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Submitted: 2 May 2020, Revised: 5 August 2020, Accepted: 18 August 2020

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Policy & Governance Review
ISSN 2580-4820
Vol. 4, Issue 3, pp. 197-209
DOI: <https://doi.org/10.30589/pgr.v4i3.339>

Assessing Public Private Partnership in Indonesia Tourism

Abstract

Several studies have shown significant development in Indonesia tourism; however, works of literature that focus on the extent of successful stakeholders' participation in Indonesia tourism are hard to be found. This study aims to determine the success of public-private partnership (PPP) in the development of tourism in Indonesia and uses a descriptive qualitative methodology by conducting a literature study on previous studies related to tourism development in Indonesia, which adopted the concept of PPP in 2012. The research result shows that the PPP concept can be effectively carried out in tourist destination development programs and tourist infrastructure improvement programs. In addition, several targets must be set to achieve the success of public private partnership in the development of tourism in Indonesia, namely: 1) creating competitive tourism globally or nationally, 2) creating cooperative tourism focusing on the service and tourist destination infrastructure, 3) creating tourism that has unique characteristics based on its natural conditions so it has its own identity.

Keywords:

Public; Private; Partnership; Indonesia, Tourism.

Introduction

The development of tourism requires cooperation from the government, the private sector and the community because tourism is a multimedia industry that involves the intervention of all parties (Mudana, 2016). Currently, tourism is a priority for Indonesia in order to increase state revenues outside oil, gas and taxes; thus, Indonesia is one

of the developing countries that promotes tourism to increase the number of foreign tourist arrivals (Pratiwi, 2018).

Previous research conducted by Pratiwi and Warsono (Pratiwi, 2018) also showed that Indonesia could develop its potential from the aspect of tourism so that it was able to overcome the problems of strengthening the economy

through foreign exchange or regional income. The increasing welfare or economy for the community from tourism activities can be seen from the decline of the number of unemployed in the tourist destination so that tourism is also considered as a catalyst for development and as an agent of development as well as a major driver in development (Damayanti & Latifah, 2015).

Therefore, the Government of Indonesia issued Law Number 10 of 2009 concerning tourism, which explained that tourism development was needed to encourage equal opportunity to try and benefit and be able to face the challenges of changing local, national and global life. Foreign tourists who come to Indonesia are also encouraged to create business relations with the community so that tourism shows a large role in the presence of foreign investment.

Management of the tourism industry that is well managed by all parties can ultimately prosper the community if it is developed to the maximum (Rani & Retnoningsih, 2014). Another study from Holik (2016) also states that opening tourist destinations will create economic activities around tourist destinations that absorb labour in the formal and informal sectors ("Relationship of Economic Growth with Tourism Sector," 2016). However, the classic problem often emerges regarding the limited funds to develop potential tourism destinations that are relatively large with a fairly long return (Rhama, 2020). Tourist destinations generally require supporting facilities, such as access and amenities, which are sometimes not a priority for local governments so it needs support not only from the government but also from the private sector and the community (Haddadi & Khodadadpoor, 2015).

Investment in a tourist destination is an integral part of tourism activities, and the concept of public private partnership (PPP) provides an opportunity for the private sector to be involved in tourism development to obtain financial

benefits. These investments are not only used to expand capacity but also to improve quality, competitiveness, productivity and sustainability. Global investment in travel and tourism in the period 2011 and 2021 is expected to increase by an average of 5% per year or 73% in 10 years, faster than travel and tourism GDP and employment growth, reaching US \$ 1,490 billion in 2021. Meanwhile, total capital investment in the industrial sector is expected to rise only slightly, by 0.1% per year (Dias, 2014). Table 1 shows the estimation of travel and tourism investment in 2011 and 2021.

Table 1.
The investment in travel and tourism in 2011 and 2021

No.	Country	Percent
1	Montenegro	16.4%
2	Singapore	9.3%
3	Azerbaijan	9.1%
4	Thailand	8.8%
5	India	8.7%
6	Lithuania	8.5%
7	China	8.5%
8	Egypt	7.8%
9	Myanmar	7.8%
10	Fiji	7.6%

Source: WTTC (2011)

Table 1 shows that India will have an average growth of travel and tourism investment of 9% per year, making it one of the top 10 countries that focus on tourism. India will provide most of its future resources into the tourism industry to increase its global competitiveness; it is also expected to exceed Japan, which is currently the third highest global travel and tourism investor by 5% of its total investment (WTCC, 2011).

Moreover, WTTC (2011) reports various forms of investment in travel and tourism including: i) development and maintenance of accommodation, including new buildings and hotel improvements and holiday homes; ii) passenger transportation, such as planes and

yachts, for certain tourism uses; iii) capital and improvement projects designed to attract visitors; and iv) green investment in industry, such as solar and retro-fit schemes to increase energy efficiency (Wttc, 2011).

The investments discussed above cannot be made by the government itself, and several studies have been shown that partnership has gained popularity as an important instrument since the 1980s for tourism planning, policy making, community development, product development, marketing and destination management (Zapata, M. J., & Hall, 2012). There are various forms of partnerships, which include the integration of different stakeholders in formal or informal voluntary partnerships to increase the attractiveness of destinations, productivity, market efficiency and overall tourism management, including for resource conservation. This is supported by Rogerson's (2016) research, which emphasises the importance of PPP for tourism in order to improve business competitiveness, economic improvement, development and environmental cleanliness, even for risk transfer cooperation, such as the build operate and transfer (BOT) concept (Rogerson, 2016).

Tourism development is predicted to be more optimal if a partnership takes place between the government and the private sector or is called a public private partnership, which is a form of long-term cooperation to provide a pleasant tourism experience (Ikram, 2018). Moreover, the lack of cooperation and good communication between the government, the private sector and the community are considered to be an issue in Indonesia tourism development (Sutawa, 2012). Partnerships with the private sector are needed to overcome the limited government resources to accelerate tourism development, but there has never been any research that shows how far the success of partnerships has been successfully implemented in Indonesia.

Methods

This research uses a qualitative method with a literature study to review journals and reference books related to research on PPP that has been conducted in Indonesia in 2012-2018. Previous research was identified using the Google Scholar search engine with the keyword "public private partnership + *pariwisata*." The Indonesian word *pariwisata* with the meaning of tourism is used with the intention that published research has a locus in Indonesia. Research that appears related to the success of tourism and stakeholder involvement is then grouped and analysed. Thus, the analysis of the data emphasises the discussion of various propositions that already exist from various theories and previous analyses conducted by previous researchers.

Results and Discussion

According to Ismowati (2018), Public Private Partnership is one type of privatization which means a regulation in which the government requires capital incentives, the need for long-term infrastructure, and the combination of financing the desired facility development between the government and the private sector (most costs are usually financed privately) (Ismowati, 2018).

The history of the start of privatization began with the government of British Prime Minister Margaret Thatcher in 1979, which invited the private sector to take part in the ownership of government/state-owned companies. The success of privatization in encouraging increased state revenues by increasing the performance of state enterprise profitability is increasingly evident after the successful implementation of privatization in the UK. At that time, the British Government could not continue to provide subsidies to SOEs, so that budgetary cuts had to be stopped through privatization. The United Kingdom is a pioneer country and has so far been most aggressive in carrying out the privatization program. All strategic SOEs have been transferred

to the private sector from British Railways (BR) and British Airways (BA) to British Telecom (BT) (Ismowati, 2018).

There are various types of privatization, according to Samuel Paul in Ismowati (2018). "Privatization can be carried out in three ways, namely: First, the sale of state companies to private parties. Second, the Government tells the services or jobs that are planned by specifying assignments to private companies which then produce by distributing these services. Third, the Government withdraws from producing goods and services while allowing the private sector to carry out the work" (Ismowati, 2018).

Another previous study from Savas ES Savas in 1972 (Godwin, 2001) made a simple classification of privatization forms that included 3 groupings of government privatization in carrying out service functions and also ownership of companies and assets, namely:

- (1) The delegation, namely the government, still has responsibilities but invites the private sector in the administration of public services. The delegation consists of a). contractual cooperation, b). outsourcing, c). public-private Competition, d) franchise. The government gives the right to the private (often exclusive rights) to sell services or products to the community. The private sector will get compensation in the form of fees, d). Public-Private Partnerships (PPP), which means an arrangement in which the government requires capital incentives, the need for infrastructure with a long-term life span, and a combination of financing the desired facility development between the government and the private sector (partly large costs usually funded by the private sector);
- (2) Divestment (divestment), i.e., the government relinquishes its responsibilities by way of Sales, By Free Transfer. Or Liquidation; and
- (3) Displacement, which is the private sector growing and developing and taking over

government activities. Privatization in the form of a more passive displacement or an indirect process that allows the government to carry out more or less its role gradually to the private sector. Displacement is often not recognized as a form of privatization due to problems of political conflict. Displacement occurs because of failure (default), taking back (withdrawal) or voluntary action, and deregulation, which depends on regional initiatives and entrepreneurial attitudes of the government.

There are five forms of public private partnership (PPP) according to Ismowati (2018). First, service contracts are contracts between the government and private parties to carry out certain tasks, for example, repair services, maintenance or other services, generally in the short term, 1-3 years, with compensation/fees (Ismowati, 2018).

Second, government management contracts surrender all management (operation and maintenance) of infrastructure or public service to the private sector, in a longer period (generally 3-8 years), usually with fixed compensation. Several examples of management contracts include road repair and maintenance, solid waste landfill, operation of a water treatment plant, and management of public facilities (hospitals, sports stadiums, parking lots, schools).

Third, lease contract is a contract in which the private sector prepares a fixed fee for the temporary use of a public facility and manages, operates and maintains it by receiving payments from users of the facility. The tenant/private party bears the commercial risk, and the contract period is generally 5-15 years, for example, amusement parks, terminals/airports, bus fleets or other transportation.

Fourth, build-operate-transfer/BOT contract or build and transfer ownership is a contract between a government agency and a business/

private entity (special purpose company), where the business entity is responsible for the final design, financing, construction, operation and maintenance (O&M) of an infrastructure investment project for several years, usually with asset transfer at the end of the contract period. Generally, the contract period is valid for 10 to 30 years. Some terms with the same theme: BT (build and transfer), BLT (build-lease-transfer), BOO (build-own-operate), BTO (Build-Transfer-Operate), DOT (Develop-Operate-Transfer), and ROT (rehab operate-transfer). Several examples of BOT contracts include power plants, toll roads, air terminals (airports), dams, water treatment plants, and seaports.

Fifth, concession contract is a contractual structure in which the government gives full responsibility to the private sector, including financing, to operate, maintain and build an infrastructure asset, and it gives the right to develop, build and operate new facilities to accommodate business growth. The concession period is generally between 20 and 35 years.

Several things must be considered to make those collaborations successful as key determinants of successful cooperation. According to Kanter (1999), they are the following: (1) This collaboration must be strategically important for both parties. (2) This collaboration is complementary rather than competent. (3) There is openness of information on both parties. (4) This collaboration should lead to a true integration relationship, even though it is different in culture. Mutual trust is the main thing. (5) Organisational arrangements must be able to show a clear identity and position (Broadbent & Laughlin, 2003).

A public private partnership is a legally binding contract between two parties, namely a private institution or body and the state or central government where private companies have the responsibility to take large financial risks and use government facilities to provide infrastructure support and services to the general

public (Kellerman, 2009). There are also trends emerging from governments that finance these projects and are involved in sharing financial and purchasing risks if needed (Public Private Partnership Unit, 2009). Private companies are in turn allowed to take advantage of the returns they get by providing these services. The study conducted by Johnson (2010) provides a similar explanation where the public private partnership is a scheme that describes government services or private business ventures that are funded and operated through government partnerships and one or more private sector companies. The Government of India defines PPP as a partnership between public sector entities (sponsoring authorities) and private sector entities (legal entities where 51% or more equity is with private partners) for the creation and/or management of infrastructure for public purposes for a certain period (concession period) with commercial requirements and where private partners have been obtained through a transparent and open procurement system (Ekpenyong, 2015).

The PPP involves contracts between public sector authorities and the private sector, where the private sector provides public services or projects and bears substantial financial, technical and operational risks in the project (Broadbent & Laughlin, 2003). Involvement in the PPP program can be implemented, for example, by the cost of using services borne exclusively by service users and not by taxpayers (Public Private Partnership Unit, 2009). Other PPP implementations that are private financial initiatives are usually in the form of capital investment carried out by the private sector based on the strength of contracts with the government to provide agreed-upon services, and the cost of providing services is borne in whole or in part by the government (Madanipour, 2003). Government contributions to PPP can be in the form of tangible items

(mainly transfers of existing assets) and in projects aimed at creating public goods, such as in the tourism sector. The government can provide capital subsidies in the form of one-time grants to attract private investors (Kellerman, 2009). In other cases, the government can also support the project by providing income subsidies, including tax breaks or by providing guaranteed annual income for a fixed period (Public Private Partnership Unit, 2009).

Successful public private partnerships are those that can improve quality. These factors, as well as being used as a positive value or benefit from the public private partnerships. In most developing countries, PPPs cooperation has not been done much because generally in developing countries, the government as a public organization can take care and serve the interests of the community compared to other organizations or the private sector. In developed countries, the partnership between the government and the private sector has been done a lot, and even government affairs are handled by the private sector; the government only directs by making regulations and offering supervision (Ismowati, 2018).

The role of the government in this case is only as a director, not a paddle, in which the government only sets rules and controls, while the implementer is the private sector. In line with this thinking is the opinion expressed by Savas: privatization is the act of reducing the role of government or increasing the role of the private sector, to create or own assets (Savas, 1992). Although, private companies generally prioritize the benefits (benefits) obtained. However, through a careful and mature study, the government set rules that do not provide too much profit to the private sector. In other words, the regulations made are not too detrimental to the community, nor are they too beneficial to the private sector. The role of government is as an intermediary between the private sector and the community.

The private sector that handles government affairs remains under the control of the government from the community. The government controls based on what has been determined while the community controls through what it feels over the performance of the private sector, which handles public affairs. The private sector thus does not arbitrarily carry out and use what they want, but it follows the rules, especially the will of the community.

Furthermore, Ikram (2018) suggested that the public private partnership will be carried out smoothly if: 1) the private sector carries out some functions of the government for a certain time, 2) the private party receives compensation for the implementation of that function, both directly and indirectly, 3) private parties are responsible for risks arising from the implementation of these functions, and 4) government facilities, land or other assets can be surrendered or used by private parties during the contract period (Ikram, 2018).

The PPP concept generally aims to contribute to economic integration, to accelerate economic growth and sustainable development, to engender and maintain private sector participation in traditional public sector projects such as tourism, and to expand local access to international markets (Zapata, M. J., & Hall, 2012). Therefore, Out and Mmom (2015) in their study suggested that in order to achieve a sustainable PPP and to ensure the most effective, productive, loving, results-oriented and efficient use of resources, partners must adopt a framework of action that provides the basis for coordinating the work of all partners (Ekpenyong, 2015).

PPP cooperation must be stated in an agreement arranged in such a way and not at the expense of the community if there are social, economic and/or political losses. In addition, the partnership must be carried out with an innovative approach that is credible and acceptable to all groups, especially for important parts such as funding and other important

services based on the existing contract structure. Thus, for the government to maximize the benefits of PPP, an adequate legislative framework and a conducive environment are needed that provide an opportunity for the private sector to actively participate. Also, stakeholders' commitment to PPP will be achieved by focusing on micro, small and medium operations, involving community leaders, such as community development associations, city unions, non-governmental organizations, and state and/or local government including private tourism operators (Abiola, A. G. and Francis, 2011).

Previous studies have also identified several key elements in the definition of PPP, namely (i) contracts between government entities and private sector suppliers (often the main feature); (ii) provision of public infrastructure or services through the private sector; (iii) substantial risk transfer to the private sector; (iv) remuneration to the private sector through government payments; (iv) user fees charged to end users or a combination of both; (v) medium- to long-term agreements from 5 to 30 years; and, (vi) specification of results where the actual payment of private partners is related to compliance with the quality and quantity specifications specified in the contract (Public Private Partnership Unit, 2009).

In addition, PPP also has the characteristics of outsourcing and "bundling" of component delivery projects (such as design, building, financing, operations or rehabilitation) that are structured as incentives for development operators to include consideration of long-term operating costs in the project design and construction phase with results value for money (Rogerson, 2016).

Implementation of projects aimed at creating an infrastructure based on the agreements that have been made in tourism makes it possible to conclude that the mechanism of interaction between business-private and state authorities

is effective in implementing large infrastructure projects. Interaction between state and business in a public-private partnership can be one of the most promising fields for intensifying tourism development (Zaitseva et al., 2017). With competent support from the tourism business government, the increase in tourist flows and the development of the regional economy will be ensured of its success. Involving the private sector in implementing public infrastructure projects will significantly reduce the risk of project delays and cost overruns. One way to involve the private sector in project implementation is through public private partnership (PPP). In a PPP environment, local or government authorities enter into long-term contractual agreements with private suppliers for the delivery of some services. Suppliers are responsible for building infrastructure, financing investments, and managing and maintaining facilities.

There are several reasons why governments are increasingly adopting the PPP approach to infrastructure development. Firstly, there is an urgent need for infrastructure facilities. This is because it is a solution to a large and growing infrastructure gap. Secondly, with the main financial constraints on the government in Indonesia, as in many other places in the world, PPP has shifted from merely the policy option of providing infrastructure progressively to government policy preferences. Third, suggesting increased interest in PPP relates to the failure of traditional procurement models in the past as a consequence of lack of transparency, bribery and corruption, and the lack of availability of cutting-edge technologies. Implementation of public private partnership that has been implemented in Indonesia can be seen in Table 2.

Tourism Development

Development is done to improve the standard of living of a nation, which is often measured by the level of income and increased

Table 2.
Implementation of public private partnership has been carried out in tourist destinations in Indonesia

No	Location	Key to success/failure	Main Actor/ Activator
1	Lake Sarangan (Pratiwi, 2018).	The government has established cooperation or partnership in the development of Sarangan Lake tourism by creating a tourism development team. Cooperation is also established with Karisma Pawirogo, which aims to develop the tourist destination of Lake Sarangan Magetan. The form of partnership for the development of Sarangan Lake tourism is by collaborating with tourism packages and the construction of a Tourism Information Center (TIC). The Government also cooperates with providing transportation services through DAMRI from Ponorogo to Lake Sarangan tourism objects. Another form of cooperation is the selection of tourism ambassadors called IBADI (Ikatan Bagus Dyah), in addition to various training and coaching for the management of tourism attraction with front office certification and certification for boat associations. Sarangan Lake with the agreement of the tour manager who built and handed over the assets that were finally managed by the government. In addition, there is also cooperation with restaurant owners and hotel owners; partnerships are implemented to increase success in tourism development in Indonesia.	Government, Private Sector and Society
2	Kuantan Singingi Regency Tourism (Ikram, 2018).	Public private partnership in the development and management of the tourism sector is less than optimal; the management of facilities and infrastructure is not good, so it causes a lack of tourists who visit, promotions carried out by the Office of Tourism and Culture of Kuantan Singingi Regency about tourism events that runway lanes and objects other tourism that has not been optimal, and the lack of socialization from the Tourism and Culture Office of Kuantan Singingi Regency to the public regarding culture and tradition, as well as the beauty of the race track event that is not widely known by people outside the area and the city.	The Culture Service of Youth and Sports Tourism in Kuantan Singingi Regency, the private sector and the community.
3	Bali Elephant Camp, Carangsari Tourism Village, Petang District, Badung Regency (Pebriani, N., Erviantono, T., & Wismayanti, 2017).	The tourism sector development partnership (case study: Bali Elephant Camp, Carangsari Tourism Village, Petang District, Badung Regency), the partnership between the government and the private sector has not been running optimally. However, it is only based on two partnership principles, namely the principle of equality and the principle of mutual benefit. The pattern of partnership in the development of the tourism sector in Bali Elephant Camp does not have a form, but the partnership that runs goes according to the principle of kinship where every agreement in carrying out partnership activities related to tourism development is carried out as a family	Government, private sector and society.
4	Lamongan Marine Tourism Area (Khitam, 2012).	The model of cooperation undertaken between the Lamongan Regency Government and the private sector PT. Bunga Wangsa Sejati in developing the Lamongan Marine Tourism Area using the BOT (Build Operate and Transfer) Model following the agreement. The collaboration carried out by the Lamongan Regency Government has a work contract pattern.	Government, private sector and society.

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5	Tourist Destinations in Morotai Island Regency (Cahyo, Enggar Dwi & Nuryanti, 2018).	The role of the government and the private sector has been running optimally with the fulfilment of four of the five basic roles of government and two of the five basic roles of the private sector. In matters of coordination between institutions related to evaluation and control of development, the central role is carried out by DN KEK. In the implementation of the Morotai KEK development, it became the axis for tourism development in the Morotai Island Regency. The central government of the Republic of Indonesia as a whole still dominates the number of programs carried out related to the development of the tourism destination of Kaboten Island, Morotai Island.	Government, private sector and society.
6	Development of Ciletuh-Palabuhan Ratu Geopark Tourism in Sukabumi Regency (Apriliani, Rahmawati, 2018).	Public-private partnerships in the development of the Ciletuh-Palabuhanratu Geopark Sukabumi Regency are considered good. Resources including information still need to be improved. But in terms of resources, especially in the supervision and management of geosite, the Ciletuh-Palabuhanratu Geopark is quite extensive; it needs efforts to increase the capacity of human resource management, and OPD is involved in the development of the Ciletuh-Palabuhanratu geopark area.	Government, private sector and society.

Source: data processed by authors

productivity. For that reason, before talking about development, some experts gave their ideas about development. Development is a process of social change planning, because it includes various dimensions to seek progress in economic prosperity, modernization, national development, environmental insights and even improvement in human quality to improve the quality of life (Setiawan & Saefulloh, 2019).

Notions of tourism emphasize the activities of a tour that aim to have fun and to get service during the trip. However, the concept in tourism science should be based on morals to create a good manner during a trip to a country or region. Based on RI Law No. 10 of 2009 concerning tourism, it states that tourism is “various kinds of tourism activities and supported by various facilities and services provided by the community, entrepreneurs, government and local governments.”

The previous study from Pendif (2003) defines tourism as a process of temporary departure from someone or more to other places outside of their residence. The impetus for his departure was due to various interests, because of economic, social, cultural, political, religious,

health and other interests such as being curious and adding experience or learning (Pendif, 2002). Rhama also states that tourism has become a social and economic phenomenon of movements carried out by several people or persons within a certain period (up to 1 year) from their place of residence (Rhama, 2019).

The definition of tourism is also suggested by Salah as a conscious human activity that receives service interchangeably between people in a country itself or abroad, including the temporary resident of people from other regions looking for the satisfaction that is diverse and different from what he experienced, where he got a permanent job (Wahab, 2003). And it can be concluded that tourism is a trip made by people from one place to another, temporarily with the intent or purpose not to try or find work in the place visited, but merely to enjoy an excursion trip and to fulfil various desires.

The development of the tourism sector as an effort to improve and manage its tourist attraction to make it more famous in various regions and foreign countries is done because each region has a variety of natural beauty that can attract the sympathy of tourists to come and enjoy the

beauty of Indonesia. Thus, development is needed to provide the best service for tourists to be safe, comfortable and quiet to stay (Primadany, 2013) Air Merambat Roro Kuning, Taman Rekreasi Anjuk Ladang (TRAL).

Considering that tourism development policy focuses on natural resources and human resources, the development of tourism in Indonesia can be done by giving priority to (i) creating a program to develop tourist destination facilities and infrastructure so that regional foreign exchange can increase with the presence of local tourism objects. Tourism infrastructure is an element that needs to be considered because complete infrastructure encourages repeat visits from tourists. (ii) Improving tourist infrastructure following the characteristics of tourists and developing tourist destinations.

The tourism infrastructure discussed above can consist of tourist accommodations, restaurants, shopping places such as souvenir shops and souvenir centres and several public facilities provided at tourist attractions, such as parking lots, toilets, small mosques and the like (Rogerson, 2016). Thus, the existence of facilities and infrastructure in tourism objects is very important, especially in providing services to tourists who are visiting.

The involvement of tourism service operators, travel agents, hotels and other services is a major stakeholder in providing tourism facilities and infrastructure so they can be categorized as the private sector in tourism activities. The private sector provides taxes and user fees and investment from the private sector to provide economic benefits for tourist objects, the benefits of which ultimately have a positive impact on all parties (Fafurida, 2017).

To get the success of public private partnership in the development of tourism in Indonesia, several things must be done, namely: 1) creating and seeking tourism that is ready to compete; 2) creating cooperative tourism to

play an active role in providing the best service for tourists by developing various attractive infrastructure; 3) creating tourism with good coordination and collaboration between the community, government and private sector, so that it can provide unique characteristics that can develop pure natural attractions (Ikram, 2018).

Tourism objects that have a positive impact on the environment and society in the process have a clear stage of management and do not happen instantly. Management functions are implemented effectively, clearly arranged in the program and visible in the implementation so that the performance of tourism is better (Setyawati & Safitri, 2019). The roles of various parties identified and well structured can demonstrate the success of existing tourism development. All parties can move and unite with the same interests, vision and mission oriented to the development of tourism and the appeal that further determines the common objectives, so that the improvement of the tourism industry is gaining good support from the government, private sector and community. Thus, the tourist destination can be expanded to the fullest and internally will depict the character of each to compete and attract foreign tourists to visit.

Conclusion

The results of this research show that the development of tourist destinations public private partnership (PPP) is a relationship between the government and the private sector as investors with various skills in engineering, operations and innovation in the business travel effectively and efficiently, with priority to: (i) tourism destination development program and (ii) improvement of tourist infrastructure.

Thus, the success of public private partnership in the development of tourism in Indonesia depends on 1) the ability of tourist destinations to be ready to compete with other tourism objects, either at the global or

national level; 2) the ability to create cooperative tourism with all parties aimed at the service and improvement of infrastructure without prejudice to natural and beautiful environmental conditions; 3) the ability to create tourism with good coordination, government and private sector to provide unique characteristics that become the identity of the tourist destination.

Moreover, there must be efforts to develop the destination of the public private partnership (PPP) as follows:

1. Setting destinations and developing tourism products, promoting tourism, building the tourism industry, and extending excellence as aspects of the development of Indonesian tourism in preparing competitive forces with both national and global travel objects.
2. Government policies in tourism destination are both the strategic area of national travel and the development area of national travel as well as increasing accessibility, attractiveness, amenities, and the ecosystem of travel in preparing cross-border coordination of infrastructure accessibility support and travel amenities with the related ministry.
3. Coordination and synchronisation of policy implementation and technical advice in the development of cultural, natural and artificial tourism destinations, tourism industry leadership, destination clock systems and civil liberties in order gives unique characteristics to make the identity of the destination of the trip.

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