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The Integration of Social Finance and Ecotourism Minapolity to Empower the Coastal Society

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Abstract: *The integration of social finance and ecotourism minapolity is a concept of maritime economy based on society empowerment which is developed through social finance utilization. Conducting a training of 3E (Education, Environment, and Entrepreneur), this research aims to promote sustainable socio-economic development and conservation effort in Pandansari, Yogyakarta. Therefore, the society is able to manage marine resources, such as establishing maritime technology as well as fishery management. This research consists of several steps. The first is, to observe the potential marine resource of coastal area. The second is, to conduct SWOT and Fishbone analysis. The last is, to formulate the strategy to develop the ecotourism minapolity combine with social crowdfunding for fish farmers. This research taken information through interviews and observations of the coastal society in Pandansari. The methodology of this study is presented in descriptive technique and supported by some relevant literatures.*

Keywords: *social finance, ecotourism minapolity, social crowdfunding, community empowerment*

JEL Classifications: *Z33; Z32; Q01*

1. Introduction

Indonesia is the largest archipelago in the world, with 17.504 islands and the second longest coastline in the world. Marine potential of Indonesia can be categorized into four groups of maritime resources, such as renewable resources, non-renewable resources, OTEC (Ocean Thermal Energy Conversion) and environmental services. However, local people in coastal area are unable to benefit maritime resources well. Therefore, local people need help to assist them on how to manage their resource efficiently. Moreover, local people do not have enough money to finance their economic activities to exploit their marine resources. Hence, it is necessary to have the integration of cash crowdfunding and ecotourism minapolity to empower coastal society. Ecotourism minapolity is a concept of maritime economy based on economic society empowerment which is built and developed through cash crowdfunding utilization.

One of the coastal areas that have potential in the socio-economic for community development is Pandansari Beach which is located in Gadingsari Village, Yogyakarta. However, the problem that is happened in Pandansari is, the ecotourism program which have been developed so far, did not run properly. This problem is happened due to the lack of technology, consequently, the utilization and exploration of natural resources is minimum. In addition, the access from city center to the coastal area Pandansari also limited, for example inadequate public transportation as well as infrastructure. Furthermore, tourism destination is concentrated only in Parangtritis and Depok Beach, because those beaches already well known.

To promote ecotourism in Pandansari, one of the hypotheses is that, marketing strategy for ecotourism in Pandansari is weak. At the same time, the involvement of community in ecotourism minapolity Pandansari is also limited. Therefore, if the integration of cash crowdfunding and community-based minapolity ecotourism by empowering local people is one of solutions for ecotourism's problem in Pandansari. The integration concept of ecotourism minapolity may arrange the harmonization between socio-economic potential and community-based services in Pandansari. As a result, the purpose of ecotourism minapolity to improve the welfare of society, at the same time to preserve natural and cultural resource. Another hypothesis of the research is about managerial problem, which is neglected by most of people.

Based on research hypotheses, ecotourism minapolity need a concept of a well-design socio-economic empowerment of coastal community in Pandansari. To support the ecotourism, on the one hand, the society has to be well-educated, skilled and equipped with modern technology. On the other hand, the ecotourism program has to be well financed. Cash crowdfunding as one of transaction contract in Islamic economics become alternative solution to the ecotourism's financing. Unfortunately, there is less attention towards cash crowdfunding management even though its potential is very promising. This make clear to highlight that, it is necessary to have a professional management through the integration of cash crowdfunding and ecotourism minapolity for economic empowerment of coastal community in Pandansari.

1.1 Ecotourism

Ecotourism has many definitions entirely principled on tourism and activities refers to the five essential elements, a) Provide experience and education to tourists to increase understanding and appreciation of the tourist destination visited. Education is provided through an understanding of the importance of preserving the environment, while the experience is given through the activities of creative travel accompanied with excellent service; b) Minimize the

negative impacts that could damage the environment and cultural characteristics of the regions visited; c) Involve the community in the management and implementation; d) Provide economic benefits, especially to local communities, for the ecotourism activities should be profit (benefit); e) To continue to survive and sustainable (Department of Tourism and Culture Nias, 2009).

1.2 The Principle Ecotourism

Damanik (2006) comprises the principles of ecotourism into 6 principles, they are, 1) Reducing the negative influence such as environmental damage due to pollution and traditional culture damage due to tourist's activities; 2) Build awareness and appreciation for the environment and cultural tourist destinations; 3) Offers a positive experience for both tourists and local communities through cultural contacts; 4) Provide direct financial benefits for conservation purposes through contributions or extra spending visitors; 4) Provide financial benefits and empowering the local communities by creating tourism products that promote local benefits; 5) Increase sensitivity to the social, environmental, political and tourist destination; 6) Respect for human rights and labor agreements in giving freedom to the tourists and local people to enjoy the sights seeing as a form of human rights, and subject to the rules of the game are fair and agreed upon in the execution of transactions of travel.

1.3 Minapolity

Minapolity is a model of the blue revolution encouraged the Ministry of Maritime Affairs and Fisheries of the Republic of Indonesia to change their mindset oriented development of land to the maritime-oriented. Minapolity is a town that grows and develops due to the fishing operation systems and fishing effort be able to serve, encourage, and attract economic development activities surrounding areas. Cities of minapolity area such as, fishing town can be a medium-sized city, town, city districts, and rural town that serves as the center of economic growth is improving the development of the countryside and the surrounding area. While minapolity area is the area of marine and fishery-based economy consisting centers of production and trade, services, housing, and other activities that are interrelated.

1.4 The Concept and Potential of Cash Crowdfunding from Social Finance

Waqf etymology is resist. Crowdfunding is the word that shaped sources of the expression as crowdfunding which basically means hold anything. Thus, the notion of crowdfunding in the language is to hand over land for poor people to be detained. Thus interpreted as property held and detained others, like holding livestock, soil, and everything (Al Kabisi, 1977). Meanwhile, according to Act Number 401 of 2004 on crowdfunding, endowments defined by legal act waqif to separate and submit wealth her possessions to be used forever for a certain period of time or in accordance with their interests for purposes of worship and general well-being according to *Shari'ah*, knows as Islamic Law. Crowdfunding for ecotourism's endowment in line with philanthropy motive stated in the Holy book of Muslim. This concept similar to the concept of endowment fund that finance the maintenance of Harvard University in USA and University of Oxford in UK.

Al-Qur'an there are several verses which are based as the foundation endowments command. *"You never come to virtue (perfect), before you spend most of that which ye love. And whatever you spend, Allah knows "*. (the Qur'ān, Ali Imrān: verse 92).

Meanwhile, there are four pillars endowments that must be met in endowments. First, people who doing charity in the form of *waqf*. Second, objects crowdfunding. Third, those who

received the benefit of crowdfunding (al-mauquf 'alaih). Fourth, lafadz or pledge crowdfunding (sighah). In Act Number 41 of 2004, there are two additional things that have to be met: crowdfunding property allotment and term endowments. In order to achieve the objectives and functions of endowments, according to Act Number 41 of 2004 concerning crowdfunding, crowdfunding property invested reserved only for five kinds of things, namely: asarana and religious activities; b) the means and education and health; c) assistance to the poor, abandoned children, orphans, scholarships; d) progress and economic improvement of the people, and e) other public welfare advances that are not contrary to the *Shari'ah* and legislation. Many Islamic banks and institutions issues crowdfunding various products endowments collected from communities. For example a cash crowdfunding Muamalat, Indonesia Waqf Deposits (Tabung Wakaf Indonesia) is launched by Dompot Dhuafa Republika, and a cash crowdfunding is issued by Pos Keadilan Peduli Umat.

This kind of crowdfunding to finance ecotourism program is possible, since Indonesian people are generous. Based on the last survey conducted by PIRAC (Public Interest Research and Advocacy Center) in 2004, the rate of giving people in Indonesia is quite high. Based on these survey results rate of the giving people of Indonesia is 96% by individuals, 84% (Rp. 304,000 per donor per year) by religious institutions, and 77% by non-religious institutions. Calculations carried out by Mustafa Nasution (2001) revealed that the endowment money of Muslims in Indonesia at this time is assumed to reach 3 trillion rupiahs annually.

Table 1. Cash Crowdfunding Potential per Year

Income/ Month	Number of Muslim	Cash Crowdfunding /Month	Amount Cash Crowdfunding/ Month	Amount Cash Crowdfunding/ Year
Rp. 500,000	4 Millions	Rp. 5,000	Rp. 20 Billions	Rp. 240 Billions
Rp. 1-2 Million	3 Millions	Rp. 10,000	Rp. 30 Billions	Rp. 360 Billions
Rp. 2-5 Millions	2 Millions	Rp. 50,000	Rp. 100 Billions	Rp. 1.2 Trillions
Rp 5-10 Millions	1 Million	Rp. 100,000	Rp. 100 Billions	Rp. 1.2 Trillions
Total				Rp. 3 Trillions

Source: Nasution, 2001

1.5 Economic Empowerment of People and Ecotourism Minapolity

Empowerment is the language, from the Indonesian derived from the word "power" which means strength, which means the effort to build a power possessed the poor by encouraging, motivating, and raise awareness about their potential and try to develop (Esack 2000). According to Cornell University Empowerment Group in Saleebey cited by Malik (2012) Empowerment is,

"A deliberate process and takes place continuously, which was centered in the life of local communities, include: mutual respect, an attitude of critical reflection, their caring and group participation, through which people who feel less have jointly sources of valuable be obtained greater access to get and control of these resources".

Empowerment is a strategy for poverty alleviation, this is suitable for the program that attached with local people such as ecotourism conservation in line with *green growth* concept in SDGs.

2. Methodology

2.1 Data Collection Methods

This research method uses a quantitative approach that is supported by qualitative approach. A quantitative approach is used to determine the development of crowdfunding integration and ecotourism minapolity for empowering coastal communities. A qualitative approach in the form of interviews and observations. Interviews (in-depth interviews) conducted to citizens and coastal area management officer Pandansari, Gadingsari Village, Sanden District, Bantul, Yogyakarta. This is done by collecting information by asking a number of questions to be answered verbally in direct face to face interview. The type of interview used free interview method.

2.2 Data Processing Method

Data processing is performed by the method of fishbone diagram and force field analysis. Here're explanation of two methods:

1. Method of force field analysis of Kurt Lewin, developed by Morgan (2008) and participatory has been applied by Singer (2009) in an analysis of the forces that support and hinder the realization of the change. Furthermore, Singer (2009) suggested the analysis steps, as follows:
2. Diagram of causation so-called fishbone diagram of cause and effect is a diagram that shows the relationship between cause and effect. In connection with statistical process control, causal diagram used to show the factors that cause it.

2.3 Types and Sources of Data

The data used in this study are primary data and secondary data. The primary data obtained through three ways, namely observation, interviews to the community and triangulation (checking the truth). Interviews were conducted to the key informants and respondent to know the management of the lighthouse tourism, shrimp farms, organic dragon fruit orchards and beaches. Triangulation is done by comparing the information provided by key informants and respondents with a condition that occurs directly in the community. Secondary data were data observation technique is obtained through several sources, such as printed materials, official website, journals and articles that are already identified, analyzed, clarified, and interpreted, so that the result of this paper can be well justified. The study was conducted in the Gadingsari village, district Sanden, Bantul, Daerah Istimewa Yogyakarta, from August 2017 until February 2018.

3. Results

3.1 Fishbone Analysis

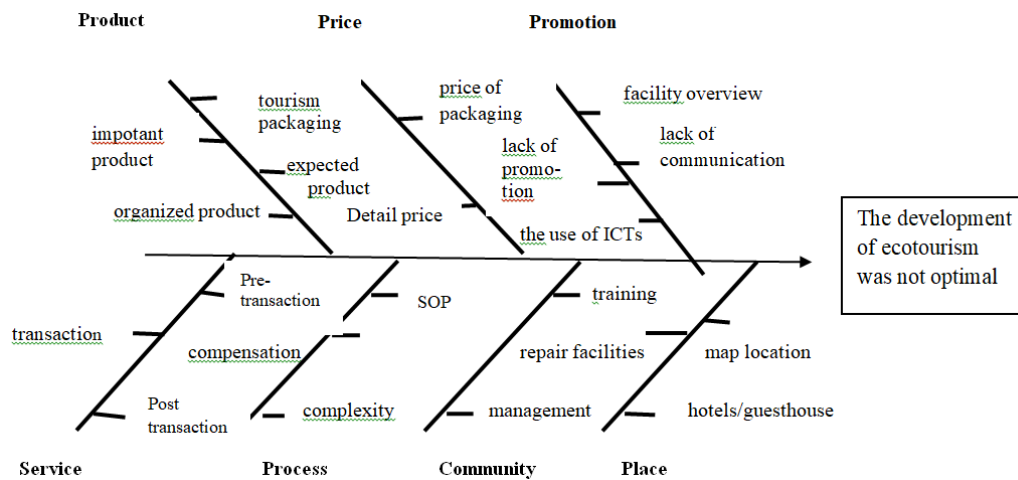
In this research, there are 6 factors that hinder the development of coastal areas Pandansari known as 6P such as Product, Price, Place, Promotion, People, Process

- 1) Product: no tourism program which is offered to visitors.
- 2) Price: no information related to price of tourism program.
- 3) Place:
 - a. No guideline to reach tourism location for the new visitors.
 - b. Inadequate accommodation for instance hotels, homestays and guesthouses.
 - c. Tourism service distribution is still unclear and unconnected.
- 4) Promotion

- a. There is no clear illustration of ecotourism facilities, for example magazines, photographs, testimonies from visitors.
 - b. Inadequate communication between ecotourism's manager and visitors, particularly for English language proficiency.
 - c. Low level of technology attainment for information and communication as a means of promotion.
- 5) People (Community): Uncertain and inadequate number of employees, lower skill of Pandansari's community and unprofessional human resource management.
- 6) Process: There is no Standard Operational Procedure (SOP) for visitor's service.

Based on problem assessment and the cause of slow-growing ecotourism that have been explained, Fishbone Diagram is constructed as follow,

Figure 1. Fishbone Diagram



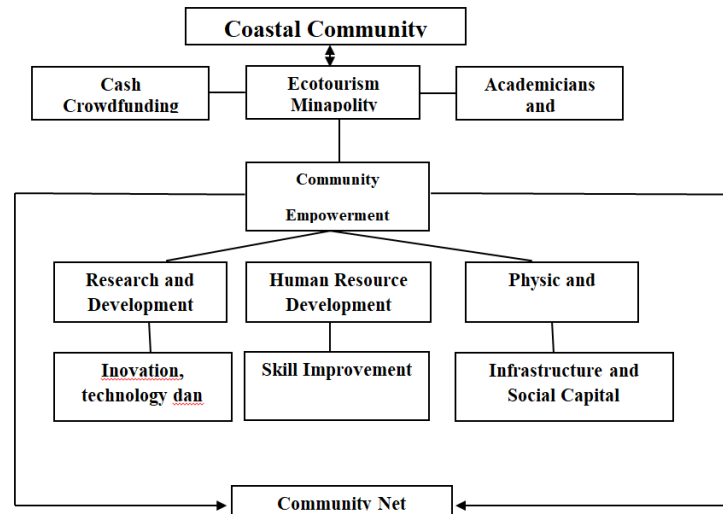
Fishbone diagram explain the problem of ecotourism development in Pandansari. Fishbone analysis helps to investigate the cause of slow-growing ecotourism development in Pandansari. After identified factors that cause problem in coastal area in Pandansari, the next step is, to determine potential cause of problem and decide which factor that most dominant that cause the problem. Based on interviews and small meeting conducted by researchers obtained the most dominant cause of some of the existing problems. The dominant factor is the capital, inadequate facilities, limited human resource management, and lack of promotion. Having in mind the factors that cause the most dominant on the problem, the next step is determining mitigation plan for solving the existing problems. The ecotourism management plan to the problems with the integration Pandansari coastal areas of cash crowdfunding and ecotourism minapolity for empowering coastal communities Pandansari coastal areas.

3.2 The Model of Economic Empowerment for Coastal Community in Pandansari

Under the conditions of the existence of coastal areas Pandansari for the economy of the community it takes a synergy across sectors that help significantly in meciptakan minapolity ecotourism region. The economic empowerment of coastal communities aim to accommodate the role of Indonesia Crowdfunding Institution, academicians, practitioners, Ministry of Fisheries,

Ministry of Tourism, Ministry of Creative Economy and local people to further examine the events to make a suggestion that will be applied by coastal. Community.

Figure 2. Model of Economic Empowerment for Coastal Society in Pandansari



The model of economic empowerment for coastal community aims to optimize the joint participation for all parties. There are some parties that involve this integration model, such as,

[1] **Baitul Maal wa Tamwil (BMT)** which has a role as an agency that collect and distribute finance community in Pandansari with Profit-Loss Sharing contract or *mudharabah* contract. [2] **Academics and Practitioners** conduct research and development (R&D) and improve Human Resource Development. [3] **Coastal community** as economic agent. [4] **Community Net Analysis** is a comprehensive analysis to Investigate factors that influence coastal society economy. [5] **Cash Crowdfunding** is capital (equity) which is distributed from BMT. Therefore, to initiate ecotourism minapolity, the government only act as a supervisor, since the engine of community empowerment is cash crowdfunding. [6] **Education** for coastal community. The first is, educate local people about the integration concept of ecotourism minapolity and cash crowdfunding. In addition, the program held training to improve the skill to produce sea product, to keep sea ecosystem, training to encourage trade activities in tourism, and sharing all about marine knowledge. The second, developing technology for agriculture, aquaculture and conservation effort. For example, using internet technology as advertisement media to promote shrimp farming product, organic dragon fruit orchard and Pandansari Beach itself as tourism site. The third is, coastal community in Pandansari is trained to produce creative and innovative products, because recently, shrimp aquaculture and organic dragon fruit orchard sells as a raw materials only. [7] **Environment** is an activity to raise the awareness of community to their environment, since local people in coastal area face an acute problem. That is coastal area become a recycle bin for pollutions from industries, households, urban housing, ships, farming and fish farming. These pollutant are dangerous for ecosystem, for example the abrasion of soil in coastal areas. Therefore, community have to clean up the beaches periodically to conserve the coast ecosystem. [8] **Entrepreneur** such as further processing for sea product, shrimp aquaculture and organic dragon fruit orchards in order to increase their value added. Besides, persuade the young generation to e-commerce by

creating website blog and advertise using other social media to promote sea product, shrimp aquaculture and organic dragon fruit orchards.

3.4 Force Field Analysis

Force Field Analysis (FAA) is a system in the equilibrium that is happen because there is a balance between strengths or other factors that have strong influence in the system, such as, Driving Force Factors and Restraining Force Factors (Fatih 2010). Driving force factor strengthening a balance towards the goal. Nevertheless, restraining factors restrict to the goal which is willing to persuade, and divert from the purpose.

Table 3. Force Field Analysis

Driving Force Factors	Restraining Factors
Internal	Internal
<ul style="list-style-type: none"> - Natural potential - The hospitality of society - Lighthouse - Dragon fruit garden - Prawn farming - Society who promote ecology - Society who has economic motivation 	<ul style="list-style-type: none"> - No tourism programs - Limited promotion - Facilities and tourism service - Investment: capital and finance for business - Number of employees are limited; education and skill of employees are low
External	External
<ul style="list-style-type: none"> - Support from tourism agency or tourism department in Bantul - Cash Waqf-based financing for ecotourism <u>minapolity</u> Eco-friendly visitors -Promotion (traditional) -Tehnology progress for promotion and market expansion 	<ul style="list-style-type: none"> -There is no law for ecotourism business

Table 4. IFAS Analysis

Internal Factors	Strategic	Weighted	Rank	Score
- Natural potential		0.08	3	0.24
- The hospitality of society		0.09	4	0.36
- Lighthouse		0.09	4	0.36
- Dragon fruit garden		0.10	4	0.40
- Prawn farming		0.08	3	0.24
- Society who promote ecology		0.07	2	0.14
- Society who has economic motivation		0.07	2	0.14
Weaknesses				
- No tourism programs		0.07	2	0.14
- Limited promotion		0.08	3	0.24
- Facilities and tourism service		0.10	4	0.40
- Investment: capital and finance for business		0.10	4	0.40
- Number of employees are limited; education and skill of employees are low		0.07	4	0.28
Total			1.00	3.34

Table 5. EFAS Analysis

External Strategic Factors	Weighted	Rank	Score
- Support from tourism agency or tourism department in Bantul	0.15	4	0.50
-Cash Waqf-based financing for ecotourism minapolity	0.19	4	0.60
- Eco-friendly visitors	0.09	3	0.21
-Promotion (traditional)	0.09	3	0.21
-Teknology progress for promotion and market expansion	0.09	3	0.21
Threath			
-There is no law for ecotourism business	0.09	3	0.21
-There is no official support from local government of Bantul Regency on ecotourism	0.15	4	0.60
- There is no patner in ecotourism promotion	0.15	4	0.60
Total		1.00	3.14

To investigate how strong influence of factor which have explained in developing ecotourism minapolity in Pandansari costal region, therefore, this research conduct IFAS (*Internal Strategic Factors Analysis Summary*) dan EFAS (*External Strategic Factors Analysis Summary*). To rank factor, these analyzes use 4 ranks, for instance, 1 is weak; 2 is average; 3 is strong; 4 very strong. The result of IFAS and EFAS are presented in table 4 and table 5 respectively. To rank the factor, these anlyses use 4 number of rank: 1 is weak; 2 is average; 3 is strong; 4 very strong. The result of IFAS analysis is presented in table 4 and the result of EFAS analysis is presented in table 5. Based on descriptive statistics of IFAS and EFAS analyses in table 4 and 5, the value of IFAS = 3.38 and IFAS = 3.14. The results show that, ecotourism in Pandansari is in the ‘growth’ stage. The analysis describes that, some factor that are consider as ‘driving force factors’ do have the highest rank, such as, the availability of lighthouse, Dragon fruit farming, Prawn farming, beach and friendly society. The driving force factors are the combination between ‘the opportunity’ of external strategic factors and ‘the strength’ of internal strategic factors. Total value of ‘push factors’ is 36 is calculated from the sum of push factors’ rank.

4. Discussion and Conclusion

The analysis also showed that the factors that have the highest rank is the capital, the promotion is not maximized, facilities and services are inadequate, the lack of official support from Bantul, and partners for promotional purposes. Inhibiting factor is a combination of strategic factors external threats and internal strategic factor of weakness. The total value of the inhibiting factors derived from the sum of ratings inhibiting factors amount to 29. The total value of the driving factors is greater than the total value of the inhibiting factors indicate that the tourism development of coastal areas Pandansari is feasible to run. The stronger the driving factors will further weaken the effect of inhibiting factor, therefore, the greater the chances of a program can be implemented. The driving factor that needs to be strengthened is the presence of a beacon, dragon fruit orchards, shrimp farms, beaches, people are friendly and open, and the integration of venture capital sharia. Lighthouse and dragon fruit orchard is a potentially strong among tourism sites in Pandansari.

Consequently, ecotourism facilities and service quality need to be improved to ensure customer satisfaction. Strong promotion is also a great support to increase income and trade activities. Since it is expected to make the general public familiar with the existence of coastal ecotourism Pandansari and also attracts more people to visit.

In brief, potential marine resource in Pandansari that are investigated using the method of fishbone diagram and force field analysis have to improve. Integration of cash crowdfunding for social financing (that strongly supported by Indonesia Crowdfunding Board) and Community-based Minapolity Ecotourism supported by 3E (Education, Environment, and Entrepreneur) program is significant to maintain sustainable conservation management and community socio-economic welfare.

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