PAPER NAME

FINAL REVISION__Utama et al__Economic Leakage..pdf

WORD COUNT	CHARACTER COUNT
6164 Words	34282 Characters
PAGE COUNT	FILE SIZE
12 Pages	164.5KB
SUBMISSION DATE	REPORT DATE
Aug 13, 2022 8:12 PM GMT+8	Aug 13, 2022 8:13 PM GMT+8

19% Overall Similarity

The combined total of all matches, including overlapping sources, for each database.

- 17% Internet database
- 8% Publications database
- Crossref database
- Crossref Posted Content database
- 0% Submitted Works database

Excluded from Similarity Report

- Bibliographic material
- Quoted material
- Manually excluded text blocks

Exploring Policies and Strategies to Minimize Economic Leakages in the Tourism Sector Experiences in Many Countries

I Gusti Bagus Rai Utama
Management Study Program, Dhyana Pura University, Bali, Indonesia
Corresponding Email: raiutama@undhirabali.ac.id

Ni Putu Dyah Krismawintari
Management Study Program, Dhyana Pura University, Bali, Indonesia
Email: krismawintari@undhirabali.ac.id

Yeyen Komalasari
Management Study Program, Dhyana Pura University, Bali, Indonesia
Email: yeyenkomalasari@undhirabali.ac.id

Ni Luh Putu Suarmi Sri Patni
Management Study Program, Dhyana Pura University, Bali, Indonesia
Email: putupatni@undhirabali.ac.id

Abstract

Economic leakage is considered to be the most difficult problem to overcome as the tourism sector will grow in a climate of liberalization that allows foreigners to do business in the domestic market, so economic leakage is inevitable. Economic leakage can come in the form of external, internal, and invisible leakage, with the three types of leakage caused by different factors. Leakage is inevitable under current free market or trade liberalization conditions, but economic leakage can be minimized in several ways and with different strategies. This study confirms that economic leakage in tourism sector development comes from the hotel sector as the biggest cause compared to others. The main reason is that the development of the hotel sector is more developed by an international network pattern that demands the same standards according to the established quality. This standardization ultimately requires a single manufacturer from a developed country as local destinations are unable to provide the products needed to develop the hotel sector. The best strategy is a cluster structure strategy that must be implemented by the government through international agreements, whether at the export level, supplier level, or the economic input level, which can be designed to reduce or minimize economic leakage. Although economic leakages in tourism development cannot be avoided, the government can reduce them with various policies and strategies. Domestic policies and local government policies can be enforced to allow the tourism industry to use local resources produced by local communities, such as agricultural products, fisheries, and small and medium-sized businesses that support tourism. The strategy that can be implemented can be in the form of incentives and rewards for entrepreneurs who run their businesses with local products, local natural resources, and also dominant local resources.

Keywords: economic leakage, liberalization, development strategy, cluster structure, tourism development

1. Introduction

Measuring the benefits and disadvantages of tourism development in several countries today is still a debate among economists, especially those who have conducted research and evaluation of the tourism economy. Several views of experts color the discussion of this paper from different points of view. Frechtling stated that to measure the benefits of tourism for the economy of a country, sufficient complete data should be available. He offered alternative methods, especially related to methods of collecting data on tourist spending in the future, and he also reviewed several methods that have been used by previous experts. using impact multipliers and input-output analysis to measure tourism sector expenditure (Frechtling, 1987). Meanwhile, Archer and Cooper argue that: a search on the benefits and impacts of tourism on the economy must include social variables that have never been calculated by other experts, and a social cost-benefit analysis should be used. According to him, to measure the benefits and impacts of tourism is not just to calculate the economic impact only by looking for the multiplier effect (Archer & Cooper, 1994).

Meanwhile, Sinclair and Sutcliffe explained that the measurement of multiplier income for the tourism sector at the sub-national level requires more complex thinking and data due to the frequent occurrence of leakage, so this analysis should be carried out at certain local regional levels and these leakages should be measured and compared. with the expected benefits (Archer & Cooper, 1994). More firmly, Heng and Low on a practical level, explain that to measure the impact of tourism it would be better to use input-output analysis (Heng & Low, 1990). However, Johnson and Moore emphasize that it is more appropriate to measure the economic impact of tourism by focusing on certain tourism activities that are growing rapidly and the tourism resources they use, and all their impacts (Johnson & Moore, 1993). While West offers SAM or social accounting matrix to solve tourism problems that are interconnected from time to time. He considers that the input-output analysis is not able to solve the problem of tourism impacts. It only measures the relationship between producers and producers and does not include trade carried out by the government and other public sectors (West, 1993). Harris and Harris criticize that the tourism impact analysis that has been carried out at the national and local levels tends to ignore industry classification standards for every activity in the tourism industry even though standardization has consequences for additional costs (Harris & Harris, 1994).

In many ways, tourism has been proven to have a positive impact on a country's economy which is obtained from foreign exchange earnings, tourist consumption, employment, infrastructure development, and generating economic empowerment for local communities. The WTO predicts that tourism revenue will be contributed 100% directly from tourist spending in an area (Utama, 2011); (Utama, 2014). For example, the role of tourism for the Province of Bali on the regional economy "GDP" is very large and has even outperformed the agricultural sector which in previous years played an important role in Bali (Utama & Mahendra, n.d.).

On the other hand, tourism development can also harm a country or destination if the development is not properly coordinated and planned, meaning that tourism development should be directed at empowering domestic communities with systems that are directly related to domestic production factors. The use of domestic production factors such as land, water, and all aspects related to the physical and social environment can be done wisely (Setiawan et al., 2021).

This study seeks to find economic leaks in the development of the tourism sector in three different countries, namely Bali, Indonesia, Vietnam, and Thailand. Trying to find out what spending is the biggest cause of leakage, then find the right solution to reduce economic leakage in the development of the tourism sector in other destinations.

2. Method of Analysis

This study uses secondary research available in various scientific publications related to tourism based on tourism development experiences in many countries like in three different countries, namely Bali, Indonesia, Vietnam, and Thailand. Meanwhile, data and information gathered are analyzed with comparative qualitative analysis (Maxwell, 2008). The result of the analysis is then compared to the supporting theoretical framework and previous research results that share similarities to the current research. The analysis is limited by the framework of policies and strategies to minimize economic leakages in the tourism sector in Indonesia, Thailand, and Vietnam (Utama et al., 2021); (Suryawardani et al., 2014); (Lacher & Nepal, 2010); (Kumar, 2005).

3. Result and Discussion

3.1 Review of the Negative Effects of Tourism Development

Some of the negative effects of tourism development can be explained as follows:

1) Leakage

Leakage or leakage in tourism development can result from leaks, namely import leaks and export leaks. Usually, import leakage occurs when there is a demand for equipment of international standards used in the tourism industry, and imported food and beverage ingredients that are not able be provided by local or domestic communities. The amount of income from the tourism sector is also accompanied by the large costs that must be incurred to import products that are considered to be of international standard (Utama et al., 2021). Meanwhile, export leakage often occurs in the development of tourist destinations, especially in poor or developing countries which tend to require large capital and investment to build infrastructure and other tourist facilities (Darsana & Sudjana, 2022).

Conditions like this will invite the entry of foreign investors who have strong capital to build resorts or hotels as well as tourism facilities and infrastructure, in return, their business and investment profits will push their money back to their country without being hindered, this is what This is called the "leakage" of export leakage. This confirms the opinion of Sinclair and Sutcliffe who explain that measuring the economic benefits of the tourism sector at the sub-national level should use more complex thinking and data to avoid leakage "leakages". Specifically, the problem of leakages in this paper will be discussed in a special sub-chapter, namely economic leakages and strategies to minimize economic leakages (Sinclair & Sutcliffe, 1988).

2) Enclave Tourism

Enclave tourism is often associated with a tourist destination and is considered only as a stopover, for example, a tourist trips from cruise ship management where they only stop at a destination without spending the night or staying at hotels that have been booked. provided by the local industry as a result of the arrival of cruise ship tourists the benefits are considered very low or even do not provide economic benefits for the community in a destination they visit (Murdiastuti & Rohman, 2018). Another fact that causes the "enclave" is the arrival of tourists who take tours managed by foreign travel agencies from "origin countries" for example, they use airlines owned by their own companies, then they stay at a hotel owned by chain management from their own country, traveling with fleets from chain companies owned by their entrepreneurs, and guided tours by tour guides from their own country, and as a result, local communities do not get optimal economic benefits (Utama et al., 2021).

3) Infrastructure Cost

Without realizing it, it turns out that the development of the tourism sector with international standards can be a separate cost burden for the government and as a result it tends to be charged to the tax sector in the sense that to build the infrastructure, tax sector income must be increased, meaning that tax collections on the community must be increased. raised (Utama et al., 2021). Tourism development also requires the government to improve the quality of airports, roads and supporting infrastructure, and of course, all of these things require no small amount of money and the government may reallocate other sector budgets such as reducing the education and health budget (M Thea Sinclair & Sutcliffe, 1988). The above fact strengthens Harris and Harris's opinion, who criticizes that an analysis of tourism impacts should include standard industry classification factors for each activity in the tourism industry which are often overlooked in tourism impact analysis (Harris & Harris, 1994)

4) Increase in Prices Dramatically

An increase in demand for goods and services from tourists will cause a series of price increases "inflation" which will certainly harm local communities, which in reality do not experience a proportional increase in income, meaning if the income of the local community increases but is not proportional to the increase in prices, it will cause the purchasing power of the local community to be low (Utama et al., 2021). Tourism development is also associated with rising house rents, land prices, and other property prices. Local people cannot afford to buy and tend to be evicted to suburban areas where prices are still affordable. As a logical consequence, tourism development also has an impact on increasing the prices of consumer goods, education costs, and the prices of other basic needs so that the fulfillment of basic needs will become difficult for residents (Harris & Harris, 1994). often forgotten in every measurement of the benefits of tourism to the economy of a country (Utama et al., 2021).

5) Sectoral Dependence

Industrial diversity in an economy shows the health of a country. If there is a country that only depends on its economy on one particular sector such as tourism, for example, it will make a country dependent on the tourism sector, a result of which economic resilience becomes very strong. high risk (Utama et al., 2021). In some countries, especially developing countries that have limited resources, it is appropriate to develop tourism which is considered not to require large resources, but countries with diverse resources should also be able to develop other sectors proportionally (M T Sinclair & Sutcliffe, 1988). When the tourism sector is considered a golden child, and other sectors are considered as children of themselves, according to Archer and Cooper, a search on the benefits and impacts of tourism on the economy should include social variables that have never been calculated by other experts. Dependence on a sector and dependence on the arrival of foreigners can be associated with the loss of social independence and at the national level, a country can lose independence and be very dependent on the tourism sector (Archer & Cooper, 1994).

6) Seasonal Characteristics

In the tourism industry, certain seasons are known, such as the high season, when tourist arrivals will peak, the room occupancy rate will approach the maximum room occupancy rate and this condition will have an impact on increasing income. tourism business (Darsana & Sudjana, 2022). Meanwhile, the "low season" is also known as the "low season" in which the average room occupancy rate is not in line with the expectations of business people, as a result, the tourism industry's income has also decreased, and this is often called a "seasonal problem", especially informal workers such as taxi drivers, traditional masseurs, and street vendors, are all very dependent on tourist arrivals, and in low seasonal conditions, they do not have a definite job area. The fact above strengthens West's opinion that offers SAM or Social Accounting Matrix to solve tourism problems that are interconnected from time to time, the benefits of tourism to the economy should apply proportionally to all seasons, both low season and tourist high season (West, 1993); (Keuning & de Ruuter, 1988).

3.2 Economic Leakages Case Studies and Strategies

Of the six possible negative effects on tourism development, economic leakage is considered the most difficult to overcome because it is very difficult to measure. Currently, tourism development is the most likely to open the liberalization process so that the possibility of economic leakage in every economic activity that occurs is very large. The question now is not whether this is indeed possible, but if it does happen, will the Indonesian tourism industry be able to dominate the market? It is not known exactly how the impact of liberalization of tourism services trade in Indonesia will be. When viewed from the aspect of the level of leakage (leakage of foreign exchange), several opinions say that Indonesian tourism creates leakage between 50% and 80% (Taylor & Smith, 2007); (Grosso et al., 2007).

If the data is accurate, then the leakage that occurs in Indonesia is classified as not too high if it only reaches 50%. While the smallest leakage is 40%, namely in India because of their success in minimizing the number of imports needed by tourists, the highest leakage in the world if it reaches 80%, according to UNCTAD, the highest leakage is in the Caribbean region, which is 75% (Taylor & Smith, 2007). Apart from the liberalization above, economic leakage in tourism development can be caused by weak coordination of tourism activities and weak local production systems (Thapa, 2010). Furthermore, economic leakage can also be equated with income leakage from activities. tourism which causes local people to not be able to enjoy it. Other conditions, economic leakage can be caused by the use of foreign capital, the construction of facilities on international networks or chains, especially the construction of five-star hotels which triggers a large number of imports of hotel supplies, foodstuffs, furniture, workers, foreign airlines, and so on (Holden, 2008); (Grosso et al., 2007).

3.3 Types of Leakage in Tourism

1) External Leakages

This leakage occurs as a result of spending in the tourism sector that occurs outside the destination, where the expenditure is related to the local industry. External leakages can occur because (1) foreign investors build tourism infrastructure and facilities in developing countries so that profits and payments occur abroad. (2) The direct flow of tourism business money occurs abroad because bookings can be made overseas or online, tourists come with foreign airlines, cruise ships or cruise ships, or other forms of business owned by foreigners. The extent and impact of external leakages vary widely from country to country and also varies by tourism destination. For external leakage related to foreign investment in the construction of tourism facilities, these leakages will have an effect in the short and even long term depending on how much capital is invested and the length of the cooperation contract. Due to limited domestic financing, leakages cannot be avoided, especially in developing countries, while in developed countries, leakages can be minimized because the financial conditions of developed countries are relatively better. In the case of leakages caused by booking travel directly from foreign countries (foreign booking intermediaries), it can be avoided by providing domestic facilities that can be accessed from abroad, perhaps online, and other ways that allow tourist transactions to be received directly by the state. or domestic companies. Furthermore, Diaz Benevides said, in revenue from tourism activities involving foreign parties in each country, the percentage of leakages varies and is difficult to measure and estimate, but the percentage is in the range of 75% (Diaz Benevides, 2001); (Garrigós-Simón et al., 2015).

2) Internal Leakages

The average internal leakage in most developing countries is in the range of 40 to 50% of the total gross revenue of the tourism sector in smaller economies. Meanwhile, in a wider economy of scale, internal leakage occurs in the range of 10 to 20% (UNEP). Internal leakages are dominantly caused by the use of imported components that are measured domestically. According to (UNEP), internal leakage can be measured by Tourism Satellite Accounts (TSA) and this has been done by 44 countries that have updated databases on tourism (WTO). Internal leakages in developing countries occur in the supply chain of imported tourism goods and services. Internal leakages in several destinations usually occur due to demand or demands for quality levels of tourism services and tourism entertainment, especially related to imported products (Smeral, 2006); (Blake et al., 2001).

The products in question are, for example, the procurement of wine and some alcoholic beverages with international brands which are produced abroad. Chain hotels with international standards also cause significant internal leakages because they tend to comply with the standards that have been set and expected by tourists. In the case of the Maldives Islands, 83% of the availability of domestic jobs is related to the tourism sector and tourism is related to domestic industries, most of which production processes depend on imported components so the occurrence of internal leakage is very high. Meanwhile, Diaz Benevides said that internal leakages are estimated to occur between 40 and 50% in most developing countries, and in developed countries, internal leakages occur between 10 and 20% (Diaz Benevides, 2001).

3) Invisible Leakages

Invisible leakages are the loss of opportunities to earn income from the tourism sector that occur in real terms but are very difficult to document in real terms but will have a cumulative effect (Utama, 2017); (Archer & Cooper, 1994). Activities that can cause invisible leakages, for example, taxes, informal transactions that are usually not recorded, and offshore savings and investments. This leakage can be reduced by looking at tourism clusters, implementing tax policies for all tourism clusters, making financial and fiscal policies, and making cooperation agreements with other countries related to tourism cooperation as investors and tourist suppliers (Utama, 2017); (Archer & Cooper, 1994). Another invisible leakage can take the form of using non-renewable natural resources, environmental damage, cultural degradation, loss of history, and damage to tourism assets over a long period can lead to a decline in the quality of life of local communities.

3.4 Case Study of Tourism Leakages

The World Bank estimates that overall of total income in developing countries, 55% will return to "leakage" to developed countries, but this figure varies in different countries (Frueh, 1988); (Farrell & Runyan, 1991). Major leaks can occur in smaller countries that rely on imported components, such as St. Lucia at 45% (Seward & Spinrad, 1982) while the Caribbean reported an average of 70% so did the state of the Bahamas in 1994 seeing a leak of almost 90% which is the highest percentage of historical economic leakages (McElroy & de Albuquerque, 2002).

Meanwhile, a study in the Gambia estimates that economic leakages occur at the level of 77% including internal and external leakages (Dieke, 1993). A study published in 1978 by the Economic and Social Commission for Asia and the Pacific estimated that the occurrence of leakage ranged from 75 to 78% caused by foreign airlines and star hotels owned by foreign companies, a similar study found that leakage occurred in the range of 55 to 60% is due to foreign airlines but hotels in destinations are owned by local people (Madeley, 1996). The two comparisons of data indicate that if company ownership in the tourism industry is dominated by local owners, then economic leakages can be reduced.

Some countries have strategies to reduce expenditure leakage in the tourism sector by empowering other sectors related to tourism on a local economic scale. Many factors cause high leakages, which can be explained as follows: (1) Small archipelagic countries tend to be economic and have a high dependence on imports because they do not have the production capacity to produce goods and services needed by the tourism sector. Meanwhile, larger archipelagic countries do not face production capacity problems because relations have been built between the tourism sector and tourism supporters on a domestic economic scale (Karagiannis & Apostolou, 2004). (2) Infrastructure limitations in developing countries can lead to high leakages, in contrast to countries that have built tourism infrastructure, can increase the possibility of domestic industrial production, and can build stronger relationships between domestic industries so that it is expected to create an efficient distribution of goods and services. domestic services, and can prevent foreign companies from entering the country (Karagiannis & Apostolou, 2004). (3) The increasing number of tourist visits to the Caribbean in the last ten years has led to an increase in the demand for goods and services in the tourism sector. And finally, domestic resources are not able to meet the needs of the tourism sector, and tourism supporting sectors such as agriculture in the Caribbean are inefficient and even have high costs or are inefficient and imports are considered to be a better alternative (Karagiannis & Apostolou, 2004).

The case of Bali tourism development shows that the highest tourism leakage in the Bali accommodation sector is 4 and 5-star chain hotels (51.0%), followed by 4 and 5-star chain hotels (22.7%), 1,2- and 3-star hotels (12.0%), non-star hotels (8.8%) and with an average leakage of 18.8%. Based on the macro analysis, the tourism losses in the Bali accommodation sector are as follows: (i) unrated hotel losses of 2.0%; (ii) Leakage from 1, 2, and 3-star hotels are 15.7%; (iii) 4 and 5-star hotel chain leakage by 7.1%; (iv) 4 and 5-star hotel chain leakage by 35.3%; and (v) the average leakage across all accommodation types is 19.5%. The government and tourism industry play an important role in minimizing tourism, increasing employment opportunities, and improving income distribution. Foreign tourists attach great importance to local products and are willing to spend their money in Bali. Hotel managers are willing to use local products as long as they meet quality standards. Strategies to minimize tourism can be implemented by optimizing the potential of local products; Development of agriculture, livestock, fisheries, and handicraft industries; community empowerment; reducing the use of imported products for tourists; calls on the government to develop and implement supportive measures to minimize tourism leakage (Suryawardani et al., 2014).

The case of tourism development in Thailand Critics of tourism as a tool to develop poor rural areas often uses dependency theory to examine why a tourist destination remains underdeveloped. The application of dependency theory is largely limited to an international level; There is a paucity of studies conducted at smaller spatial scales. This study examines lost tourism revenue in four villages in northern Thailand to illustrate the dependency relationship between the city and its rural hinterland. The study results are based on a survey of 43 small companies and 40 interviews. The results show a significant proportion of village income losses ranging from 15 to 61% depending on several factors and strategies implemented by each village (Lacher & Nepal, 2010).

The case of tourism development in Vietnam's hospitality industry is growing rapidly with increasing international arrivals and domestic tourists. At the same time, rising resource costs and waste pollution can impact revenue, environmental performance, and the public image of the hotel sector. The management of the hospitality industry's resources (energy and water) will contribute to the long-term sustainability of the tourism sector. This paper reports the results of a study conducted to assess resource use and management in the hospitality industry in Vietnam. This was determined by surveying 50 hotels on energy and water consumption and waste generation. The energy and water consumption as well as the waste generation in different hotel categories are estimated and compared with those in other countries. Current practices in hotels to address this issue are highlighted and benchmarks for the efficient use of resources in Vietnamese hotels are presented (Kumar, 2005).

3.5 Policy and Strategy to Minimize Economic Leakage

The strategy to minimize economic leakage in the tourism sector should be the government's strategy by paying attention to all industrial clusters related to the structure of the regional economy. The cluster strategy is carried out by giving flexible roles to the government both nationally and provincially to play its role in tourism development (Budi, 2015). Government flexibility can create creativity and sustainability in tourism development and marketing, at the same time the government must also be able to create options for interventions that are acceptable to all tourism stakeholders to be creative and create conducive business rules for the tourism sector. Government intervention is required at all levels of the cluster structure which is divided into three levels (Reinaud, 2009). The three levels are (1) the level of exports, government intervention at this level is based on the fact that the growth and development of the tourism industry have the same inputs as the need for labor, technology, funding, and infrastructure in a structure that must be arranged in such a way as to minimize leakage. (2) Regional Supplier level, government intervention is also needed to facilitate foreign providers, where foreign providers are required to provide components that domestic providers cannot provide, the need for goods and services is what attracts the entry of suppliers to the region with the smallest possible level of leaks. (3) Economic Input Level, government intervention at this level is necessary for all parties to provide a business foundation. Private and government organizations or other agencies need a foundation to run their business so that they need support for education and training, innovation, funding, infrastructure and information, a business climate such as taxes, regulations, and administration, and quality of life assurance (Budi, 2015); (Utama & Mahadewi, 2014).

Furthermore, it can be explained that foreign investment (finance) in the tourism sector and cooperation between domestic and foreign companies must be carried out in regional relations and carried out selectively for mandatory development such as (1) comprehensive modernization of the system. transparent especially concerning design and engineering, equipment, and supplies (2) Avoid the possibility of corruption in contract manufacturing, and (3) carry out limiting regulations and rationalizations. (4) carry out legal protection, especially for foreign tourism company partners in marketing and distribution, and logistics. The four points above can be carried out in the GATS cooperation framework and can be applied to the four cluster segments in the image above. The government can also minimize the occurrence of external leakages by creating a model of cooperation contracts for tourism companies with foreign investors and suppliers with international agreements or agreements in favor of the regional or domestic tourism sector (Budi, 2015); (Utama & Mahadewi, 2014).

The government must also be able to provide a system that encourages the empowerment of local workers (human resources system), thus encouraging innovation in the tourism industry (innovations system), the government must also be able to ensure the sustainability of destination marketing (capital markets system), the development of good physical infrastructure can create an efficient distribution of domestic goods and services, the government is also expected to ensure a conducive business climate by ensuring political stability and guaranteed security, and ultimately tourism development should be able to create a better quality of life for all tourism stakeholders (host-tourists). -investor-government (Budi, 2015); (Utama & Mahadewi, 2014).

4. The Conclusions and Suggestions

4.1 Conclusions

The positive influence of tourism development on the Province of Bali Indonesia is quite significant in the form of income from foreign exchange, foreign exchange due to tourist consumption, employment, tourism infrastructure development, and generating economic empowerment of local communities (Sutawa, 2012). In addition to these positive effects, tourism in Bali (Indonesia) also has negative effects such as economic leakages, enclaves, inflation, high financing of infrastructure and facilities, sectoral dependence, and seasonal problems. Many negative problems may be caused by the tourism sector. Economic leakage may be the most difficult problem to be solved because the tourism sector is in a climate of liberalization that allows foreigners to do business in the domestic market which can lead to economic leakage. Economic leaks can be external, internal, and invisible. The three types of leaks are caused by different factors. Leakage is inevitable under current free market or trade liberalization conditions, but economic leakage can be minimized in several ways and with different strategies. The best strategy is a cluster structure strategy to be implemented by the government through international agreements, whether at the export level, supplier level, or at economic input level, which can be designed to reduce or minimize economic leakage.

From three cases of tourism development in Indonesia, Thailand, and Vietnam, it can be concluded that the development of the hotel sector is the biggest cause of economic leakage. The main reason is that the development of the hotel sector is more developed through an international network pattern that demands the same standards according to the quality that has been set. The standardization ultimately requires a single producer from a developed country, because local destinations are not able to provide the products needed in the development of this hotel sector.

4.2 Suggestions

Although Economic Leakage in Tourism Development is unavoidable, the government can reduce it with various policies and strategies. Domestic policies and local government policies can be enforced so that the tourism industry uses local resources produced by local communities such as agricultural products, fisheries, and small and medium enterprises supporting tourism. While the strategies that can be carried out can be in the form of providing incentives and rewards for entrepreneurs who run their businesses using local products, local natural resources, and also dominant local resources.

4.3 Contribution

The novelty of this study confirms that economic leakage in the development of the tourism sector comes from the hotel sector as the biggest cause compared to others. The main reason is that the development of the hotel sector is more developed through an international network pattern that demands the same standards according to the quality that has been set. The standardization ultimately requires a single producer from a developed country, because local destinations are not able to provide the products needed in the development of the hotel sector.

References

Archer, B., & Cooper, C. H. (1994). *The positive and negative impacts of tourism, revue Global Tourism, Editura Theobald*. Oxford, UK.

Blake, A., Durbarry, R., Sinclair, M. T., & Sugiyarto, G. (2001). Modeling tourism and travel using tourism satellite accounts and tourism policy and forecasting models. *Tourism and Travel Research Institute Discussion Paper*, *4*, 2001–2004.

Budi, S. P. (2015). *Strategi Pengembangan Kawasan Pariwisata Perkotaan Studi Kasus Jakarta*.

Darsana, I. M., & Sudjana, I. M. (2022). A Literature Study of Indonesian Tourism Human Resources Development in the Era of Society 5.0. *AL-ISHLAH: Jurnal Pendidikan*, *14*(3), 2691–2700.

Diaz Benevides, D. (2001). Tourism policy and economic growth. *Seminar Presented at the Internationale Tourismus Börse, Berlin, March*.

Dieke, P. U. C. (1993). Tourism and development policy in the Gambia. *Annals of Tourism Research*, *20*(3), 423–449.

Farrell, B. H., & Runyan, D. (1991). Ecology and tourism. *Annals of Tourism Research*, *18*(1), 26–40.

Frechtling, D. C. (1987). Assessing the impacts of travel and tourism-introduction to travel impact estimation. *Assessing the Impacts of Travel and Tourism-Introduction to Travel Impact Estimation.*, 325–331.

Frueh, S. (1988). *Tourism to Protected Areas*. Baltimore, Md: World Wildlife Fund.

Garrigós-Simón, F. J., Galdón-Salvador, J. L., & Gil-Pechuán, I. (2015). The economic sustainability of tourism growth through leakage calculation. *Tourism Economics*, *21*(4), 721–739.

Grosso, M. G., Lesher, M., & Pinali, E. (2007). *Services trade liberalization and tourism development*.

Harris, P., & Harris, D. (1994). The structural dynamics of aggregate production: a challenge to tourism research. *Journal of Tourism Studies*, *5*(1), 29–38.

Heng, T. M., & Low, L. (1990). The economic impact of tourism in Singapore. *Annals of Tourism Research*, *17*(2), 246–269.

Holden, A. (2008). *Tourism and environment*. London.

Johnson, R. L., & Moore, E. (1993). Tourism impact estimation. *Annals of Tourism Research*, *20*(2), 279–288.

Karagiannis, S., & Apostolou, A. (2004). Knowledge Management in Eco-tourism: a case study. *International Conference on Practical Aspects of Knowledge Management*, 508–521.

Keuning, S. J., & de Ruuter, W. A. (1988). Guidelines for the construction of a social accounting matrix. *Review of Income and Wealth*, *34*(1), 71–100.

Kumar, S. (2005). Resource use and waste management in Vietnam hotel industry. *Journal of Cleaner Production*, *13*(2), 109–116.

Lacher, R. G., & Nepal, S. K. (2010). Dependency and development in northern Thailand. *Annals of Tourism Research*, *37*(4), 947–968.

Madeley, J. (1996). *Foreign exploits: transnationals and tourism.* CIIR, Catholic Institute for International Relations.

Maxwell, J. A. (2008). *Designing a qualitative study* (Vol. 2). The SAGE handbook of applied social research methods.

McElroy, J. L., & de Albuquerque, K. (2002). Problems for Managing Sustainable. *Island Tourism and Sustainable Development: Caribbean, Pacific, and Mediterranean Experiences*, 15.

Murdiastuti, A., & Rohman, H. (2018). *Kebijakan Pengembangan Pariwisata Berbasis Democratic Governance*.

Reinaud, J. (2009). Trade, competitiveness and carbon leakage: challenges and opportunities. *Energy, Environment, and Development Programme Paper*, *9*(01).

Setiawan, I. E., Zhang, Z., Corder, G., & Matsubae, K. (2021). Evaluation of environmental and economic benefits of land reclamation in the Indonesian coal mining industry. *Resources*, *10*(6), 60.

Seward, S. B., & Spinrad, B. K. (1982). *Tourism in the Caribbean: The economic impact*. IDRC, Ottawa, ON, CA.

Sinclair, M T, & Sutcliffe, C. (1988). The economic effects on destination areas of foreign investment in the tourism industry: A Spanish application. *Goodall and Ashworth, Marketing in the Tourism Industry, London: Croom Helm*, 111–132.

Sinclair, M Thea, & Sutcliffe, C. (1988). The estimation of Keynesian income multipliers at the sub-national level. *Applied Economics*, *20*(11), 1435–1444.

Smeral, E. (2006). Tourism satellite accounts: a critical assessment. *Journal of Travel Research*, *45*(1), 92–98.

Suryawardani, I. G. A. O., Bendesa, I. K. G., Antara, M., & Wiranatha, A. S. (2014). Tourism leakage of the accommodation sector in Bali. *ASEAN Journal on Hospitality and Tourism*, *13*(1), 3–18.

Sutawa, G. K. (2012). Issues on Bali tourism development and community empowerment to support sustainable tourism development. *Procedia Economics and Finance*, *4*, 413–422.

Taylor, I., & Smith, K. (2007). *United Nations Conference on Trade and Development (UNCTAD)*. Routledge.

Thapa, K. (2010). Village Tourism Development & Management in Nepal: A Case Study of Sirubari Village. *Retrieved on Jan 16*, 2018.

Utama, I. G. B. R. (2011). *Dimensi Ekonomi Pariwisata: Kajian terhadap Dampak Ekonomi dan Refleksi Dampak Pariwisata terhadap Pembangunan Ekonomi Provinsi Bali*. Research in Tourism and Hospitality Management.

Utama, I. G. B. R. (2014). Pengantar Industri Pariwisata. In *Deepublish Yogyakarta*. https://books.google.co.id/books/about/Pengantar_Industri_Pariwisata.html?id=lqr4CQAAQBAJ&redir_esc=y

Utama, I. G. B. R. (2017). Pemasaran Pariwisata. In *Penerbit Andi*. http://andipublisher.com/produk-0217006278-pemasaran-pariwisata.html

Utama, I. G. B. R., Laba, I. N., Junaedi, I. W. R., Krismawintari, N. P. D., Turker, S. B., & Juliana, J. (2021). Exploring key indicators of community involvement in ecotourism management. *Journal of Environmental Management and Tourism*, *12*(3). https://doi.org/10.14505/jemt.v12.3(51).20

Utama, I. G. B. R., & Mahendra, I. P. O. (n.d.). *Dimensi Ekonomi Dan Bisnis: Desain Manajemen Kualitas Pelayanan Pariwisata Bali*.

Utama, I, Wirateja, A. A. B. W., & Turker, S. B. (2021). Stakeholders Recovery Strategy of Bali Tourism Sector in the Post-Pandemic New Normal Era. *I Gusti Bagus Rai Utama, Anak Agung Bagus Wirateja, Sidhi Bayu Turker (2021). Stakeholders Recovery Strategy of Bali Tourism Sector in the Post-Pandemic New Normal Era. International Journal of Current Science Research and Review*, *4*(11), 1563–1571.

Utama, IGBR, & Mahadewi, N. M. E. (2014). Metodologi penelitian pariwisata dan perhotelan: Dilengkapi studi kasus penelitian. *Yogyakarta: Andi*.

West, G. R. (1993). The economic significance of tourism in Queensland. *Annals of Tourism Research*, *20*(3), 490–504.

19% Overall Similarity

Top sources found in the following databases:

- 17% Internet database
- 8% Publications database
- Crossref database
- Crossref Posted Content database
- 0% Submitted Works database

TOP SOURCES

The sources with the highest number of matches within the submission. Overlapping sources will not be displayed.

1	tel.archives-ouvertes.fr Internet	3%
2	media.neliti.com Internet	2%
3	mpra.ub.uni-muenchen.de Internet	2%
4	lydk.bisu.edu.cn Internet	2%
5	mafiadoc.com Internet	2%
6	factsofindonesia.com Internet	2%
7	researchgate.net Internet	2%
8	N P D U Ningsih, R Hidayah. "Dualism of the Protected Areas (Holy Reg... Crossref	<1%

9	tourismbali.wordpress.com Internet	<1%
10	"Tourism and Leisure", Springer Science and Business Media LLC, 2015 Crossref	<1%
11	"Impact of Artificial Intelligence, and the Fourth Industrial Revolution o... Crossref	<1%
12	Stanislav Ivanov, Çağakan Ayas. "Investigation of the revenue manage... Crossref	<1%
13	vuir.vu.edu.au Internet	<1%
14	Aleksandra Vujko, Jovan Plavša, Marko D. Petrović, Milan Radovanović... Crossref	<1%
15	Małgorzata Gałązka. "Tourism in Kampinos National Park in the Opinio... Crossref	<1%
16	M. Thea Sinclair. "Tourism and economic development: A survey", Jour... Crossref	<1%
17	digitalcommons.uri.edu Internet	<1%
18	editorialfunglode.com Internet	<1%
19	irep.ntu.ac.uk Internet	<1%
20	islandstudies.ca Internet	<1%

21	journals.itb.ac.id Internet	<1%
22	jurnal.undhirabali.ac.id Internet	<1%

Excluded from Similarity Report

- Bibliographic material
- Quoted material
- Manually excluded text blocks

EXCLUDED TEXT BLOCKS

I Gusti Bagus Rai UtamaManagement Study Program, Dhyana Pura

repository.undhirabali.ac.id

Ni Putu Dyah KrismawintariManagement Study Program, Dhyana Pura

repository.undhirabali.ac.id

Ni

repository.undhirabali.ac.id

strategy to minimize

tel.archives-ouvertes.fr

Conclusions and

core.ac.uk