



# Optimization Strategy of Local Government Revenue from the Culinary Tourism Sector

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**ABSTRACT:** Community-based tourism during this pandemic has challenges that are also not small. To minimize the negative effects of the tourism sector, a special strategy is needed to ensure sustainable tourism or better known as sustainable tourism which puts forward social principles where communities around tourist destinations can be involved and participate in enlivening existing local potentials. This is where the term community-based tourism emerged. Community-based tourism or known as Community Based Tourism (CBT) is a tourism activity that is wholly owned, operated and managed by the community so that it contributes to improving the welfare of the community through sustainable livelihoods and protecting valuable socio-cultural traditions as well as natural resources and cultural heritage. The biggest challenge is related to the resilience of these tourist destinations. This resilience is of course not only measured based on the stability of receiving money or the number of visits, but resilience in terms of the ability to preserve nature and the socio-cultural values adopted by the local community before the destination was opened. Many cases show that bad governance actually has the potential to damage the intended tourist attractions. Given the urgency to measure the resilience of this sector is very important to do, this research needs to be done to anticipate the sustainability of pioneering tourism when the pandemic begins to end. This research focuses on taking community-based tourism case studies that are starting to develop in Bangkalan Regency.

**Keywords:** Tourism, Welfare, Creative Economy, Policy, Madura

## I. INTRODUCTION

The COVID-19 pandemic has effectively reduced the contribution of the tourism sector in Indonesia. The social mobility restriction policy causes activities to enjoy a holiday atmosphere with family to be very limited. After about two years of "fighting" against the pandemic, finally in mid-2022 the government gradually relaxed the policy of limiting activities outside the house. Activities with more free human mobility are starting to be permitted. Schools are starting to open, even so, public transportation has begun to be relaxed. Several economic sectors that rely on face-to-face activities have begun to be permitted. In short, the tourism sector has started to stretch. The tourism sector is a leading sector and is one of the important keys in regional development in a country and increasing welfare for the community. The increasing number of tourism destinations and investments has made the tourism sector a key factor in increasing foreign exchange, creating jobs, developing businesses and infrastructure.

To minimize the negative effects of the tourism sector, a special strategy is needed to ensure sustainable tourism or better known as sustainable tourism which puts forward social principles where communities around tourist destinations can be involved and participate in enlivening existing local potentials. This is where the term community-based tourism emerged. Community-based tourism, also known as Community Based Tourism (CBT), is a tourism activity that is fully owned, operated and managed by the

community so that it contributes to improving the welfare of the community through sustainable livelihoods and protecting valuable socio-cultural traditions as well as natural resources and cultural heritage. The development of the community-based tourism sector in Indonesia has started to flourish in the last few years as evidenced by the increasing level of tourist arrivals in Indonesia. Even in 2017, foreign exchange earnings from the tourism sector reached US\$16.8 billion and became the second largest foreign exchange earner after oil palm. However, the booming tourism sector's achievements have been effectively halted by COVID-19. This pandemic has significantly cut the number of tourist visits and income from the tourism sector. Statistical data shows that the highest decline in the tourism sector stems from the drop in the number of foreign tourists. This is understandable because currently each country imposes very strict rules for its citizens to be able to travel abroad.

The easing of social distancing rules in public places is a moment eagerly awaited by the public. After more than two years of limited outdoor activities, starting in mid-2022, people will start to return to crowded places, including their favorite restaurants. One of the community activities that is starting to stretch is culinary tourism. Culinary tourism which comes from the term Food Tourism, which is a visit to a place that is a producer of a food ingredient, food festivals, restaurants, and special locations specifically held to try the taste of food or drink typical of an area.

One example of culinary tourism that is quite interesting is Bebek Sinjay in Bangkalan. This typical Bangkalan fried duck is very well known not only to the local people, but also to people outside of Bangkalan who have tasted the crunch of this duck. As if there had never been a COVID-19 pandemic, this restaurant has even opened new outlets that are more magnificent and representative. Even during the Eid al-Fitr 2022 holiday, the route to and from the Bebek Sinjay restaurant becomes very congested. This indication shows that the potential for culinary tourism in Bangkalan is actually relatively high. The popularity of Bebek Sinjay as one of the culinary specialties of Bangkalan has inspired many stalls or other restaurants that offer a more varied menu of duck. Counting from the steamed duck, black seasoned duck, spicy duck and various other processed duck variants. It would not be wrong if in the end there is an anecdote that mentions Bangkalan as the city of ducks, considering that there are so many duck stalls/restaurants popping up in the area. Of course, the duck menu is not the only culinary delight in Bangkalan. Another culinary that is no less famous because of its distinctive taste is the mixed rice stall "Amboina". For the local community, this culinary has actually been known for a very long time. Some outsiders are also starting to recognize this menu as a special food that has its own allure. Located in the heart of Bangkalan City, Warung Amboina is not difficult to find. Apart from serving food to be enjoyed on the spot, this shop has long been known as a provider of catering services for weddings, invitations to family events or even menus for graduations and so on.

Culinary tourism essentially offers two unique characters. First, this tour presents the experience of enjoying a special menu that is different from other places. Second, this tour also provides an opportunity for customers to reminisce about the past, considering that this culinary destination can only be provided in special places. The two examples above can represent the character of culinary tourism that has been mentioned. Bebek Sinjai, presents the experience of enjoying a special menu of fried duck with a unique taste. While Warung Amboina gives the impression of enjoying memories of the past because this culinary has been known by the local community for a very long time so that it often offers a longing to taste culinary that was once tasted. Of course there are still many culinary spots in the Bangkalan area that can be "exploited" further. Not only culinary provided by restaurants / stalls with quite a lot of visitor capacity. Other special foods that are no less delicious are also offered by sellers selling special culinary delights on the sidewalks or overhangs of shops. The food offered is not available all the time. Some are only available in the morning, or some only provide special culinary during the day or night. Typical traditional culinary vendors are no less competitive in terms of taste, they just don't have a place that is representative enough to be enjoyed more casually. Whatever it is, it can be said that Bangkalan as a relatively underdeveloped area, cannot be denied that it has considerable potential in terms of culinary tourism.

In the midst of culinary tourism in Bangkalan Regency which is very fast, the local government should be able to take a more effective role. If managed in a more appropriate way, the economic potential of Bangkalan

culinary tourism could be further enhanced. In the end, local governments can explore the potential revenue from this culinary tourism sector more significantly. However, the government's budget performance for the current year tells a somewhat different story. In 2021, the local government in the Regional Revenue and Expenditure Budget (APBD) targets revenue from restaurant taxes of IDR 3,511,000,000.- In 2022 the revenue target from restaurant taxes is IDR 2,911,000,000. restaurant tax. If you see the intense culinary tourism in Bangkalan Regency, the local government should be brave enough to set a higher target. However, it seems that the government is still conservative in making policies related to regional revenues.

Based on the description in the background, the research objectives can be written as follows:

1. To estimate the regional revenue potential from the culinary tourism sector in Bangkalan Regency
2. To identify a strategy for optimizing local revenue from the culinary tourism sector in Bangkalan Regency based on the revenue scenario that has been made.
3. To measure the impact of culinary tourism activities on the level of welfare of the local community.

## II. REVIEW OF LITERATURE

### 2.1. Community Based Tourism

The sustainable tourism approach puts forward social principles in which communities around tourist destinations can be involved and participate in reviving existing local potentials. Without the direct participation of the community in tourist destinations, it is impossible for tourism to run sustainably. This concept is known as community-based tourism.

Tosun and Timothy (2003) also emphasized that an important aspect of sustainable tourism development is the emphasis on community-based tourism. This approach focuses more on the participation of local communities in planning and developing potential in tourism destinations. By involving the community in a destination, tourism can directly benefit local communities. In fact, bringing the concept of sustainable tourism and community-based tourism is not as easy as one might think. For this reason, the leadership aspect also greatly influences the process of developing tourist destinations. ASEAN (2015) defines community-based tourism or known as Community Based Tourism (CBT) as a tourism activity that is fully owned, operated and managed by the community so as to contribute to improving people's welfare through sustainable livelihoods and protecting valuable socio-cultural traditions. as well as natural resources and cultural heritage. Conceptually, the principle of community-based tourism development is to place the community as the main actor in development through empowerment in various tourism activities so that the maximum benefits from tourism are felt directly by the community.

In some cases, local communities generally do not have sufficient information, resources and power to make decisions in tourism development. For this reason, special and professional parties are needed who can overcome the limitations of local communities to continuously strengthen local organizations, so that they can be better at developing tourist destinations. Several examples in the field show that the development of tourist destinations can be carried out through good agreements and cooperation with academics. In this case, academics can take on the role of assisting the community assistance process in the agricultural, creative economy, or other sectors. Another example that we often encounter is involving tourism consultants to plan or design regional development. On the other hand, communication and coordination between stakeholders cannot be overlooked. Local organizations in tourist destinations must build good cooperation and communication with government agencies in their regions. With a good relationship, it is expected to accelerate the development of short- and long-term programs in tourist destinations. The manifestation of the concept of Community Based Tourism or community-based tourism is the development of tourist villages, where the village community is involved in recognizing and developing their potential, whether in the form of natural, cultural or human resources.

### 2.2. Measuring Tourism Resilience

UNWTO (2018), explains that quality destination is the result of a process that implies the satisfaction

of all product and service needs, requirements, and customer expectations at an acceptable price, in accordance with mutually accepted contract conditions, and implied fundamental factors such as safety and security, cleanliness, accessibility, communication, infrastructure, and public service facilities that involve ethical, transparent, and respectful aspects of the human, natural, and cultural environment.

Several instruments that can be used to measure the independence and success of tourist villages through three models of approach, namely sustainable tourism (Sustainable Tourism), Community Based Tourism (CBT), and the UNWTO version of quality destinations include:

#### 1. Ownership and management by the community

What we all have to realize is that the development of a tourist village must be directed to the preservation of culture, traditions and the environment. For this reason, all potential village assets may not be transferred/changed hands. Likewise with land assets. The community must be placed as actors as well as direct owners of all forms of tourism businesses in their villages. That way, the benefits of developing a tourist village will return and be received directly by the community. Ownership and management by the community must also be demonstrated by the existence of legal institutions or groups of tourism village administrators from the Regional Government. The community appointed as administrators must also report management activities in a transparent manner, both in the financial and other fields.

#### 2. Contribute to social welfare

Indeed, so far, the issue of poverty is seen as a social problem that cannot be resolved in a short time in Indonesia. However, the challenge for tourism in the future is not only to increase economic welfare, but also to balance the social (community) and environmental pillars. The issue of gender equality has actually been voiced a lot by the United Nations (UN) through the formulation of the Sustainable Development Goals (SDGs). Through this agenda, it is seen that women's involvement is very important in the tourism sector. In the development of a tourist village, there are actually aspects of empowerment which in principle can provide equal opportunities to every individual regardless of gender.

#### 3. Contribute to environmental and cultural sustainability

For many tourist villages in Indonesia, natural and cultural potential is a potential that provides many benefits. But on the other hand, some community groups think that uncontrolled tourism development can also have an impact on the destruction of nature and the loss of original culture in the village. It cannot be denied that tourism activities have a negative impact on the environment. For example, the emergence of waste problems, air pollution due to carbon emissions from the use of transportation that is not environmentally friendly, or changes in the landscape due to tourists who come to exceed the capacity of the destination. Through these cases, tourism village managers must think long and hard about developing tourism village products that promote sustainable and responsible tourism practices. On the other hand, the growth of tourists (domestic and foreign) has had a positive influence on employment, both in the provision of homestays, trade, souvenirs, services, and others.

#### 4. Encouraging active participation between the public and tourists

As previously explained, the development of a tourist village must encourage the active participation of the local community as the host. The form of participation has also been explained through Community Based Tourism theory, in which the community must be involved in the process of planning, decision making, implementing activities, beneficiaries, to monitoring and evaluating. In addition to the participation of the host (local community), tourists must be involved in tourism activities in tourist villages. For example, participating in the daily activities of the local community in farming activities in the village. This contribution is also known as the concept of charity or a growing term is voluntourism. This concept will certainly have a positive impact on the tourist villages visited, both for natural, social and economic aspects.

### 5. Attractions, accommodation, and quality human resources

The meaning of 'quality' that we write here is the provision of authentic products, both natural and cultural, so that tourists get meaningful experiences. Basically, the concept of a tourist village emerged to meet the needs of potential tourists -especially in the West- who want to find experiences in places that are unusual and pristine. For this reason, tourism village managers must be able to prepare attractions and accommodations that are truly unique and memorable. Accommodation is also not only limited to lodging/homestays or public spaces, but also public utilities such as water, electricity and internet which are much needed by tourists. Hospitality is also a very important factor so that tourists want to come back. Quality hospitality is indeed not obtained directly, but through a long process of serving guests.

### 6. Community and tourist satisfaction

Oliver in Zeithaml, et al (2009:104) explains satisfaction (satisfaction) is the consumer's fulfillment response. It is a judgement that a product or service feature, or the product or service itself, provide a pleasurable level of consumption-related fulfillment. From the explanation above, it is stated that satisfaction is a response to consumer involvement in consuming goods and services, so that it has the potential to create consumer loyalty. While Oliver (1996: 204), explains loyalty is a persistent commitment from customers in depth to re-subscribe or re-purchase selected products/services consistently in the future. The key word for this loyalty is that tourists do not only get satisfaction, but also memorable experiences from the local community and tourism actors.

## III. METHODS

This research will use a mixed method (mixed method) between a quantitative approach and a qualitative approach. This mixed approach was deliberately chosen to fulfill the generalization element of a study as well as to gain depth from the tourism study being carried out. In economic and business studies, this kind of mixed approach model has begun to be widely implemented.

The research location chosen in this study is a tourist destination in Bangkalan Regency. In accordance with the research theme, the selected tourist destinations must meet the following criteria: natural tourism, relatively recently opened, local community participation, continuing to serve visitors during a pandemic, unique as a tourist village and other criteria according to the research team's considerations. After the field data is obtained, data aggregation, tabulation and data analysis will then be carried out at the Public Economics Laboratory belonging to the Department of Economics, FEB Trunojoyo University, Madura. The place for data processing is determined by considering the availability of supporting data, tools and cost efficiency considerations.

Primary data collection was carried out by distributing questionnaires related to community-based tourism resilience items. In addition to collecting data from respondents who use tourism, this research also collects data from related parties to ask for their opinions on various issues related to the impact of COVID-19 on tourism. The key parties who will be used as informants are selected from academics and local government elements respectively. Data collection from key informants was carried out through Focus Group Discussion (FGD) activities. For each selected destination, this FGD activity will be held in order to obtain a complete understanding of the tourism problems in Madura, especially in Bangkalan.

The collection process will depend on the development of COVID-19. If the development of the COVID-19 pandemic is still not conducive, data collection techniques will use more secondary data. Primary data collection can later be carried out online using available information technology tools. If conditions permit, a field survey will be carried out at tourist attractions for a limited duration following the health protocol. To fulfill the research objectives on the character of community-based tourism, valuation of tourism resilience and the impact of tourism on poverty, this research will adapt the features of the Travel and Competitiveness Index as the key research variables.

In addition to processing survey data, this research will also process data from FGDs with parties related to tourism issues in Madura. Data processing from the discussion will be carried out using the Analytical

Hierarchy Process (AHP) approach. The analytical tool used in determining the evaluation and prioritization of policy alternatives is through the Analytical Hierarchy Process (AHP). The use of AHP is intended to seek priority scales from various policy alternatives based on the views and interests of stakeholders.

Basically, AHP is a method that breaks down a complex and unstructured problem into its groups, organizes these groups into a hierarchy; enter a numerical value as a substitute for human perception in making relative comparisons and finally with a synthesis it is determined which element has the highest priority or in other words, the principle of the AHP method is to give weight to each factor, variable and indicator by comparison between factors, variables, indicators one with others. The greater the weight of an indicator, the more important the indicator is compared to other indicators

#### IV. RESULT AND DISCUSSION

According to Rahayu (2002) Regional Original Income (PAD) is something that is closely related to regional autonomy, namely the authority of the autonomous region for government. The role of PAD in regional finance is one of the benchmarks for the implementation of real and responsible regional autonomy in their respective environments. The greater a region obtains PAD, the greater the amount of regional finance available that can be used to carry out regional interests that are independent, and the greater the regional power to use finance according to needs, and the scale of regional priorities. Regional original income is revenue obtained by the region from sources within its own territory which is collected based on regional regulations in accordance with applicable laws and regulations (Djaenuri, 2012)

According to Halim (2004) Regional Original Income (PAD) is revenue obtained by regions from sources within their own territory which are collected based on regional regulations in accordance with applicable laws and regulations. The regional income sector is in accordance with the applicable laws and regulations. The regional income sector plays a very important role, because through this sector it can be seen how far a region can finance government activities and regional development. According to Pitana and Diarta (2009) expenditure from tourists is directly or indirectly a source of income for several companies, organizations or individual communities doing business in the tourism sector. The large number of tourists is a market for local products. The community as an individual also gets income if they work and get paid for this work. Jobs in the tourism sector are very diverse, such as tourism entrepreneurs, infrastructure and restaurant employees, travel agent employees, transportation service providers, tour guides, souvenir providers, tourist attractions, and others.

Based on this understanding, tourism revenue in research is payment for services provided by companies and/or business places that produce goods and services needed by tourists, especially as can be seen from the amount of regional original income (PAD) of the tourism industry which consists of infrastructure taxes, restaurant taxes, entertainment taxes, villa/hotel levies, and recreational area levies. Tourism develops because of human movements in searching for something that is not yet known, exploring new areas, looking for a change of atmosphere, or to get new trips (Robinson, 1976; Murphy, 1985) in (Pitana and Gayatri, 2005). According to Spillane (1987) Tourism is the activity of traveling with the aim of getting enjoyment, seeking satisfaction, knowing something, improving health, enjoying sports or resting, carrying out assignments, pilgrimages, etc., is not an activity recently carried out by humans today. According to a broad definition, tourism is travel from one place to another, temporary in nature, carried out individually or in groups, as an effort to find balance or harmony and happiness with the environment in social, cultural, natural and scientific dimensions. According to tourism law No. 10 of 2009 tourism is a travel activity carried out by a person or group of people by visiting certain places for recreational purposes, personal development, or studying the unique tourist attractions visited in a temporary period.

Potential revenue from culinary tourism can be assessed using historical data from the realization of Bangkalan Regency restaurant taxes over the past few years. Data on restaurant tax revenue in Bangkalan Regency can be seen in the following table:



**Table 1. Bangkalan Regency Restaurant Tax Revenue**

Year	Tax Revenue (Rp)	Growth
2014	2,098,868,634.00	
2015	2,105,402,264.00	0.31
2016	2,415,604,966.00	14.73
2017	2,573,725,810.00	6.55
2018	3,240,275,275.00	25.90
2019	2,664,259,449.60	-17.78
2020	2,797,415,853.00	5.00
2021	3,511,000,000.00	25.51

Source: DJPK Ministry of Finance and BPS Bangkalan in Figures 2022

The results of the data search show that restaurant revenue in Bangkalan Regency in the 2014-2021 period has fluctuated. In the 2019-2020 period there was a sharp decline in restaurant tax revenue. This was because during that period, the COVID-19 pandemic hit the regional economy in general and the tourism sector more specifically. However, in 2021, when the economy starts to recover, the culinary or restaurant sector's revenue will start to increase again. Based on restaurant revenue data in Table 1, regional revenue projections from Bangkalan Regency culinary can be prepared as follows:

**Table 2. Bangkalan Culinary Revenue Forecast 2022-2025**

Year	Forecast	Lower	Upper
2022	3,502,397,746.66	3,020,501,197.22	3,984,294,296.10
2023	3,677,784,049.76	3,195,885,331.80	4,159,682,767.73
2024	3,853,170,352.86	3,371,267,779.76	4,335,072,925.97
2025	4,028,556,655.97	3,546,648,059.27	4,510,465,252.67

## V. CONCLUSION

Based on the results of the research, it can be concluded several things as follows:

1. The Culinary Tourism Sector in Bangkalan Regency makes a significant contribution to Regional Original Income. The calculation simulation results show that until 2025 this sector contributes Rp. 3.5 – 4.5 billion to Bangkalan Regency's PAD.
2. The Culinary Tourism Sector is very sensitive to developments in the tourism sector. For this reason, efforts to optimize revenue from the culinary sector must be in line with the general tourism development strategy.
3. The culinary sector is believed to have an important contribution to improving people's welfare. So far, the traditional culinary sector has not received the attention of the regional government to be upgraded to become a national culinary.

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