

CHAPTER I

INTRODUCTION

1. PROBLEM BACKGROUND

The development of tourism today is national program in achieving the development goals of developing countries and developed countries. Similarly, Tourism programs in Indonesia has been an integral part of national development that can contribute to improving the economy. Indonesia also has the potential of natural and cultural diversity is very rich. However, based World Economic Forum, WEF (2015), Tourism destinations in Indonesia currently ranked 50th out of 141 countries in the world and ranks 4th in ASEAN after Singapore, Malaysia and Thailand (weforum.org). Indonesia's competitiveness is still inferior to neighboring countries such as Singapore, Malaysia and Thailand due to problems of health, technology and infrastructure that make Indonesia lagging competitiveness.

Indonesia is currently facing preparation in order to program the ASEAN Economic Community (AEC), the mechanism will be set at the end of 2015. As stated by the Director General for ASEAN Cooperation, I Gusti Agung Waseka Puja that, *“AEC is getting closer. Indonesia should be able to take advantage of the integration of the member countries of ASEAN which will start on 31 December 2015, to improve the welfare of the whole people of Indonesia”* (pikiran-rakyat: 2015). The term ASEAN Economic Community (AEC) is one of the 10 ASEAN vision that is outward looking, economic integration, harmonious environment, prosperity, caring societies, common regional identity, living in peace, stability,

democratic, and shared cultural heritage (okezone: 2015) , This is an opportunity to boost the tourism sector as the country's foreign exchange contribution.

In addition to a description of the dynamics of global and regional level of the local tourism industry faced with the national challenge, especially when associated with decentralization. The era of regional autonomy that is characterized by Law No. 22 of 1999 as amended by Law No. 32 of 2004 on Regional Government has authorized the district / city to manage his own household in order to improve the welfare of the community independently. The independence, expected to create better economic growth, including the tourism sector areas more professional. On the other hand, tourism activity is often more emphasis on efforts to increase tourist arrivals oriented revenue without thinking about the impact on the environment, social and cultural. Therefore, the development of tourism products offered managers tend to lead to the development of mass tourism. Of course, if it is left to the development of tourism, which is likely to negatively affect less attention to ecological aspects, social, cultural, and even can be exploitative towards its resources. Though local tourists and foreign tourists increasingly critical choosing tourist destinations are able to offer optimum satisfaction score despite the relatively high cost (Damanik and Frans Teguh, 2013: 13). It can be argued that the current rating is more likely to seek quality tourist destination to be visited.

Alternative concepts addressing the negative impacts of mass tourism is a concept that is not mass tourism. The concept of development that can be enjoyed by present and future of our children and grandchildren is the concept of sustainable tourism development. Sustainable tourism development is needed in the face of tourism activities, especially in the global world and the reactivation of Indonesia

in the ASEAN Economic Community (AEC). Sustainable tourism development means the development of increased profits from tourism resources for the local community while retaining the integration of these communities culturally and ecologically as well as improving the protection of natural heritage of the region and ecologically sensitive (Neto, 2003: 7).

One type of tour in accordance with the concept of sustainable tourism is the kind of journey in the form of integration between attractions, accommodation and support facilities are presented in the structure of society which merges with the applicable procedures and traditions (Nuryanti, 1993: 2-3). Attraction type began to grow on the basis of sustainable rural development in the field of sustainable tourism. It makes people tend to look for the lively atmosphere of rural communities ranging from the authenticity of lifestyle to their quality of life that affect the state of economic, physical and social rural areas, such as space, cultural heritage, agriculture, landscape, services, tourism, history and culture, and experience the unique and exotic regional specialties.

In harmony with tourism issues, can be seen in Gunung Kidul Regency, Gunung Kidul Regency is an area autonomous part of the province of Yogyakarta, has the condition as an area that is developing quite well in tourism and culture, as this sector that can be relied on to remember in Gunung Kidul Regency there are a wide variety of attractions that are very interesting, especially the tourism villages famous for their culture. In addition, this area is already prepared to face the challenges of the ASEAN Economic Community (AEC). The program strongly encourages government, private sector, and the public area of Gunung Kidul Regency to make corrections in the tourism sector can be seen from the steps of

local government Gunung Kidul Regency in the development of tourism through the program in 2015 under the theme “Strengthening Local Efforts and Basic Services, Cultural Development, strengthen industrial investment facilitation and Tourism characteristic typical Gunung Kidul Regency”. One of the famous tourist attraction in the Gunung Kidul Regency is a Tourism Village Nglanggeran.

Nglanggeran Tourism Village is one of the assets belonging to the Gunung Kidul Regency as community empowerment and development in the concept of rural tourism since the place is often visited by tourists who want to travel with the theme of adventure and in this village famous ancient mountain that is Gunung Api Purba. And recently in the region have built an artificial lake with a beautiful view, as well as attractions such artificial lake serves as the irrigation of fields and plantations which are located around the artificial lake. Local Government in Gunung Kidul Regency has taken various important steps to face the challenges of the ASEAN Economic Community (AEC). Vice Regent of Gunung Kidul regency, Immawan Wahyudi said that “the regional government has prepared a strategy in the ASEAN Economic Community” (bsn.go.id accessed 10 October 2015). The strategy in question is the development of trade and industry sector one of them is to build a reliable infrastructure supporting tourism.

Related issues above, to determine the direction of development of supporting infrastructure of tourism that are reliable and the development of tourism products corresponding characteristics of the area, Local Government in Gunung Kidul Regency, especially the Department of Culture and Tourism in Gunung Kidul Regency to increase the potential of tourism in Nglanggeran Tourism Village located Patuk district, the Department of Culture and Tourism of Gunung Kidul

Regency must implement effective strategies that can adapt in line with the demands of the development and changes both internally and externally. Hence the title of this research is **“The Government Strategies To Improve The Tourism Potential In The face ASEAN Economic Community 2015 (Case Study: The strategy adopted by Local Government in the Gunung Kidul Regency, especially the Department of Culture and Tourism to improving the tourism potential in Nglanggeran Tourism Village)”**. Moreover, the reason from the author chose this study because the Local Government of Gunung Kidul Regency are developing strategies in the field of tourism for the ASEAN Economic Community is an enormous challenge in early 2016.

2. RESEARCH QUESTION

Of the background issues that have been described previously, it can be stated that the subject matter *“How the strategy Department of Culture and Tourism in Gunung Kidul Regency to developing the potential of tourism in Nglanggeran Tourism Village to facing the challenges of the ASEAN Economic Community (AEC)?”*

3. PURPOSE AND BENEFITS OF THE RESEARCH

a. Purpose of The Research

- i. Environmental analysis of internal and external tourism potential in Nglanggeran Village.
- ii. Describing the development strategy of tourist products offered by Nglanggeran Village as a tourism village.

b. Benefits of the Research

- i. For Local Government of Gunung Kidul Regency
 - This research will provide input to the relevant authorities, in determining the development policy of tourism villages especially Nglanggeran Tourism Village.
 - The study also describes the strategy for the development of tourism potential in the ASEAN Economic Community (AEC).
- ii. For Student University
 - Deepening the understanding and appreciation of the usefulness of science has learned directly.
 - Deepening theories exist to improve the knowledge of students thinking skills so that they can apply the knowledge in the field of tourism.
- iii. For Public
 - As input or references to study the tourist area of product development, especially sustainable tourism.

- As a measure of the success of the Local Government in Gunung Kidul Regency to adopt the implementing a strategy to face the ASEAN Economic Community (AEC).

4. THEORITICAL FRAMEWORK

In the theories that are used to determine the variable as research analysis tool. The theories will be explained include the theory of strategy, development of tourism potential, and the ASEAN Economic Community (AEC). The description is as follows:

a. Theory of Strategy

In Big Indonesian Dictionary mentions the strategy as a careful plan of the activities to achieve specific goals. Understanding the strategy according to Rangkuti (2005: 3) are described as follows:

“The strategy is a means to achieve its goals in relation to the long-term goal, the follow-up program and resource allocation priorities. In conjunction with strategic planning so that the company can have an objective look at internal and external conditions, so that the company can anticipate changes in the external environment”.

While the word "strategy" itself is an ancient Greek meaning "Strategos" which means the art of war. The term evolved to the present and is used by an organization in the process of achieving the goals of the organization.

1) Strategy in Collaborative Governance

Sink (1998) explained the collaborative partnership as a process where organizations that have an interest in a particular issue trying to find a solution that is determined jointly in order to achieve goals which they cannot achieve

it solely. Fosler (2002) explained in more detail that collaborative partnership involved intensive cooperation among the parties, including the existence of a conscious effort to do alignment in goals, strategies, agendas, resources and activities. Both institutions that basically have a different purpose build a shared vision and trying to make it happen together. Bovaird (2004) defined a partnership as setting work by reciprocal commitments, over and above that set in each contract, between the organizations in the public sector with organizations outside the public sector. Both approaches (collaborative and partnership) in practice is very difficult to distinguish so generally Cooper (2006) called it citizens-based government organization (Zaenuri, Sumartono, Zauhar & Wijaya: 6)

According to Wanna (2008), to realize collaboration, stages that show the scale and intensity of the collaboration are. Scale of collaboration can be described as a ladder that shows an increased commitment from the lowest level to the highest level of collaboration-from the simplest to the most complex. The highest level of collaboration raises the risk of political and managerial as mutual consensus, whereas a partnership would not pose a political and managerial risk. In Table 1.1, it can be seen that the intensity is increasing. It shows the list of the level of cooperation relevant to the policy process and indicates what activities are involved in each of the various levels (Zaenuri, Sumartono, Zauhar & Wijaya: 24-25).

Table 1.1: Collaboration and involved activities

Degree of Collaboration	Involved-activities
Highest level: high normative commitment to collaboration; often highest political/managerial risks.	Transformative interaction between network actors; substantive engagement and empowerment; search for high degree of stakeholder and inter-actor consensus and cooperation; coalition building by government and nongovernment actors.
Medium-high level: strong normative orientation; high level of political/managerial risk.	Strong engagement of stakeholders in decisions or policy process and implementation; devolving decision-making capacities to clients; more complex innovations in policydelivery processes.
Medium-level: commitment to multiparty input and buy-in; moderate levels of political/managerial risk.	Formal commitment to inter-agency consultation and collaboration; joined government strategies; formal joint involvement exercises and joint funding initiatives.
Medium-low level: operational forms of collaboration to 'get job done'; some political/managerial risk.	Forms of co-production: technical improvements in delivery chains; assistance to comply with obligations; direct consultation with clients over delivery and compliance systems; systematic use of evaluation data; public reporting on targets informed by client preferences.
Lowest level: marginal operational adjustments, low levels of political/managerial risk.	Incremental adjustments using consultative processes; client discussions and feedback mechanisms; gaining information on needs/expectations of others.

Source: Wanna (2008)

From the table it can be seen that the intensity of collaboration shown by the scale ranging from the lowest (lowest level) to the highest (highest level). The lowest level shows the lowest political or managerial risk with marginal operations, and activities that occur are incremental in the form of the consultation process, discussion to obtain input and information, and among those who collaborate still formulate an idea and hope to achieve a comprehensive picture of collaboration. The highest scale has a high political and managerial risk leading to the normative commitment, and activities have led to the transformative interactions and to substantive empowerment. The form of activities carried out between actors is already tangible coalition of government and non-government based on the principles of cooperation and consensus.

Figure 1.1 showed that the relationship between government and society in the form of training because people still need to be guided and directed to provide maximum service. Otherwise, the relationship between the public to the government was to provide the latest information on the existing problems in providing services and to make corrections on the Merapi volcano management of the upcoming tour. The private sector's role in the provision of tourism services is primarily performed by travel agents and accommodation (primary stakeholders) which was perceived to be more professional. Whereas marketing activities carried out by the utilization of the latest information technology and supported by sufficient data. Travel services conducted in a transparent manner by making tour packages with clear prices. The association of travel agents supports all activities and provides better guidance to improve the quality of service.

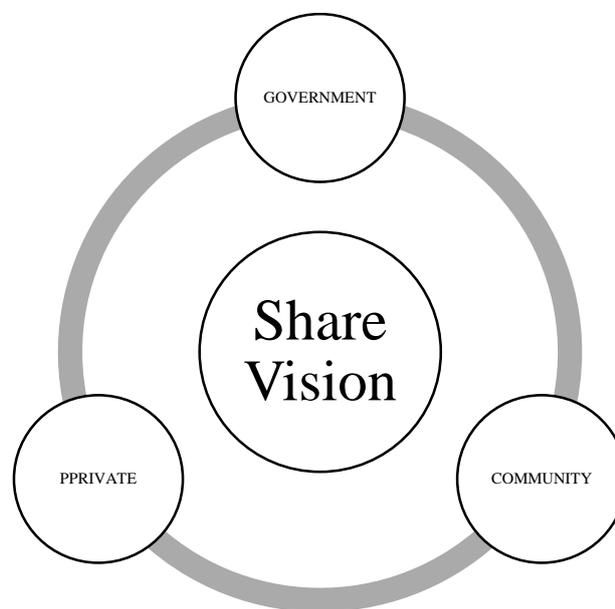


Figure 1.1: Relation between Government, private and community.

2) Determination Strategy Through SWOT matrix

According Utama and Mahadewi (2012: 150), SWOT Analysis is an analytical tool that is commonly used to formulate strategies or identification of factors strategically based on intuition (understanding and knowledge) expert to the object.

SWOT is an acronym for strengths, weaknesses, opportunities, and threats from the external environment. According Jogiyanto (2005: 46), SWOT be used to assess the strengths and weaknesses of the resources of the company and the external opportunities and challenges faced. This process involves determining the specific goals of the business venture or project and identifying the internal and external factors that support and that is not in achieving that goal.

b. Development of Tourism Potential

1) Tourism Policy For Industry

In the perspective of the tourism industry, according to Soetomo (2011: 20) the tourism sector, the success rate depends on many construction components and other variables of the development in general. That is, the success rate of tourism development depends a lot on the participation of other sectors, such as transport sector, the environmental sector, education sector, social sector, economic sector, religious sector and other sectors of the others, both formal and non-formal. Thus, in the tourism industry avoided sectoral egoism. Opinions Supomo (2011: 15), on base understanding of tourism development should not be tilled partial, but it must be integral,

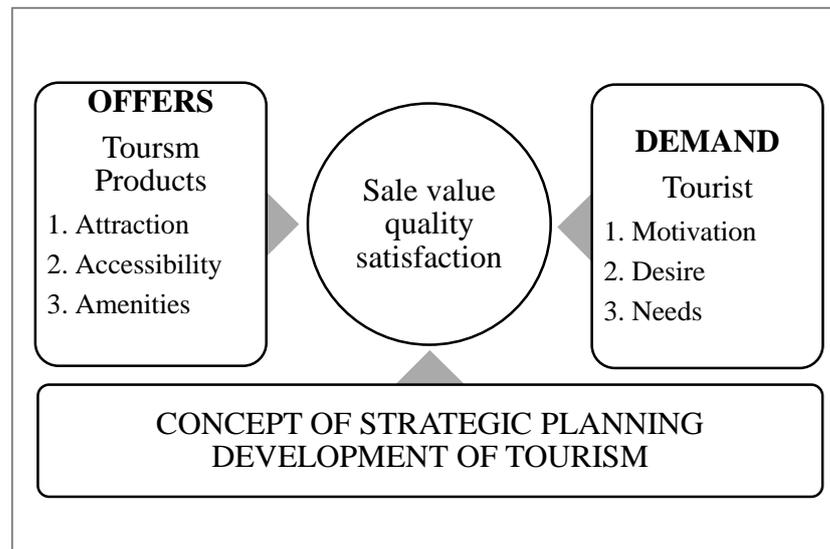
avoiding selfishness sectoral and institutional arrogance and the need to synchronize and coordinate into a new thinking on the development of tourism.

Ridwan (2012: 47) states his opinion on tourism development planning policy as follows:

“Tourism development planning is basically to find common ground between the supply with demand. Therefore, in the planning of tourism development should first identify its tourism product (offer) that exist in the area of tourism and tourist market (Demand), both actual and potential then conducted an analysis of these two aspects is reached”.

The concept between offer and demand approach can be seen in Figure 1.2.

Figure 1.2
The concept of offer and demand conformity approach



Source: Data (Ridwan, 2012: 47).

As Figure 1.2 above, travelers inquiry raised by a variety of motivations, needs, and desires. Psychological Sciences recognize the division of intrinsic and extrinsic aspects. Meanwhile intrinsic factors of human beings on three

categories namely: cognitive aspects include knowledge and understanding, affective aspects include feelings, interests, motivations, attitudes and values, the third is the psychomotor aspect that includes observation (Sumarmi, 2012: 138).

According Ridwan (2012: 51), motivation are factors that influence and driving increased demand for travel. According Soekadijo (2000: 38-47) travel motif into ten groups, namely: the motive of fun or sightseeing, recreation motive, motive of culture, sports tourism, business travel, convention tourism, spiritual motives, inter-personal motives, motives health and social travel.

Meanwhile, other sources state tourist travel activity is influenced by the availability of money / distribution and an increase in tourist revenue, a reduction in working hours, the climate and the environment, public education (Freyer, 1993: 30; Mundt, 1998: 79-86). Policy-setting number of working hours, transportation technology, education increases, the influence of climatic conditions of the area of origin so hot, water pollution, soil, air tends to seek a regional tour that cold climate and pollution are minimal (Damanik and Weber, 2006: 3-5).

According to Mr. Muchamad Zaenuri (2012; 53-54) travel deals, namely the tourism product in the form of goods and services to meet the needs and desires of tourists. Offers in the form of travel products usually involve tourist attractions, accommodation and accessibility. Tourist attractions are performances or unique attractions and become the preference of the tourists and could finally satisfy what is desired by tourists that, while the

accommodation is a means of support for the implementation of tourist attraction and can be in the form of tourism facilities, and accessibility is how to get to destination where the tourist destinations. Groups Attractions, can be a Natural Attractions, Culture and Work of Mankind, which consists of Site Attraction (Heritage) is an essentially static and "tangible" and Event Attraction (Events Travel) is dynamic (not tied to spot) and "intangible" ; Group Accessibility, which is reflected in various facilities including transportation (land, sea, air, lakes, rivers), permits to visit (visa policy, permission to enter the protected area - protected areas - such as nature reserves, wildlife reserves, sanctuaries culture, historical sites, and so on.) the group accommodation, which offers shelter, housing, conference and exhibition facilities, places of worship, means the dish (restaurants, cafes, bars and the like).

According Medelik and Middleton (Ridwan 2012: 48), travel products are all forms of service enjoyed by travelers since he departed leaving the place where he used to live until she returned home.

According to Kotler (1997) there are three levels of travel products, (a) Main products (core product), (b) Secondary products (facilitating product), (c) Additional Products (augmented product). The main product is the object of the main destination by tourists to visit the area. Secondary product is a service to the market so that the market can enjoy the products offered optimally. Additional products are products that are associated with things abstract or relative, for example, the ambience (atmosphere); and services that essentially supports the performance of core product in general.

2) Policy development of protected tourism areas

As a system, tourism sometimes cause interference to the surrounding environment, both of the existence of resources, the sustainability of habitat of flora and fauna, and sometimes can lead to a potential conflict with the surrounding community. To reduce / suppress the occurrence of the impact on the protected area, the Director General of Tourism (Yoeti, 2000: 45) has established the basic foundation of the development of nature tourism, which is generally as follows: (1) environmentally friendly, including the socio-cultural, (2) remain subdued function and capacity of the environment, (3) No action to anticipate the impact, (4) it is the responsibility of all parties concerned, (5) there is education and training for tourism workers and (6) lack of access to public information about nature conservation. In that regard, the development of infrastructure and facilities highly recommended to be done as needed and using materials that exist in the region. The use of technology and modern facilities are restricted to a minimum. Meanwhile Yoeti (2000: 39) adds that in order to reduce the pressure on forests, it is also necessary to maximize the participation of the local population and maintain the customs and habits of everyday society.

In the development of sustainable tourism Damanik and Weber (2006: 30) describes the dimensions that must be considered by the service providers in the tourism planning.

Table 1.2
The economic, ecological, social and cultural in sustainable tourism.

	Dimension	Tourist	Service Providers
1	Economy	<ul style="list-style-type: none"> ○ Increasing tourist satisfaction. ○ Increased spending. 	<ul style="list-style-type: none"> ○ Increased and equitable distribution of income. ○ Creation of employment opportunities, especially for local communities. ○ Increased diversification of employment opportunities.
2	Ecology	<ul style="list-style-type: none"> ○ Use of products and services based tourism environment (<i>green product</i>). ○ Willingness to pay more for products and services environmentally friendly travel. 	<ul style="list-style-type: none"> ○ Determination and consistency in carrying capacity. ○ Waste management and reduction of energy-efficient use of raw materials. ○ Priority development of products and services based environment. ○ Increased environmental awareness with conservation needs.
3	Social	<ul style="list-style-type: none"> ○ Social care is increasing. ○ Increased consumption of local products. 	<ul style="list-style-type: none"> ○ Involving as many stakeholders in the planning, implementation and monitoring. ○ Improving the ability of local communities in the management of tourist services. ○ Empowerment of local institutions in decision making tourism development. ○ The strengthening of the position of the local community to the outside community. ○ Ensuring the rights in the use and management of tourism resources. ○ The passage of fair rules for the development of tourism services.
4	Culture	<ul style="list-style-type: none"> ○ Contact reception and cultural differences. ○ The appreciation of local culture. 	<ul style="list-style-type: none"> ○ Intensification of cross-cultural communication. ○ The introduction of local characteristics or cultural products in the supply of attractions, accessibility and amenities. ○ Protection of cultural heritage, customs and local wisdom.

Source: Damanik dan Helmuf F.Weber (2006: 30-31)

c. ASEAN Economic Community (AEC)

1) The concept of the ASEAN Economic Community (AEC)

ASEAN Community is a form of intra-ASEAN cooperation in the Declaration of ASEAN Concord II in Bali, October 2003. ASEAN Economic Community (AEC) is one of the pillars of the embodiment of the ASEAN Vision 2020, together with the ASEAN Security Community (ASC) and the ASEAN Socio -Cultural Community (ASCC) (Arifin, 2008:9).

A community of ASEAN countries is very broad, there are no restrictions in the economy region. Where a state can be a free entry in the market competition. ASEAN Economic Community (AEC) which is free from constraints, prioritization of enhanced connectivity, utilization of various cooperation schemes either intra-ASEAN and between ASEAN and partner countries in particular FTA partners, as well as strengthening the role of entrepreneurs in the process of internal integration of ASEAN as well as with partner countries.

According to Rizal and Aida in (Arifin, 2008: 9) the establishment of the ASEAN Economic Community (AEC) is implemented through four strategic framework, namely, achievement of the single market and the unity of the production base, the area of economic competitiveness, economic growth that is equitable and integrated with the global economy. Integration measures into strategic achieve competitiveness is strong and on the other hand will contribute positively to society as a whole and individual ASEAN member states. The formation of the ASEAN Economic Community (AEC) also made the position of ASEAN is getting stronger in the face of negotiations

International, both in response to the increasing tendency of regional cooperation, as well as the bargaining position of ASEAN dialogue partners, such as China, Korea, Japan, Australia, New Zealand, and India.

Achievement of the ASEAN Economic Community (AEC) requires the implementation of liberalization measures and cooperation, including increased cooperation and integration in new areas include: human resource development and capacity building; closer consultation on macroeconomic and financial policies; trade finance policy; improvement of infrastructure and communication links; development of electronic transactions through e-ASEAN; integration industry to enhance regional resources; as well as increased private sector involvement (Arifin, 2008:10).

2) The Establishment of the ASEAN Economic Community (AEC)

The formation of a free trade area that is achieved through the mechanism of AFTA is a success because rates in the region have managed to be gradually reduced to zero. ASEAN then want to further improve the economic cooperation. The flow of foreign investment into the ASEAN region, namely the number of multinational companies operating in the area in need of channeling goods (supplier) must also exist in the area resulting in production cost efficiency. ASEAN market that is open and integrates with global markets coupled with the availability of production goods produced by suppliers from ASEAN countries will greatly assist ASEAN member countries to increasingly attract foreign investors into the region. Thus, the Cebu Declaration on January 13, 2007 (12th ASEAN Summit) decided to

accelerate the establishment of the AEC to 2015 in order to strengthen ASEAN's competitiveness in the face of global competition, especially from China and India (Koesrianti, 2013:2).

With some of the considerations that underlie it are: (1) the potential reduction of production costs in ASEAN amounted to 10-20 percent for consumer goods as the impact of economic integration; (2) increase the ability of the region to the implementation of international standards and practices, intellectual property rights, and increasing competitiveness. With the economic integration of regional infrastructure is expected to further develop together with the integration of transport, telecommunications and energy (Arifin, 2008:11).

In order to monitor the progress of the implementation of the ASEAN Economic Community ASEAN Arranged Baseline Report (ABR), which acts as a score card through three categories: process indicators, indicators of output and outcome indicators and then to an index level of countries and regions. State level index used for comparison between countries in achieving the ASEAN Community. Meanwhile, the index used to assess the regional level overall performance in each area of interest ASEAN Community (Arifin, 2008:19).

3) Economic Integration

According to Jovanovic (Arifin: 2008:26) economic integration is a policy option that is more efficient than if each country make efforts unilaterally.

The integration also requires the absence of some division of labor and the freedom of mobility of goods and services within a group of countries.

4) *Balassa* Integration

The complexity of economic integration and different intensity levels to encourage the emergence of an analysis to distinguish stages of economic integration. Integration stage approach widely used is the stage of integration by Balassa (Arifin, 2008:32). Balassa divides the stage of integration into six stages, namely:

Table 1.3
Integration Stages Balassa

Stages	Description
<i>Preferential trading area (PTA)</i>	Block trades which give privileges to certain products from certain countries with tariff reductions but does not eliminate it entirely.
<i>Free trade area (FTA).</i>	An area where tariffs and quotas between member states abolished, but each country remains set their rates of each of the countries that are not members.
<i>Custom union (CU)</i>	An FTA that eliminates barriers commodities between countries and set the same rates to countries not members.
<i>Common market (CM)</i>	A Custom Union (CU), which also abolish obstacles to the movement of factors of production (goods, services, capital flows). The similarity of prices of factors of production expected to result in an efficient allocation of resources.
<i>Economic union</i>	Is a Common Market (CM) with a degree of harmonization of national economic policies are significant (including structural policies).
<i>Total economic integration</i>	The unification of monetary, fiscal, and social policy followed by the establishment of supranational institutions with decisions that are binding for all member countries.

Source: (Samsul Arifin et al. 2008:33)

Stages This integration gives the order for purposes of additional analysis and help to understand the policies needed in any additional integration when a group of countries want to reach a higher stage of integration.

5) ASEAN Integration

Within the scope of ASEAN, especially if associated with the ASEAN Economic Community (AEC) as part of the ASEAN Community, ASEAN countries have not set clear levels of integration. In the formula agreed by the heads of state and government of ASEAN, the goal of the ASEAN Economic Community (AEC) is to create "a single market and production based". This can be interpreted as the full integration, except in the areas of financial and monetary authority of the country is still a member (Koesrianti, 2013:2).

5. DEFINITION OF CONCEPT

Conceptual definition is an attempt to clarify the explanation of the concept of one another, in order to avoid misunderstandings. There are some definitions to support means of the terms used in this research. Those definition were:

a. Strategy on Tourism Development

According Suryono (2004: 80) the strategy in principle relevant to the issues: (1) The implementation policy, (2) defining the goals to be achieved, and (3) the determination of the ways or methods of use of infrastructure. The strategy has always been about three things, namely the objectives, facility and ways. Therefore, the strategy should also be supported by the ability to anticipate opportunities.

b. Development of Tourism Potential

Development of tourism potential is one that is used to promote, improve and enhance the tourism condition of an object and attractions that can be visited by

tourists as well as to provide benefits to the community around the objects and attractions as well as for the government.

c. ASEAN Economic Community (AEC)

ASEAN Economic Community (AEC) is a realization of the ultimate goal of economic integration, as already included in the vision 2020 is based on the unification of interests of the Member countries of ASEAN to deepen and broaden economic integration through initiatives that have existing or new chronology clear.

6. DEFINITION OF OPERATIONAL

The operational definition describes a particular way that is used by researchers to measure a variable that will be used. There are three variables used in this analysis are as follows:

a. Strategy on Tourism Development

Strategy on tourism development is the means used by Local Government especially the Department of Culture and Tourism in Gunung Kidul regency to Nglanggeran Tourism Village in conducting tourism development by watching strength, weakness, opportunities, and threats in the environment of tourism objects.

b. Development of Tourism Potential

The development of tourism potential is something that is used to promote, and improve the condition of an object of tourism and attractions that can be visited tourist having regard to aspects such as:

- 1) *Tourist*, Must be known characteristics of the traveler, from which country they come, age, hobbies, and any season they travel.
- 2) *Transportation*, is available to take the travelers to the tourist destination in question.
- 3) *Attractions*, tourist attractions that will be sold, whether it meets the three conditions such as Something to see. Something to do, something to buy.
- 4) *Facility services*, What facilities are available in the area where the tourist, from lodging accommodations to public services such as banks / money changers, post office, and telephone services.
- 5) *Information and promotion*, Publication or promotion, when the ad is installed, where the brochure distributed to potential tourists know each package travel and tourism travelers Quicker Make decisions on its territory and must implement policies most favorable to the area and region.

7. RESEARCH METHOD

Research is a process of finding the problem and the solution of a problem within a certain period with the procedures and predetermined. In general, research has three kinds of objectives that is the goal that is the discovery, verification and development (Kuswana Dadang in Kokam 2014:30). To make the research carried out by structured so as to achieve scientific results required a design according to the research itself. Therefore, research methods will be very helpful in the research process. The method used will be outlined as follows:

a. Types of Research

This research uses qualitative research that describe things that are associated with relationships, activities, attitudes, views, processes are ongoing and the effects of a phenomenon (Kusmayadi and Sugiarto, 2000: 29).

b. Location of Research

The location was used as a place of research is in the Local Government in Gunung Kidul Regency especially the Department of Culture and Tourism to improve Nglanggeran Tourism Village as one of the villages of choice for local and foreign tourists.

c. Source of Research Data

1) Primary data

The primary data required in this research is the answer of the interview conducted by the researchers. Thus, the primary data in this study derived from survey respondents.

2) Secondary Data

Secondary data is data obtained indirectly through the archives, reports, legislation, documents from related parties and books related to the research problem.

d. Data Collection Technic

In this study using multiple data collection techniques are:

- 1) Visual observation, namely by directly observing the object of research by relying on the ability of the author himself. To strengthen this data is done taking pictures / photos of the research object.
- 2) Interview technique, which is to receive the data by doing interviews or in-depth question and answer directly between researcher and informants.
- 3) Documentation, namely data collection through documents and records that already exists.

e. Data Analysis Technique

1) Qualitative Analysis Techniques

In this research, using qualitative analysis techniques. Qualitative analysis techniques is to find and develop a systematic data obtained from interviews, field notes, and documentation by way of organizing data into categories, describe into certain units, conduct a hypothesis, organize into a pattern, choose which one is important and that will studied, and make conclusions so easily dipahami oleh themselves and others (Sugiyono in Kokam 2014: 35).

2) SWOT Analysis

i. Internal Factor

Internal factors in the economy are often used in the process to make the strategy in a company with know the weaknesses and strengths. According to Fred R. David (2002: 10) "internal strengths and weaknesses are in control of the activity of organizations whose achievements outstandingly good or bad. The strengths and weaknesses arise in the management activities of one process research and development ".

ii. External Factor

External factors are the opportunities and threats to be reckoned with in making strategy for both individuals and organizations. Fred R. David (2002: 10) states that "External opportunities and external threats refer to the state of economic, social, cultural, demographic, environmental, political, legal, governmental, technological, and competitive tendencies and events that can be beneficial or detrimental to an organization significantly in the future".