

The Effect of Tourism Sector on Locally-Generated Revenue Income in Banyumas District

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Abstract. *This study aimed to analyze the effect of the number of foreign tourists, domestic tourists, the number of tourist attractions and the number of hotels on the Growth of locally-generated revenue in in the Barlingmascakeb region in 2010-2019. The research method used multiple linear regression with the panel data approach. The results showed that the number of foreign tourists and domestic tourists had a positive and significant effect on the Growth of locally-generated revenue in the Barlingmascakeb region. Meanwhile, the number of tourist attractions and the number of hotels have no effect on the Growth of locally-generated revenue in in the Barlingmascakeb region. The policy implication in the research is the need for the development of the tourism sector and its supporting infrastructure.*

Keywords: *Locally-Generated Revenue, Tourism Sector*

Abstrak. Penelitian ini bertujuan menganalisis pengaruh jumlah wisatawan mancanegara, wisatawan domestik, jumlah obyek wisata dan jumlah hotel terhadap Pertumbuhan Pendapatan Asli Daerah di regional Barlingmascakeb tahun 2010-2019. Metode penelitian menggunakan regresi linier berganda dengan pendekatan data panel. Hasil penelitian menunjukkan bahwa jumlah wisatawan mancanegara dan wisatawan domestik berpengaruh positif dan signifikan terhadap pertumbuhan Pendapatan Asli Daerah (PAD) Kabupaten regional Barlingmascakeb. Sementara itu, jumlah obyek wisata dan jumlah hotel tidak berpengaruh terhadap Pertumbuhan Pendapatan Asli Daerah di regional Barlingmascakeb. Implikasi kebijakan dalam penelitian adalah perlunya pembangunan sektor pariwisata dan infrastruktur pendukungnya.

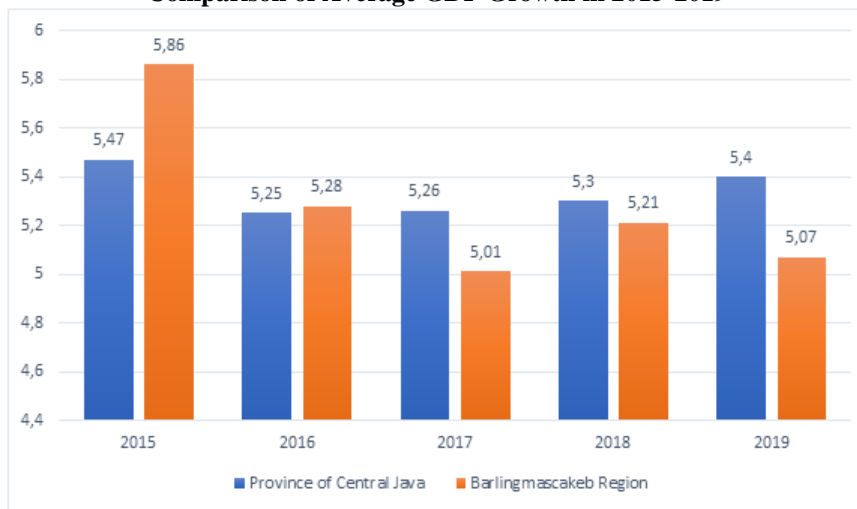
Kata Kunci: Pendapatan Asli Daerah, Sektor Pariwisata

Introduction

The shift of Indonesian government from centralization to decentralization resulted in regional autonomy. With regional autonomy, regions can cooperate with other regions, third parties, and/or institutions or regional governments abroad in accordance with statutory provisions. Regional authority to establish cooperation between regions is motivated by regional limitations in providing the needs of its people (Ling and Jiang, 2013). One of the results of regional autonomy is allowing cooperation between regions, either with other regions, third parties, and/or institutions or regional governments abroad. One form of regional cooperation that is quite successful in Indonesia is the *Barlingmascakeb* Regional Cooperation. This collaboration was initiated by five regencies, namely Banjarnegara, Purbalingga, Banyumas, Cilacap, and Kebumen. The *Barlingmascakeb* Regional is one of the strategic areas in Central Java. In Figure 1, a comparison of the rate of economic growth between Central Java Province and the *Barlingmascakeb* region is shown. In 2015, the *Barlingmascakeb* had a higher average growth rate above than the average growth rate of Central Java Province. This means that the *Barlingmascakeb* had good potential in economic development. However, in 2016 the growth rate of the *Barlingmascakeb* decreased with a difference of 0.03 percent higher than Central Java Province. However, from 2017 to 2019 the economic growth rate of *Barlingmascakeb* showed a downward trend. On the other hand, Central Java Province is showing an increase every year. This indicates that the *Barlingmascakeb* experienced a decline in income in the sector of composition of GDP growth.

One of the constituent sectors for economic growth is tourism. The development of tourism has an impact on the socio-economic conditions of the community, one of which is the impact of tourism on government revenue (Pitana and Diarta, 2009: 185). Halim (2004: 135) explains that regional revenue is an income that a region receives from sources within its own territory collected based on regional regulations in accordance with the prevailing laws and regulations. The regional revenue sector plays a very important role because through this sector, it can be seen the extent to which a region can finance government activities and regional development. According to law No. 33 of 2004 concerning Financial Balance between Central and Regional Governments, locally-generated revenue is revenue obtained from the local tax sector, regional levies, proceeds from regional-owned companies, the results of the management of separated regional assets, and other legitimate local revenue. Regional revenue is all regional rights recognized as an addition of net assets value in the period of the fiscal year concerned. Based on the definition above, it can be concluded that locally-generated revenue is revenue obtained from the region derived from local taxes, regional levies, share of profits from regional companies, revenue from services and other revenue which is a source of pure regional income.

Figure 1.
Comparison of Average GDP Growth in 2015-2019



Source: Central Bureau of Statistics (processed), 2020

Fitri (2014) added that tourism brings benefits to the community both economically and socio-culturally. However, if there is no proper preparation and management in tourism development, tourism can also harm the community (Fitri, 2014). In order for tourism to develop and bring benefits to the community, it is necessary to do an in-depth study, namely by conducting research on natural resources, cultural resources, and human resources (Wardiyanta & Hum, 2006: 52). Tourism activity is one of the sectors that plays a very important role in the process of regional establishment and development, namely in contributing to the revenues of local governments and communities. The development of the tourism sector is expected to increase locally-generated revenue and improve the welfare of the community (Muhtarom, 2015). In addition, the purpose of tourism is to expand employment opportunities and encourage industrial activities, as well as introduce and empower natural beauty (Purwanti, 2014). Tourist attraction is a potential that drives the presence of tourists to a tourist destination. Tourism attractions must be designed and built or managed in a professional manner so as to attract visitors (Wulandari & Triandaru, 2016). Thus, it is expected that the development of tourism attractions will be supported by adequate infrastructure such as hotels, roads, and regulations and so forth. With the development of tourism attractions and supported by good infrastructure, it will have an impact on the increasing number of international tourists and domestic tourists, so that it will have an impact on increasing local revenue through taxes, levies and so forth.

Research Method

This research uses quantitative analysis methods. Its function is to calculate and quantitatively estimate the effect of the independent variables (number of tourist attractions, number of foreign tourists, number of domestic tourists, and number of hotels) on the dependent variable, namely regional income in the *Barlingmascakeb* Region. In this study, the type of data used is secondary data. Secondary data is data obtained from other parties, either from literature, official government websites, literature studies, or previous similar studies related to this research. Secondary data used in this study are obtained from the Central Bureau of Statistics. In addition, the data used are from 2010-2019 as many as 5 regencies of the *Barlingmascakeb* region. Also, this study uses the panel data method in which panel data is a combination of time series and cross section data. The following is the research equation used by the researcher.

$$Y_{it} = \beta_0 + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 X_{3it} + \beta_4 X_{4it} + e_{it}$$

Explanation as follows: Y : locally-generated revenue (percent); X₁: Number of tourism attractions (units); X₂: Number of foreign tourists (persons); X₃: Number of domestic tourists (persons); X₄: Number of hotels (units)

β_0 : intercept; i : Regency/City in the *Barlingmascakeb* region; t : period of time; e : error

Panel data is analyzed using three models, namely Common Effect, Fixed Effect, and Random Effect. To determine the choice of the 3 models, it can be conducted by using the Chow test, Hausman test, and Lagrange Multiplier test. In addition to using the three analysis models above, the best regression outputs are those that have passed the classical assumption test which includes normality, heteroscedasticity, multicollinearity, and autocorrelation tests (Gujarati and Porter, 2013).

Result And Discussion

Table 1.
The Chow Test Result

| Effects Test | Statistic | d.f. | Prob. |
|--------------------------|-----------|--------|--------|
| Cross-section F | 1.329122 | (4,26) | 0.2856 |
| Cross-section Chi-square | 6.511686 | 4 | 0.1641 |

Source: Secondary Data processed

Based on the Chow test above, it shows that the probability value in the Chi-square cross-section is greater than alpha (α) ($0.1641 > 0.05$), so the Common Effect model is better used than the Fixed Effect model. Then, to determine which model is better to use between the Fixed Effect model or the Random Effect model, a Hausman test is needed which can be seen in Table 2.

Table 2.
The Hausman Test Result

| Test Summary | Chi-Sq. Statistic | Chi-Sq. d.f. | Prob. |
|----------------------|-------------------|--------------|--------|
| Cross-section random | 5.316487 | 4 | 0.2563 |

Source: Secondary Data processed

Based on the results of the Hausman test in Table 3, the random cross-section prob value is greater than alpha (α) ($0.2563 > 0.05$), so the suitable model is the Random Effect model. From the above conclusion, because H_0 is accepted, it is followed by the Lagrange Multiplier test. The last model selection test is the Lagrange Multiplier test to determine which model is better used between the Common Effect model and the Random Effect model. Table 3 shows the Lagrange Multiplier test output.

Table 3.
The Lagrange Multiplier Test Result

| | | | |
|---------------|----------------------|----------------------|----------------------|
| Breusch-Pagan | 0.954424 (0.3286) | 14.82486 (0.0001) | 15.77929 (0.0001) |
|---------------|----------------------|----------------------|----------------------|

Source: Secondary Data processed Eviews 10, 2020.

Table 3 shows that the cross-section value is shown by the number below, namely ($0.3286 > 0.05$), so the model suitable for use in this panel data regression is Common Effect. On the basis of several tests that have been carried out by the researcher using the Chow test, Hausman test and Lagrange Multiplier test, the Random Effect Model is a suitable model to be used in this study. Table 4 shows the regression output of the Random Effect model.

Table 4.
Panel Data Regression Test Results

| Variable | Coefficient | Prob. |
|-------------------------------|-------------|--------|
| C | -53,48380 | 0.0201 |
| Number of tourist attractions | -0,640733 | 0.2846 |
| Number of foreign tourists | 0,002086 | 0.0466 |
| Number of domestic tourists | 6,08E-06 | 0.0417 |
| Number of hotels | -0,100547 | 0.1011 |

Source: Secondary Data processed by Eviews , 2020.

From the results of the analysis above, it showed that the number of foreign tourists (X_2) and domestic tourists (X_3) influenced positively and significantly at the alpha level of 5 percent on locally-generated revenue in the *Barlingmascakeb* Region. This reflects that if the number of tourists both foreign and domestic are good, regional revenue will also increase. This is similar to the research of Rahma & Handayani (2013), Utama & Suartini (2013), Yasa & Suastika (2015). Purwanti (2014) states that the tourism sector, namely the number of tourist visits, is a potential sector to be developed as a source of regional revenue. The longer the tourists stay, the opportunities for tourists to spend will increase, so that it will increase regional revenue through revenues sourced from tax object retribution, hotel taxes and restaurant taxes (Yasa & Suastika, 2015). The variable of the number of tourism objects (X_1) and the number of hotels (X_4) have no effect on regional revenue in the *Barlingmascakeb* Region. It is stated in the journal by Widayanti & Dewanti (2017) and Zakiah (2019) that the lack of innovation and promotion of tourism attractions has an effect on tourist interest even though there are quite a lot of tourist attractions available. This can

be caused by the lack of investors willing to invest so that it will result in a lack of funds in tourism development. In addition, the availability of professional human resources also affects the quality and service of tourism as one of the attractions of tourists in the comfort of traveling. Solot (2018) states that if the growth in the number of hotels is able to increase the realization of hotel tax revenue, it will increase regional revenue. However, in this study the number of hotels has no effect on regional revenue. This is because tax revenue from hotels has not met the contribution target for regional revenue (Walakandou, 2013).

Conclusion

The results showed that the number of foreign tourists and domestic tourists have a positive and significant effect on the growth of locally-generated revenue in the *Barlingmascakeb* region. Meanwhile, the number of tourist attractions and the number of hotels have no effect on the growth of locally-generated revenue in the *Barlingmascakeb* region. The policy implication in research is the need to develop the tourism sector and its supporting infrastructure.

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