



The role of the tourism sector on genuine regional income

E. Elpisah ^{†1}, S. Suarlin

STKIP Pembangunan Indonesia, Inspeksi Kanal Street, Rappocini, Makassar, 90233, South Sulawesi, Indonesia ¹

Universitas Negeri Makassar, Faculty of Education Science, Department of Science of Elementary School Teacher, A.P Pettarani Street, Rappocini, Makassar, 90233, South Sulawesi, Indonesia ²

Submission Info :

Editor : Ricardo F Narurung
Received 07 July 2020
Accepted 18 August 2020
Available online 11 September 2020

Keyword :

Tourism Sector
Local Own Income
PAD

Email Address :

elpisah77.amir@gmail.com
alfariya.unm@gmail.com

Abstract

This study aimed to determine the development of tourism sector revenue and the tourism sector's contribution to Regional Original Income (PAD) in Gowa Regency, South Sulawesi Province. Local governments can use the research results to determine the tourism sector's policies to increase local revenue and support information for conducting similar research in more depth and broad scope. This research was conducted using trend analysis, that the development of tourism income has increased during the period 2013-2017. This study's results indicate the growth of tourism income by looking at the increasing and decreasing trend in the contribution of the tourism sector. The increase in income from the tourism sector is also offset by an increase in local revenue (PAD) from other sectors with a more considerable amount.



This is an open-access article under the [CC BY 4.0 International License](https://creativecommons.org/licenses/by/4.0/).
© Point of View Research Economic Development (2020)

1 Introduction

The issuance of Law No.32 of 2004 on Fiscal Balance between the Central and Regional Governments opened a considerable opportunity for regions to manage their resources to provide optimal results. Each regional government strives to improve its regional economy, to increase the acquisition of Regional Original Revenue (PAD). Local governments must continue to be creative and innovative in seeking and developing potential sources of original regional income. The origins of income that will be used in regional development also increase.

One of the efforts to increase regional revenue is by optimizing the potential in the tourism sector. The linkage between the tourism industry and regional revenue runs through local revenue (PAD) and tax revenue sharing. According to Badrudin (2001), the tourism industry, the source of PAD, belongs to the local community or Community Tourism Development (CTD). By developing Community Tourism Development, local governments can obtain tax revenue opportunities and various official levies from multisectoral tourism industry activities such as (hotels, restaurants, tourism businesses, travel businesses, professional convention

[†] Corresponding author. E. Elpisah
Email address: elpisah77.amir@gmail.com

organizers, formal and informal education, training, and transportation).

Tourism is related to individuals' or groups' journey with various purposes as long as it is not for earning a living or living in a place. Humans travel freely of their own accord with the peaceful intent of fulfilling their essential needs, namely knowing, learning, identifying, and experiencing firsthand everything that is not in their place of residence and seeking something unique and beautiful in a different culture. Tourist activities by tourists vary according to tourists' motivation and interest in visiting a tourist destination, whether for holidays, socio-cultural visits, business visits, conferences, and exhibitions.

As a country with natural beauty and cultural diversity, Indonesia has the opportunity to sell natural beauty and cultural attractions to tourists. These both foreign and domestic tourists will enjoy the beauty of nature and culture. Of course, the arrival of these tourists will bring acceptance to the areas they visit. For foreign tourists who come from abroad, their appearance will get foreign exchange for the country (Badrudin, 2001). Likewise with the Gowa Regency, one of the Tourist Destination Areas (DTW) in South Sulawesi Province. Gowa Regency has considerable tourism potential, especially natural tourism and cultural tourism. With many tourist objects available, it is hoped to increase regional revenue from the tourism sector in Gowa Regency, both through local taxes and local levies. Therefore, Gowa Regency in South Sulawesi Province, which has immense natural wealth and has several tourist objects and recreational facilities, has great potential to optimize the increase in regional revenue (PAD) from the tourism sector.

Theoretically (a priori), the longer a tourist stays in a tourist destination, the more money is spent in that tourist destination, at least for eating, drinking and lodging while staying in that area. During the tour, various kinds of tourist needs will cause consumptive symptoms from both foreign and domestic tourists to increase the income from the tourism sector of an area. Therefore, the higher the flow of tourist visits to the Gowa Regency, the tourism sector's payment in the entire Gowa Regency will increase.

Per capita income is an important indicator to determine economic conditions in a region in a certain period, which is indicated by Gross Regional Domestic Product both at current prices and at constant prices. High per capita income tends to increase consumption per capita, which creates an intensive change in the production structure. When income increases, the demand for manufactured goods and services will grow faster than the market for agricultural products (Tadaro, 2000).

Gross Regional Domestic Product is defined as the amount of added value generated by all business units in a region or is the total value of final goods and services produced by all financial companies in an area. In general, people who travel on tour have a high socioeconomic level. They have a trend of life and leisure as well as relatively large income. This means that their minimum needs have been met. They have enough money to pay for tours. The greater the per capita income level of the community, the greater the community's ability to travel, which has a positive effect in increasing regional revenue for the tourism sector in the Gowa Regency.

Law No. 9 of 1990 concerning tourism stated that the tourism business is a company in the tourism sector that produces certain products. Tourism products are tangible products and products (goods and services) that have economic and social, psychological, and natural aspects. Tourism products are various services where one another is interrelated and produced by multiple tourism companies, for example, accommodation, tourist transportation, travel agencies, restaurants, tourist attractions, and other related companies.

H1: The development of tourism sector revenue positively relates to Local Own Revenue in Gowa Regency.

H2: The tourism sector levies have a positive relationship with the Regional Original Income in Gowa Regency.

2 Research Method

The population in this study is the Tourism Sector Income Report at the Tourism Office in Gowa Regency. This study's sample is the Tourism Sector Income Report for the last five years, from 2013-2017, at the Tourism Office in Gowa Regency. This study's data collection method is the literature study method obtained from reference books, economic journals, the Central Statistics Agency (BPS) of Gowa Regency, the tourism office of Gowa Regency, and previous researchers related to this research. The data analysis method used in this study was carried out in two stages:

To determine the development of the tourism sector's contribution to Regional Original Income, trend analysis will be used with the formula:

$$Y_o = a + b X$$

Description:

Y_o = the amount of tourism revenue in Gowa Regency

a = Constanta

b = the amount of change in variable Y that occurs at every change of 1 unit of variable X

X = year

To find the coefficients a and b , the formula is used:

$$a = \frac{\sum Y}{N} \quad N = \text{Total Data} \quad b = \frac{\sum XY}{\sum X^2}$$

The use of this linear trend model aims to see the development of the tourism sector revenue.

a. If $b < 0$, then the development of the tourism sector revenue decreases.

b. If $b > 0$, then the development of the tourism sector revenue will increase.

Hypothesis II Test

To find out the tourism sector levies on local revenue, as follows:

$$\text{Contribution} = \frac{R_{PAR}}{PAD} \times 100\%$$

Description:

R_{PAR} = The value of the tourism sector levies (Rp)

PAD = PAD value (Rp)

3 Result and Discussion

Result

Gross Regional Domestic Product reflects the entire value of goods and services produced by a region in a certain period. GRDP is used as a regional income approach. Gowa Regency PDRB based on the current price in 2016 amounted to 17,271,382.57 million rupiahs, while the GRDP at constant prices in 2010 was 11,977,299.62 million rupiahs.

Table 1. Economic Growth in Gowa

Year	Economic Growth (%)
2012	8,15
2013	9,42
2014	7,17
2015	6,80
2016	7,63
2017	7,23

Source: BPS Gowa Regency, 2019

The Gross Regional Domestic Product's growth since 2014 has shown a downward trend, although it offers a positive increase in GDP. In 2016 the GRDP growth rate of Gowa Regency increased to 7.63 percent. However, in 2017 it decreased again to 7.23 percent.

Tabel 2. Growth Rate of Gross Regional Domestic Product Based on 2010 Constant Prices by Business Field in Gowa Regency (percent) 2014–2017

Category	Business field	2014	2015	2016	2017
A	Agriculture, Forestry, and Fisheries	6,85	3,72	5,44	4,48
B	Mining and excavation	12,68	12,36	13,55	13,40
C	Processing industry	5,66	6,64	8,13	8,61
D	Procurement of Electricity and Gas	19,97	-1,00	14,12	6,87
E	Water Supply, Waste Management, Waste and Recycling	1,67	0,27	4,35	6,77
F	Construction	4,78	7,31	7,89	8,34
G	Wholesale and Retail Trade; Car and Motorcycle Repair	10,14	6,37	10,50	9,40
H	Transportation and Warehousing	9,16	6,97	3,27	6,71
I	Provision of Accommodation and Food and Drink	9,22	6,44	7,88	10,04
J	Information and Communication	5,27	10,35	10,27	9,87
K	Financial Services and Insurance	6,03	7,83	14,29	1,63
L	Real Estate	16,09	15,60	9,05	7,43
M, N	Company Services	6,11	5,29	7,35	8,20
O	Mandatory Government Administration, Defense, and Social Security	2,67	3,64	2,23	4,64
P	Education Services	2,51	6,76	6,12	8,61
Q	Health Services and Social Activities	9,18	9,63	6,91	7,01
R,S,T,U	Other Service	6,50	7,72	7,28	11,25
Gross Regional Domestic Product		7,17	6,79	7,61	7,23

Table 3. Gross Regional Domestic Product and Per Capita Figure at Applicable Prices in Gowa Regency.

Description	2012	2013	2014	2015	2016	2017
PDRB ADHB (million rupiah)	9380 478,49	10 713 900,02	12 044 433,41	13 752 085,30	15 524 364,50	17 271 382,57
Population (soul)	682 597	696 096	709 386	722 702	735 493	748 200
PDRB Per Capita (million rupiah)	13,74	15,39	16,98	19,03	21,11	23,08

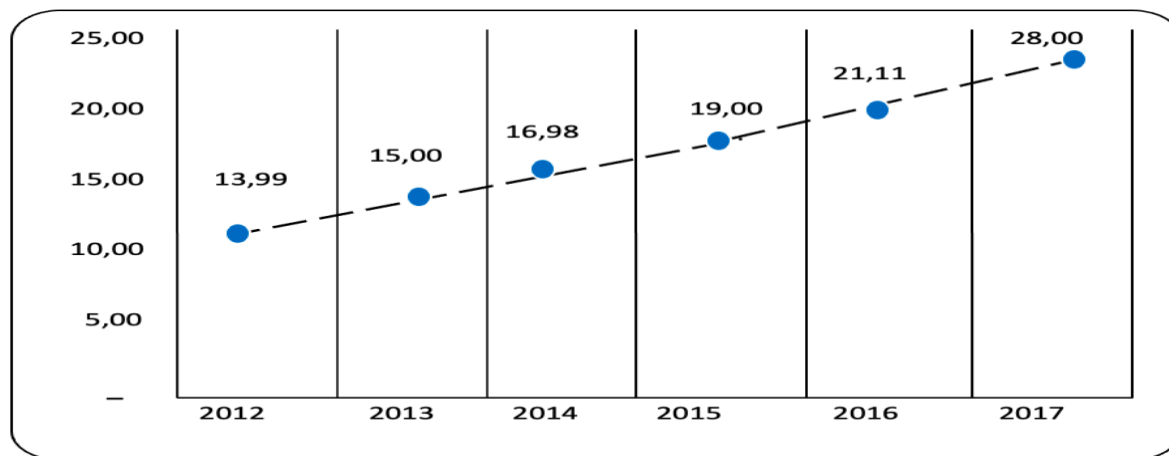


Figure 1. Graph of Gross Regional Domestic Product per capita based on prevailing Gowa Regency prices (million rupiahs) 2012 - 2017.

According to the business sector, Gross Regional Domestic Product changes the classification from 9 business fields to 17 business fields. Gross Regional Domestic Product according to the business field is broken down according to the total added value of all economic sectors including (Agriculture, Forestry and Fisheries business fields; Mining and Quarrying, Processing Industry, Electricity, and Gas Supply, Water Supply, Waste Management, Waste, and Recycling. , Construction, Wholesale and Retail Trade, Repair of Cars and Motorcycles, Transportation and Warehousing, Provision of Accommodation and Food and Drink, Information and Communication, Financial Services and Insurance, Real Estate, Corporate Services, Government Administration, Compulsory Social Security and Defense, Educational Services, Health Services, and Social Activities, and Other Services).

Based on Figure 1, we can see that the Gross Regional Domestic Product Per Capita (million rupiah), which from year to year has increased, wherein 2012 it was 13.74, 2013 15.39, 2014 16.98, 2015 19, 03, 2016 21.11 and 2017 23.08.

Tabel 4. Realization of Local Own Revenue Receipts from the Culture and Tourism Office of Gowa Regency 2013-2017.

No	Year	Target (Rp)	Realization (Rp)	Percent
1	2013	475.000.000	675.910.460	142,30%
2	2014	665.000.000	1.061.096.491	159,56%
3	2015	1.165.000.000	1.741.975.989	149,53%
4	2016	1.915.000.000	2.262.331.775	118,14%
5	2017	2.615.000.000	2.839.685.443	108,59%

Based on table 4, the PAD of Gowa Regency has increased from year to year, wherein in 2013, the target was only Rp. 475,000,000 and realized Rp. 675,910,460 with a percentage of 142.30%, while in 2017 the target is Rp. 2,615,000,000 and the realization was Rp. 2,839,685,443 with a percentage of 108.59%.

Table 5. Number of Visits and Growth in the Number of Visits by Local Tourists and Tourists in Gowa Regency 2014-2017 (number of people).

Year	International Tourists	Growth of Tourists	Indonesian Tourists	Growth of Indonesian Tourists
2013	2.033	-	116.136	-
2014	4.996	2%	7.7.439	2%
2015	3.543	-29%	142799	84%
2016	3.583	1%	177405	24%
2017	3.082	-14%	196135	11%

The hotel provides accommodation daily in a building equipped with food and drink services, entertainment activities, and other facilities. The number of hotels in Gowa Regency is less than the accommodation where there are only five hotels, while there are 16 inns and only one villa, namely the Palace Villa located on Jl. Anyang – Malino. It needs to be pointed out here that hotels are not subject to levies but are subject to taxes, so that they are not included in the discussion in this study because the problem is only limited to levies. Also, tax collection is carried out directly by the Taxation Office, under the control of the Gowa Regency Tax Office.

Table 6. Average Length of Stay and Number of Guests Staying at Accommodation in Gowa Regency in 2017

Month	Average Length of Stay	Number of Domestic Guests Staying
January	1,2	6.950
February	1,1	3.977
March	1,2	6.745
April	1,1	6.906
May	1,7	6.259
June	1,2	3.939
July	1,3	5.943
August	1,3	6.485
September	-	-
October	1,1	1.174
November	1,6	5.238
December	1,1	1.890
Total	1,4	55.506

The Gowa Regency location, which is directly adjacent to the provincial capital, makes this area frequently visited by tourists, both local and foreign tourists, especially on weekends or holidays. Besides, Gowa Regency is also supported by many interesting tourist attractions to see, such as the Malino mountain area, the Bili-Bili Dam, the Balla Lompoa Traditional House, and the Tomb of the Kings of Gowa. In general, the number of domestic and foreign tourists increases every year. In 2017, there was an increase in the number of domestic tourists to 55,506. At the same time, the average length of stay at hotels and other accommodations is 1.4. Another case with the occupancy rate of hotel rooms and other accommodations according to the month of 2017, which fluctuated. The hotel room occupancy rate is highest in May, while the non-star hotel room occupancy rate is highest in July.

Table 7. Percentage of Hotel Rooms and Other Accommodations Occupancy Rate by Month in Gowa Regency, 2017.

Month	Hotel (number of rooms)	Lodging (number of rooms)
January	12,3	13,8
February	10,7	6,9
March	18,2	7,9
April	21,3	7,1
May	48,4	8,8
June	11,5	4,6
July	-	14,3
August	14,6	9,3
September	-	-
October	7,1	-
November	-	1,6
December	11,9	-
Total	15,5	9,7

The hotel provides accommodation daily in a building equipped with food and drink services, entertainment activities, and other facilities. Lodging is a type of residence on a trip where people who have to stay away from home for more than one day need a place to sleep, rest, safety, shelter from cold or rainy temperatures, storage of goods, and access public functions in the household.

Discussion

In nominal terms, the development of revenue realization in the regional tourism sector in the Gowa Regency shows an increase, namely from Rp. Rp. 675,910,460 in 2013 to Rp. 2,839,685,443 in 2017. The lowest growth rate for the tourism sector's income occurred in 2017 at 25.53 percent; this is due to the lack of incentives for the Gowa Regency Government in managing tourism potential in the Gowa Regency area so that the tourism sector's income is less than optimal. While the growth The highest income from the tourism sector occurred in 2015, amounting to 64.17 percent. This is due to a program to increase tourism potential in Gowa Regency, which ultimately impacts increasing tourists who come to tourist areas in Gowa Regency. Making tourism sector income in Gowa Regency in that year has increased. The income received by the Tourism and Culture Office of Gowa Regency does not fully come from all objects in Gowa Regency. Only a few objects are fully managed, and a few other objects are revenue shares. The analysis results of the development trend of tourism income have increased with the amount of revenue of Rp. 1,716,200,031.6 and tourism income of Rp. 552,878,525 during the period 2013-2017. With the increase in income, it is expected to contribute to the Original Regional Income of Gowa Regency.

For this reason, efforts are needed to increase the promotion and improvement of public facilities for tourism objects to attract tourists to visit. Besides, an increase in the number of tourists is expected to affect improving the community's welfare by selling souvenirs and providing residential hotel places for tourists to increase the surrounding community's income. One potential number of tourism objects has a significant effect on the Gowa Regency Tourism and Culture Office's payment. This is because the number of tourism items about management is used to finance all tourism activities in Gowa Regency, which are carried out to attract tourists, domestic and foreign tourists, to increase tourism income.

4 Conclusions

The development of tourism income shows an increasing trend. The increase in tourism income can be seen from the development of tourism sector revenue in the Gowa Regency. The decline in the tourism sector's contribution was due to an increase in tourism sector income, which was also offset by an increase in the amount of Regional Original Income (PAD) from other sectors with a more considerable amount. The results of this study suggest that the Government of the Gowa Regency needs to continue improving public services in tourist areas such as cleanliness, comfort, and services to increase the number of tourists. The Government of Gowa Regency must continue to enhance tourism marketing strategies based on tourism development priorities, market share, appropriate media, cooperation patterns with partnerships, and sustainable promotions. Coordination between agencies or offices that handle the problem of tourism sector levies must be carried out continuously. If the slightest problem hinders implementing the regional regulation, the tourism sector levies can be resolved immediately. In this way, the tourism sector levies revenue optimization to increase local revenue (PAD) can be realized.

5 References

- Austrina, I. (2005). Analisis Faktor yang Mempengaruhi Penerimaan Daerah dari Sektor Pariwisata. Disertai Tidak Dipublikasikan, Fakultas Ekonomi, Universitas Diponegoro.
- Arjana, I, G, B. (2016). Geografi Pariwisata dan Ekonomi Kreatif. Edisi Pertama. PT RajaGrafindo Persada, Jakarta.
- Devas, Nick. (1989). Keuangan Pemerintahan Daerah Di Indonesia. Penerjemah Masri Maris. Cetakan Pertama. Universitas Indonesia (UI-Press), Jakarta.
- Halim, A. (2014). Manajemen Keuangan Sektor Publik Problematika Penerimaan dan Pengeluaran Pemerintah (Anggaran Pendapatan dan Belanja Negara/Daerah). Cetakan Kesatu. Salemba Empat, Jagakarsa, Jakarta Selatan.
- Hasan, M, I. (2001). Pokok-Pokok Materi Statistik 2 (Statistik Inferensif). Edisi Kedua. PT Bumi Aksara, Jakarta.
- Kaho, R, J. (2010). Prospek Otonomi Daerah di Negara Republik Indonesia Identifikasi Beberapa Faktor yang Mempengaruhi Penyelenggaraannya. Cetakan Keempat. Rajawali Pers, Depok.
- Muhtarom, Abid. (2015). Analisis PAD (Pendapatan Asli Daerah) Terhadap Kesejahteraan Masyarakat Kabupaten

Lamongan Periode Tahun 2010-2015. Jurnal Ekbis. Vol. XIII. No. 1. Edisi Maret 2015. Universitas Islam Lamongan.

- Muljadi A.J. & Warman, A. (2014). Kepariwisata dan Perjalanan. Edisi Kedua. PT RajaGrafindo Persada, Jakarta.
- Muljadi. A.J. (2009). Kepariwisata dan Perjalanan. Edisi Pertama. PT RajaGrafindo Persada, Jakarta
- Pendit, Nyoman S. (1999). Ilmu Pariwisata Sebuah Pengantar Perdana. Cetakan Keenam. Pradnya Paramitha.
- Spillane, James J. (1987). Ekonomi Pariwisata Sejarah Dan Prospeknya. Cetakan Pertama. Penerbit Kanisius (Anggota Ikapi), Yogyakarta.
- Sebagyo. (2012). Strategi Pengembangan Pariwisata Di Indonesia. Jurnal Liquidity. 1(2), 153-158. Universitas Pancasila Jakarta Selatan.
- Semailla, B & Reza, A, A. (2017). Metodologi Penelitian Kuantitatif. Cetakan Satu. Arus Timur, Makassar.
- Sjafrizal. (2018). Analisis Ekonomi Regional dan Penerapannya di Indonesia. Edisi Kesatu. Rajawali Pers, Depok.
- Tahar, A. & Zakhiya, M. (2011). Pengaruh Pendapatan Asli Daerah dan Dana Alokasi Umum Terhadap Kemandirian Daerah dan Pertumbuhan Ekonomi Daerah. Jurnal Akuntansi dan Investasi Vol. 12 No. 1, Halaman: 88-99, Januari 2011. Universitas Muhammadiyah Yogyakarta.
- Qadarochman, N. (2010). Analisis Penerimaan Daerah Dari Sektor Pariwisata Dikota Semarang Dan Faktor-Faktor Yang Mempengaruhinya. Universitas Diponegoro, Semarang.