The Potential and Prospect for Natural Tourism: A Political Economy of Indonesia

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Tourism is a strategic sector which has a high multiplier effect on other sectors, such as trade, hotel and restaurants, and transportation. The tourism sector has a positive impact and contributes to regional and national income. The purpose of this study is to analyse the potential and prospects for tourism development, especially the Dieng natural tourism in Indonesia. This study observes and examines time-series data which are obtained from the Indonesian central statistics agency, during the seven-year period of 2011–2017. This study applies mixed method approaches, both quantitative and qualitative, for analysing the data. A mixed method is widely known to be a profoundly comprehensive technique for research in the social sciences through the integration of thematic and statistical data. A quantitative approach, particularly a comparative study, is used to obtain the data from official publications issued by the Central Bureau of Statistics (BPS) and other accessible institutions. A qualitative approach, particularly interview, is used to obtain the data through focussed discussions with stakeholders and conducts the interviews with the questionnaire guidelines. The primary data is also obtained through focussed discussions with stakeholders and interviews with the questionnaire guidelines. The secondary data is obtained from official publications issued by the BPS and other accessible institutions. The empirical results show that the potential and prospects for natural tourism in Dieng remain high. Therefore, to optimise the potential of the Dieng natural tourism, participation and synergy between actors and government is required to provide infrastructure, facilities, and management of the natural tourism effectively.

Keywords: Natural tourism, Dieng, Economic policies, Hotel and tourism trade.
Introduction

Tourism is a strategic sector which has a high multiplier effect on other sectors. The development of tourism will have a positive impact on improving other sectors, such as trade, hotel and restaurants, and transportation. This has caused many regions to make significant efforts towards developing the tourism sector (Joo, Cho, & Woosnam, 2019; Lundberg, 2017; Purnomo, Rahayu, Riani, Suminah, & Udin, 2020; Sugathan & Ranjan, 2019).

The tourism sector contributes to regional and national income (Bhandari, 2019; Gao, Ryan, Cave, & Zhang, 2019). Tourism can play a role in reducing unemployment and creating jobs (Janta, Brown, Lugosi, & Ladkin, 2011; Janta, Lugosi, Brown, & Ladkin, 2012; Robinson, Baum, Golubovskaya, Solnet, & Callan, 2019), among many other advantages. In addition to playing a role as an economic driver, the tourism sector also maintains the sustainability of the nation's culture, appreciation of art, tradition, and national cultural wealth. In the environmental aspect, tourism can lift tourism products and services from the richness and uniqueness of nature and sea, and as an effective tool for the preservation of the natural environment and traditional cultural arts (Lane, 2018; Lee & Jan, 2019; Mucharreira, Antunes, Abranja, Justino, & Quirós, 2019; Pilving, Kull, Suškevics, & Viira, 2019; Shafiee, Rajabzadeh Ghatari, Hasanzadeh, & Jahanyan, 2019).

In Indonesia, tourism development also has a contribution to economic development in increasing foreign exchange earnings. The role of the tourism sector in increasing the country's foreign exchange needs to be supported by every element, including the tourism sector in Central Java Province. Therefore, this study aims to identify the potential and prospects for tourism development in Central Java, specifically in the Dieng area.

Research Methods

The purpose of this study is to analyse the potential and prospects for tourism development, especially the Dieng natural tourism in Indonesia. The time-series data of the study is obtained from the Indonesian Central Statistics Agency (BPS), during the period of 2011–2017. This study applies mixed method approaches, both quantitative and qualitative, for analysing the data. A mixed-method is widely known to be a profoundly comprehensive technique for research in social sciences through the integration of thematic and statistical data. Mixed method research is the type of research in which a researcher or team of researchers combines elements of qualitative and quantitative research approaches (e.g., use of qualitative and quantitative viewpoints, data collection, analysis, inference techniques) for the broad purposes of breadth and depth of understanding and corroboration (Johnson et al., 2007).
The primary data is obtained through focused discussions with stakeholders and interviews with questionnaire guidelines. The secondary data is obtained from official publications issued by the BPS and other accessible institutions.

Results and Discussion

Dieng is a plateau in Central Java. It is part of an active volcanic mountain range. A high terrain and beautiful environment make this region susceptible to becoming very cold. On normal days, the temperature in the Dieng plateau usually ranges from 11–18°C. However, in certain seasons, temperatures can even reach the freezing point of 0°C, which makes this location even cooler.

Dieng is an area which has bio-geophysical, social, economic, and cultural links. It is located in parts of the Banjarnegara, Wonosobo, Temanggung, Kendal, Batang, and Pekalongan Districts. The Dieng area includes the Pekalongan area of more than 18,786 hectares, Temanggung covering 5,000 hectares, Batang covering 5,000 hectares, and Kendal covering more than 1,541 hectares. A map of the Dieng area is shown in Figure 1.

Figure 1. Map of the Dieng Area

The Dieng area has a historic heritage in the form of Hindu temples. Besides, there are attractions such as the Sikidang Crater, Candradimuka Crater, Colour Lake, two Menjer
Ponds, and so forth. The existence of these attractions positions the Dieng area as a tourist destination for domestic and foreign tourists. The Dieng area is also one of the best places to enjoy the beauty of nature from a height.

**Figure 2.** Dieng Entrance Gate

![Dieng Entrance Gate](image)

*Source: observation results, 2019*

To reach the location of the Dieng, tourists can only use land transportation via the highway, where public transportation is very limited. Some tourist destinations in the Dieng area are:

1. **Arjuna Temple**
   The Arjuna Temple can be seen in Figure 3. The temple is located in the Banjarnegara region, and there is also a Presidential house of President Soeharto. The potential of the Arjuna temple as a tourist destination is very high. However, several locations are still in the process of rehabilitation and providing explanatory information about the temple, which is less strategically placed.
2. **Highest Village**

In the Dieng area, there is the Sembungan Village, which is known as the highest village in Java. The entrance to the Sembungan Village is on the way to the Sikunir Hill (see Figure 4).

**Figure 4. Entrance Gate of Sembungan Village**

Source: observation results, 2019

3. **Sikunir Hill**

The atmosphere and condition of the Sikunir Hill is evident in Figure 5. To reach the top of Sikunir, tourists need to walk as far as 800 metres, with the road conditions...
leading uphill. Within the 800 meters, it is divided into three posts. At each post, there is a resting place. To complete this distance takes about 30–60 minutes and is very dependent on the physical condition of each tourist. Various natural beauty can be seen from the top of Sikunir.

**Figure 5.** The View from Sikunir Hill

![Figure 5. The View from Sikunir Hill](image)

**Source:** observation results, 2019

There are several unique fruits on the top of Sikunir Hill. They are shown in Figure 6 below.

**Figure 6.** Fruits from Sikunir Hill

![Figure 6. Fruits from Sikunir Hill](image)

**Source:** observation results, 2019

4. **Candradimuka Crater**
   According to the story, Candradimuka is a crater used as a natural spa in *Gatotkaca* (puppet characters), where one becomes a magical man.
Figure 7. Candradimuka Crater

Source: observation results, 2019

5. Gardu Pandang
To get to Gardu Pandang, tourists need to climb about 400 meters. From Gardu Pandang, tourists can see a lake of colors with a very beautiful view. However, there are some facilities, such as a shaking bridge, which do not function properly.

Figure 8. Gardu Pandang

Source: observation results, 2019
Potential of Natural Tourism

The contribution of tourism in Indonesia, in foreign exchange earnings, is relatively high (Bank of Indonesia). However, compared to a global context and other countries' achievements, the contribution of tourism in Indonesia's foreign exchange earnings is still limited and it has the potential to be increased (Bank of Indonesia). The following is data on the contribution of foreign exchange in the tourism sector of Indonesia in comparison to other commodities.

Figure 9. Indonesian Foreign Exchange Earnings per Commodity

Source: Bank of Indonesia

The development of the tourism sector in Central Java, Indonesia showed an increase with the growth in the number of visitors coming to various tourist destinations and events, as shown in Table 1.

Table 1: Number of Foreign and Domestic Tourists

<table>
<thead>
<tr>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Overseas</td>
<td>392,895</td>
<td>372,463</td>
<td>388,143</td>
<td>419,584</td>
<td>375,166</td>
<td>578,924</td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>21,838,351</td>
<td>25,240,021</td>
<td>29,430,609</td>
<td>29,852,095</td>
<td>31,432,080</td>
<td>36,899,776</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>22,231,246</td>
<td>25,612,484</td>
<td>29,818,752</td>
<td>30,271,679</td>
<td>31,807,246</td>
<td>37,478,700</td>
<td></td>
</tr>
</tbody>
</table>

Source: Culture and Tourism Office of Central Java Province, 2011–2016
The number of attractions in Central Java is more than any other province in Java. As of 2016, Central Java has 317 attractions. The number of attractions in the Province of Jakarta has 32 objects, West Java has 218, Banten has 210, DIY has 115, and East Java has 235. Variations in the types of attractions are also diverse, including natural, cultural, religious, historical, shopping, and culinary. The income of the tourism sector in Java over a five-year period can be seen in Table 2 below.

**Table 2: Tourism Sector Revenues in Java (in million rupiahs)**

<table>
<thead>
<tr>
<th>Province</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>DKI Jakarta</td>
<td>2,345,221</td>
<td>2,535,293</td>
<td>3,129,712</td>
<td>3,912,471</td>
<td>4,271,820</td>
</tr>
<tr>
<td>West Java</td>
<td>365,689</td>
<td>417,930</td>
<td>419,184</td>
<td>420,242</td>
<td>442,231</td>
</tr>
<tr>
<td>Banten</td>
<td>66,826</td>
<td>63,518</td>
<td>68,952</td>
<td>65,458</td>
<td>65,169</td>
</tr>
<tr>
<td>Central Java</td>
<td>130,876</td>
<td>182,513</td>
<td>220,025</td>
<td>236,813</td>
<td>261,702</td>
</tr>
<tr>
<td>DIY</td>
<td>106,215</td>
<td>153,174</td>
<td>188,839</td>
<td>241,955</td>
<td>286,993</td>
</tr>
<tr>
<td>East Java</td>
<td>269,430</td>
<td>298,619</td>
<td>323,854</td>
<td>361,983</td>
<td>398,210</td>
</tr>
</tbody>
</table>

*Source: Indonesian Ministry of Tourism Pusdatin, 2011-2015*

Table 2 shows that Central Java Province has the highest number of attractions. However, when compared to other provinces in Java, the contribution of the tourism sector revenue in the Central Java Province is the lowest, after Banten.

**Prospect of Natural Tourism**

The tourism sector in Central Java contributes to increasing economic growth, local own revenue (PAD), absorbing labor, and contributing to the pooling investment. The value of economic transactions created by tourism activities in 2015 reached over 58,642 billion rupiahs. The transaction value created by the domestic consumption is 82.79 per cent or 48,552 billion rupiahs of the total tourism transaction value. The value of foreign exchange transactions reached more than 1,013 billion rupiahs or 1.73 per cent, and then the value of foreign tourist transactions reached over 431 billion rupiahs or 0.74 per cent. Meanwhile, investment contributions reached more than 8,637 billion rupiahs or 14.73 per cent, while the tourism promotion contribution from the Government had a transaction value of 9.05 billion rupiahs or 0.02 per cent (NespardaDisporapar, Central Java, 2017).

Based on the results of a survey, visiting Central Java is a first-time experience for 58.80 per cent of tourists. Meanwhile, there are 29.30 per cent who have visited Central Java two to three times, and few tourists who make four to five times as many visits, at 7.60 per cent. For tourists who visit Central Java more than five times, they have a destination not only for vacation and travel, but also for business purposes.
Eighty per cent of foreign tourists feel happy and satisfied with the accommodations in Central Java. Tourist satisfaction on accommodation has a major influence on the length of a visit or stay, so the longer the tourists are in Central Java, the more money that will be spent. The accommodation used by foreign tourists is not only in star hotels, but also in the selection of accommodations which have the uniqueness and distinctiveness of Javanese architecture.

Half of the foreign tourists visiting Central Java like the form of eco-tourism which is more focussed on environmental conservation, at 73.10 per cent. A further 17.70 per cent tend to like nature tourism with a marine concept, and 9.20 per cent like nature tourism which provides adventure value and adrenaline testing. Foreign tourists prefer to travel not only on vacation and have fun, but also provide new experiences that cannot be found in their country of origin. The development of Indonesia's foreign exchange reserves in the ten years between 2009–2019, can be seen in Figure 10 below.

**Figure 10.** Indonesian Tourism Sector Foreign Exchange Reserves

![Figure 10](image)

**Source:** Ministry of Tourism
Data from the Ministry of Tourism shows that foreign exchange earnings from the tourism sector in 2015 reached USD $15.2 billion. This number is ranked fourth as the largest contributor to foreign exchange, under oil and gas, coal, and palm oil. Furthermore, in 2019,
foreign exchange income from tourism was targeted at USD $20 billion and became the largest to beat palm oil, and oil and gas exports. To achieve this goal, the Government targeted 20 million foreign tourist visits in 2019.

The increase in foreign exchange from the tourism sector is contributed by the increase in the number of foreign tourists visiting the country, which in 2017 reached 14.1 million visits. During the period of January to July 2018, foreign tourist arrivals reached 9.06 million, an increase of 12.92 per cent over the same period in the previous year. Efforts to increase the number of foreign tourists to Indonesia needs to be pursued more seriously, including the anticipation of natural and environmental conditions in disaster-prone tourist areas. The occurrence of natural disasters, such as the eruption of Mount Agung in Bali, and the earthquake in Lombok, can burden the target of foreign tourists visiting Indonesia.

Based on the BPS data, the length of tourists staying in Central Java in 2013 was 1.56 days. Based on information on the cost per day spent in Central Java, it obtained tourist shopping to attractions and staying for one year, as shown in Table 3.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Tourists (people)</th>
<th>Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>22,219,865</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>25,603,157</td>
<td>15.23</td>
</tr>
<tr>
<td>2013</td>
<td>29,818,752</td>
<td>16.47</td>
</tr>
<tr>
<td>2014</td>
<td>30,271,679</td>
<td>1.52</td>
</tr>
<tr>
<td>2015*</td>
<td>33,601,564</td>
<td>11</td>
</tr>
<tr>
<td>2016*</td>
<td>37,297,736</td>
<td>11</td>
</tr>
<tr>
<td>2017*</td>
<td>41,400,487</td>
<td>11</td>
</tr>
</tbody>
</table>

*Source: Statistics Indonesia, Central Java; *Predictions

**Conclusion**

This study concludes that the Dieng natural tourism potential remains extremely high when viewed from the natural beauty, variety, and types of existing tours. Furthermore, the Dieng natural tourism has not been optimally advanced. The prospect of the Dieng nature tourism is also particularly good. This is based on the number of tourist visits and their contribution to the increase in foreign exchange.

To optimise the Dieng’s natural tourism potential, the following needs to be achieved:

1. Improving the quality and access of tourism destinations supported by strengthening promotions and increasing the capacity of tourism actors. With various improvements in access and the quality of service, it will increase the number of tourist visits.
2. Increasing access to finance to be able to run the economy of the community in the
Dieng area.
3. Making intensification of digital payment system services.
4. Strengthening the synergy of the promotion of tourism destinations between the
central and regional governments.
5. Arranging tour packages, for example, temple tour packages and agro-tourism
packages.
REFERENCES


