institution has established a Tourism Awareness Group (Pokdarwis), which is charged with developing tourism potential in every sub district, through the management and developing facilities and infrastructure.

What is worth noting is that despite the fact that Kulon Progo government has implemented many programs that are tailored toward developing tourism in the district limited financial resources the district has at its disposal amid competing demands, makes the involvement of other stakeholders such as the local community and private sector imperative.. Some of the priority areas that need addressing as results from a survey of key informants that were drawn from tourism managers in Kulon Progo, showed, include improvement in the socialization and communication of government priority programs by the government to the public. Otherwise, some sections of society feel left out from current efforts of the local government.

CONCLUSION

In light of the above, the conclusion that can be drawn is that there is vast potential for the development of the tourism sector in Kulon Progo district has to develop its

tourism sector. Nonetheless, the number of tourists who visit the district remains relatively low compared to other districts in Yogyakarta special administrative region. The huge potential can be viewed from the rising trend of local government revenue from relatively small number of tourists who pay visit to the district. Policies, which the central and local government have implemented in order to increase the number of tourists to the district have included the construction and development of tourist destinations, tourism marketing, and laying the foundation for developing supporting institutional capacity. The policies are based on the national and local government action plans. This reflected in the determination of priority destinations by the central government for 2017, on which Kulon Progo based its zoning of 5 destinations as tourism strategic areas for development.

In addition, Kulon Progo district government, also took measures to improve investment climate, which is intended to increase incentives for the private sector to participate in the development of infrastructure to support rising number of tourists to the district. Policies implemented by Kulon Progo district are consistent with those of action plans of the central government and provincial government on the tourism sector. This is reflected in the consistence of the development vision of the tourism sector which is to create competitive, sustainable, self-sufficient, tourism sector that has the ability to stimulate regional development and improve the welfare of the local community.

There are however, strategic issues that need tackling if the vast potential of tourism in the district is to be realized. Such problems include the need to improve the quality of human resources, developing tourist destinations, institutions, and promotion Other areas that need addressing include but not limited to putting place policies that are tailored toward changing the mindset and behavior of the local population with respect to the role and importance of tourism to the community and local economy, socialization of changes and implications thereof, that tourism will bring to the local community in terms of livelihoods;) the need to create an investment climate that is conducive

for the private to support the development of tourism destinations and supporting infrastructure; and the active role of the government and local community in ensuring the creation of nature and society based tourism by ensuring setting minimum service delivery standards for tourism products and services for operators as well as maximum capacity of tourist destinations, which should be accompanied by regular monitoring to ensure compliance with environmental sustainability principles.

While the regulatory framework and development planning process of the tourism sector, at both the central and regional governments level is still relatively very good, there is need for improvements in other areas. Such areas include the need to strengthen the institutional framework to support tourism development, fostering changes in values of society; increased coordination among stakeholders; improving law enforcement and adherence to environmental protection, which pivotal for nature-based tourism; and equally important, there need for constant monitoring and paying attention to socioeconomic changes that emanate from the interaction between tourists and local populations to ensure that the socioeconomic and cultural transformation of society from agriculture based livelihood to tourism livelihood go smoothly.

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