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Public Private Partnership Model in Tourism Development in North Toraja District

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ABSTRACT

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The concept of Public Private Partnership (PPP) has proven to be more efficient and effective in public services in the tourism sector, and benefits from regional revenue (PAD), and can help the government to deal with limited resources in tourism development. This study aims to determine how the model and the success of the Public Private Partnership (PPP) in tourism development in North Toraja Regency. This research uses a qualitative approach. Data collection was carried out through interviews, observation and documentation study. Data processing and analysis techniques are carried out at three stages, namely: data reduction, presentation and drawing conclusions. The informants in this study were as follows: (a) the Department of Culture and Tourism of North Toraja Regency; (b) Owner / Manager of Ke'te Kesu' and Lempe Negeri Above the Clouds Tourism Object; (c) Visitors / Community. The results showed: (1) Equity shows a cooperation sharing agreement that has an impact on the receipt of fees and tourism services; (2) Effectiveness, government-private cooperation runs effectively to attract revenue (retribution) and provide services to visitors or tourists; (3) Efficiencies, public-private cooperation shows that the use of resources in the development of tourist objects is proven to be more efficient by implementing public-private cooperation; (4) Exportability shows the government gets a high risk of demand to meet the needs of tourist objects and compensation to communities affected by the construction of tourist attraction facilities and infrastructure. The life cycle contract (LCC) model in the cooperation agreement (MOU) between the private sector and the government shows that it is the private sector that initiates development in tourist destinations. The private sector becomes the owner of a tourist attraction that carries out development starting from design, build, finance, and maintenance at an early stage before any cooperation with the government.

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1. Introduction

Tourism development requires cooperation from the government, the private sector and the community because tourism is a multimedia industry that involves intervention from all parties. Currently, tourism is Indonesia's top priority in order to increase state revenue apart from oil, gas and taxes. This makes Indonesia one of the developing countries that promotes tourism to increase the number of tourists or visitors who come (Rhama & Setiawan, 2020). In order to support and enhance the development of the tourism sector, the Indonesian government issued Law number 10 of 2009 concerning tourism, which explains that tourism development is needed to encourage community welfare and obtain benefits such as economic growth so that it is able to face the challenges of changes in local, national and global life. Another aspect of the benefits of tourism is when foreign tourists who come to Indonesia also encourage to create business relationships with the community so that tourism shows a big role in the presence of investment. The impact of investment and management of the tourism industry which is well managed by all parties can provide welfare to the community if it is maximally developed. Tourist destination areas will also create economic activities around tourist objects and absorb workers in the formal and informal sectors. Tourist destinations or tourist destinations generally require supporting facilities, such as road access and public facilities, which are sometimes not a priority for development.

The local government or the government experiences budget constraints in carrying out development so that it needs support from the private sector and the community.

For this reason, the government needs contributions from the private sector with the concept of Public Private Partnership in developing the tourism sector to cover the shortcomings of the government, then the concept of private-public partnership (PPP) provides opportunities for the private sector and the government to obtain financial benefits. (Nugroho & Toyib, 2018) explained that the Public-Private Partnership (PPP) is an arrangement between the government and private entities in the provision of infrastructure services and is one way to obtain additional sources of funding for infrastructure investment.

The most important thing about implementing the PPP model is the increased efficiency in the use of budgeted financing. Nonetheless, PPPs are seen as a form of project finance whereby the private sector handles up-front costs for the provision of public infrastructure and facilities and also handles their design, construction and maintenance. Rules regarding these matters are usually set or regulated before entering into a cooperation contract or stipulated in a design, construction, financing and

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maintenance contract. This is in line with the opinion (Nugroho & Toyib, 2018) that the private sector is considered to have greater incentives and capabilities to provide and manage service costs more efficiently. In addition, a focus on services that are directly related to payment mechanisms will encourage faster project implementation and better asset maintenance during the concession period.

The success of this collaboration cannot be separated from the implementation of the cooperation model used in this collaboration. Casanova (2011) explains the success of public private partnerships by looking at several components (Setiawan & Sukma F, 2012), among others: (1) Equity; (2) Effectiveness; (3) Efficiency; (4) Exportability. The problem of implementing public private cooperation in tourism development in North Toraja district can be seen from these components, such as fairness in the sharing of public private cooperation, the effectiveness of cooperation in tourism development, the efficiency of private sector involvement in tourism management, and government behavior and risk aspects that are involved resulted from the collaboration. In addition, this public private partnership is also driven by the success in implementing the cooperation model, the concept of the public private partnership model has long been developed by several government experts and practitioners, the practice of public private partnership in Indonesia and India has been applied in various fields or sectors of life in the community. PPP is carried out to overcome weaknesses in management, technology and finance and with this PPP model it can open up new jobs for citizens (Abdullah, 2020).

The public private partnership model according to (Matraeva et al, 2016) that the public-private cooperation has several models of prospective plans, namely: (1) Concession Agreement Model; (2) Model LCC (Life Cycle Contract); (3) Project Financing Model; (4) Model Forfeiting Model; (5) The Attracting Model for NPO; (6) Social Service Provision Contract Model; (7) Service Provision Contract (Outsourcing) Model; (8) Property Lease Agreement Model. From some of these models, it is stated that the LCC (Life Cycle Contract) Model and the Project Financing Model are the most effective models used for this. This study focuses more on the life cycle contract model because it is considered more relevant in the development and development of the tourism sector. The Life cycle Contract (LCC) model can be defined as a form of PPP contract, whereby the public partner enters into a design agreement,

Tourism in North Toraja Regency is known as one of the leading tourism in Indonesia, therefore the tourism sector is very important to be developed, especially since the tourism potential of North Toraja Regency is very large, namely 304 tourist objects, which can be a big capital for local governments. However, if seen from this potential, only a few can be maximized by the local government as seen from the ownership and cooperation carried out by the local government, namely only about 27 tourist objects that are able to cooperate with the local government of North Toraja district. This shows that the potential that exists in North Toraja has not been able to be maximized, both from the role of the government and in developing tourism in the Land of Toraja.

Other tourism problems in North Toraja district are facilities and access to locations, some of which are inadequate (Sindonews.com), lack of coherence in tourism development, lack of government roles in collaborating, human resources are still lacking and tourism promotion has not yet been maximized. Maximally, regulations in tourism that are still lacking, including regulations in carrying out public-private cooperation, are limited in budget so that the impact on tourism development is not maximized. Through the concept of public-private cooperation, it is something that must be maximized in overcoming tourism problems in North Toraja Regency.

The North Toraja Regency Government itself has implemented tourism development with the concept of government-private cooperation through a cooperation agreement or MOU agreed between the private sector (owner / manager of tourist objects) and the government (the North Toraja Regency Culture and Tourism Office). The purpose of this collaboration is to get the results of tourism retribution which is used as Regional Original Income (PAD).

The impact of this tourism development is expected to support the availability of public services in the tourism area of North Toraja Regency, for this reason this article looks at the model and success of implementing public private partnerships in tourism development in North Toraja Regency. The novelty value in this study compared to several previous studies is that this study explains the Life Cycle Contract (LCC) model used in the implementation of public-private partnerships and measures the success of public private partnerships in tourism development in North Toraja Regency.

2. Method

This research used a qualitative approach, this research was conducted in North Toraja Regency, with the research location at the North Toraja Regency Culture and Tourism Office and in two tourist objects namely Ke'te 'Kesu' and Lempe Negeri Above Clouds. Data collection was carried out through in-depth interviews, observation and document study. Data processing and analysis techniques are carried out in three stages, namely: data reduction, presentation and drawing conclusions. The technique of determining informants was carried out by purposive sampling, the informants in this study were representative primary data sources and provided information about the conditions and realities of the problems being studied. The informants in this study were as follows: (a) The Department of Culture and Tourism, Kab. North Toraja; (b) Owner / Manager of Ke'te Kesu 'and Lempe Negeri Above the Clouds Tourism Object; (c) Visitors / Community.

3. Results and Discussion

3.1 The Success of Public Private Partnership (PPP) in Tourism Development in North Toraja Regency

a. Equity

The cooperation between the government and the private sector in tourism development in North Toraja district in terms of justice in the distribution of the cooperation is carried out in accordance with the mutual agreement and win-win solution that has been agreed by the private sector as the manager and the government, namely in the agreement there is a 40%



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ticket fee sharing for the government and 60% for the private sector and managers receive assistance with the determination and maintenance of the government, including the provision of human resources for tourism objects.

In another aspect, this collaboration provides good service and retribution in tourist objects does not burden visitors. The tourism partnership in North Toraja Regency shows the role of the government in this partnership program as a regulator (the first party in the cooperation agreement) which helps in carrying out tourism development such as providing tourism object assistance facilities and developing the quality of human resources by providing training to managers of tourist objects and surrounding communities. tourist attraction. The activities carried out in partnership continue to be seen as follows

b. Effectiveness

The implementation of government cooperation with the private sector or managers or foundations of tourism object owners in North Toraja in terms of efficiency, namely the implementation of the results of the agreement in the MOU runs effectively seen from the purpose of implementing the cooperation agreement, namely to share or collect revenue (retribution) for tourist objects. The implementation of this collaboration has proven to be more effective in obtaining tourism revenue or PAD from the tourism sector, here are data on tourism revenue in North Toraja district:

Table 1
Implementation of Tourism Development Programs in the District. North Toraja

Tourism Marketing Development Program	Tourism Destination Development Program	Partnership Development Program
- Market analysis for promotion and marketing of tourism objects	- Development of leading tourist objects and enhancing the development of tourism infrastructure and facilities	- Development and strengthening of information and databases
- Increasing the use of information technology in tourism marketing	- To coordinate the development of tourist objects with institutions / business world	- Coordinating the development of tourism partnerships and facilitating the formation of communication forums between tourism industry players
- Coordination with the tourism support sector	- Monitoring and evaluating the implementation of tourism destination development programs	- Monitoring and evaluating the implementation of the partnership enhancement program
- Implementation of domestic and foreign tourism promotion	- Development, socialization and implementation and supervision of standardization	- Human resource development and tourism professionalism
- Monitoring and evaluating the implementation of tourism marketing development programs	- Preparation of detailed plans for tourism development areas	- Increasing community participation in developing tourism partnerships
- Preparation of tourism promotion facilities and infrastructure	- Arrangement of regional arrangement / site plan / master plan for the development of tourist attraction objects (RIPODTW)	
	- Guidance and data collection of tourism service businesses	

Source: Processed from data from the Culture and Tourism Office of the District. North Toraja, 2021

Table 2
Regional Original Revenue (PAD) Tourism District. North Toraja

Year	Total Income	2020 year
2016	3,526,463,899	+ 30.82%
2017	4,914,011,550	+ 39.35%
2018	3,178,816,000	-35.31%
2019	3,170,305,000	-0.26%
2020	1,318,578,500	-58.41%

Source: Processed from data from the Culture and Tourism Office of the District. North Toraja, 2021

The data above shows that the amount of Local Own Revenue in the tourism sector from year to year in 2016-2017 has increased significantly. However, in 2018-2019 there was a decline in tourism revenue revenue, and it also occurred in 2020 due to disrupted tourism conditions due to the Covid-19 pandemic so that the number of visits decreased by -58.41% from the previous year.

c. Efficiency

Cooperation between the government and the private sector or managers or foundations that own tourist objects in Toraja

Table 3
Work Plan Budget Amendment RKAP Culture and Tourism Office Kab. North Toraja

Program	Fiscal year	
	2019	2020
Development of tourist destinations	959,030,000	3,838,717,875

Source: Department of Culture and Tourism Kab. North Toraja, 2021

The data in the table above shows the budget plan used in developing tourism destinations, namely by carrying out various



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activities and developing tourism infrastructure, seen from the budget needed in 2019 as much as 959 million (some other budgets can also be sourced from the private sector) and revenue from the tourism sector in the year 2019 as much as 3 billion, meaning that the development budget and tourism revenue experienced a surplus of 69.74%. In addition, the existing revenue in 2019 can be reused in financing the next budget in 2020.

d. Exportability

Government cooperation with private parties or managers or In terms of equity or behavior, the foundation that owns tourism objects in North Toraja is the need for infrastructure development in a destination that is difficult for the government to fulfill due to budget constraints, then the risk aspect that most impacts society is when there is infrastructure development that impacts to the community, furthermore when the lack of visitors or tourists comes, so that it has an impact on receiving revenue from ticket retribution. For the transparency aspect, it has gone well, because the government places one permanent daily employee in each destination to supervise the private sector in terms of receiving ticket or ticket fees.

Table 4

Data on International Tourists in North Toraja Regency

Year	Number of International Tourists	Number of Indonesian Tourists	Number of Tourists
2016	51,793	112,628	164,421
2017	62,356	223,210	285,566
2018	53,207	256,907	310,114
2019	32,388	333,166	365,554

Source: Department of Culture and Tourism Kab. North Toraja, 2021

From these data, it shows an increase in visitors or tourists every year which has an impact on the number of tourism levies received, this is influenced by the existence of good private government cooperation in carrying out the development and management of good tourist destinations or attractions, as well as good risk management so as to provide satisfaction or power attraction towards visitors or tourists.

3.2 Model Life Cycle Contract (LCC) in Tourism Development in North Toraja Regency

The discourse regarding the LCC model was chosen based on its suitability with tourism development in North Toraja district which was carried out with the concept of public private partnership, the most basic reason is that in this model the freedom of the private sector to manage a tourist destination is more open, meaning that the private sector or manager of tourist objects have more extensive opportunities in developing tourism management. For public partners benefit from management by the private sector. In general, tourism development with the LCC model in North Toraja Regency can be seen as follows:

Table 5

Contribution to Tourism Development in North Toraja Regency

Model	Informant		Information
	Government	Private	
Design	No contribution	Contribution	Prior to the MOU
	Contribution	Contribution	After the MOU
Build	No contribution	Contribution	Prior to the MOU
	Contribution	Contribution	After the MOU
Finance	No contribution	Contribution	Prior to the MOU
	Contribution	Contribution	After the MOU
Maintain	No contribution	Contribution	Prior to the MOU
	Contribution	Contribution	After the MOU

Source: Results of research data reduction, 2021

This data shows that the private sector dominates in this collaboration, which shows that the private sector has more opportunities in developing tourism with the LCC model in North Toraja. The government (public) in this case is the Culture and Tourism Office of North Toraja Regency as a public actor in developing tourism has compiled several programs in tourism development in order to provide quality tourism services, implementation of tourism development programs in North Toraja Regency. The following is a summary of the data on the government's contribution to tourism development.

Table 6

Data on Government Contribution in Tourism Development in North Toraja Regency

Government Contribution	Activities
Tourism Promotion	- Promotion of Tourism through Social Media, Websites, Exhibitions and Tourism Events
Development of Facilities and Infrastructure	- Transportation Road Development (Access road to the location of the tourist attraction Lempe Negeri Above the Clouds in 2018) - Renovation of Facilities and Infrastructure (Replacement of the roof of the traditional tongkonan house, Erong) - Construction of Facilities and Infrastructure (Musholla at Ke'Te Kesu, photo spots, walking paths, hand rolling, construction of souvenir stalls, and installation of paving blocks, gazebos and parking lots)
Human Resource Development	- Conducting Training (Home Stay Management Training, Destination Development



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Government Contribution	Activities
Tourism Promotion	Training, Hotel Employee Training and Sapta Pesona Training)
Development of Facilities and Infrastructure	- Organizing a study tour or study visit to a tourist attraction - Promotion of Tourism through Social Media, Websites, Exhibitions and Tourism Events - Transportation Road Development (Access road to the location of the tourist attraction Lempe Negeri Above the Clouds in 2018) - Renovation of Facilities and Infrastructure (Replacement of the roof of the traditional tongkonan house, Erong) - Construction of Facilities and Infrastructure (Musholla at Ke'Te Kesu, photo spots, walking paths, hand rolling, construction of souvenir stalls, and installation of paving blocks, gazebos and parking lots)
Human Resource Development	- Conducting Training (Home Stay Management Training, Destination Development Training, Hotel Employee Training and Sapta Pesona Training) - Organizing a study tour or study visit to a tourist attraction

Source: Processed from data from the Culture and Tourism Office of the District. North Toraja, 2021

4. Conclusion

In general, public private partnerships in tourism are important to be applied in the development of the tourism sector, with the involvement of the private sector in the public sector it is proven to be able to provide efficiency and effectiveness in tourism management, given the government's limitations both in terms of human resources, the existing bureaucratic system and limited budget. owned. The implementation of the concept of public private partnership (PPP) in tourism development in Toraja Regency is seen from several indicators of the success of public private partners, namely: equity, effectiveness, efficiency, and exportability.

In general, it shows good success in managing and developing tourism. Cooperation between the government and the private sector in the tourism sector in North Toraja Regency is carried out by a cooperation agreement by holding agreements between the government (public) and the manager / owner of tourism objects (private). This collaboration provides a value of effectiveness and efficiency in tourism management and obtains local revenue in the tourism sector. However, the most important thing is that this collaboration is built on the basis of common interests and common interests for the welfare of society.

The life cycle contract (LCC) model which is seen from the cooperation agreement (MOU) in which the private sector becomes the initiator in carrying out the construction of a tourist destination, the private sector in this case becomes the owner of a tourist attraction that carries out development starting from design, build, finance, and maintain at the beginning before any cooperation with the government. After the cooperation agreement, the government began to contribute to its development by providing some assistance and financing for the construction of several facilities that support the maintenance of a tourist destination, besides that, with this collaboration the government collected a ticket levy from tourist objects which was divided into 40% for the government and 60%. % for private parties or managers.

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