

## Economic Benefits on Coastal Tourism of Southern Bali, Indonesia

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### Abstract

### Original Research Article

The southern coast area of Bali has vast geographically terrain which is rich in the beautiful beach and the potential tourism destination, its economic benefits are virtually dependent on coast resources and tourism activities. Secondary data was collected from the literature review, and the study employed questionnaires survey for the collection of primary data from 170 respondents. The results of the study have revealed that coastal tourism activities offer good business opportunity for micro enterprises, small enterprises, medium enterprises, and big enterprises. Because these four enterprises belong to the local basic industries, they contribute a lot towards the regional economic growth, and provide many employment opportunities to the local people in the southern Bali.

**Keywords:** beach, economic growth, enterprise opportunity, employment opportunity, southern Bali.

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## INTRODUCTION

Tourism industry has become a leading sector in the economic growth [1]. Tourism industry in Indonesia has flourished and become a major driver of the economy and central feature of economic growth. Coastal tourism as a potential opportunity for economic benefits creates employment and increases people's income [2]. In the southern Bali, there are many beautiful beaches that the characteristics of coastal ecosystem have continuously formed along the coast, so many tourists visit the coastal tourism destination in the southern Bali. The tourism industry offers employment opportunity for the local people of southern Bali. Moreover, tourism has become prominent industry when the enterprises set up their business for international tourists and domestic tourists. Coastal tourism is very important to the economic growth of the southern Bali. Therefore, this paper will describe about the economic benefits which are illustrated as the economic growth, enterprises opportunity, and job offerings of coastal tourism in southern Bali.

The coastal area is one of the most important tourism destinations in island's countries like Indonesia. The potential coastal area can be implemented through existing coastal natural resources. There are three types of coastal resources which are renewable resources, nonrenewable resources, and environmental service. The renewable resources include a seaweed, coral reefs, and marine fisheries. Nonrenewable resources cover the

entire minerals and geology. Environment service includes leisure and recreation activities of tourists by relying on the natural scenery of the coastal area. According to geographical features, seaside tourism includes the natural beach, and boating holiday along the coasts [3]. Based on the unique resources at the interface of land and sea, beaches and natural scenery become increasingly popular as the tourist destination [4]. The attraction of coastal tourism such as sandy beach, and coral reefs brings a significant influx of cash into an area with a wide variety of tourism service. Three coastal images of sun, sand, and sea are attractive for many tourists when they think of coastal tourism. Coastal tourism offers many recreational activities and opportunities to the tourists [5]. Therefore, coastal area has become one of tourist attractive destinations with unique natural resources and many tourism facilities.

The economic benefits are illustrated as the economic growth, enterprise opportunity, and employment opportunity. Therefore, this section attempts to focus on the coastal tourism, and discuss economic growth, enterprise opportunity, and employment opportunity in southern Bali. Coastal tourism brings economic benefits from tourism activities. Much employment generated by coastal tourism comes from micro enterprises, small enterprises, medium enterprises, and big enterprises [6]. Tourism becomes an economic activity when a business sells something to tourists [7]. The enterprises reflect

the economic activities generated by tourism sectors such as hotel, travel agents, and other tourism industries directly supported by the tourists. The economic benefits in tourism industries include increased foreign exchange earnings, employment opportunities, and improved socio-economic conditions [8].

Tourism industry has flourished and become a major driver of the economy and central feature of the government's economic growth. Tourism attraction like a coastal tourism represents a significant share of the tourism industry and important component of the growing sustainable economic activity [9]. Tourism industry is one part of national development which is done in sustainable economic development. Moreover, international tourism is one of the potential sources for foreign exchange. The foreign exchange earnings in tourism industry are derived from trade of commodities and import of goods necessary for the growth of manufacturing sectors in economy dimension, on the other hand rapid economic growth in the developed of tourism industry attracts foreign tourists (business travels), which leads to an increase in the foreign reserve of the country [10]. The economic growth mainly generates from wages and salaries, interest, rent and profits. In tourism industry, the greatest proportion of economic growth in the famous international tourism area is also derived from wages and salaries, interest, rent and profits. Moreover, the economic growth will be faster in those areas which generate large numbers of tourists, where tourists tend to stay for longer periods [11].

The enterprises of tourism industry have important economic opportunity incoastal tourism. The tourism sector is characterized by micro and small enterprises to low budget tourists for transport, accommodation, and restaurant. The medium and big enterprises are launched by domestic or foreign investors for the tourism industry such as star-rated

hotels and resort beside the coastal area [12]. The enterprises are driven by the personality, comparative advantage and competitive ability, and also their attitude towards the business operation [13]. Moreover, three success keys for enterprises strategy include innovation and motivation, customer (tourists) orientation, and modernization of enterprise [14]. The enterprise opportunity in coastal tourism by utilizing natural scenery includes sea walker, jet skiing, snorkeling, parasailing and canoe etc. These leisure and recreational activities offer many business opportunities for tourism enterprises.

Employment is often stated as a goal of tourism development [15]. Tourism becomes more important to local people because tourism can create employment opportunity, promote economic growth, and reduce unemployment [16]. According to World Travel and Tourism Council report in 2017, Indonesian travel and tourism industry directly supported 4,585,000 jobs. This includes employment by hotel, travel agents, restaurant, and tourism industries directly supported by tourists.

## METHODOLOGY

The study was carried out in the coastal tourism of southern Bali, Indonesia. Data study was collected from documentation and a variety of respondent conveniently selected in the coastal area. The structure questionnaire was administered from February 2018 to June 2018, and 170 respondents were reviewed from two respondent's type, there are domestic tourists and foreign tourists. The responses provided a 7-point scale (strongly disagree, slightly disagree, disagree, no opinion, agree, slightly agree, and strongly agree) with a weight of 1, 2, 3, 4, 5, 6, and 7 respectively. The data was explained by using frequency analysis and t-test to compare the difference of respondents' opinion.

**Table -1: The respondent's demographic characteristics**

Variable	Category	Quantity	Percentage
Place of Residence	Asia	14	8.2
	America	4	2.4
	Australia	10	5.9
	Europe	2	1.2
	Indonesia	140	82.4
	<b>Total</b>	<b>170</b>	<b>100</b>
Gender	Female	107	62.9
	Male	63	37.1
	<b>Total</b>	<b>170</b>	<b>100</b>
Age	Less than 25 years old	72	42.4
	26-35 years old	87	51.2
	36-45 years old	6	3.5
	46-55 years old	1	0.6
	Above 55 years old	4	2.4
	<b>Total</b>	<b>170</b>	<b>100</b>
Marital Status	Single	104	61.2

	Married	66	38.8
	<b>Total</b>	<b>170</b>	<b>100</b>
Education	High school	29	17.1
	Undergraduate	126	74.1
	Graduate	15	8.8
	<b>Total</b>	<b>170</b>	<b>100</b>

### Validity and Reliability Test

Pretest is conducted by distributing questionnaire to 42 sample respondents with interval of 14 days to test the validity and reliability. The result of the pretest is high valid and high reliable, then the questionnaire will be processed to the next step to be distributed and take the sample amounted to 170 respondents. In analyzing the validity, the study used the significance value ( $p$ ) < 0.05 to be sufficient used for further analysis. Then the reliability test used Cronbach's Alpha coefficient, if Cronbach's Alpha score > 0.5 it means that the indicators are reliable. In addition, the Cronbach's Alpha score for the variables of questionnaire is 0.880 and significant value is 0.000. It showed that the indicators used to analyze the judgment were reliable and valid.

## RESULT AND DISCUSSION

Tourism has become a prior sector in the sustainable economy of Indonesia. The economic

growth of coastal tourism in southern Bali is fast and the tourism industry offers employment for local people in southern Bali. Moreover, the tourism industry in southern Bali has many contributions to economic benefits. The data will illustrate economic benefits of coastal tourism in southern Bali which are economic growth, enterprises opportunity, and employment.

### Coastal Tourism

Bali island has been known by international tourists as one of the world tourist destinations since the 1920s [1]. Natural beauty is one of tourism attractions in southern coast of Bali. As a growing recognition of tourism destination in the world, Bali is the best destination for tourist's visit to Indonesia. This is evidenced by the increase in tourist's arrival to Bali every year. The numbers of tourists directly to Bali in Period 2014-2017 are presented in table 2, it reveals that domestic tourists and foreign tourists continue to increase in these four years.

**Table- 2: The number of tourists visit to Bali, 2014 – 2017**

Year	Domestic Tourists	Foreign Tourists	Total
2014	6,394,307	3,766,638	10,160,945
2015	7,147,100	4,001,835	11,148,935
2016	8,643,680	4,927,937	13,571,617
2017	8,735,633	5,697,739	14,433,372

Source: Statistic Bureau of Bali Province [19]

In this study, Increase in tourist's visit to southern Bali is caused by the attraction of coastal tourism. The tourists come to southern Bali because the southern coast is one of the best tourism destinations in Bali Island. In southern Bali, there are many beautiful beaches that the characteristics of the coastal ecosystem have continuously formed along the southern coast of Bali. The natural beauty of the southern coast is the best tourism destination in Bali Island. The coastal area has the advantage of natural beauty such as the coral reefs, white sand. Based on the table 3, the main purpose of tourist's visit to southern Bali is for the holiday or

relaxation on the beach which 87.6% of respondents' experience. Coastal tourism attraction in southern Bali includes sunrise and sunset sightseeing, good water sport, and having dinner on the beautiful beach. Moreover, the average stay time of tourists in the southern coast of Bali is above two days which 84.2% of respondents' experience, and tourist's visit is more than two times which 47.6% of respondents' experience. The southern coast of Bali has beautiful natural scenery, and water sports facilities, it reveals that tourists enjoy their wonderful holiday and get a good relaxation in the beach.

**Table -3: The tourist's visitpurpose, staytime, and visit times**

Variable	Category	Frequency	Percentage
What is the main purpose of your visit to southern Bali?	Holiday/ relaxation	149	87.6
	Education tour	5	2.9
	Business	5	2.9
	Convention/seminar	2	1.2
	Other	9	5.3
	<b>Total</b>	<b>170</b>	<b>100</b>
How long do you stay for tourism activities here?	One day	11	6.5
	Two days	16	9.4

	Above two days	143	84.1
	<b>Total</b>	<b>170</b>	<b>100</b>
How many times have you visited southern Bali?	One time	47	27.6
	Two times	42	24.7
	More than two times	81	47.6
	<b>Total</b>	<b>170</b>	<b>100</b>

**Economic Benefit**

The attraction of coastal tourism brings a significant influx into the economic benefit. In this study, the economic benefits are illustrated as economic growth, enterprises opportunity, and employment opportunity.

**Economic growth**

Tourism is one sector of the regional development and has contributions to national

economy. According to Tourism Bureau of Indonesia, since 2013 Indonesia’s tourism has ranked up to the fourth in contributing to Indonesia’s foreign exchange after oil and gas, coal, and palm oil (table 4). The tourism industry is a potential sector to be developed as one of the regional revenues. Moreover, the tourism industry has an impact on the economic condition of local people. According to Statistic Bureau of Bali Province, the poverty rate of southern Bali in 2014 was 2.45% and continued to decline until 2017 by 2.06%.

**Table -4: The Rank of Indonesia’s Foreign Exchange Earnings (in billion US dollar)**

No	Commodity	Year				
		2011	2012	2013	2015	2015
1.	Oil and Gas	41.477	36.977	32.633	30.319	18.552
2.	Coal	27.222	26.166	24.501	20.819	15.943
3.	Palm Oil	17.261	18.845	15.839	17.465	15.385
4	Tourism	8.554	9.121	10.054	11.166	12.226
5.	Processed Rubber	14.258	10.395	9.317	7.022	5.842

Source: Tourism Bureau of Indonesia (2016).

Based on table 5, the economic growth of southern Bali is fast due to the tourism industry with a mean value of 6.31, and the tourism industry in southern Bali has many contributions to national economic growth with a mean value of 6.24. No tourists answer disagree opinion because the respondents agree that the study area is a very famous international tourism destination. The tourism industry in southern Bali has many contributions to economic growth. The

tourist’s stay time in the tourism destination will affect local economic growth. Many tourists visit southern Bali for holiday or relaxation on the beach, they often spend a sizeable amount on food and beverage (culinary), and shopping. In addition, the economic activities in the coastal tourism of southern Bali are helpful to regional and national economic growth on the whole.

**Table 5. Respondent’s Opinion of Southern Bali’s and National Economic Growth**

Variable	Category														Total		Mean
	Strongly Disagree		Disagree		Slightly Disagree		No Opinion		Slightly Agree		Agree		Strongly Agree				
	f	%	f	%	f	%	f	%	f	%	f	%	f	%	f	%	
Regional economic growth	0	0	0	0	0	0	10	5.9	20	11.8	47	27.6	93	54.7	170	100	6.31
National economic growth	0	0	0	0	0	0	8	4.7	29	17.1	47	27.6	86	50.6	170	100	6.24

F: frequency, %: percentage

**Enterprise opportunity**

The tourism in Bali is concentrated in the southern region, where Bali’s I GustiN gurah Rai International Airport is located, and it easy for tourist’s visit to the southern Bali. Based on the table 6, it presented economic benefit for the enterprise opportunity. The survey found that the tourism industry in southern Bali offers good business opportunity for big enterprise with the higher score of mean (6.36),

which 54.7% of respondents strongly agree. Also, the result showed that the tourism industry in southern Bali offers good business opportunity for medium enterprise which the second high score of mean (6.32), which 51.2% of respondents strongly agree. Moreover, the result showed that the tourism industry in southern Bali offers good business opportunity for small enterprise which the third high score of mean (6.25), which 50% of respondent strongly agree. Lastly, next item showed

that the tourism industry in southern Bali offers good business opportunity for micro enterprise which fourth high score of mean (6.19), which 42.9% of respondent considered strongly agree. the generally, this result showed that tourism industry in the southern Bali especially coastal area offers opportunity for big enterprises until micro enterprises that can be directly enjoyable for tourist visit to southern coast of Bali.

Tourism activities in the coastal area of southern Bali offer enterprise opportunity. The most of big enterprises are located in the luxury beach of southern Bali like Nusa Dua beach, and Jimbaran beach such as the star-rated hotel and resort and luxury restaurant. Hotel and resorts offer their private beach so that tourists can feel comfortable when they are engaged in the leisure and recreational activities. The luxury restaurant also offers good facilities with combining white sand beach and sightseeing sunset, so

as to let tourists have good impression and memory. The medium enterprises in the southern coast of Bali are mainly located in Kuta beach and Sanur beach. Many medium enterprises belong to the non-star hotel, and they offer water sport service like parasailing, diving, and snorkeling. Moreover, coastal tourism of southern Bali offers small enterprise business opportunity like motorcycle rental. Motorcycle rental can be used by tourists if they want to go around the southern coast by themselves. And coastal tourism also offers business opportunity for micro enterprises such as souvenir sales and beach clothes sales. Pandawa beach is different from the other beaches, it most offers business opportunity for local micro enterprises without outside investors. Generally, the tourist's leisure and recreational activities in the southern Bali offer many business opportunities for these four kinds of enterprises.

**Table -6: The respondent's opinion of enterprises opportunity in southern coast of Bali**

Variable	Category														Total		Mean
	Strongly Disagree		Disagree		Slightly Disagree		No Opinion		Slightly Agree		Agree		Strongly Agree				
	f	%	f	%	f	%	f	%	f	%	f	%	f	%	f	%	
Micro enterprise	0	0	0	0	1	0.6	7	4.1	24	14.1	65	38.2	73	42.9	170	100	6.19
Small enterprise	0	0	0	0	1	0.6	9	5.3	22	12.9	53	31.2	85	50	170	100	6.25
Medium enterprise	0	0	0	0	0	0	4	2.4	24	14.1	55	32.4	87	51.2	170	100	6.32
Big enterprise	0	0	0	0	2	1.2	5	2.9	15	8.8	55	32.4	93	54.7	170	100	6.36

f: frequency % :percentage

Based on the table 7, there was significant difference between big enterprise and micro enterprise. The big enterprise achieved a higher opportunity in coastal tourism of southern Bali. Therefore, the result of

respondent opinion showed that the big enterprises offer good facilities in order to attract tourists for enjoying the beautiful beach.

**Table -7: T-test Result of Enterprise Opportunity**

Variable of Pair	Paired difference mean	t Value	df.	Sig. (2-tailed)
Big enterprise – Micro enterprise	0.17647	3.212	169	0.002*

\*The mean difference is significant at the 0.01 level

**Employment opportunity**

The tourism industry not only brings significant economic growth, but also creates employment opportunity [17]. The development of coastal tourism in southern Bali is fast and the tourism industry offers employment opportunity for local people in southern Bali. Based on the table 8, enterprise opportunity can be expected to take advantage of employment opportunity. According to Statistic Indonesia, the unemployment rate of Indonesia is

5.50% in 2017. Moreover, according to Statistic Bureau of Bali province, the unemployment rate of Bali's province is 1.48% in 2017, but the unemployment rate of southern Bali is only 0.48% in 2017. Generally, the local people of southern Bali are engaged in the micro businesses like culinary and other business related to tourism activities. Based on the statistical data economic census in table 8, the micro enterprise of southern Bali is higher than the other business scale which amount of 62,557.

**Table -8: Number of Establishment by Business Scale Based on 2016 Economic Census Result**

Region	Business Scale				Total
	Micro	Small	Medium	Big	
Southern Bali	62,557	10,469	5,242	231	78,499

Source: Statistic Bureau of Bali Province [18].

## CONCLUSION

The coastal tourism in southern Bali is the best tourism destination in Bali Island. In southern Bali, there are many beautiful beaches and the main purpose of tourist's visit is for holiday or relaxation on the beach. The tourism attraction in southern Bali includes sunrise and sunset sightseeing, waters port, and having dinner with seafood menu on the beautiful beach. Moreover, the economic growth of coastal tourism in Southern Bali is very rapid in the past decade, as a result of tourism contribution to the regional economic growth. Hence, coastal tourism in southern Bali offers good business opportunity for micro enterprises, small enterprises, medium enterprises, and big enterprises. Because these four enterprises belong to the local basic industries, they contribute a lot towards the regional economic growth, and provide many employment opportunities to the local people in the southern Bali. Furthermore, in term of the economic benefit of coastal tourism, it provides professional education and the knowledge needed for tourism behavior and it's the key priority development areas towards the future tourism development of southern coast of Bali. Further studies are needed to explore the economic impact of southern coast Bali that would contributes to the Indonesia national economy.

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