

THE SOCIAL CAPITAL FOR THE EXTERNALITY DEVELOPMENT OF SUSTAINABLE TOURISM

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Abstract

This research aimed to discover the social capital and externality value as well as formulating an alternative strategy for social capital enhancement to enforce the positive externality value of sustainable tourism sector. This research is a case study by using qualitative approach and descriptive analysis. The data obtained through observation, depth interview, and questionnaire towards tourism Small Medium Enterprise (SME) and the community of Candran and Wukirsari Tourism Village in Yogyakarta Special Province. The tool of analysis to assess multiplier effect from the tourism activity is Ratio Income Multiplier, while SWOT analysis is used to formulate of social capital enhancement strategy.

The important findings in this research are the Bounding Social Capital is the category of the social capital type which occurs in this sustainable tourism destination. The community is assured that social capital is the key to success in developing sustainable tourism. The tourism activity is having a positive impact towards the community in the aspects of economic, socio-culture, and physical aspect of the living environment which indicated from the Ratio Income-multiplier value. Four strategies are formulated to enhance social capital that able to increase positive externality, which are maintaining social institution/order; forcing social literacy; the extensification of the attraction of local culture art, and the strengthening of economic sharing management towards tourism village management.

Keywords: Social Capital, Sustainable Tourism, Externalities

1. Background/ Objectives and Goals

The tourism sector has been the biggest industry and currently developed swiftly after its integration with the other industries which has a trickle-down effect towards other sectors. The growing numbers of international tourist in 2014 quantitatively have reached 1,161 billion people and keep escalating as the main sector in producing foreign exchange in many countries (Santoso, 2011; World Bank, 2016).

Fundamentally, tourism generates high multiplier effect. This externality occurs due to the relation between one and another economic activity, such as craft industry,

tourism small medium enterprise (SME), education, culture, arts, investment, and security (Astuti, 2010, Utama, 2014, Samaji, 2015, Setiawan, 2016). The impact concept of tourism economic sector is based on the concept that the expenditures of a foreign citizen are stimulated towards local economy and will benefit the local community (Dixon et al., 2013).

Currently, the transformation of tourism tendency is happening in many parts of the world. The tourists' reluctance in visiting artificial tourism object is influencing the development of particular tourist interest such as village tourism. Tourism Village has the strategic position in the tourism industry because it's able to generate clean profit for villagers and increase their participation towards the development of tourism product. Tourism Village is able to fulfill the tourist needs and provide differential benefit for tourism management as well as conserve the nature heritage and village culture (Lanfranchi, 2010, Okech et al., 2012, Dorabantu and Nistoreanu, 2012, Sasidharan et al., 2012, Mustabsirah, 2015).

The development of sustainable tourism business such as tourism village requires the combination of general business managerial and social capital. Social capital can be the economic pusher and also strengthen the solidarity and norms lie inside the community (Grassi and Habisch, 2011, Avis, 2012). Social capital as the resources embedded in the social structure that can be accessed or mobilize by the purposive action (Harvey, 2006).

According to Woolcock (1998), there are three types of social capital; Bounding Social Capital, Bridging Social Capital and Linking Social Capital. Social capital as the network of the cooperation between people that could eases or accelerates problem-solving from the mutual action and able to give efficiency towards various coordinated action (Brehm and Rahn, 1997, Putnam, 2001). In the tourism sector, social capital owns bigger contribution in promoting tourism through a unique atmosphere by narrating local history, local culture, folktale, and providing advice during traveling as well as actively involved in the community development (Toader, et al., 2013).

Yogyakarta Special Region is one of the regions in Indonesia who develop the potency of tourism village, such as Candran and Wukirsari Tourism Villages in Bantul Regency that obtain the status of tourism villages with achievements from Department of Culture and Tourism of Yogyakarta Special Province in 2015-2016. Candran Tourism Village conceived the uniqueness in local art and farmer museum. In this tourism village, there are 54 units of tourism SME. Wukirsari Tourism Village itself conceived the uniqueness in batik painting and natural objects such as waterfall, and the grave sites of the past Mataram Kings and the grave of Sunan Cirebon.

The development of business activity, including tourism sector, is influenced by many factors, including the role of social capital. Meanwhile, the development of tourism site is conducted to enhance the local economic capacity for sure, especially the economic added value and non-economic value for the local community, as well as orientating in the conservation of environment, art, and culture. In that order, it becomes a necessity to preserve the expansion of positive externality from the sustainable development of tourism site which alternatively can be realized through the enforcement of social capital. The phenomenon found in Candran or Wukirsari Tourism Villages is the waning of social capital due to the internal and external change of tourism village.

This study aimed to a) discover the forms of social capital and the externality value of tourism village that implemented the principle of sustainable tourism development and

b) formulating alternative strategy of social capital enhancement to expand the positive externality value from the sustainable tourism sector.

2. Methods

This research is a case study by using a qualitative approach with descriptive analysis. Data obtained through observation, depth interview, and questionnaire towards tourism SME and the community who live in Candran and Wukirsari Tourism Villages of Yogyakarta Special Province. The data collection was conducted gradually during the period of April-July 2015 and May-August 2016.

The analysis of social capital was using descriptive analysis. While the analysis instrument to assess the multiplier effect from the tourism activity was using Ratio Income Multiplier that calculates the amount of impact resulted from the tourist's expenditures that impacted on the entire local economy (indirect and induce effects), and the strategy formulation for enhancing social capital was using SWOT analysis.

3. Results

According to the result of data analysis in relation to the identification of social capital forms that occur in two samples of sustainable tourism site, which are Candran and Wukirsari Tourism Villages in Yogyakarta Special Province, it was acquired that the social capital is still growing on the actor of tourism SME and the community of the tourism village. The community assures that the social capital is the key towards a successful sustainable development of tourism, although for the objective condition there is a tendency of social capital waning due to internal and external factors.

The type of social capital formed and growth in the research location is categorized as Bounding Social Capital. The category of social capital that occur in those two tourism villages own the characteristic of powerful bound in one community system in accordance with the value, culture, customs, and kinship relationship.

The trust that occurs in tourism SME and common people is formed due to the open process between business actors as well as between community in the Candran and Wukirsari Tourism Villages. This process performs good reception between them, as well as custom, kinship relationship, cooperation, reputation, and interaction which conducted simultaneously.

The networking of tourism SME is not only limited between them with another SME and the tourism village management as well as the tourist but expanded through the economic activity with the actor outside the tourism village. In the beginning, the initiation of the pioneer of tourism village to invite the community for cooperation and developing the tourism village to earn additional income besides work as farmers, but in the beginning, this initiation hasn't earned a positive response. Along with the expansion of tourism actor network, the community starts to understand that working in the tourism sector would have more value. The network is easing the individual or group to obtain information swiftly and widely regarding all the information needed, including economic opportunity. An individual or group who own decent social network tends to faster in receiving economic valued information.

The social norm believed by the tourism SME is in accordance with what grows in the community of Tourism Village. The developed social norm is the values that apply in the community, including verbal rules which mutually accepted. The violence against

social rules will be punished by the social sanction. In conclusion, social capital of tourism SME and community in Candran and Wukirsari Tourism Villages can be summarized as below:

Table 1: Social Capital in Tourism Village

Concept	Form	Field Findings	Synchronization towards theory
Trust	Honesty, transparency, hospitality, togetherness,	Sociability (values build together), mutual trust in business and social relationship, Mutual aid if there are people who are struggling or there is a certain event, a helping/supportive relationship	The trust is the relevant economic component that attached in the community culture which would create social capital wealth. Trust is dynamic, it grow and disappear if the built trust is undependable. The manifestation of trust is not only hope that based on belief, nut also on sensibility.
Norm	The values that embraced together, the rules that apply, the sanctions that apply, the tradition exist in the community	There are verbal rules that apply in the community, such as transaction and payment depends on the number of visitors; damage will be solved together. Flexible rule, there is social sanction in the form of marginalization of the community for people who broke it.	Social norm in social capital is formed from the values, rules, and sanctions that apply in one community or organization.
Network	The interaction between related party, cooperation, organization, work relation, recruitment	The intense interaction pattern between SME/UKM with the management of Tourism Village, tourist, supplier, and related party. Business network between SME/UKM are build in the activity of Tourism Village. There is organization owned by the SME/UKM. There is cooperation between SME/UKM in production and distribution of goods or services.	Social capital not only built by one individual, instead it tend to grow in a group that socialized as the important part of attached values. The employment network filled with unique typology along with the group characteristic and orientation.

Source: Primary Data Analysis, 2016

Based on the observation result and primary data analysis, it was discovered that the existence of Candran and Wukirsari Tourism Villages as the sustainable tourism destination has lifted the life of local economy, especially on the aspects of employment, business enhancement opportunity, the enhancement of income which confirmed through consumption pattern (direct effect). Aside from that, it was also identified that there is a

positive externality in the form of the general improvement of community living standard (indirect effect). The analysis result of primary data regarding economic and non-economic impact of tourism village through the analysis process of descriptive statistic is summarized as below:

Table 2: The Externality Analysis of Tourism Village

Variable	Mean	Minimum	Maksimum	Std. Error of Mean	Varianc	Std. Dev
Economic Impact	22,4328	18	25	0.19081	25	2,2083
Socio-Culture Impact	21,0672	17	25	0.15395	25	1,78211
Physical Impact	17,9925	15	20	0.15186	20	1,75789

Source: Primary Data Analysis, 2016

The mean value for the economic variable is bigger than the socio-culture variable, it means that the community perception that lives in tourism village judging that economic impact is relatively more essential rather than socio-culture and physical impact. The standard deviation is used for dispersive indication (data dissemination) from the research respondent towards the research population. The number of samples are 134 respondents with 95% trust level and mean value is bigger in compared to standard deviation value that indicated good data distribution towards all variables.

The economic impact from tourism expenditure that occurs in tourism village is asses with multiplier value of the existing money flow, after gathering the direct and indirect income data from tourist expenditure in tourism village, multiplier analysis of Vanhove (2005) is used to obtain multiplier value as described below:

Table 3: The Value of Multiplier Effect of Tourism Village

Description	Amount	Information
Average Income (IDR/month)	20.148.667	Visitor retribution
Average Expenditure (IDR/month)	14.724.778	Operational Cost
<i>Ratio Income Multiplier Type I</i>	1.73	

Source: Primary Data Analysis, 2016

If the coefficient multiplier value is less or equal to zero, then the tourism location has not been able to give economic impact, while the value between zero and one (0-1) indicate the low economic impact. If the multiplier value is bigger or equal to one (≥ 1), then the tourism location is able to give economic impact towards its environment (Dritasto dan Angraeni, 2013). The data result obtained from the estimation value of ratio income multiplier type 1 is 1.73, which means that the Candran and Wukirsari Tourism Village are able to give positive economic impact towards their community.

The value of ratio income multiplier type 1 in Candran and Wukirsari Tourism Villages is 1.73, which statically explains that every addition of 1 rupiah local income from tourism expenditure will impact on the 1.73 rupiah addition of local community total income which includes direct and indirect income.

The Tourism Village emerge positive impact for the community and environment. The real impacts due to the existence of tourism village are the enhancement of community living standard on the aspects of economic, socio-culture, and the aspect of physical quality of the living environment (Zaroh, 2012, Sari, 2015, Brida, et al., 2016). The direct positive impacts in Candran and Wukirsari Tourism Villages are the escalating numbers of tourist visit which enhanced the selling of tourism SME; the addition of family income causing the escalation of their consumption; the availability of new employment opportunity which directly absorbs local labor. Aside from that, the indirect effects are the women empowerment in order to facilitate the women to work in the tourism sector, as well as the enhancement of community knowledge in developing nature tourism.

As what explained in the past section, social capital is contributing to the enhancement of sustainable tourism, therefore the enforcement of social capital is required to enhance positive externality on tourism village destination. Based on the SWOT analysis, by concerning the internal and external factor in human resources dimension, the behavior of community and tourist, social institution, destination diversity, and policy in the tourism sector, several formulations of strategy are identified to enforce social capital which able to enhance positive externality. Based on the priority, there are four main strategies, 1) maintaining social institution that grow inside the community in tourism village; 2) pushing social literacy, especially towards the young age group in the community; 3) extensification of the attraction of local culture art which become the main attractiveness for international tourist; and 4) the pattern enforcement of economic sharing management on tourism village management.

4. Conclusion

From the social capital that occurs in sustainable tourism destination, it can be discovered that the type social capital that formed and growth is Bounding Social Capital category. The characteristic of powerful bond in the community system is based on the value, culture, customs, and kinship relationship. The community is assured that social capital is the key to success in developing sustainable tourism, although for the objective condition there is a tendency of social capital waning due to internal and external factors.

The tourism activity contributes positive impact towards community on the aspects of economy, socio-culture, and physical aspect of the living environment which indicated from the >1 of Ratio Income multiplier value. Four main strategies were formulated to strengthen social capital that able to increase positive externality, which are maintaining social institution that grow inside the community in tourism village; pushing social literacy, especially towards the young age group in the community; extensification of the attraction of local culture art which become the main attractiveness for international tourist; and the pattern enforcement of economic sharing management on tourism village management

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