

## LOCAL GOVERNMENT ROLE IN THE DEVELOPMENT OF INDUSTRY CLUSTER BASED TOURISM

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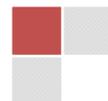
### *Abstract*

Ciwidey is one of tourism object in South Bandung that has various tourism products. Some are have similar product offerings, such as hot springs in Ciwalini amd Cimanggu. In practice, there is a competition among the similar attraction, so there are some attractions tend to lag behind compared to other attractions, and vice versa. Furthermore, it indicates there is no integrated strategy to develop Ciwidey as a tourism area. Existing strategies were only partial of each attraction. This leads to the benefits received by the community, administrators, and local governments have not optimal. There have been many studies about the tourism development strategy of Ciwidey made by various parties including the private sector would also academics. But until now integrated strategy for developing tourism area of Ciwidey is still relatively inconsiderable. One approach that can show the relationship among business actors are integrated industrial cluster approach. Industry cluster is basically not an entirely new concept. However, in line with the changing times, the study of the concept/theory of empirical experience various parties evolve over time. Various definitions and concepts of industrial clusters can be found in the literature. The definition of industrial clusters in brief is: "Industry Cluster is a specific business group connected by the chain of creation/increase in value added, either through business or non-business relationship". This study aims: (1) To map the tourism industry cluster of Ciwidey tourism area, (2) To formulate the role of local government in the tourism industry cluster in the tourism area of Ciwidey. After conducting interviews with stakeholders, the study documentation, and observations at the study site, it can be done mapping stakeholders that can be grouped in core industries, industrial suppliers, supporting industries, related industries, and buyers, as well as supporting institutions ("non industry "). The most prominent role of each stakeholder is to create innovation and coordination. For innovation and coordination needed integrator in the tourism industry cluster of Ciwidey, and the role as the integrator can be done by the Department of Tourism, Youth and Sports Bandung Regency

*Keywords: Coordination, Innovation, Integrator, Local Government Role, Tourism Industry Cluster*

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## INTRODUCTION

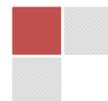
Tourism is one of economic revenue source in developing countries in general, because it involves another sector beyond tourism and creates field work that does not need a specific skill indirectly (Kesumawardhana, 2004). Now days, tourism has developed more rapidly not only just recreation, but also doing activities like hiking, camping, and outbound. The shift of tourism paradigm now tends to back to nature, public awareness to the nature conservation and preservation, and more different atmosphere from the residence where the tourists came from.

Tourism is not a new thing. Actually, activities of tourism have been existed since long time ago by travelling to different regions that have attraction. In simple form, tourism is known as “picnic” or “visiting” (Salim, 2012). In line with the developments achieved in the field of socio-economic, socio-cultural, and technological, the form of tourism has developed into an activity that is both more complex and extensive. According to Law No. 10 Year 2009, tourism is a wide range of activities and supported by a variety of facilities and services provided by the community, businessman, governments, and local governments.

Today there was the shift of concept in tourism that tends to nature-based object and local population culture oriented, which is known as ecotourism (Salim, 2010). Travelers tend to switch to natural than artificial travel patterns perceived saturated and less challenging. This is an opportunity to increase the development of tourism in Indonesia with a variety potential of natural and cultural.

Ecotourism has developed not only to observe birds and wild animals, riding of horse, tracing of path in jungle, but more related to jungle preservation and local population empowerment. Ecotourism is then a combination of different interests that grew out of concern for the environment, economy, and social. Ecotourism cannot be separated with conservation. Therefore, ecotourism is referred to as a form of responsible travel. Today, more and more tourists are interested to visit remote regions that are rarely touched by mass tourists so that more adventurers (adventure tourism) such as rafting, safari, camping, and hiking. The tourists are also many who are interested in the nuanced life of a farm or rural eventually became known as rural tourism.

Ciwidey is one of the tourist area located in Bandung regency, precisely in the area of South Bandung. Ciwidey is the right choice for those who crave cool temperate regions and are able to present the full atmosphere of tranquility. It is situated in the mountains with verdant plantations and paddy fields that exude freshness, allowing people to stay at home in the area. Tourism objects contained in the Ciwidey include Situ Patengan, Rancawalini, Ranca Upas, Kawah Putih, Cimanggu, Rancabali, Gambung, and Crater Cibuni. All these places have the different potential from each other. By having a variety of assets in the form of nature tourism as well as history and culture, Ciwidey can be developed into a preferred destination for South Bandung tourism. But in the reality, the tourism potential has not been well identified, many tourists who do not understand the potential of each featured attraction, so the decision for travelling was less specific. The information of

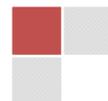


Ciwidey attractions has been widely publicized in various media, including in Bandung Regency website, but it was still not mention detailed of the uniqueness of each attraction.

Ciwidey tourist areas with many potential courses are expected to have a higher contribution to the local original revenue of Bandung Regency. This could be reflected in the number of tourists visited to Bandung Regency, especially to Ciwidey tourist areas. One of the tourist attractions in Ciwidey is Cimanggu Nature Park with one of the potential thermal baths. Ciwalini increasing. On the other hand, tourists visit the Thermal Baths Cimanggu decline. This phenomenon indicates that there is a competition of similar attractions, so there are some attractions lags behind than other attractions, and vice versa. Furthermore, it indicates there is no integrated strategy to develop Ciwidey as a tourist area. Existing strategies are only partial of each tourist attraction. This leads to the benefits received by the community, administrators, and local governments have not been optimal.

Another difficulty that occurs is the road conditions are still relatively small, especially the road to the White Crater attraction. This causes some difficulty when a large vehicle passing another vehicle. In the long run this will lead to decreasing difficulty tourists to visit Ciwidey tourist areas. Other conditions that still should be improved are the tourist understanding of natural resource conservation. Because the phenomenon suggests that travelers understanding in this matter is still relatively low. Seen from the number of bins is wasted not in place, as well as a breakdown of the large trees that should be maintained properly. The mistake is not an absolute lie on tourists, but rather a lack of information from management and maintenance that does not meet the standard.

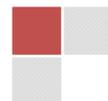
There have been many studies about the tourist development strategy of Ciwidey made by various parties; including the private sector would also academics. But until now integrated strategy for developing Ciwidey tourism area is still relatively small. One approach that can show the relationship among integrated business actors are industrial cluster approach. Basically industrial cluster is not an entirely new concept. However, in line with the changing times, the study of the concept/theory and empirical experience of the various parties had evolved over time. Various definitions and concepts of industrial clusters can be found in the literature. General definition that was eventually used was: "Industrial clusters are specific business groups connected by a chain of process of creation/increasing in value added, either through business or non-business relationship" (Pusat Pengkajian Kebijakan Inovasi Teknologi, 2011). Based on the definition of industrial clusters, the author has a guess that the industry cluster approach is appropriate to develop an integrated tourism area of Ciwidey, in this case the role of local governments is needed.



## **THEORY**

### **Industry Cluster**

The concept of industrial clusters originated from Porter views about the factors that interact with each other forming industry. According to Porter, the competitiveness is formed by the interaction of several factors are referred to as factor "diamond" formed by (1) *factor conditions*, (2) *demand conditions*, (3) *related and supporting industries*, and (4) *firm strategy, structure and rivalry*. He also includes two context factors related indirectly through: (1) *role of chance* and (2) *role of government*. These factors dynamically affect the company's competitive position in the country. The development of industrial clusters can be used to develop a broad range of industries (broad base) and focused on the types of products that is likely to have a high international competitiveness in the domestic and global markets. Geographic scope of the industry cluster can vary greatly, ranging from one village or one of the roads in urban areas to include a sub-district, district, or province. An industry cluster may also reach beyond the neighboring countries. Industry cluster is basically not an entirely new concept. However, in line with the changing times, the study of the concept/theory of empirical experience various parties had evolved over time. Various definitions and concepts of industrial clusters can be found in the literature. The definition of industrial clusters in brief is: "Industry clusters are specific business groups connected by a chain of process of creation/increasing in value added, either through business or non-business relationship.



In the scheme, the industry cluster approach can be seen in the following figure.

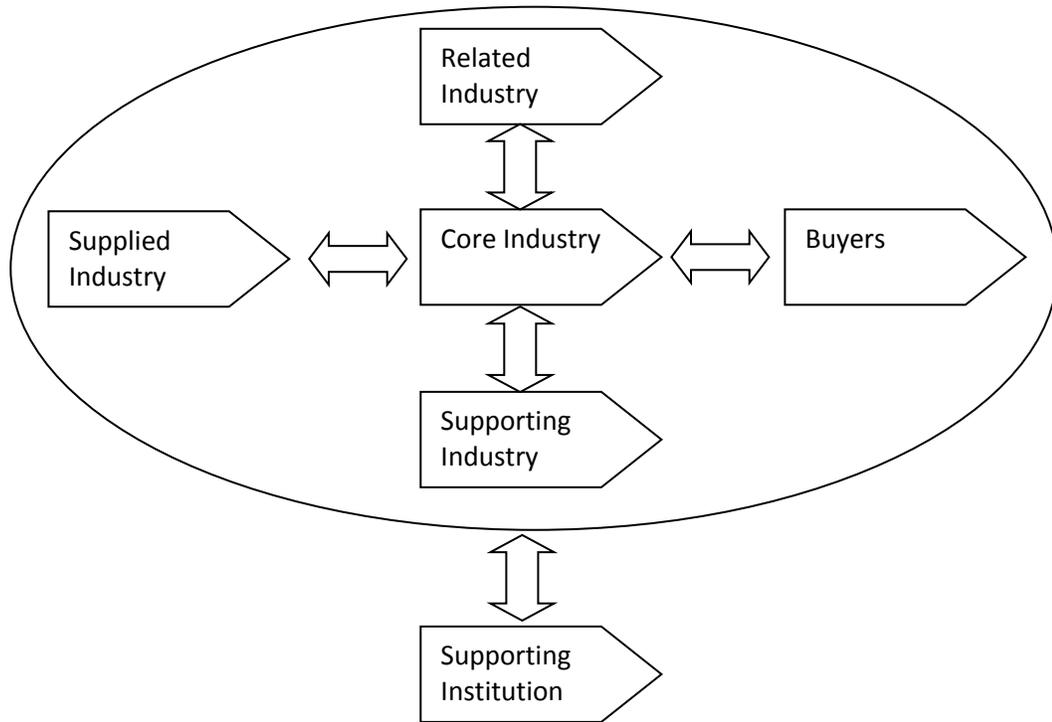


Figure 1 Generic Model of Industry Cluster (Porter, 1990, in Pusat Pengkajian Kebijakan Inovasi Teknologi, 2011)

The stakeholders in a cluster are usually grouped in core industries, industrial suppliers, supporting industries, related industries, and buyers, as well as supporting institutions ("non-industrial"). The term core, supporting and related demonstrate the role of actors in a particular industry cluster and no relation to the importance of the perpetrators. The role can be performed by anyone depending on the economics rate of the particular value chain relationships.

Some understandings of the elements in the industrial cluster are as follows:

- (1) Core Industries
  - a) Industries that are the focus of attention or thematic and usually used as an entry point assessment
  - b) It can be an industrial center
  - c) Industries that have been advanced (characterized by innovation)
- (2) Supplied Industries
  - a) Industries that supply a particular product
  - b) Specific Suppliers (specialist) that support the advancement of industrial clusters

Supplied include:

  - a) The main raw materials



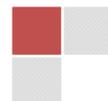
- b) The supporting materials
- c) Accessories
- (3) Buyers  
Buyers are comprised of:
  - a) Distributor
  - b) Retailer
  - c) Direct User
- (4) Supporting Industries  
They include services and goods industries, including financial services (Bank, Venture Capital). Supporting industries, among others:
  - a) Financing (Bank, Venture Capital);
  - b) Services (Transportation, Distribution Business, Business Consulting);
  - c) Infrastructure (Road, Telecommunication, Electricity)
  - d) Equipment (Machinery, Tools)
  - e) Packaging
  - f) Business Development Service Provider/BDSP
- (5) Related Industries
  - a) Industries that use the same infrastructure
  - b) Industries that use the same resources and sources (like experts group) The term "related" here is somewhat different from that used every day. Related industries not directly related to the business, they are usually covering
  - c) Competitor
  - d) Complementary
  - e) Substitution
- (6) Supporting Institution
  - a) Government agencies, that are policy makers or who perform a public role.
  - b) professional associations who work for the benefit of members
  - c) Developer Non Governmental Organizations working on specific and supported areas

The term industrial cluster has a wider meaning than "industrial center" that has been known in general. Industrial center is more a grouping of business activities that are similar in one location. One or some industrial centers can be an integral part as "entry points" of the development effort (reinforcement) of industrial cluster.

## RESEARCH METHOD

The design used in this study was exploratory study. Through exploratory, the researchers developed the concept more clearly and make a priority. Some of the tools used in the exploratory study are: literature review, experience surveys, focus groups, and a two-stage approach.

Sources of data used in this study are as follows: (1) Primary data, there are data obtained directly from the original respondents. In this study, the respondents



were: management and staff of Department of Youth, Sport, and Tourism Bandung Regency, managers of Ciwidey tourism area, tourists who come to Ciwidey tourism area, the businesses around Ciwidey tourism area, and communities surrounding Ciwidey tourism area. (2) Secondary data, that are data obtained from the first data source that has been collected and reported by others outside researchers, such as: data about the organization, number of employees, and the results of previous relevant studies.

Based on the data needed, data collection techniques used in this study are: a) Interviews that were conducted with the respondents to obtain a description of the relationship among stakeholders in the tourism industry cluster; b) Documentation that made to the relevant research documents such as: the results of previous studies on the development of the region, historical data, images, maps, rules, and writings in the media those are relevant and related to the development strategy of the region, particularly the tourist areas; c) Observatory; researchers involved with the activity being observed, as in the focus group discussion. With these observations, the data obtained will be more complete, sharp, and in accordance with reality.

The research instruments that used in this study were interview and observation. Both of these guidelines can be found in the appendix. Data analysis is to classify, to make a sequence, to manipulate, and to compress data so that it is easy to read. The first step in the analysis is to divide the data into groups or categories. In this study data from interviews grouped to see the relationship between the roles of stakeholders, which is then used to formulate an integrated strategy involving all stakeholders.

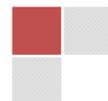
## **DISCUSSION AND ANALYSIS**

### **Mapping of Tourism Industrial Cluster in Ciwidey Area**

As mentioned in the previous section, the actors (stakeholders) in a cluster can be generally grouped into core industries, supplied industries, supporting industries, related industries, buyers, and supporting institutions. Furthermore, to map Ciwidey tourism area into tourism industry cluster is done intensive observation and in-depth interviews to obtain the actual mapping. Table 3 below illustrates the mapping of tourism industry in Ciwidey area in accordance with the generic model of industrial clusters

### **Identification of Role Division Among Stakeholders in the Tourism Industry Cluster in Ciwidey Area**

Industrial cluster development objective is to increase competitiveness by strengthening the value chain and linkages at all levels of the value chain of core industries, supplied industries, buyers, related industries, including supporting industries include supporting institutions. Targeting increased productivity, efficiency, and quality of the products that can be accepted by the market. In order to these objectives can be achieved, then it is necessary to fix the role of each



stakeholder in the tourism industry of Ciwidey area corresponding the mapping results in the previous section. Complete division of roles can be seen in Table 3 below.

### **Local Government Role in Tourism Industry Cluster in Ciwidey Area**

Based on the role of the stakeholders that have been described above, it appears that the role has been performed by almost all stakeholders are innovation and coordination among stakeholders. Seeing so many stakeholders involved in the tourism industry cluster in Ciwidey area, then innovation and coordination is not easy. There should be those who act as an integrator that will serve as managers in the tourism industry cluster in Ciwidey area.

Speaking of tourism as a local asset and local revenue-producing, it is not excessive if the role of the integrator is given to the local government, in this case the Department of Tourism, Youth and Sports Bandung Regency. In detail the role of the integrator in the tourism industry cluster is as follows:

1. Develop an integrated partnership among local governments, private organizations and businesses involved in a balanced way in the tourism area of Ciwidey;
2. Help to facilitate in establishing an integrated cluster management;
3. Facilitate/assist clusters in providing major infrastructure that would also support the tourism Ciwidey more developed;
4. Do counseling and assistance in conservation programs.

### **CLOSING**

Based on the discussions that have been done in the previous section, the conclusions that can be drawn in this study are as follows 1) Mapping stakeholders in the tourism industry cluster in Ciwidey area consists of: (1) the core industries: manager of natural attractions, restaurants, cottages, tea gardens, camping ground, outbound area, playground; Ciwidey typical food vendors, and the owner of the garden strawberry, (2 ) the supplied industries: tourism and travel agents; Ciwidey typical food industries, and souvenir providers, (3) the buyers, namely tourism actors: individuals, families, groups, companies, and sport teams, (4) the supporting industries: tea factory; extra-school activities, magazines and newspapers; tourism school; mobile operators; event organizer; Bandung TV stations, and banks and financial institutions, (5) the related industries: cattle; processing cow's milk; plantation strawberry; food processing; handicraft industries , and supporting infrastructure providers (such as boats and mats), and (6) supporting agencies: the Department of Tourism, Youth and Sports Bandung Regency; Perhutani Unit III; PTPN Rancabali; PHRI; Department of Agriculture, Forestry and Plantation Bandung Regency; Bandung District Office of Education, and Department of Public Works Bandung Regency; 2) The role of each stakeholder in the tourism industry cluster in Ciwidey area is to perform the functions of organizations as well as possible in order to develop the tourism industry. The most prominent role of each stakeholder is

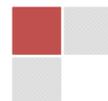


innovation and coordination; 3) To create innovation and coordination are needed integrators in the tourism industry cluster of Ciwidey. The role of the integrator can be done by the Department of Tourism, Youth and Sports Bandung Regency.

There are some advices that can be given to the advancement of the tourism industry cluster in Ciwidey area, as mention follows: 1) Institutional strengthening needs to be done in a way to collect stakeholders of 'demand side' (such as firms in each cluster) and stakeholders of 'supply side' (including economic support institutions, both public and private) in the working group to identify key challenges and action initiatives to address the issue together. Furthermore, it is necessary to create strategy formulation and policy implications, action planning, and consensus plan; 2) In carrying out the role of each stakeholder needs to have the commitment of all parties to work toward that goal of Ciwidey tourism industry cluster, is not the purpose of each stakeholder only; 3) It needs to make a memorandum of understanding between stakeholders so that all parties commit to the goal of cluster.

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