### JURNAL CINTA NUSANTARA

Volume 01 Nomor 01 September 2023

E-ISSN: 3025-4469

https://jurnalbundaratu.org/journal/index.php/cintanusantarajournal Lisensi Creative Commons Atribusi 4.0 Internasional

# ROLE OF THE TOURISM SECTOR IN ECONOMIC GROWTH AND JOB CREATION

#### Fachmi Tamzil

Universitas Esa Unggul \*Corresponding author:fachmi.tamzil@esaunggul.ac.id

#### **Abstrak**

Sektor pariwisata telah lama diakui sebagai salah satu pilar utama dalam mendorong pertumbuhan ekonomi suatu negara serta menciptakan peluang lapangan kerja yang signifikan. Penelitian ini bertujuan untuk menganalisis peran yang dimainkan oleh sektor pariwisata dalam mendukung pertumbuhan ekonomi dan penciptaan lapangan kerja. Melalui pendekatan analisis deskriptif, penelitian ini menggambarkan bagaimana sektor pariwisata dapat berkontribusi terhadap peningkatan Pendapatan Domestik Bruto (PDB) melalui konsumsi wisatawan, investasi dalam infrastruktur pariwisata, dan ekspor produk pariwisata. Selain dampak ekonomi, sektor pariwisata juga memiliki peran penting dalam penciptaan lapangan kerja. Dengan pertumbuhan sektor ini, berbagai jenis pekerjaan menjadi tersedia, mulai dari akomodasi, transportasi, hingga sektor jasa pendukung lainnya. Peningkatan jumlah lapangan kerja ini secara langsung berkontribusi pada mengurangi tingkat pengangguran dan meningkatkan kesejahteraan masyarakat. Namun, tantangan juga muncul seiring dengan manfaat yang dihasilkan oleh sektor pariwisata. Dalam upaya untuk menjaga keberlanjutan, diperlukan pengelolaan yang bijaksana terhadap dampak lingkungan, perlindungan budaya, serta pembangunan sumber daya manusia yang berkualitas dalam industri pariwisata. Dengan memahami peran sektor pariwisata dalam pertumbuhan ekonomi dan penciptaan lapangan kerja, pemerintah dan pemangku kepentingan terkait dapat merancang kebijakan yang mendukung pengembangan sektor ini secara berkelanjutan.

Kata Kunci: Pariwisata, ekonomi, masyarakat

#### **Abstract**

The tourism sector has long been recognized as one of the main pillars in driving a country's economic growth as well as creating significant employment opportunities. This study aims to analyze the role played by the tourism sector in supporting economic growth and job creation. Through a descriptive analysis approach, this study illustrates how the tourism sector can contribute to increasing Gross Domestic Product (GDP) through tourist consumption, investment in tourism infrastructure, and exports of tourism products. In addition to the economic impact, the tourism sector also has an important role in job creation. With the growth of this sector, various types of jobs are becoming available, ranging from accommodation, transportation, to other supporting service sectors. This increase in the number of jobs has directly contributed to reducing the unemployment rate and increasing people's welfare. However, challenges also arise along with the benefits generated by the tourism sector. In an effort to maintain sustainability, prudent management of environmental impacts, cultural protection, and the development of quality human resources in the tourism industry are needed. By understanding the role of the tourism sector in economic growth and job creation, governments and relevant stakeholders can design policies that support the development of this sector in a sustainable manner.

Keywords: Tourism, economy, society

#### 1. INTRODUCTION

Tourism is a sector that has an important role in the economic development of a country. In Indonesia, the tourism sector has enormous potential with its diverse natural and cultural wealth. In recent years, the tourism sector has experienced significant growth, contributing greatly to the country's economy.

The tourism sector plays a very important role in a country's economic growth and job creation. In the context of Indonesia, this sector has become one of the largest sectors of the economy and its contribution to economic growth is significant. Tourism not only provides direct income through tourists, but also creates new business opportunities, increases investment, and encourages the growth of related sectors such as transportation, hospitality, food and beverages, and crafts. The role of other sectors affects the economic growth of related countries (Mudrikah, et al., 2014).

One of the uniqueness of geographical and social factors has potential that is considered feasible to be developed by being maximally processed (Gunawan, et al., 2016). Indonesia has extraordinary natural beauty ranging from exotic beaches, towering mountains, to unspoiled tropical forests. Many local and foreign tourists are interested in exploring Indonesia's natural beauty, such as Komodo National Park, Raja Ampat, Lake Toba, and many more. Overall, tourism's contribution to economic growth is very important. Through increased tourist arrivals, growth of related sectors, infrastructure development, as well as increased revenue and foreign exchange earnings, tourism is able to have a positive impact on a country's economic growth. Therefore, the government and related stakeholders need to continue to encourage the development of the tourism sector so that it can provide maximum benefits for economic growth. sector in order to provide maximum benefits for economic growth.

#### 2. METHOD

This journal text is made with a descriptive analysis method using literature review. This method aims to describe phenomena that are ongoing or have occurred. The first step in using this method is to gather a collection of relevant and representative literature on the topic being explored. These literature sources can be scientific journals, books, articles and other publications. Next, the literature is systematically analyzed by identifying key elements such as concepts, theories, methodologies, key findings, and approaches used by the authors in each literature source. This was done by reading, noting and comparing the information found in the literature.

In the context of this descriptive analysis method, the main objective is to provide a clear and comprehensive description of the problem being discussed, without attempting to make generalizations or deeper inferences as in other research methods. Through this descriptive analysis approach, it is hoped to gain a better understanding of the existing literature landscape on this topic.

#### 3. RESULT AND DISCUSSION

#### **Economic Growth**

Economic growth is one of the most important indicators in measuring economic performance in a country, especially to analyze the results of economic development that has been implemented by a country or region. The economy is said to experience growth if the production of goods and services increases from the previous year. Thus, economic growth shows the extent to which economic activity can generate additional income or welfare in a certain period. Increased economic growth means that the economy of the country or region is developing well.

#### A. The Relationship between Tourism and Economic Growth

Several other arguments look at the link between tourism and economic growth with a focus on the macroeconomic impacts of tourism, namely: First, tourism has a direct impact on the economy, including job creation, income redistribution, and strengthening the balance of payments. Tourist spending, as an alternative form of exports, contributes in the form of foreign exchange receipts (balance of payments) and income earned from tourism expansion. Secondly, induced effects on specific product markets, government sectors, taxes and also imitation effects on communities. One of the main benefits to local communities expected from tourism is its significant contribution to the regional economy, especially the increase in income and new jobs in the region. Local businesses of course benefit directly from tourist spending.

#### B. The role of tourism in the economy

According to Yoeti (2008), the tourism sector serves as a catalyst for development (agent of development) of a region while accelerating the development process itself. The role of the tourism sector for the economy of a region are: 1. Increase the country's foreign exchange earnings. 2. Accelerate and expand the process of business opportunities. 3. Enlarge employment opportunities for the community. 4. Accelerate the process of income distribution. 5. Increase state revenue through taxes and local revenue through levies. 6. Increase the country's income. 7. Strengthen the country's balance of payments position. 8. Encourage the growth and development of regions that have limited natural resources.

Tourism text is an activity that is able to increase community economic growth such as income, business opportunities, employment opportunities, and reduce unemployment or erode poverty. This is in accordance with Law No. 25 of 2000 concerning the National Development Program that the objectives of tourism development are a) to develop and expand the diversification of national tourism products and quality, b) based on community empowerment, art, and natural charm with due regard to the preservation of traditional cultural arts and environmental sustainability, and c) develop and expand the tourism market, especially foreign markets.

Furthermore, in Law No. 10 of 2009 concerning tourism, so that tourism resources and capital are utilized optimally through the implementation of tourism which is intended to increase national income, expand and equalize business opportunities or employment, encourage regional development, introduce and utilize tourist attractions and destinations in Indonesia in order to foster a sense of love for the country (Anom, I Putu, 2013: 112). Based on the law, it is explained that tourism not only strengthens the economy of a country, but also fosters love and pride in the country so as to strengthen a sense of unity.

Actually, there are many literatures that explain that tourism not only improves the community's economy, but also improves socio-cultural and environmental aspects. Seen from the socio-cultural aspect, tourism acts as a preservation of cultural values, has an open attitude, and appreciates and respects other cultures. Furthermore, from the environmental aspect, tourism plays a role in preserving the environment to keep it clean, beautiful, cool, and green. The many positive impacts that tourism has on people's lives cause the tourism industry to be developed by involving all related elements. This is because tourism development and economic growth are directly proportional. If tourism develops well, then the community's economy also improves. Conversely, if tourism deteriorates, the community's economy will also deteriorate.

Tourism is one of the keys to boosting the community's economy because this activity is directly related to the lives of people in tourist areas. The mutually beneficial interaction relationship between communities and tourists in the tourism industry is harmonious and ecological. Tourists travel for various purposes, such as recreation, business trips (congresses, seminars, and symposiums), and education. These activities require lodging, restaurants, travel agencies, and souvenir shops. The needs of tourists can be fulfilled by people in tourist destinations. Therefore, the community is required to be creative in tourism activities so that it can give an impression to tourists and benefit the surrounding community. The following can explain the benefits of tourism in increasing community economic growth:

## a) Increased Income, Business Opportunities, and Employment Opportunities for the Community

The role of tourism can be seen from the amount of revenue earned by the government through increased foreign exchange, GRDP, and total output, while the community can be seen through business opportunities and employment opportunities. The increased economic growth of a region can be seen from the income multiplier. Income multiplier is the amount of money generated in a region due to additional tourist spending by one unit. For example, tourists spend as much as one million rupiah on vacation, while local people generate additional income of 800 thousand rupiah, then the income multiplier value is 0.8. The magnitude of the income multiplier shows that tourism can drive the economic activity of the local area (Nugroho, Iwan, 2011: 65).

According to Erawan in Pitana, I Gde, and Gayatri, Putu G (2005: 112), explained that the tourism industry is able to contribute 51.6% to the income of people in Bali, and employment opportunities contribute about 38%. The data shows that while in Bali, tourist spending absorbed into the people's economy is quite high as can be seen from the contribution of the trade, hotel and restaurant sectors. In addition to the community, tourism activities also have a positive impact on the government in the economic aspect, because the more the number of tourists visiting tourist areas, the more GDP income for the region. So, not only the community benefits, but the government as well.

The increase in community income can be seen from community-owned inns/cottages that are rented out to tourists. These cottages also require several employees for its smooth operation so that indirectly the establishment of cottages can create jobs for other communities. In addition, in tourism, a guide is needed and those who can become guides are only local people because they know and understand the area. By becoming a guide,

community income increases and can be an alternative livelihood for the community. Furthermore, the needs of tourists in enjoying tourist destinations are transportation. Smooth transportation can affect the comfort of tourists in enjoying tourist attractions. This transportation can also increase community income through rental/rental of bicycles, motorbikes, and cars to tourists.

Increased community economic growth due to tourism in addition to increased income is an opportunity or job opportunity. These job opportunities can be created through culinary businesses pioneered by local communities so that many typical tourist area dishes are sold. In addition to increasing business opportunities, it is also able to preserve cultural values through typical tourist area cuisine. The next business opportunity is souvenirs made by local people. These souvenirs will be bought by tourists as a memento or as a sign that they have visited the area. The making of these souvenirs becomes a household industry that requires several employees.

This is in accordance with research conducted by Prayogi, Putu Agus (2011) in Penglipuran tourist attraction, that the development of tourism can open opportunities for the community to open a business as a provider of tourist needs. This can be seen from the establishment of art shops in people's homes, which offer a variety of souvenirs typical of Penglipuran made from bamboo trees. The development of tourism has also indirectly impacted on the small/household industry sector, where the Penglipuran Village community established groups of bamboo craftsmen, which are able to increase community income. In addition to income in the form of souvenir sales, the Penglipuran village community also gets input from retribution paid by tourists when entering the tourist attraction. The retribution charged to tourists is Rp. 2,500, - from the total retribution obtained, 40% of it is submitted to the Penglipuran Village. The magnitude of the influence of the tourism industry on the welfare of people's lives requires all elements involved in tourism to be able to advance and develop tourist areas.

In addition, another contribution of tourism is the creation of employment opportunities. In 1992, the WTIC (World Travel and Tourism Council) estimated that the tourism sector employed about 127 million workers, or about one every fifteen workers in the world (WTTC, 1992, cited by Hawkins, 1994). WTO (World Tourism Organization) estimates even suggest that number has reached 200 million, or one in every ten available jobs (TIES, 2000). In Indonesia, using the National Satellite Account method simulation, WTIC in collaboration with Wharton Economic Forecasting Associates (WEFA), estimated the initial figure of employment in the tourism sector in 1997 at 6.6 million. Meanwhile, the moderate scenario of tourism employment projections prepared by PUSPAR UGM based on the 1-0 table in 1995 shows a figure of 8 million job opportunities created in 1998. It is estimated that this number will reach 11.1 million by 2003, consisting of 1.9 million direct employment opportunities and 9.2 million other direct employment opportunities. direct employment opportunities and 9.2 million other indirect employment opportunities (Kusworo, Hendrie Adji and Damanik, Janianton, 2002: 108).

The magnitude of the influence of tourism on society is expected to increase public awareness of the importance of tourism development. This awareness can be done through the application of sapta pesona for the community because those who are in direct contact with tourists are the community. The community must be able to create a sense of security for tourists by always maintaining environmental cleanliness, not littering, maintaining natural

beauty, order, and displaying attractions related to local culture so as to provide the most beautiful memories for tourists. And last but not least is accessibility or ease in reaching tourist attractions through the provision of safe and comfortable transportation and good road conditions.

#### b) Reducing Unemployment and eradicating poverty

Improving the quality of life and reducing poverty can be achieved by promoting tourism. Tourism is able to alleviate poverty and eradicate hunger through the business opportunities it creates so that people's lives can prosper and people's living standards can increase. According to Sudana, I Putu (2013: 15), the development of the tourism sector is expected to minimize pockets of poverty, especially in areas that have the potential to become tourist areas. People should feel the effects of tourism in their daily lives and realize that tourism does not belong to just a few people but everyone. The basis of tourism is two important elements, namely accommodation and attractions. Accommodation is defined as a place where people live that is rented out to tourists while attractions are a form of daily life of the villagers and the unique physical setting of the village. Reflecting on the consumption patterns of tourists, especially foreigners, today many tourist interests are oriented towards interaction, both with local culture, society and nature. The effectiveness and form of maximum interaction can be realized through the uniqueness of an area. Based on the spirit of improving the standard of living of the community and responding to the desire of tourists to find something new, this will undoubtedly support the process of "take and give" from a cultural and economic perspective.

Tourism development is also able to open up opportunities for women to occupy various professions, which can be seen from the presence of female labor in various segments of the tourism industry, including: public relations, sales and marketing, housekeeping, front office, ticketing, waitresses, and flight attendants. This is because women are seen as more painstaking, neat, careful and efficient in doing work. With the variety of tourism service businesses, it certainly provides opportunities for women to work with a digging/part-time system and the efforts made are more close to the information sector. The reason for women's entry into the public sector or the increasing interest in working is because they want to get out of the domestic routine, develop themselves to have their own money, so they can make their own decisions in using money without having to ask for approval or discuss with their husbands. The balance of women's status in the household can only be realized if there is equal power between husband and wife in the economic field and control over vital resources (Sri, Anak Agung Putri, 2013: 2).

Tourism development can provide sustainable benefits to local communities. The benefits are in the form of eroding poverty so as to eradicate hunger in tourist destinations. This is because all family members can work and make ends meet. For example, if the husband already has a permanent job, the wife can work part-time by becoming an employee in restaurants or selling soft drinks, while the children after school can become guides. With all family members working, the community's standard of living can improve. People no longer live in poverty because money is always flowing from businesses created by tourism. Furthermore, the development of tourism also has an impact on human resources. Local people will try to improve their communication skills through English language trainings. The goal is to have smooth communication with tourists in buying and selling transactions so that money will always move in tourism areas. If communication is smooth, then tourists are

also comfortable because there will be no misunderstanding in language.

In addition, tourism is also able to create healthy competition among the community. For example, people will compete to attract the attention of tourists through creativity created by decorating lodging that is always associated with local culture, finding new recipes in cooking, and making unique souvenirs, and always making new innovations so that tourists stay and if they return to visit, they will still choose the inn, restaurant, or souvenir shop. Therefore, the tourism industry needs to be developed in a planned and integrated manner so that the standard of living and welfare of the community increases so that the economy in tourist areas can grow and develop properly.

#### 4. CONCLUSION

Tourism is an industry that is able to increase community income, able to create employment opportunities and employment opportunities so as to avoid people from the dangers of poverty and hunger. The increase in community economic growth due to the development of the tourism industry is influenced by three actors that influence each other, namely the community, the private sector, and the government. These three actors are the most important part in the development of tourism. If the three actors do not work together, then tourism will not mean anything. Therefore, public, private, and government awareness is needed to be able to promote tourist destinations so as to attract tourists to visit by socializing to all parties that tourism does not only benefit a handful of people, but all parties feel it. In addition, tourist destinations must also be able to apply Sapta Pesona, which is the most important part of tourism.

Sapta charm is an effort made to create conditions that are able to attract tourists to want to visit tourist destinations. Sapta charm consists of a sense of security, order, clean, cool, beautiful, friendly, and memories. In traveling, tourists will consider which tourist areas are safe to visit. If it is not safe, then tourists will not visit, because one of the purposes of tourism is to relieve boredom from work activities, so security and safety are needed.

Tourist destinations that are orderly, clean, cool, and beautiful will make visitors' moods happy, so that tourist goals can be achieved. Furthermore, the hospitality of the tourist destination community is needed, because the community is directly involved with tourists. The kindness and hospitality given by the community to tourists will make tourists feel at home and comfortable. The comfort provided will be memorable and become a memory that will later be told to relatives and friends, so that indirectly it becomes a promotion. This promotion will certainly increase tourist visits, because it could be that relatives or friends of these tourists are interested in visiting.

#### 5. ACKNOWLEDGMENTS

Our gratitude in this research goes to various parties who have helped so that the research runs smoothly and successfully.

#### 6. REFERENCES

- Agus Widarjono, (2016). Pengaruh Sektor Pariwisata Terhadap Perekonomian Studi Kasus Di Bali, Diy, Ntb Dan Sumut. Universitas Islam Indonesia Fakultas Ekonomi Yogyakarta
- Nadya Salsabila, (2021). Analisis Pengaruh Sektor Pariwisata Terhadap Pertumbuhan Ekonomi (Studi Kasus Pada Negara Asia Tenggara Maritim). Jurusan Ilmu Ekonomi Fakultas Ekonomi Dan Bisnis Universitas Brawijaya.
- Wisnu Yudananto, Sutyastie S. Remi, Dan Bagdja Muljarijadi. Peranan Sektor Pariwisata Terhadap Perekonomian Daerah Di Indonesia (Analisis Interregional Input-Output). Universitas Padjajaran.
- Anom, I Putu. 2013. Potensi Kepariwisataan Provinsi Nusa Tenggara Timur (Studi Kasus Di Kawasan Pariwisata Komodo). Universitas Udayana: Fakultas Pariwisata. Jurnal Analisis Pariwisata.
- Nugroho, Iwan. 2011. Ekonomi Dan Pembangunan Berkelanjutan. Yogyakarta: Penerbit Pustaka Pelajar.
- Prayogi, Putu Agus. 2011. Dampak Perkembangan Pariwisata Di Objek Wisata Penglipuran. Sekolah Tinggi Pariwisata Triatma Jaya: Jurnal Perhotelan Dan Pariwisata
- Kusworo, Hendrie Adji Dan Damanik, Janianton. 2002. Pengembangan Sdm Pariwisata Daerah: Agenda Kebijakan untuk Pembuat Kebijakan. Jurnal Ilmu Sosial dan Ilmu Politik.
- Sudana, I Putu. 2013. Strategi Pengembangan Desa Wisata Ekologis di Desa Belimbing, Kecamatan Pupuan Kabupaten Tabanan. Universitas Udayana: Fakultas Pariwisata. Jurnal Analisis Pariwisata.