

CHAPTER I

INTRODUCTION

A. Background

One of the aims of economic development is to provide welfare for all Indonesian people. Tourism in Indonesia has been considered important because of the tourism sector could reduce unemployment and also became one of the driving engine of the economy. Tourism sector has trickle-down effect to another sector such as craft industry, food, hospitality, travel agencies so that it can surely afford create jobs and increase income (Rahardjo, 2002). Law No. 9 of 1990 on Tourism, explain construction tourism as part of national development has the objective, among others widen and spread evenly business opportunities, employment and welfare. Thus, development in the field of tourism has an impact to increase the income which could improve the community welfare.

Indonesia is one of an archipelago country that has a wide range of beauty, both of land and sea are attractive to be enjoyed. In every area of Indonesia has a typical characteristic that is exhibited, such as performing arts or cultural diversity. Because of the characteristic that possessed in every area so it creates some attractive tourist spot to visit. For example Bali, Bali is one of famous tourist spot in Indonesia Bali is popular foreign tourist destination, which contribute revenue to the district.

Another tourist spot that popular in Indonesia especially West Java Province is Pangandaran Beach, Pangandaran beach have so many tourist attraction they are Pasir Putih Beach, Green Canyon and cultural art festival such as Jaipong. Another tourist attraction in Indonesia is Gili Island that located in Lombok West Nusa Tenggara Province. The Gili is popular for scuba diving and snorkeling but also for relaxing, swimming and partying.

Tourism can be defined as a journey from one place to the other place that is temporary, which is usually carried out those people who want to refresh their mind after the hard work and spent the time with their family to recreation. The one reason why people traveled religious impulse, such as recreation to some religious places to explore the science of religion. The other reason why people traveled is to doing sport activity or just watch some sport event (Spillane in Maryam 2011).

Tourism development in some region brings many benefits to the local community, such as communities can establish economic enterprises around tourism. In terms of government, tourism activities can support economic growth and tourism activity can also provide income of the area that came from the tax, parking fees, tickets, and can bring in foreign exchange from the tourist that visited. The other benefit of tourism is increasing productivity and income of household in tourism area, they can build some business such as Hotel and homestay. Tourism is the fastest growing industry in the world (WTO, 2000).

Selviana (2012), the United Nations resolution had been said that tourism as a basic and desirable human activity deserving of the praise and encouragement of all people and government. Tourism can be defined as an activity that has multiple dimensions of the circuit a development process.

Development of the tourism sector concerning on social, cultural, economic and political (Spilalne, 1994). This is in line with contained in Law No. 10 of 2009 on tourism which states that the implementation of tourism intended to increase national revenue in order to improve the welfare of the country, expand and flatten business opportunities and jobs, spur regional development, introduce and utilize objects and tourist attraction in Indonesia as well as fostering a sense of patriotism and relationship between nations. Tourism also gives foreign exchange to the country that is comes from the arrivals visitor that visited so it will increase the national income of country.

According to Baskoro (2013), the construction can be used as a means to create awareness of national identity and diversity. Develop and improve existing tourism sector in each region is a part of development. Efforts to foster development in the tourism sector should be supported by adequate resources and good management. Element of natural resources related to the development of tourism is an important thing in the development of tourism.

The impact of tourism on economic sectors according to the WTO in Selviana (2012) tourism provides the following benefits, they are: (I) Increasing the local product of agriculture, so the development of tourism and agricultural development will open up a golden opportunity for farmers to promote the crops. Tourism encourages farmers to innovate, learn new techniques in food production and also spurred food management those will encourage farmers to have self-sufficient. (II) Accelerating the development of location or land that is less productive, such as the construction of tourism facilities in the area or dryland greening so it can be economically valuable and more useful. (III) Stimulate interest and demand for exotic products and typical for a region or country, usually for the area that opened for tourism purposes, there must be a seed that is relied upon, such as crafting unique, exotic scenery, and others. If the demand of the product is increase it will inflict exports and that phenomena will create the development of region economy and also the country. (IV) Increasing the number and demand for fishery and marine products. Tourist who visit frequently use fishery products, thus increasing the demand for fish on fishermen and I will increase their income. (V) Encourages the development of the region and the creation of new economic zones. (VI) Avoid concentration of people and spread economic activity. (VII) The deployment of infrastructure in remote regions. (VIII) Management of resource management as a source of revenue for local authorities.

In the side of social sector the benefits of tourism according to the WTO in selviana (2012), they are: (I) the differentiation of social structure life positively are (a) the transition and transformation of labor from the agricultural sector to the services sector, including tourism, (b) modernization of agricultural sector, (c) the development of the craft industry, (d) a decrease in the gap between the level of revenue, (e) equality of educational opportunities among social stratification. (II) modernization of the family gets a new status of women in traditional peasant family. If women obtain and have the opportunity to work in the field of tourism, it will encourage other families to change perspective. They will be honored women. (III) expand the horizons and perspectives of the community to the outside world, in the presence of tourists in some sites will change the attitude and outlook of the local society. Society is no longer negative prejudice against tourists who come before knows well.

Tourism has provided a sizeable foreign exchange for the country. Indonesia as the largest archipelago country in the world with 17,508 islands or called as a maritime country, because the growth of tourism in Indonesia is always on top of economic growth so Indonesia has realized the importance of the tourism sector Indonesian economic development. Since 1978, the government will continue to increase tourism in Indonesia. This is based on TAP MPR No. IV / MPR / 1978, that tourism needs to be upgraded and expanded to increase foreign exchange, increase employment and introduce the culture.

Coaching and development of travel is done by taking into account the preservation of cultural and national identity. For that we need to take steps and arrangements and target based on integrated policy, among other areas of promotion, provision of facilities and the quality and continuity of service.

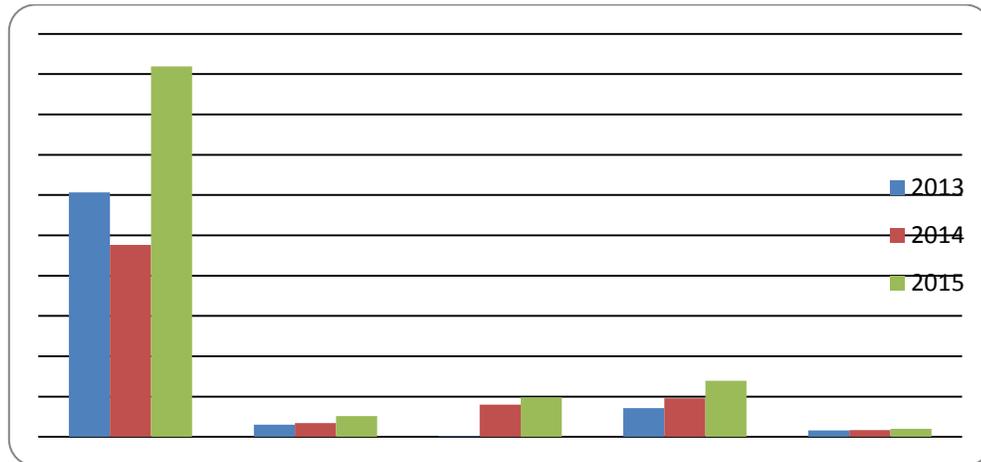
Based on Indonesian Statistics on the international arrivals to Indonesia in 2011 reached 7.6 million it generated foreign exchange earnings of US\$ 8.55 billion or it is increased 12.51% compared year 2010, while in 2010 the total arrivals is 7.00 million with foreign exchange earnings is 7.60 billion.

Pangandaran is one of the tourism destination owned by West Java, especially in the district administration of Pangandaran. The capital of Pangandaran district is Parigi. In the north side, the district borders with district of Ciamis and Banjar City. In the east side, Pangandaran borders with Cilacap regency. In the south side, Pangandaran district borders with Indian Ocean. And in the west side, Pangandaran district borders with Tasimalaya city. Pangandaran is a division of Ciamis district.

Pangandaran has potential of economic in tourism sector. Some of the featured attractions in the county is already well known by foreign tourists, among other attractions are Pangandaran beach, Batukaras beach, Madasari beach, Batuhiu beach, nature reserves and tourist Penanjung Taneuh vinegar or better known as the green canyon.

Based on national spatial context on the National Spatial Plan (RTRWN) or in Indonesia is Rencana Tata Ruang Wilayah Nasional, in PP no 47 year 1997 on RTRWN, Pangandaran and surrounding area is one of the leading areas of tourism in West Java. In West Java Governor Regulation No. 48 Year 2006 on Regional Tourism Development Master Plan (RIPPDA) West Java Province, stated that the Pangandaran Beach Recreation Area is one of nine Area Tourism seed in West Java. As well as in West Java Perda No. 22 Year 2010 concerning RTRWP West Java in 2009, Pangandaran area designated as a strategic area of the province.

Pangandaran as one of the tourist sites is quite advanced with provided various complete facilities so it makes the tourists comfortable. Pangandaran also provide a considerable contribution to local revenue in 2012, Pangandaran beach give revenue to the district as IDR 2.380.237.000. However the rate may not correspond with the government target which IDR 2.750.000.000 per year. Although Pangandaran beach has not achieve target, but the numbers that received from the tourism sector could able to increase revenue.



Source: Departement of Tourism, Industry and SMEs of Pangandaran

FIGURE 1.1

The Amount of Visitors in Pangandaran District Tourism

From the graph above show that the visitors of Pangandaran Beach tourist object has more visitors than other tourist object. This graph shows that Pangandaran Beach has uniqueness and beauty that can increase the interest of visitors so they are more prefer to visit Pangandaran Beach. From the data above show that the vistors of Pangandaran beach decrease in year 2014 with amount of visitors 952.095 but in year 2015 the visitors of Pangandaran Beach increase with amount 1.838.646.

The number of visitors who visit can affect environmental conditions, if visitor not aware condition of environment, if the numbers of visitors keep

increase the environmental conditions will be under threat and hygiene is not maintained.

This was shown by the number of garbage around the coast of Pangandaran, the visitors littering regardless of the surrounding environment. The other problem that faced are many facilities have not been maintained well and some facilities have not been met.

For the maintenance improvement of fiber quality in Pangandaran beach and environmental quality improvements that maintained continuity of society should have a stake in preserving the coastal environment, and it requires a fund. Levies imposed on visitors is used for operational funds and used to improve the quality of the environment and development of Pangandaran Beach.

This study was conducted to determine how the visitor's ability to pay in order to improve environmental quality of Pangandaran Beach using Contingent valuation model (CVM). Contingent Valuation Model (CVM) is one of a methodology based on a survey in order to determine and estimate the magnitude of public appraisal of goods and services as well as comfort. Another objective of the Contingent Valuation Model (CVM) is to determine the willingness to pay (willingness to pay) of the community and a desire (willingness to accept). This technique is based on the assumption of ownership rights, therefore, if the individual does not have rights of good and service that produced by natural

resources, so the relevant measurements is the maximum willingness to pay to obtain goods and services.

Conversely, if the individual has that natural resources, so the relevant measurements is the most minimal desire to receive compensation for lost or damaged of natural resources that he had (Garrod and Willis, 1999, in Nugroho, 2012). Contingent valuation method (CVM) can used as (1) estimate the willingness to pay of individuals to change the quality of travel; (2) be able to assess the trip with a lot of tourist destinations; (3) be able to assess the pleasure of using environment both users and non-users of natural resources; (4) items whose value is too low can be assessed by this method (Mitchell and Carson, 1989; Lee et al, 1998, in Nugroho, 2012).

According Sasmi (2016), using the contingent valuation method (CVM), last education, age, income level, and vocation fee variable influence willingness to pay (WTP) of the vistors of Goa Cemara Beach tourism object. The previous study that used the same method, showed that last education, age, invome level, and vocation fee variable influence willingness to pay (WTP) in the preservation of Goa Cemara Beach.

According to (Saptutyingsih 2012) in study to identify the highest air pollution areas and to estimate household marginal Willingness To Pay (WTP) for air quality improvement. The result from kringing technique indicates that six

sub districts in Yogyakarta City and one sub district in Gunungkidul have highest concentration of particle pollution (PM10). The result hedonic price method conclude that by adopting a two stage estimation procedure an increase 1% increase in the level of PM10 reduced property price in the study area by 0.32%. marginal implicit price for reducing PM10 is IDR 957.900,00. The household are willing to pay an additional amount of 1.34 percent for a reduction in PM10 by 1%.

In order to develop tourism in district of Pangandaran Beach, need cooperation between the government, communities and institutions. The tourism development is important to maintain the beauty of Pangandaran Beach and also to increase the number of tourist that visit to Pangandaran Beach. So that the author took the title "**Factors that Influence Willingness To Pay Visitors of Pangandaran Beach Tourism Using Contingent Valuation Model**".

B. Limitation of Research Problem

In order to conduct the research which is consistent with the objectives, hence the writer sets the following restriction:

1. The research is done only in Pangandaran district, especially in the object of Pangandaran beach.

2. The dependent variable of this research is willingness to pay and the independent variable in this research are the visitor of Pangandaran beach, travel cost, age, the level of income, education and visit frequency.
3. This research uses Contingent Valuation Method (CVM) and regression analysis in the research process. CVM has a major drawback, namely the emergence of bias, bias may result from wrong strategy and study design. Thus, it is expected to further research can use different methods so that research results can be compared with previous studies.
4. This study is not using binding game or dicotomous choice.

C. Formulation of Problem

In this research, the writer has some formulation of problems, they are:

1. How to measure the size willingness to pay visitors of Pangandaran Beach.
2. Will age influence visitors willingness to pay in Pangandaran Beach?
3. Will education level influence visitors willingness to pay in Pangandaran Beach?
4. Will level of income influence visitors willingness to pay in Pangandaran Beach?
5. Will recreation fee influence visitors willingness to pay in Pangandaran Beach?
6. Will visit frequency influence visitors willingness to pay in Pangandaran Beach?

D. Research Objectives

Based on the introduction and problem statement, the objectives of the research are:

1. To know the size of willingness to pay a visitors Pangandaran Beach tourism
2. To know the influence of age on the willingness to pay a visitor of Pangandaran Beach.
3. To know the influence of last education on willingness to pay a visitor of Pangandaran Beach.
4. To know the influence on the income level of willingness to pay a visitor of Pangandaran Beach.
5. To know the influence of the recreation fee to the willingness to pay a visitor of Pangandaran Beach.
6. To know the influence of the frequency of visit to the willingness to pay a visitor of Pangandaran Beach.

E. Research Benefit

1. Theoretical benefit.

- a. For researcher

To increase knowledge and insight and apply knowledge that gained in college with the condition of environment.

- b. For science

This research is hopefully useful as reference material for research studies related to the willingness to pay (WTP) visitor of Pangandaran beach or related about willingness to pay.

2. Practical Benefits.

a. For government

This research is expected to be material information for the government and as consideration for government to take development planning on tourism of Pangandaran beach.