

Socio-Economic Impacts of Tourism on a World Heritage Site: Case
Study of Rural Borobudur, Indonesia

by

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ABSTRACT

This study focuses on Borobudur Temple Compounds World Heritage Site (WHS) and the surrounding rural area in Central Java, Indonesia. It aims to (1) investigate socio-economic impacts of heritage tourism from local community's point of view; and (2) explore factors, which are affecting the generation of socio-economic impacts for the community.

Through survey research targeting local people, focus group interviews and key informants interviews, this study tried to investigate socio-economic impacts of heritage tourism from local community's point of view. The study then explores factors that have been affecting socio-economic impacts of heritage tourism in Borobudur. It classified these factors into three different contexts, i.e. local, national, and international context. The local context consists of the local environment (socio-demography and area characteristics) and management of WHS and heritage tourism (organizations involved in the management and their inter-relationships, management process); the national context encompasses tourism policy and the existing legal frameworks on tourism and WHS; and the international context consists of the role of relevant organizations, such as UNESCO, the nomination process and the dynamics of World Heritage discourse, i.e. evolving concepts relevant to local development in the past years and how they are implemented so that WHS can give more benefit to development at the local level. Using data collection methods such as interviews with organizations involved in the management of WHS and its vicinity, expert interviews, secondary data analysis, the second research objective, which is to explore factors affecting the generation of socio-economic impacts for the community, is carried out.

By combining the research conducted at the community level and the many influencing factors, the study intend to explain the socio-economic impacts at the community level in light of the management or governing process of the WHS and its vicinity, the institutional arrangement as well as the interactions between organizations, and in the context of policy – which is reflected in the current legal framework influencing the site.

This study finds that heritage tourism in Borobudur had contributed quite significantly to local government's tax revenue and to growing services and tourism related sectors' shares into Gross Regional Domestic Products within Borobudur District. Tourism has also stimulated the development of infrastructure in the area and has provided business opportunities over the years. However, the study also found that there have been limited positive impacts of heritage tourism

for the majority of local people in the rural Borobudur. Tourism has not encouraged the growth in the agriculture sector – a sector in which more than 40% of the workforces are involved. This study also found that tourism in Borobudur has had only limited success in stimulating the development of other sectors in the local economy. Its impact on other sectors is limited to certain economic activities that are closely related with tourism, such as tourism village and handicrafts. However, other important sectors, which have taken root in the rural livelihoods, i.e. agriculture and food production or processing have been largely neglected.

Although survey results indicate positive perceptions of tourism impacts, this perception is not supported by other facts, such as the level of income and the magnitude of tourism impacts on employment and income. The tourism impact has been most significant in providing employment in the informal sector. Monthly household income for the majority of sample households who are involved in tourism related jobs is still below the minimum regional wage.

Analysis of factors in the local context that have been influencing tourism impacts found that problems at the local area, such as unfavorable condition for farming in parts of the area; small land holdings; low education level which limits job opportunity; poverty and scarce employment opportunity, have contributed to high dependency toward tourism in the area. In addition, the current management system, which consists of three different organizations managing three different zones, is inadequate in managing heritage tourism so that it can help solve problems at the local level. Management plan, which is actually required for every WHS and is needed to arrange coordination between organizations based on some shared objectives, is absent in Borobudur. Thus, this study finds institutional problems such as lack of planning mechanisms, difficulties in coordination as well as lack of legal framework that prevent the management system from working together to address local issues.

This study also argues that the nomination process, guidance from relevant international organizations and the development in WHS discourse have also influenced the course of heritage tourism development – although not directly. The nomination process, which place most emphases on conservation and much less on community development, has influenced the limited view of Borobudur WHS for conservation and tourism. International organizations such as UNESCO should do more to encourage or even enforce compliance from WHS in taking extra means to ensure a wider benefit of WHS for development, i.e. by developing a management plan and implementing the participatory process.

This study recommends that a formal management plan or integrated plan between sectors is necessary if the development of other sectors in the local economy alongside tourism is to take place. It also suggests that in the spirit of decentralization, in which Indonesia has moved since 2000, local government must be given more authority in the management of WHS and its vicinity as one integrated area. Lastly, community participation is needed in recognizing potential resources to be developed or improved as well as problems or weaknesses that may exist. These efforts may help to realize at a local level, the ideal of WHS for development that has been stated by higher level organizations such as UNESCO.

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Chapter I

INTRODUCTION

I.1. Background

Many countries have regarded tourism as a tool for development. It is believed to have the ability to generate foreign exchange, increase employment opportunity, and attract investment (Telfer 2002a; Brohman 1996; and Walpole and Goodwin 2000). For such reasons, many developed and developing countries are encouraged to use tourism as a means of economic development. Some development literatures even place international tourism together with export-oriented industries and non-traditional agricultural exports as new “growth sectors” believed to show much promise for stimulating rapid growth based on the comparative advantage of developing countries (Brohman 1996). Tourism is also a social force equipped with transformative capacity, i.e. improving individual well-being and fostering cross-cultural understanding, and as such it is argued by some commentators to be one of the most important forces shaping the world (Higgins-Desbiolles 2006).

In Indonesia, tourism began to demonstrate its significance for the country’s economy in 1990 when it became the third largest foreign exchange earner in the non-oil sector. Tourism in Indonesia had experienced a strong growth for a decade prior to 1997 (before the economic and monetary crisis hit some Asian countries including Indonesia). The growth of foreign visitor arrivals from the late 1980s to the early 1990s was more than 15% per year, contributing to an increase in foreign currency receipts (Hall 2000a). Sugiyarto, Blake and Sinclair (2003) quoted a World Bank report in 2002 that tourism had contributed around 16% of total new employment in 1995.

The strong growth of tourism, however, was marred severely by the mass riot that followed the fall of the New Order regime in 1998 and other incidents, which had led to rising security concern – especially during 2002 to 2003. Because of the various security, political and economic issues; the number of international arrivals has remained depressed for a decade in spite of the country’s potential.

In 2008, the number of international arrivals to Indonesia was recorded at around 6.45 million, up 14 percent from 2007 (BPS 2008). Although increasing, the number of international arrivals to Indonesia is still surpassed by its close competitors in the Southeast Asian region, such as Malaysia, Thailand and Singapore. Malaysia is leading with 22.05 million arrivals in 2008, Thailand is second with 14.54 million, followed by Singapore with 10.1 million arrivals in 2008 (Muqbil 2008).¹ Foreign exchange earning of tourism in 2008 was 7.5% of the total export (WTTC 2008). The value added of tourism industry made up around 2.3% of total GDP.² Direct employment in the tourism industry accounts for 1.9% of total employment (WTTC 2008). However, the impact of tourism is actually greater because tourism is related to other sectors of the economy, thus forming the tourism economy. The tourism economy forms a backward linkage to components of the tourism industry. For instance, it encompasses the agriculture sector, which provides goods for accommodation, and it includes hours spent by immigration officers in dealing with in bound tourists. In 2008, the value added of tourism economy was equivalent to 7.2% of total GDP while employment in the tourism economy represented 6% of total employment (WTTC 2008). Comparison with Indonesia's close competitors, namely: Malaysia, Singapore and Thailand can be observed in the following table (Table 1.1).

Table 1.1.

Comparison of tourism economic impacts: Indonesia, Malaysia, Singapore, Thailand

Tourism Economic Impacts	Country			
	Indonesia	Malaysia	Singapore	Thailand
Value added of tourism industry	2.3%	4.8%	2.1%	6.5%
Value added of tourism economy	7.2%	12.3%	7.3%	14.7%
Tourism industry direct employment	1.9%	5%	2.1%	5.1%
Tourism economy employment	6%	10.8%	5.8%	11.1%

Source: WTTC (2008)

In tourism, objects with cultural significance are usually among key tourism attractions, including the ones listed under the World Heritage List. WHS are cultural and natural heritage sites inscribed in the World Heritage List due to their outstanding universal value and

¹ Speirs (2008) argued that what is important but has been lacking in Indonesian tourism development is a clear vision from the government, innovative product development, improved infrastructure and sense of security that can be felt by foreign visitors.

² The tourism industry is the total of all businesses that directly provide goods or services to facilitate business, pleasure and leisure activities away from the home environment (Tourism New South Wales undated).

international significance for conservation.³ Timothy and Nyaupane (2009) pointed out that visits to cultural and historical resources have become one of the largest and fastest growing sectors of the tourism industry. For monuments, areas, or natural landscapes, being designated as a World Heritage Site (WHS) is a privilege because the international visibility of the site as a tourism attraction will likely increase through the promotional and informational activities conducted by the government, tourism industry players and the World Heritage Committee (Drost 1996; Li, Wu and Cai 2008). A visit to heritage areas/sites⁴, regardless of the visitors' motivation and perception on the heritage attributes of the site, is referred to as heritage tourism (Poria et al., 2006).

With tourism considered as a tool for development (Brohman 1996; Telfer 2002a), WHS become resources to be employed to promote social and economic development (Rizzo and Mignosa 2006). The United Nations World Tourism Organization – UNWTO, in one of its publications mentioned that heritage tourism is viewed as an important tool for poverty alleviation and community economic development in the developing world because it appears to be growing faster than other forms of tourism (Timothy and Nyaupane 2009). Matsuura (2008) also suggested that despite the primary aim of World Heritage Convention to conserve cultural and natural heritage, the designation of WHS has to look also at efforts to reduce poverty. WHS' role in development and poverty alleviation has been an emerging issue in the discourse of WHS. Studies by Ballard (2005) and Tuot and Hing (2007) of heritage tourism and poverty reducing effects in Angkor WHS in Cambodia, and activities carried out by the African World Heritage Fund (2008) in supporting tourism in WHS for poverty alleviation, reflected the growing interest in this emerging issue.

In the context of rural areas, the importance of tourism as a powerful force of rural economic development has been emphasized by local governments, researchers and alike in many countries (Mair, Reid, and George 2005). Greffe (1994), identified several reasons why tourism can be a possible engine for rural development, as follows: (a) tourism can provide employment and income; (b) it requires goods and services that may be provided from the

³ “Outstanding universal value” means cultural and/or natural significance, which is so exceptional as to transcend national boundaries and to be of common importance for present and future generations of all humanity (Operational Guidelines for the Implementation of the World Heritage Convention 2005).

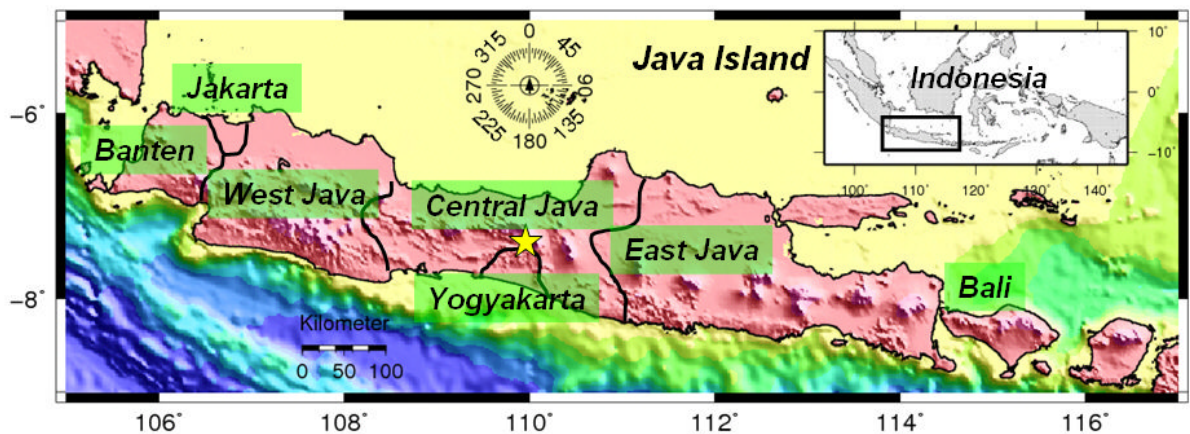
⁴ “Heritage is the different forms of cultural capital, which embodies the community's value of its social, historical, or cultural dimension” (Throsby as cited by Benhamou 2003).

rural area; (c) it exploits and capitalizes the countryside or natural phenomenon to which no economic value is attributed; (d) it promotes the demand for craft work and labor intensive products which tend to be frequently met in the rural environment, and; (e) it stimulates the injection of exogenous flows of expenditure and results in the traditional multiplier effect.

Hence, when a WHS is situated in a rural area, it is also expected to bring benefits to rural development and communities that live in areas that surround the WHS through tourism. This expectation also applies to Borobudur Temple Compounds WHS that is located in a rural area of Central Java, Indonesia (see Figure 1.1). The temple compounds are one of the prime tourism attractions in Indonesia. It became a World Heritage Site in 1991, and includes multiple locations, i.e. Borobudur Temple (the main temple); Mendut Temple and Pawon Temple, which are smaller but similar in craftsmanship. Built in the 8th century, these ancient and magnificent Buddhist temples are located in Magelang Regency, Central Java Province. Although the Buddhist temple is situated in a pre-dominantly Muslim community, it is still used by Buddhist communities, especially for the Vesak ceremony.⁵

Figure 1.1.

Location of Borobudur Temple Compounds World Heritage Site in Central Java Province;
Borobudur Position Relative to the Neighbouring Yogyakarta Province



Note: This map was created using GMT Software (Wessel and Smith 1991)

⁵ Vesak ceremony is a celebration of the birth of Buddha.

Since 1985, tourism in the main temple has been taking place inside a recreation park named Borobudur Temple Recreation Park specially developed around it. Around 80% of the visitors each year are domestic tourists. Many of both the international and domestic tourists use Yogyakarta (43 kilometres from the compounds and the second most important tourism destination in Indonesia) as a base for their visit to the region.⁶ The length of stay for the majority of visitors is rather short (3 - 4 hours) although there are also visitors (international and domestic) who spend a few days in various accommodations available in the Borobudur vicinity.⁷ The Local Government of Magelang wants visitors to stay longer and spend more of their travelling expenditure in Borobudur. However, the majority of visitors still generally perceive Borobudur Temple as the only attraction in the area despite efforts from some community members to develop other potential attractions in the rural setting.

A previous study by Hampton (2005) indicated only a limited economic benefit of tourism to the surrounding rural area in Borobudur. Hampton's study, which was drawn from several pieces of fieldwork that utilized semi-structured interviews and direct observations, suggested that the informal sector in Borobudur has the greatest local significance in providing employment albeit a modest income which lacks stability for many people who are involved in it.⁸ The number of people working in this sector, especially the street vendors, can reach 2,000 people or even 3,000 people in the peak seasons (Taylor 2003; Soeroso 2007). This sheer number as well as their sometimes-aggressive selling behavior, is a great concern for the authorities, whereas academics and observers in the heritage field is concerned about the small number of local products sold by these vendors. Soeroso (2007), referring to a list made by the Association of Tourism Service of Borobudur (PJWB) of their members and products sold, said that from about 170 souvenirs offered in the recreation park, only seven are made locally. As such, this indicates a situation opposite to Greffe's (1994) suggestion that tourism requires goods and services from the rural area and promotes the demand for craftwork and labor intensive products.

⁶ Yogyakarta is renowned for cultural tourism evolving around the Sultanate's palace and remnants of the colonial era in its historic buildings. The city also has other attractions such as beaches in the southern part of the city (and the island of Java) and Merapi highlands by the infamous Merapi Volcano in the north.

⁷ Accommodations in the Borobudur vicinity range from a luxurious international chain resort, hotels, guesthouses, and homestays.

⁸ The informal sector can be defined as a process of income generation that is unregulated by the institutions of society, such as the government (Timothy and Wall 1997).

The issue of limited economic benefit from heritage tourism has been raised since 2003 when Borobudur was celebrating twentieth anniversary of its restoration (Adishakti 2006).⁹ On this occasion, some local community members made a declaration that questioned the role of management bodies, especially that of the state-owned company, mandated to manage the recreation park) in managing the site and in ensuring tourism benefits for local communities. Dna (2005) also reported that some villages' administrators in Borobudur District believed the company had been concentrating tourism within the park without trying to disperse visitors to the nearby villages. These nearby villages, according to them, could be promoted as thematic villages for tourism.¹⁰ In 2006, a monitoring mission carried out by UNESCO's World Heritage Committee suggested the need to bring more benefits from the heritage site to the wider rural development context (Boccardi et al. 2006).

The lack of benefit felt by the communities suggests an issue in intra-generational equity, one of the principles of sustainable management of cultural resources (Throsby 2003). The principle of intra-generational equity asserts the rights of the present generation to fairness in access to cultural resources as well as benefits flowing from them, viewed across social classes and income groups (ibid). In the realm of the WHS, however, universal ownership of WHS by the peoples of the world often results in stressing more on the global interest such as mass tourism at the expense of local people's interest (Millar 2006). In the case of Borobudur, the development of a recreation park as an access to the heritage site and as a place to facilitate visitors' needs, seems to fulfill global and national interests for conservation, access to the site, and for tourism as an income generator for the country. On the other hand, local people's interest such as the need for a more disperse flow of tourists to the other potential attractions in the rural area has not been accommodated.

Moreover, Black (1997) pointed out that often there is gap between the few who are able to cash in on the revenue generated by tourism and the many who are unable to do so because of the barriers, i.e. access to capital and markets. In addition, she also stressed that in many WHS, there is often a stark contrast between the grandeur of the ruins and the living standards of those people who live near the sites. At the same time, there is a considerable disparity

⁹ The restoration of Borobudur Temple was completed in 1983.

¹⁰ For example Candirejo for village tourism, Wanurejo for its handicrafts, Karanganyar for its pottery and Tuksongo for its glass noodles made of sugar palm flour.

between resources devoted to monument conservation and those which go to investigate and encourage ways in which the community could benefit economically through sustainable tourism activity (ibid).¹¹ As such, those facts relate to what and how choices are made in the decision making process concerning management of WHS and its surrounding area, as well as concerning heritage tourism development that is supposed to encourage ways for the community to reap more benefits.

The author during her previous work in a non-governmental organization (NGO) working at developing ecotourism has seen how the community in Candirejo Village near Borobudur could develop community-based village tourism that provides alternative income to their livelihoods. Initiative to develop community-based village tourism came from Village Head and the village's young people in 1999 was because they wanted tourism to have more positive impact in improving the welfare of villagers. Author's interest to do a research in the Borobudur area and to understand more thoroughly the socio-economic impacts of tourism at the local level came from these questions that came into her mind then: when villagers said tourism had limited impact for them, what did they mean? what impact does the heritage tourism actually generate? how could one community succeed in developing their own village's potential? what other potentials exist in other villages surrounding Borobudur? what have been done by the institutions involved in managing the WHS and its locality to assist rural development?

I.2. Research Questions & Objectives

Considering previous literatures on WHS and heritage tourism, tourism for rural development, previous studies on the particular site of Borobudur, and author's experience, the research questions that this study set out to answer, are as follows:

“What impact does the presence of WHS and the tourism such sites generate have on the rural community? What factors affect the generation of these impacts?”

WHS is not only concerned with tourism, but also with other important aspects such as conservation, national pride, or religious activities. However, this study focuses on the

¹¹ Sustainable tourism is tourism that emphasizes on minimizing the negative impact to the environment and culture, supports conservation, while generating income and employment for the local community (Telfer 2002c).

tourism aspect because the impacts of WHS presence for local communities in developing countries especially in this particular case study site, is mainly generated from heritage tourism activity. Tourism impacts, according to Ritchie and Goeldner (1994) and Mason (2003), include economic, social, and environmental impacts. This study focuses on social and economic impacts, two types of impacts that are often intertwined and difficult to differentiate, hence the term socio-economic impacts.¹²

While previous studies have provided some indication of limited economic impacts in Borobudur, what is lacking is an assessment of tourism impact in Borobudur that is not restricted to direct economic benefits, i.e. income and jobs, but also to other indirect aspects in social and economic impacts. Undertaking this tourism socio-economic impact assessment, will give a more complete picture of how tourism has impacts on the local community's livelihoods in rural areas and what factors influence these socio-economic impacts. To answer the above research question, the following research objectives need to be satisfied:

1. To investigate socio-economic impacts of heritage tourism from the local community's point of view.
2. To explore factors which are affecting the generation of socio-economic impacts for the community. These factors are from both the local environment in which the WHS operates, i.e. local demographic, characteristics of the area and how the WHS and heritage tourism are managed; and from the macro environment, which include relevant policy and legal instruments at the national or even international level.

I.3. Research Methodology

An exploratory research approach is applied in this research. This approach relies more on qualitative analysis for describing and identifying underlying relationships between the socio-economic impacts with factors affecting them. Data collection methods involved household survey and focus group interviews to investigate the impact of heritage tourism, interviews and secondary data collection to analyze factors contributing to the impacts (see Figure 1.2). McLoughlin et al. (2007) stated that policy and legal contexts, the local environment, and

¹² Socio-economic impact can then be defined as the changes in the social fabric, which are influenced by economic impacts.

organization and management of the WHS are some of the factors that may influence socio-economic impacts of a cultural heritage site. In the research framework that is developed for this study, factors that have been suggested by McLoughlin et al. (2007) are re-organized into the local, national, and international context (further explanation will be given in Figure 1.2).

The most important elements of secondary data used in this research are published statistical data, publications from the World Heritage Committee, and laws and regulations on tourism and heritage site management in the area. Semi-structured interviews were frequently used to back up and clarify secondary data collected throughout this research.

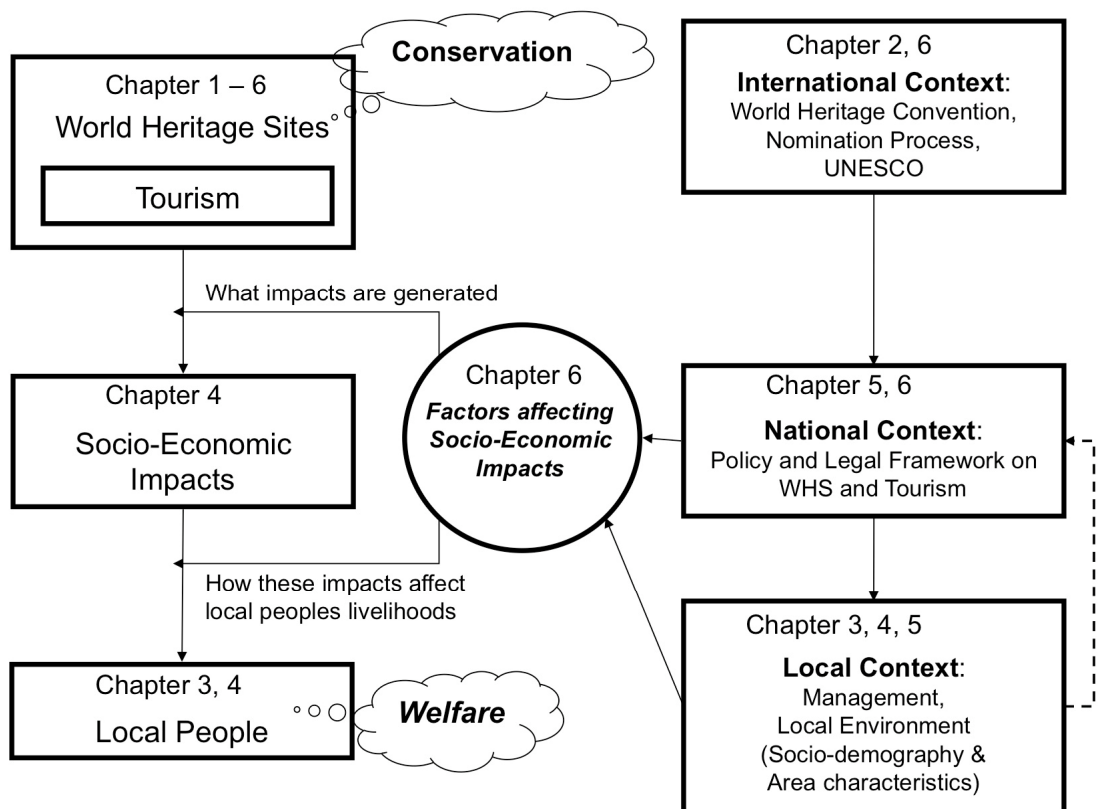
Research that is conducted in a WHS and its vicinity is considered to be location specific and thus, it is contextual in its nature. This is due to each site having its own characteristics and specific pattern of relationships with people that live in the locality. Contextual research emphasizes on understanding of the point of view of people within their social, cultural, economic and political environment of a locality (Hentschel 1998). Recognition of this research as a contextual one is especially important in carrying out this dissertation's first objective of investigating tourism impacts from a community point of view. In analyzing and interpreting information gathered from the community, the researcher tries to consider their views within the existing social construct.¹³

In addition, combining analysis of impact data obtained from micro level (local community) through survey and focus group interviews and data from a more macro level gathered through interviews and from secondary sources is a new approach that, to the author's knowledge, has never been adopted in previous studies. For a study on WHS, where global and local interests are often intertwined, this kind of approach is considered most suitable. The presence of WHS means the existence of the so called global or international interest, represented by international organizations such as UNESCO, a management process, which tends to be centralistic because national government is the main party responsible for the site, and tourism often dominated by urban or metropolitan companies (Wall and Black 2005; Millar 2006; Winter 2007). Therefore, policy at the global or national level may have repercussions at the local level. In addition, this combination of analyses also reflects the

¹³ Social construct is phenomenon invented or constructed by participants in a particular culture or society. Social construct exists because people agree to behave according to certain rules (<http://en.wikipedia.org/wiki/Social-construction> accessed on October 14, 2009)

nature of tourism study that is multidisciplinary, which relates to the fact that tourism is a highly fragmented industry consisting of different and often dissociated sectors but together forming a whole tourism experience. The fragmented nature does not only apply among sectors within the tourism industry but also between tourism and any relevant policies that affect its impacts. In summary, the approach adopted in this study makes it possible for more stakeholders' views to be presented.

Figure 1.2.
Research Framework



Note: Dashed line illustrates the need for policy and legal framework at the national level to accommodate more the need of communities at the local level.

On the right hand side of the above diagram are the national and international contexts, which forms and influences the WHS or the environment in which it exists. The international context includes the World Heritage Convention, Operational Guidelines for the Implementation of the World Heritage Convention, the nomination process, and the relevant

international organization, i.e. UNESCO. The national context consists of relevant policy and the legal framework regarding WHS and tourism, while the local context comprises local environment and management of the WHS. This framework is made based on the argument of Harvey cited by Hall and Lew (2009) that there is a relationship between high and low scale levels in the tourism system (the tourism system will be explained further in Chapter II). Harvey suggested that policy in the higher level forms the context within which changes or impact at the local level can be analyzed. In addition, Mason (2003) asserts that how tourism is managed will determine its impacts. Hence, in a WHS where there are important factors in the international level that shape and guide the management of WHS, it is therefore important to examine the elements within international context.

The international assistance that made it possible for the site to be restored and the national government's decision to nominate the site as WHS, had helped set off tourism in the area, bringing economic benefits such as business and employment opportunities. However, the inter-relationships between these different contexts and the many stakeholders involved in WHS management have influenced the magnitude and extent of the tourism impacts for the community. The relevant international organization emphasizes conservation, which is the focal point of the World Heritage Convention itself. The national government interprets such an emphasis on conservation and its own expectation of tourism revenue into decisions such as developing a recreation park that can protect the site from development pressure and at the same time facilitate heritage tourism activity.¹⁴ The national government also make sure that tourism for revenue generation is taken care of by placing organizations which represent them in the local area. The process of managing the heritage site concentrates mainly on providing access to visitors and undertaking conservation. However, there are local people who are concerned with how their own welfare can be improved but whose needs have been underemphasized. In the case of Borobudur, there is hardly any strategy to develop other tourism products or attractions in the surrounding area or to strengthen the linkage between sectors in the local economy with tourism. This issue is aggravated by problems that exist in the rural area, i.e. poverty, scarce employment opportunities, decreasing farmland, and low education levels. As a consequence, too many local people use the WHS and recreation park

¹⁴ Sometimes protecting the site from development pressures means relocating people who live in the surrounding area to other places – such as what happened in the case of Borobudur and Prambanan WHS in Indonesia.

as a place to earn income, mostly through involvement in the informal sector, causing chaotic and unpleasant situations for visitors when too many vendors offer goods aggressively to visitors who in many times are outnumbered. The magnitude of tourism impact for these informal sector workers is rather limited to providing cash income but not a secure one that can improve their livelihoods in the long run.

Research material was gathered from three fieldworks carried out by the author in 2007, 2008, and 2009. The scope of this research is Magelang Regency, Central Java; focusing on the Borobudur District for the survey and site observation, but covering four districts that can be defined as Borobudur area (Borobudur, Muntilan, Mertoyudan and Mungkid Districts) in the fieldworks.¹⁵ The fieldworks also employed focus group interviews with selected people who had participated in the survey and direct observations at the heritage site and its vicinity.¹⁶

I.4. Significance of the Study

The significance of this study includes its significance for scholarly research and literature, its significance in improving practice, and its significance in improving policy.

Contributions to scholarly research and literature are as follows. This study provides a case analysis from a developing country that contributes to heritage tourism literatures. Currently, study on WHS in the context of tourism as a strategy for development in developing countries is limited. The body of literature in the field of heritage has been dominated by cases from developed countries, and there remains shortage of research on the dynamics of heritage tourism in the developing regions of the world (Timothy and Nyaupane 2009). This study also offers a new approach that can be applied in other studies on tourism impact in WHS and factors affecting such impacts (Figure 1.2). More importantly to the local level, it fills the need for assessing more thoroughly the impact of tourism in Borobudur that is not limited to direct economic benefits, i.e. income and jobs, but also to other indirect aspects in social and economic impacts. The study is also very significant because there has not been any study

¹⁵ Borobudur and Mungkid Districts are where the temple compounds are located, whereas Mertoyudan and Muntilan is an urban area serving as an access to the previous two districts. Mungkid District is where the local government offices are situated. Mertoyudan and Muntilan are the commercial centers of Magelang Regency.

¹⁶ A focus group interview is an interview with a small group of people on a specific topic (Patton 1987). Six to ten people with tourism jobs, who had participated in the previous survey, joined each focus group interviews. The aims were to understand participants' perceptions of tourism development in the area, significance and expectations, and reasons for choosing tourism jobs.

that explores factors that are affecting tourism's impact in Borobudur. Lastly, it contributes to scholarly research and literature on WHS, tourism, and community development because the study seeks to analyze the evolution taking place in the WHS and tourism discourse, which relates to the evolution in development paradigm over the years.

From a rural development point of view, it is important to understand how tourism in a rural area may contribute to the improvement of livelihoods of local people, given the problems often found in rural areas, such as decreasing farmlands and farm benefits, scarce employment opportunity, low education level of its people, and the existence of rural poverty (Torres and Momsen cited by Hall and Lew 2009; Fatimah and Kanki 2008; Pianta 2002). In addition, in relation to the decentralization era in Indonesia in which self-reliance is emphasized, recommendations on how to integrate rural industry to tourism in Borobudur area can help strengthen villages self reliance and assist in poverty alleviation. Thus, such recommendations will become the study's contribution to improve practice.

Policy recommendations on how to improve management of WHS, based on the findings of this study, will be useful for improving policy on WHS and heritage tourism management that can harmonize international, national and local interests. These policy recommendations will make a contribution to the central and local government in Indonesia as well as to UNESCO.

I.5. Structure of the Dissertation

This dissertation will be presented in seven chapters. The first chapter provides background, research questions and objectives, research methodology, significance of the study and structure of dissertation. Chapter II presents literature review. Chapter III provides important elements that form the context of this study, i.e. tourism in Indonesia, the history of Borobudur Temple Compounds WHS, heritage tourism development in the WHS, and its vicinity, and the case study area. Part of the factors influencing the impacts coming from the local context will be provided here, i.e. socio-demographic information and description of the case study area. Chapter IV discusses socio-economic impacts of heritage tourism in Borobudur. The impacts discussed in Chapter IV, can be considered to be either socio-economic impacts at the regional level, including the contribution of tourism to regional income, and the other which is the core of this dissertation, is socio-economic impact at the local or community level. Chapter V presents organizations and systems involved in the

management of Borobudur WHS and other stakeholders. Management of the WHS is actually one of the factors identified as influencing the socio-economic impacts. Within the research framework, it belongs to the local context. Chapter VI discusses other factors affecting socio-economic impacts that have not been discussed in previous chapters, i.e. national and international context. Chapter VII, the last chapter in this dissertation, concludes the study and provides some recommendations.

Chapter II

TOURISM, WORLD HERITAGE SITES AND DEVELOPMENT (A LITERATURE REVIEW)

II.1. Chapter summary

This chapter provides a review of the literature that, among others, discusses the nature of relationships between tourism and development. Understanding the many discourses on tourism and development is important as a basis for further discussion on tourism in WHS and its impacts on development, particularly rural development in the case of this dissertation research. This literature review will be organized based on a thematic approach. The organizational structure of this chapter will be as follows: (a) Tourism and development; (b) Tourism planning and management; (c) Tourism impacts; (d) World Heritage Sites, development and local communities; and (e) Concluding remarks.

II.2. Tourism and Development

Before going further to discuss the nature of the relationships between tourism and development. It is necessary to review the definitions of tourism so as to understand the impact that tourism is likely to have on development (in particular, the development of countries or places visited by tourists, or the “host country” as it is usually referred to)

Mathieson and Wall indicated that tourism is:

“the temporary movement of people to destinations outside their normal places of work and residence, the activities undertaken during the stay in those destinations, and the facilities created to cater for their needs” (Mason 2003:5).

Another definition is created by the World Tourism Organization (WTO), which defined tourism as an activity of a person traveling outside his or her usual environment for less than a specified period of time. The main purpose of this traveling, according to WTO, should not be for doing activities that will be remunerated from the place visited (Mason 2003).

On the other hand, Jafari included reference to impacts of tourism in his definition of tourism as “*a study of a man away from his usual habitat, and of an industry which responds to his needs and the impacts that both he and the industry have for the host socio-cultural, economic and physical environment*” (Mason 2003:11).

In his definition, it is clear that Jafari recognized the impact that tourism might have for the socio-cultural, economic, and physical environment of the host country or host communities. Some of these impacts present themselves as changes brought by development process that is affected or even induced by tourism. However, as Scheyvens (2002) reminded, development does not simply refer to an economic process as commonly perceived. But, it should be a multidimensional process leading to what can be prescribed as ‘good changes’ (Chambers 1997).

To achieve these so called ‘good changes’, many countries decided to use tourism as one of their development tools. Tourism is favored because of its ability to generate foreign exchange, increase employment opportunity, and attract investment (Telfer 2002a; Brohman 1996; and Walpole and Goodwin 2000). The multiplier effects of the tourism industry are even more impressive since it fuels an economic chain reaction that begins with purchases from other industries and extends to the spending of profits, employee compensations and even dividends (Apostolopoulos 1996). Moreover, the use of tourism as development tools was supported by international organizations such as the World Bank and United Nations, especially during 1960s and 1970s (Dann 2002). Tourism’s financial benefits, in terms of balance of payments surpluses, foreign exchange earnings, job creation and infrastructural development were considered to well outweighed its potential costs and as such it was even regarded as a passport to development by de Kadt, a specialist in tourism and sociology of development (Dann 2002). The World Bank has supported a wide range of tourism development projects in many developing countries. Successful examples (at least from an economic perspective) of the Bank’s interventions, such as Bali, the Dominican Republic, Kenya, and Cancun continue to be popular destinations up to today (Hawkins and Mann 2007).

In the case of tourism in rural areas, some authors believed that tourism could be a powerful force of rural economic development (Grefe 1994; Mair, Reid, and George 2005). Grefe

identified reasons why tourism can be a possible engine for rural development, which have been explained in the previous chapter. Scheyvens (2002), on the other hand, went even further in describing the potentials of tourism as a tool for economic development among poorer communities. She said that tourism could:

- Bring visitors to the destination area thus providing local people with a potential market for producing additional goods and services;
- Provide opportunities for small-scale, informal sector workers to earn an income;
- Place a value on natural and cultural resources;
- Bring economic opportunities to remote and/or marginal areas;
- Provide opportunities for the involvement of economically marginalized groups, such as women.

However, Scheyvens (2002) also said that the relationship between tourism and development have always been a contentious relationship. This implies that tourism's relationship with development have been a controversial or even a debatable one with many authors expressing a more cautious view of tourism development's impact. Some of the notable problems already identified as issues pertaining to tourism development (especially in developing countries) include: foreign (or urban) domination and dependency, socioeconomic and spatial polarization, environmental destruction, cultural alienation, and the loss of social control and identity among host communities (Apostolopoulos 1996; Brohman 1996; and Mowforth and Munt 1998).

Britton (1996) added that in the case of international tourism, often the host country has little control over tourism that is happening in their environment because big tourism-related businesses have become predominant in the control of international tourist movements. Moreover, the big businesses often control how tourism will be conducted in the area. Therefore, he argued that these kinds of organizations of the tourist industry could actually hold back the attainment of tourism development goals such as promoting tourism as a means of generating foreign exchange, increasing employment opportunities, enhancing economic independence or promoting the commercial involvement of the poor sections of the community.

On the contrary, Crick as cited in Scheyvens (2002) argued that sometimes tourism is blamed for negative changes simply because it is such a visible industry. For instance, environmental damage said to be the impact of tourism development in an area might actually result from a combination of factors such as overpopulation, poor resources conservation and management or even inappropriate agricultural practices. Crick (1996) also mentioned that in developing countries, given the complex social changes that are occurring, it is easy to attribute adverse changes to tourism rather than to urbanization, population growth, and the mass media whenever negative changes are happening in a tourism destination.

Finally, although tourism and development has always had a contentious relationship as Scheyvens (2002) pointed out. The view that is supported in this research is that tourism can work for development, especially when tourism is already one of the potentials owned by a country or an area. The idea should be to find ways in which tourism can facilitate development and contribute to the broader development goals of bringing 'good changes' to the popular majority.

II.3. Tourism Planning and Management

Planning is developing a rational approach to achieving preselected objectives (Wehrich and Koontz 1993). Williams in Mason (2003) said that the aim of modern planning is to seek optimal solutions to problems, increase and maximize development benefit.

In the field of tourism, Gunn (1994) stated that tourism planning should aim at least on the following goals, i.e. enhanced visitor satisfactions, increased rewards to ownership and development, resource protection, and integration of tourism into the social and economic life of communities and areas. In a nutshell, tourism planning can help to shape and control physical patterns of development, conserve scarce resources, provide framework for active promotion and marketing of destinations and serve as a mechanism to integrate tourism with other sectors (Williams in Mason 2003).

Gunn (1994), however, reminds us that although the above goals are at the heart of tourism planning concept, carrying them out has not been easy. One major factor that contributes to this challenge is that tourism is a fragmented industry, in which coordination among government agencies, between public and private sectors, and among private enterprises is

often a challenging task (Jamal and Getz 1995). In planning and managing tourism in rural area (rural tourism), Hall et al. (2003) said that rural tourism is usually suited to be employed as part of a portfolio of strategies. The development of rural tourism is suggested to complement an existing thriving and diverse rural economy; otherwise it can create income and employment inequalities if not complemented with other employment generating development processes (ibid.). Hence, rural tourism planning must be a part of a bigger integrated planning of all sectors in the rural economy.

Williams, cited in Mason (2003), suggested that tourism planning encompasses many activities and is supposed to address physical, economic, environmental, and business concerns all together. However, it does not necessarily blend all of those activities and concerns well. Although planning is an integral part of management, tourism planning and management are often treated as separate activities (Doswell cited in Mason 2003). This is due to planning being linked to physical planners, while management is concerned with tourism impacts in an area or destination. Middleton cited in Middleton and Hawkins (1998) stated that tourism management is strategies and action programs, which use and coordinate available techniques to control and influence tourism supply and visitor demand in order to achieve defined goals.

Significant evolution has taken place in the tourism planning paradigm, from narrow concerns with physical planning to one that recognizes the need for greater community involvement (Jamal and Getz 1995; Reed 1997; Yuksel et al. 1999) and integration with other sectors or with other forms of social and economic development (Gunn 1994). Integrated planning refers to an interactive or collaborative approach, which requires participation and interaction between various levels of an organization or between responsible organizations and the stakeholders in order to realize horizontal and vertical partnerships within the planning process (Hall and McArthur cited in Hall 2000b). Collaboration, according to Gray (1989) is a process of joint decision making among key stakeholders in the same problem domain about the future of that domain. Stakeholders are the actors with an interest in common problem or issue and include all individuals, groups, or organizations directly influenced by the action others take to solve a problem; whereas, domain refers to a situation where the problems are complex and require an inter- or multi-organizational response (ibid.). Gray also outlines five key characteristics of the collaboration process: (1) the stakeholders are independent; (2)

solutions emerge by dealing constructively with difference; (3) joint ownership of decisions; (4) the stakeholders take up collective responsibility for the ongoing direction of the domain; and (5) collaboration is a growing process (1989: 236). In addition, there are three stages of collaboration identified by Gray, i.e. problem-setting (identifying key stakeholders and issues in the domain), direction-setting (identifying common purpose, strategy and plans), and implementation of the strategy or plans and the institutionalization of the management structure. Some literatures that discuss cases of multiple stakeholders' involvement in a collaborative process in tourism (and heritage) planning and management are described below.

Reed (1997) presented a case where there had been multiple stakeholders' involvement in a collaborative planning process for a community-based tourism in Squamish, Canada. Reed's study revealed that on occasions, the issue of power relation affects collaboration. Reed (1997 : 569) suggested that the typology of power relations implies that power is contested and held, while change is welcomed and resisted across multiple policy arenas. This suggests that individuals or dominant organizations can have a pivotal role because of their power; whereas it is often assumed that because tourism is a highly fragmented industry, no single organization or individual can exert direct control over tourism development process in an area (Reed 1997). In addition, Clegg and Hardy, cited by Hall (2000c), asserts that power can be hidden behind the façade of trust and the rhetoric of collaboration, hence the manipulation of weaker partners by those with more power. Consequently, according to Jamal and Getz (1995), the issue of power imbalances must be addressed in a collaboration process.

Selin and Beason (1991) suggested that managers from different organizations involved in tourism should adopt a more domain-level focus and consider the interdependencies between organizations when making decision. Wilson and Boyle (2006) conducted a study on identifying the extent of intended organizational collaboration reflected in the management plans of 12 WHS in the United Kingdom (UK). However, the study found that despite the existence of management plan, there is still reluctance from organizations in collaborating. Many of the reasons have to do with the issue of power relations as suggested by Jamal and Getz (1995).

II.4. Tourism Impact

Impact is a change (whether environmental, economic or social change) in a given state over time as the result of external stimulus (Hall and Lew 2009). Tourism impacts, according to Ritchie and Goeldner (1994) and Mason (2003), include economic, social, and environmental impacts. In tourism, the impact of tourism is experienced in all elements of “tourism system”. Tourism system refers to various sectors involved in facilitating travel to and from a destination, and the inter-relationships between these sectors (Hall 2008). There are several approaches to analyzing tourism system. Tourism system from a geographical point of view includes four elements, i.e. generating region (the source region of the tourists); transit region or route (the region the tourist must travel through to reach their destination); destination region (the region that the tourist chooses to visit and where the most obvious impact of tourism occur); and the environment (encompassing the overall travel flows and with which the tourist interacts) (Hall 2008). There are two more approaches to tourism systems, one focuses on the supply and demand dimension of tourism, whereas the other one emphasizes the system’s functioning for particular stakeholder groups (ibid.).

This particular study focuses on tourism impact occurring in the destination region. More specifically, it focuses on impact that is experienced by the host communities or the local people as illustrated in Figure 1.2. Furthermore, the type of impact that the study examines is the combination of economic and social impacts, usually referred to as socio-economic impact.

According to Frechtling (1994), studying the economic impact of tourism means analysing travel’s activity impact on resident wealth or income in a defined area. Stynes (1997), on the other hand, said that economic impact analysis of tourism traces the flows of spending associated with tourism activity in a region to identify changes in sales, tax, revenues, income and jobs due to tourism activity. Frechtling (1994) acknowledged that many studies of tourism’s economic impact emphasize on travel spending, similar to Stynes’ view above. However, Frechtling stresses that travel expenditure studies tend to obscure the impact on residents’ income and wealth because tourists’ spending sometimes has little to do with

resident earnings and employment.¹⁷ Therefore, travel expenditures are best viewed as merely the initial monetary activity that stimulates the production process and initiates economic impact (ibid.)

Economic impact of tourism involves direct and indirect impacts (Frecthling 1994; Stynes 1997). The direct impact occurs as a direct consequence of travel activity in the area, which includes wages, salaries, taxes, and business receipts; whereas indirect impact incorporates the production changes resulting from various rounds of re-spending of tourism businesses' receipts in other backward-linked industries, e.g. industries supplying products and services to hotel (Stynes 1997).

In contrast to economic impact, in which most of the impacts can be measured in monetary term, social impacts include the effects of tourism on the social fabric of the community and well-being of the individuals and families. Lindberg and Johnson (1997) said that while economic impacts are perceived generally as positive, social and environmental impacts of tourism are being perceived generally as negative. Economic benefits also tend to dominate decisions concerning tourism planning and development (Choy cited by Lindberg dan Johnson 1997). However, tourism can be a major agent of change in the social, political, and cultural system of a destination area – sometimes leading to social change or even social problems (Crandall 1994). Therefore, understanding of non-economic impact of tourism is important and can be incorporated into policymaking process related to tourism (Lindberg and Johnson 1997).

Social and economic benefits and costs are so intertwined and it is difficult to differentiate between the two, hence the term socio-economic impact. Crandall (1994) stated that some of socio-economic impact of tourism include, i.e. changes in forms of employment, changes in land values and ownership, and improved standard of living. Socio-economic impact can then be defined as the changes in social fabric, which are influenced by economic impacts.

¹⁷ For instance, a hotel in an underdeveloped economy, owned by non-resident, staffed with non-resident employees and serviced by imported goods and services.

Crandall (1994) and Lindberg and Johnson (1997) noted that in an assessment of socio-economic impact, much of the data is qualitative. Most research in social impact focus on how tourism development generates perceived impacts (Lindberg and Johnson 1997).

II.5. World Heritage Sites, Development and Local Communities

II.5.1. Heritage

In the framework of World Heritage Site, heritage is categorized into cultural and natural heritage. Many definitions of heritage emphasize on cultural or built heritage. However, as the word heritage means something of inheritance or something that has been passed down from previous generations, it can cover historic buildings or monuments as well as natural landscapes. It also covers traditions, knowledge and work of arts – known as intangible heritage.

Heritage is the different forms of cultural capital, which embodies the community's value of its social, historical, or cultural dimension (Throsby as cited by Benhamou 2003).¹⁸ Schouten (1995) said that heritage is not the same as history, for it is processed through mythology, ideology, nationalism, local pride, romantic ideas or just plain marketing, into a commodity. Schouten's idea of heritage as a commodity parallels the definition of heritage as the contemporary uses of the past (Ashworth and Tunbridge 1999). Ashworth and Tunbridge asserts that the interpretation of the past in history, historical buildings, artifact, and collective and individual memories are all harnessed in response to current needs, which include the identification of individuals with social, ethnic and territorial entities and the provision of economic resources for commoditization within heritage industries – of which tourism is the most apparent. Further, Ashworth (2006) argued that the concept of heritage is individual because each individual creates their known heritage for their own self-identification and positioning. He also affirmed that heritage is what we choose to preserve and as such, this relates to the political nature of World Heritage Sites inscription, which will be discussed later in this chapter.

¹⁸ Cultural capital, in economics, is an asset, which in combination with other inputs, contribute to further production of cultural goods and services (Throsby 2003). Cultural capital is cultural resources with inherent characteristics that usually inspire or give rise to the production of other cultural goods. For example, the presence of Borobudur Temple has inspired people to make art works, which relate to the temple.

The notion of individuality in heritage, as argued by Ashworth (2006), had prompted him to raise the fundamental question of “whose heritage is this?” This question may be relevant for heritage sites that could appear to be dissonant with the present local community, for example Borobudur Temple and Prambanan Temple in Indonesia, the two being a Buddhist and Hindu temple presently situated among a predominantly Muslim community. Hampton (2005) said such cases in Indonesia might illustrate some of the complexities of the question of whose heritage and whose history is embodied in national sites belonging to a pluralistic and multi-faith society. Later in this dissertation, reports on interviews conducted to residents of Borobudur vicinity and the local government will provide a better illustration of these complexities.

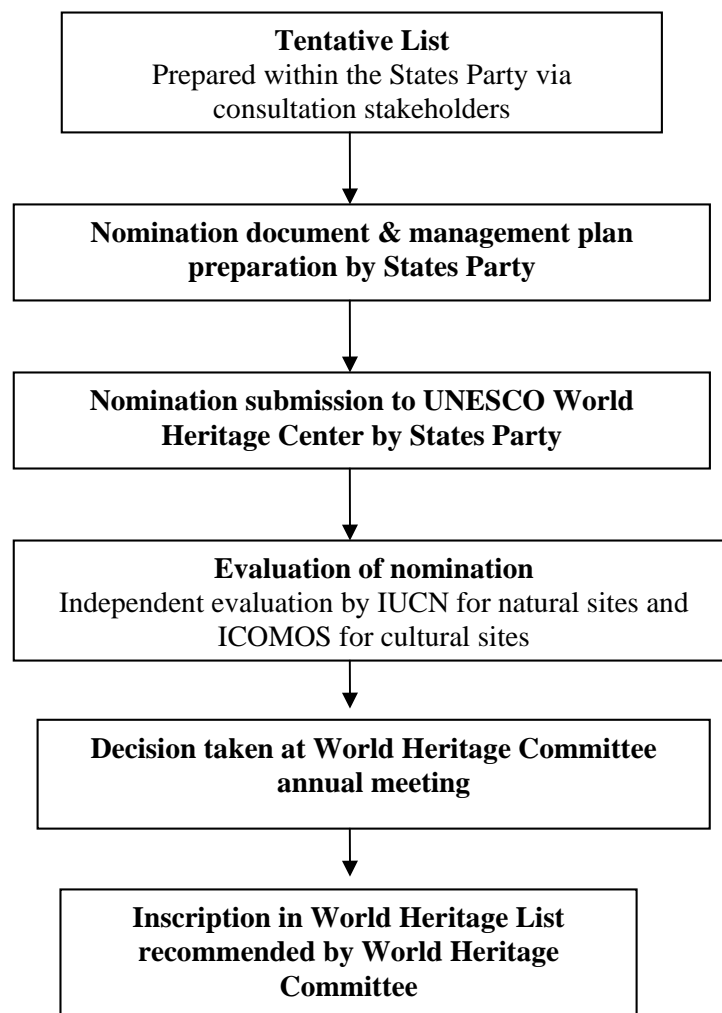
An example of the complexity of a dissonant heritage is the destruction of the world’s tallest ancient Buddha statues in the Bamyán Valley, Afghanistan, by the Taliban in 2001. Indonesia indeed has a very different cultural and political context from that of Afghanistan under the Taliban. Nevertheless, Hampton (2005) highlighted that the occasional communal violence that happens throughout the Indonesian archipelago may suggest complex, underlying ethnic and religious tensions in the country. In Borobudur, a bomb planted by an extremist group on January 21, 1985 destroyed some parts of the temple. The government then quickly mended the destroyed areas. Because of these kinds of conflict, application of WHS in the local development context needs to be examined.

II.5.2. World Heritage Sites

UNESCO adopted the Convention Concerning the Protection of the World Cultural and Natural Heritage in 1972. The purpose of the convention is to ensure the identification, protection, conservation, presentation and transmission to future generations of cultural and natural heritage of outstanding universal value. The outstanding universal value is translated into ten criteria for evaluating sites nominated for inscription on the World Heritage List. The Convention states that the World Heritage Committee (WHC) should coordinate the process of designating the sites through a system known as inscription, which includes an evaluation of the resources by experts against a set of known criteria. The aim of the inscription is to encourage conservation of the resources within designated sites and surrounding buffer zones on a local level and also to foster a sense of collective global responsibility via international

cooperation, exchange and support (Leask 2006). As of April 1, 2009, 186 countries are party to the Convention; 878 properties are inscribed on the list – 679 of which are cultural, 174 natural and 25 mixed (Engelhardt 2009). The World Heritage Site inscription process is shown in the next figure.

Figure 2.1
The World Heritage Site inscription process



Note: IUCN stands for International Union for Conservation of Nature. ICOMOS stands for International Council on Monuments and Sites
Source: Leask (2006)

Regardless of its noble aim to ensure the conservation of heritage, the concept of World Heritage is not free from critics and issues. Ashworth and van der Aa (2006), for instance, pointed out that despite the fact that the World Heritage list should contain the world's best natural and cultural sites, the WHS inscription is a compromise reaction among national governments to national nomination and interests. In fact, although the International Council on Monuments and Sites (ICOMOS) and the International Union for Conservation of Nature (IUCN) assess such nominations, 82% of the cultural sites and 68% of the natural sites nominated have ultimately been designated. As such, Ashworth and van der AA (2006) stated that there seem to be an increasing inflation of the lists in total and thus it is increasingly difficult to reconcile with the adjectives 'outstanding' and 'best' as required by the convention.

ICOMOS is an international non-governmental organization of professionals, dedicated to promoting the application of theory, methodology, and scientific techniques to the conservation of the architectural and archaeological heritage.¹⁹ ICOMOS, founded in 1965 in Warsaw, has its headquarter in Paris. IUCN is the world's oldest and largest global environmental network.²⁰ It is a membership union with more than 1,000 government and NGO member organizations, and almost 11,000 volunteer scientists in more than 160 countries. IUCN supports scientific research, manages field projects all over the world and brings governments, non-government organizations, United Nations agencies, companies and local communities together to develop and implement policy, laws, and best practice.

Furthermore, Leask (2006) identified issues surrounding WHS designation and management as follows:

- Motivations. The motivations among State Parties in nominating sites for inscription are varied. Some might do it for the opportunity to access international conservation expertise and exchange, which is the true basis of the WH Convention. Others might do it for the perceived benefits of economic growth encouraged by tourism. Alternatively, it may simply be to gain the recognition and prestige. Whatever the reasons, the motivations usually relate to specific governmental aspirations within a

¹⁹ For more detail see <http://www.icomos.org>

²⁰ For more detail see <http://www.iucn.org>

State Party; they may even be debatable in their benefits and often politically intensified.

- Implications of WH listing. Some of the key implications as summarized by Leask (2006) are international recognition and accountability; improved protection and management of site; new partnerships and projects, for example partnerships that involve development cooperation; economic and social improvement; political and ethnic recognition, for example in former colonial territories; and increased tourism activity. Nonetheless, she also argued that the benefits do not automatically follow the listing. Countries with clear planning structures in place are more likely to gain greater benefits from WH listing than those with less developed planning and management frameworks in managing their World Heritage Sites.
- Tourism activities. Sometimes, the difficulty in balancing tourism activity with the conservation of the sites creates a tension and conflict between the stakeholders involved. Thus, Leask suggested there is the need for effective inclusion of tourism within the management plans and recognition of management practices that can be used to control and maximize the benefits of tourism.
- Representation and balance of WH list. Ashworth and van der Aa (2006) mentioned that because each nomination has to be initiated at the national level, countries that do not actively participate in the WH Convention will not have any listed WHS even though they may possess sites likely to fulfill the selection criteria of outstanding universal value. This factor, according to Leask (2006), is one critical flaw in the WHS listing process, in which UNESCO does not nominate nor invite nominations for sites that they deem appropriate. The listing process inevitably leads to imbalance on the WH list, as can be seen at present with a notable bias toward sites in Europe, North America, and cultural sites rather than natural sites. Some have also argued that there is an over-representation of historic towns, religious (notably Christian) buildings, and European sites and under-representation of sites from prehistory, the twentieth century, and 'living cultures' (Ashworth and van der Aa 2006).
- The complexity in the process of WHS inscription. The whole process of inscription has been criticized for its complexity, bias and expense (Leask 2006). Countries with lack of technical capacity to promote and prepare nominations, lack of adequate

assessments of heritage properties, or lack of appropriate legal or management framework are the ones facing more complexities that hinder nominations.

- Social impact and relevance to humanity, especially communities that live in the surrounding area. Engelhardt (2005) suggested that to ensure the sites have positive social impact and relevance to humanity, especially for communities that live in the surrounding areas, the paradigm of WHS management needs to be changed. The old paradigm of World Heritage sites management which implied that the sites were monuments of “princes, priests, and politician”, needs to be shifted to: “monument of princes, priests, politician, and people” (see Table 2.1).

Table 2.1

Paradigm shift in World Heritage management

Old Vs New	Remaining Gaps between Old and New Paradigm ¹
Monuments of princes, priests, and politicians vs Places and spaces of ordinary people	Who are the ordinary people? Giving access to visitors is a way of accommodating ordinary people in heritage sites. However, some communities feel alienated from their own heritage after the presence of outsiders who take charge of management for the sake of conservation effort and tourism (Webber and Pwiti 2005; Keitumetse 2009).
Abandoned, relic sites vs Continuing communities	Some heritage sites are dissonant. They represent ideologies, religions, and values different to the current ones that exist in the communities or the ones endorsed by the current authority (Ashworth 2006). As such, the idea of continuing communities faces challenge in its realization. In other case, when heritage is a “living heritage” where communities live, there needs to be a commitment from all stakeholders to minimize negative impact of residents and development process (Engelhardt 2005 gave example of Lijiang Town in China).
Physical components vs Living traditions and practices	Conservation efforts concentrate very much on the physical aspects, often neglecting the living traditions and practices that used to be an integral part of the heritage site (Keitumetse 2009). Heritage is often a part of wider cultural and natural landscape, but conservation only deals with heritage as a stand-alone structure. In communities, this can create loss of sense of ownership; while in terms of tourism, the potentiality of heritage and its landscape as tourism attraction may not be developed optimally. ²
Management by central administration vs Decentralized community management	National governments are responsible parties for WHS. As a consequence, management by central administration is still common practice. ³ However, it may be argued that management by central administration can still work if there is a mechanism that facilitates coordination between the central government, other organizations and stakeholders for the benefit of heritage conservation and socio-economic development.
Elite use (for recreation) vs Popular use (for development)	For heritage to have benefit for wider development context, it should encourage the development of other sectors in the local economy and linkage with other attractions that may be available in the locality (Boccardi et al. 2005; Timothy and Nyaupane 2009). However, this is often not the case, because tourism can be for the sake of revenue generation through entrance fees while the development of other sectors in the local economy alongside heritage tourism is neglected.

Note: ¹Author’s analysis based on literature review and field research. ²Decreasing sense of ownership will be discussed in Chapter IV, when explaining the different perception between two groups of samples. The potential of heritage as part of the wider landscape will also be discussed in Chapter IV. ³Based on examples from WHS in Indonesia and Cambodia.

Source: Engelhardt (2005), modified by author based on Ashworth (2006), Boccardi et al. (2005), Engelhardt (2005), Keitumetse (2009), Timothy and Nyaupane (2009), Webber and Pwiti (2005).

Engelhardt's suggestion for a paradigm shift in WH management is in line with the progress in WH discourse over the last few years, which has extended to more than conservation issues. It is about the role of WHS in development or even poverty alleviation. Matsuura (2008) indicated that despite the primary aim of World Heritage Convention, that is to conserve cultural and natural heritage, the designation of WHS has to look also at efforts to reduce poverty. As such, it is often of great importance for developing countries to utilise WHS as resources for economic development (mainly through tourism) although these countries often face problem of lack of funding for conservation.

Complementing Matsuura's statement, Araoz (2008) however argued that the social and economic conditions of the population in and around WHS had not actually been a priority element in the content of nomination dossiers, nor in the monitoring process that followed inscription. As such, the management plans for WHS have not been expected to propose processes for meeting the socio-economic needs of community development. Hence, Araoz (2008) asserts that there is the need for World Heritage Convention's Operational Guidelines to offer guidance for nomination dossiers to present or analyse demographic information about the population in and around sites proposed for inscription into the World Heritage List and also to address the potential impact of inscription on the local, regional or national economy.

At present, communities' economic and social aspirations can be facilitated in the participatory WHS nomination process that has been suggested in the Operational Guidelines. The fourth version of Operational Guidelines issued in 1996 included for the first time an article concerning the necessity for local people's participation in the nomination process in order for them to have a shared responsibility with the national government in maintaining the site.²¹ In one of its articles, the 2005 and 2008 Operational Guidelines provide a more detailed elaboration on participation in one of the articles: *"Participation of local people in the nomination process is essential to enable them to have a shared responsibility with the State Party in the maintenance of the property. States Parties are encouraged to prepare nominations with the participation of a wide variety of stakeholders, including site managers, local and regional governments, local communities, NGOs and other interested parties.*

²¹ The Operational Guidelines have been produced sixth times in the following years: 1977, 1980, 1992, 1996, 2005, and 2008.

Local people's participation is a part of a multitude of stakeholders' participation in WHS management. However, Millar (2006) noted some of the challenges for the involvement of a multiple of stakeholders in WHS management. She pointed out that in many case, local people, community groups, local businesses, are left out of the consultation and management processes. The global – local interactions in WHS are so apparent because there is the presence of organizations from the global and national level, and the presence of local people who live in and around the site (Wall and Black 2005). Every side has its different interests, hence there is a question of what kind of interface there should be between the aspirations and values of local community, and the aspirations and values of local and national governments, and international organizations (Millar 2006). The World Heritage Committee recognizes the need to have a link between universal and local values for a WHS to have a sustainable future (ibid.). However, she also indicated that WHS management often emphasized the global and national interests. This indication supports findings from Wall and Black's (2005) study in Borobudur and Prambanan WHS, that the perspectives of local people were not adequately represented in the top-down planning process that followed the restoration of the temples.²²

II.5.3. Cultural Heritage Sites

The World Heritage Site that is the focus of this dissertation is a cultural heritage site. Benhamou (2003) pointed out that cultural heritage differs from other cultural goods²³ because of its durability and irreversibility. This implies that when a cultural heritage site such as historical buildings and monuments were transformed or destroyed, it cannot be recreated or restored in its initial shape (Benhamou 2003). In the concept of heritage as something that is inherited from previous generation, there is also an intention to preserve it for future generations. Hence, this intention relates to the concept of cultural sustainability and sustainable management of cultural resources as a way to achieve cultural sustainability (Throsby 2003).

Cultural sustainability is based on cultural features that might be shared locally, nationally or between social groups and is strongly related to the continuity of multiple uses of cultural

²² The article by Wall and Black (2005) was based on a previous study by Black (1997) who had reviewed master plans for Borobudur and Prambanan in Indonesia, and Ayutthaya in Thailand and evaluated the extent of their implementation through on-site observations.

²³ A cultural good is one which has involved human creativity in its making, which conveys symbolic meaning (or multiple meanings) – representing a certain culture (Throsby 2003).

resources (Jokinen undated). The idea is based on the concept of sustainable development that was put forward in 1987 as development that meets the needs of the present without compromising the ability of future generations to meet their own needs.²⁴ According to Throsby (2003 : 184-186), there are six principles by which sustainable management of cultural resources might be assessed:

1. Material and non-material well-being. The flow of cultural goods and services produced from cultural capital provides both material and non-material benefits for people as individuals and as members of society. The production of material benefits in the form of direct utility to consumers is the first criterion for judging sustainability. There are also non-material benefits in the form of non-market cultural goods, whose value can be estimated in economic and cultural terms. For example, willingness of people to pay to see one heritage building preserved.
2. Intergenerational equity. This refers to fairness in the distribution of welfare, utility or resources between generations. Intergenerational equity relates directly to preservation and wise utilization of the resources in order to ensure that future generations can benefit from the same resources.
3. Intragenerational equity. This principle refers to fairness in access to cultural resources and to the benefit flowing from them, viewed across social classes, income groups, and so on.
4. Maintenance of diversity. The diversity of ideas, beliefs, traditions and values that will lead to the creation of more varied cultural goods, such as artistic works.
5. Precautionary principle. This principle states that decisions that may lead to irreversible change should be approached with extreme caution. For instance, the destruction of cultural capital may be a case of irreversible loss if the item is unique and irreplaceable.
6. Maintenance of cultural systems and recognition of interdependence. This principle implies that no part of any system exists independently of other parts. Neglect of cultural capital by allowing heritage to deteriorate, by failing to sustain cultural values that provide people with a sense of identity, will place cultural systems in jeopardy

²⁴ The Report of Brundtland Commission: Our Common Future.

and may cause them to break down with consequent loss of welfare and economic output.

Within the criteria for outstanding universal value, criteria one to six are designed for cultural heritage, whereas criteria seven to ten are for evaluation of natural heritage site nominations. On the difference in selecting cultural and natural heritage sites nominated by countries' governments, Francioni (2008) explained that in natural heritage, the geological, biological, or a physical value could be appreciated in view of objective, scientific standards. However, in cultural heritage, the value of a site relates to the distinctive qualities of a particular culture and social environment. Hence, the revision of some criteria for cultural heritage was recommended in 1994 to shift from a purely monumental view to a more context-wise view that considers a more anthropological, comprehensive, and diversified conception of the wealth and diversity of human cultures (Yusuf 2008).²⁵ Indeed, although the Convention itself has never undergone any changes, some alterations have been notable in the six editions of Operational Guidelines, which is a proof of an evolving concept of World Heritage Site.

Criteria for cultural heritage (criteria 1 – 6) were reformed to put more emphasis on cultural significance instead of merely on the monumentality and aesthetic value (Yusuf 2008); criteria for natural heritage (criteria 7 – 10) gained stronger scientific base (Redgwell 2008). Criteria 1 – 6 for the assessment of outstanding universal value in a cultural heritage site as of 2008 Operational Guidelines for the Implementation of the World Heritage Convention, are as follows:

1. Represent a masterpiece of human creative genius.
2. Exhibit an important interchange of human values over a span of time or within a cultural area of the world, on developments in architecture or technology, monumental arts, town-planning or landscape design.
3. Bear unique or at least exceptional testimony to a cultural tradition or to a civilization, which is living or which has disappeared.
4. Be an outstanding example of a type of building or architectural or technological ensemble or landscape, which illustrates (a) significant stage(s) in human history.

²⁵ The revision of some criteria for cultural heritage was recommended at Expert Meeting on the Global Strategy and thematic Studies for a Representative World Heritage List (UNESCO Headquarters, 20 – 22 June 1994).

5. Be an outstanding example of a traditional human settlement, land-use or sea-use, which is representative of a culture (or cultures), or human interaction with the environment especially when it has become vulnerable under the impact of irreversible design.
6. Be directly or tangibly associated with events or living traditions, with ideas, or with beliefs, with artistic and literary works of outstanding universal significance.

Borobudur's nomination for inclusion in the World Heritage List was carried out under criteria 1,2, and 6.²⁶

II.5.4. WHS Contribution to Development through Heritage Tourism

One of the most observable contributions of WHS to development is through heritage tourism. In many case, tourism is the very motivation for governments when nominating sites to be listed in World Heritage List. Heritage tourism refers to any visits to heritage areas/sites, which may encompass all who visit regardless of their motivation and perception on the heritage attributes of the site (Poria et al. 2006). When a cultural heritage is the setting of heritage tourism activity, heritage tourism and cultural tourism are often overlapping, because the two are closely inter-related. Nevertheless, there is actually a difference between heritage tourism and cultural tourism. Cultural tourism can be defined as a genre of special interest tourism based on the search for and participation in new and deep cultural experience, whether aesthetic, intellectual, emotional and psychological (Stebbins 1996). Thus, cultural tourism incorporates visits to museums, galleries, festivals, historic sites, artistic performance, and heritage sites (Stebbins 1996). The difference between the two types of tourism is that heritage tourism is more “place” based, which implies that the activities are carried out in a particular heritage site; whereas cultural tourism puts less emphasis on place. In cultural tourism, the same artifacts coming from a heritage site may be seen in other place, such as a museum.

On the difference between heritage tourism and general tourism, Millar (1989) stated that the context of heritage tourism is fundamentally different from that of general tourism because

²⁶ Source: Nomination Dossier of Borobudur and Prambanan Temple Compounds Indonesia for Inclusion in the World Heritage List 1990.

heritage attractions represent irreplaceable resources for the tourism industry, thus conservation is a vital component of their management. Millar explained further that heritage sites need to have their unique attributes emphasized and visitors' need of interpretation accommodated, while at the same time management has a responsibility to the community (and global society in the case of WHS) to preserve the site. There are several studies focusing on the issue of tourism and conservation in heritage sites, which cover topics such as interdependence between the two (Aas et al. 2005); enhancing visitors' interpretation as one of conservation strategies (Boyd and Timothy 2001; Bramwell and Lane 1993); and balancing tourism and conservation (Millar 1989).

Previous studies on World Heritage Sites (including heritage management and heritage tourism) have been dominated by studies from developed countries. While Matsuura has suggested the need for WHS to play a greater role in development and poverty alleviation – issues that are more relevant to developing countries – there had been limited studies on WHS (tourism impacts, conservation, issues encountered in managing the sites) in developing countries. On the other hand, from these limited number of previous studies on WHS in developing countries, it was found the issues faced by these WHS in heritage tourism reflected the issues that were often found in general mainstream tourism. These issues involve the following: lack of community participation (Wall and Black 2005; Winter 2007); limited poverty reducing effects of tourism generated from the WHS (Ballard 2005; Tuot and Hing 2007); limited linkages between tourism to the local economy (Hampton 2005); and the issue of power and control over resources (Hampton 2005; Li 2006) that leads to unfair access to benefits flowing from the WHS. They were similar to problems already identified as issues pertaining to tourism development in developing countries, which include problems in the distribution of tourism benefit, socioeconomic and spatial polarization, the loss of control among host communities over how tourism resources are utilized and managed (Apostolopoulos 1996; Brohman 1996; and Mowforth and Munt 1998) and weak inter-sectoral linkages (Liew 1980).

In the midst of those issues, this study tries to explain the limited socio-economic impacts of heritage tourism in a rural area of a developing country, in light of the management or governing process of the WHS and its vicinity, the institutional arrangement as well as the interactions between organizations, and in the context of policy – which is reflected in the

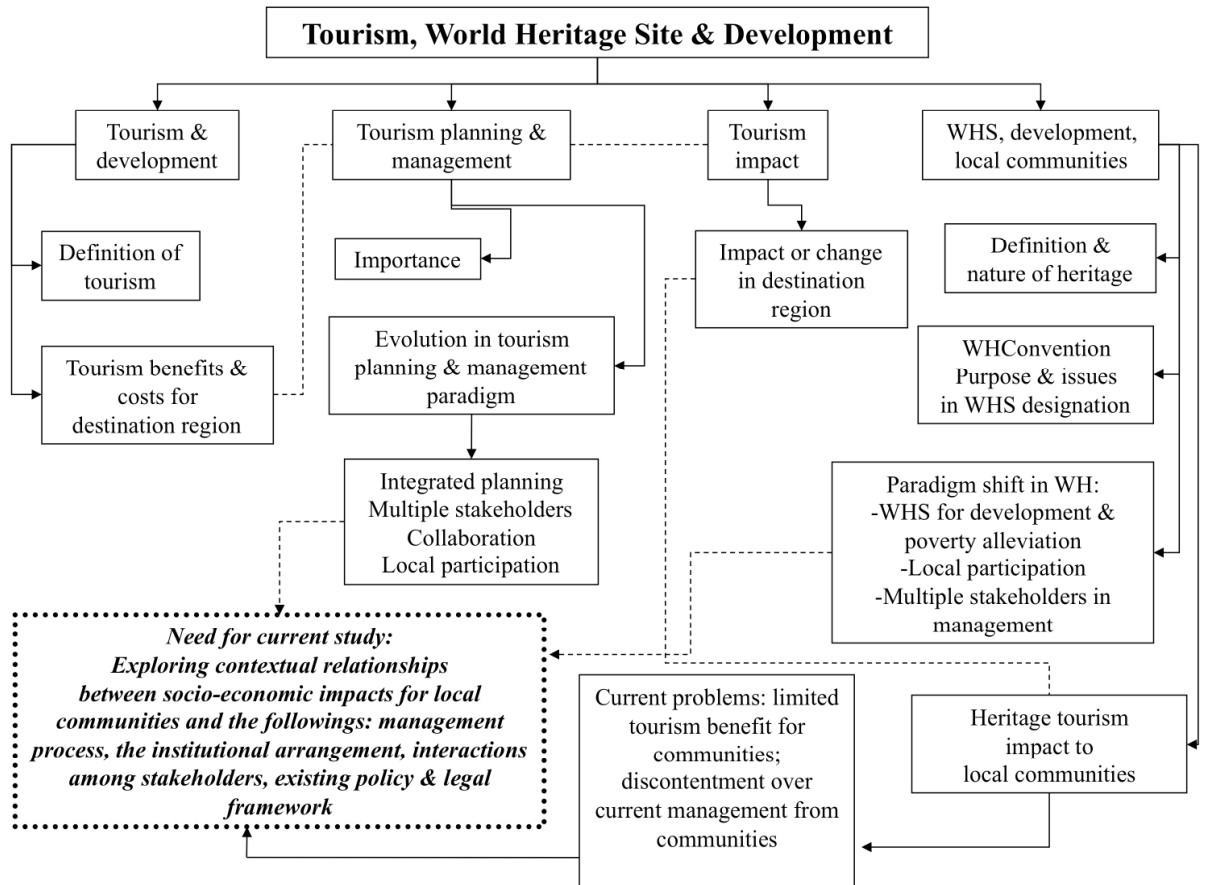
current legal framework influencing the site. In doing so, the study tries to understand the contextual relationship between high and low scale level in the tourism system, in which policy in the higher level forms the context within which changes or impact at the local level can be analyzed (Harvey cited by Hall and Lew 2009). Hall and Lew (2009) stated that scale is one of the concepts important in understanding tourism impact within a tourism system. They also pointed out that it is important to ensure that different levels or scales are in line with one another in order to increase planning effectiveness.

There has been growing interest in rural tourism as a tool for economic and social regeneration (Fleischer and Felsenstein 2000; Liu 2006). There is also the existence of WHS that can be a resource for development in rural areas (Timothy and Nyaupane 2009). Therefore, examining heritage tourism impact in rural area and factors affecting the impact generation is important for understanding the dynamic of heritage tourism as resource for development in rural area.

II.6. Concluding Remarks

The literature review presented in this chapter summarizes and synthesizes, in a thematic approach, the body of knowledge on which this study is located (see Figure 2.2). First it explained the inter-relations between tourism and development, which are the principal themes of this study. The literature that was discussed within the theme tourism and development presented the significance of tourism as a tool for development as well as tourism's adverse impacts and issues encountered when tourism was used as one of development strategies. Second, the literature review discussed planning and management in tourism as an important variable influencing its impact on development. Although no doubt there could be other factors influencing tourism impact, it is important to give particular emphasis to tourism planning and management. This is because tourism is an industry formed by different or dissociated sectors, hence how to plan and manage all of these sectors, becomes a crucial issue. Next, the chapter presented the topic of tourism impact, especially tourism's social and economic impact and approaches that are used to assess these impacts. The chapter also discussed WHS' potential contribution for development – especially through heritage tourism – and its relations with local community.

Figure 2.2.
Literature Review Map



Note: Dashed lines represent connections between sections or topics in which this dissertation have put emphasis on.

The notion that planning and management is one of the most important factors that determine impact is very relevant to the case of heritage tourism in WHS. Heritage tourism blends together conservation and the utilization of heritage resource for socio-economic development, hence there is the need to manage the somewhat differing ideologies “to conserve and to change (to develop)”. In addition, the importance of planning and management in WHS should be emphasized, since the involvement of different stakeholders and an integrative approach to management is already anticipated in Operational Guidelines for the Implementation of World Heritage Convention.

The last theme in this chapter: WHS, development and local communities, tried to synthesize the previous themes and put them in a specific WHS field. This theme exemplifies the central

issue that motivated this research in the first place. However, there is limited study that analyzes this topic in the light of realities of tourism in developing countries (especially in rural areas), where factors in the local environment²⁷, institutional problems²⁸, as well as government policy that emphasizes macro economic benefit over benefit in the local level affect the socio-economic impacts of heritage tourism in the WHS vicinity (see “Need for current study” in Figure 2.2).

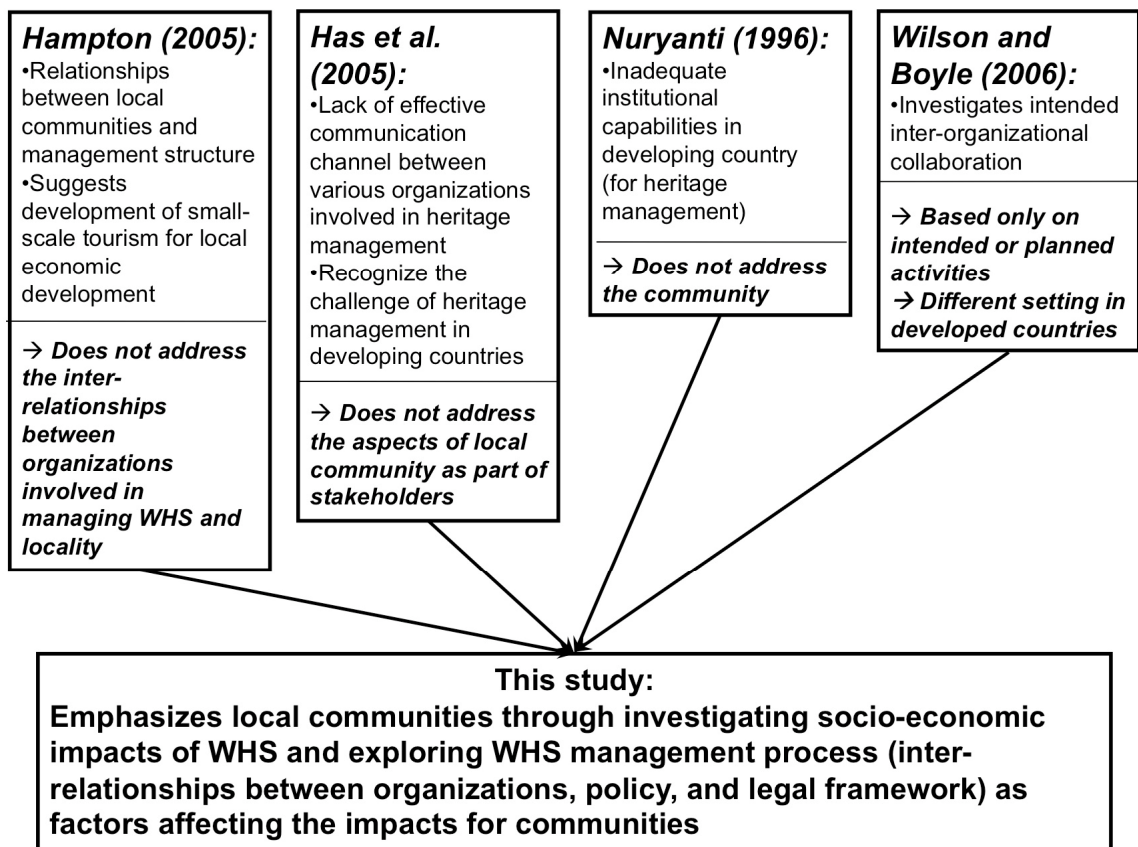
Hampton’s study of Borobudur (2005) provides a good base for further study as it discusses the complex relationships between local communities and management structures; and suggests the importance of developing small-scale tourism for local economic development. However, Hampton’s study leaves out the inter-relations between organizations or stakeholders involved in managing the WHS and its locality, which this particular study is trying to address. Nuryanti’s study on heritage and postmodern tourism (1996) brings to attention the inadequate institutional capabilities of heritage management in developing country but does not address issues related to the local community. On the other hand, Aas et al. (2005) did a study in Luang Prabang, Lao PDR, to see the extent of stakeholders’ collaboration in managing heritage and tourism. They found that the extent of stakeholder collaboration was minimal – indicated by lack of effective communication channels between various organizations involved in heritage and tourism management and non-existence of joint decision-making. Considering that the study examined stakeholder collaboration facilitated under UNESCO’s project, “Cultural Heritage Management and Tourism: Models for Cooperation among Stakeholders”, in which advisory group and working group were established to improve collaboration, the finding of the study was rather disturbing. It prompted questions as to what would be the situation in a WHS where there were no such special groups. Lastly, Wilson and Boyle’s study (2006) investigated inter-organizational collaboration between WHS and key players in the inter-organizational domain, i.e. local authorities, tourist boards, education bodies, community representatives, private sector and transport organization. However, the investigation was based on intended activity for a five year period, and would need to be followed up by further research based on the reality. Besides, although Wilson and Boyle’s study gave ideas on how inter-organizational collaboration might take place in WHS and the importance of a management plan in planning

²⁷ Such as the socio-demography and characteristics of the area.

²⁸ Such as inadequate planning and management mechanism and legal framework.

the collaboration; it was conducted in a developed country where the need or urgency for such collaboration in order to bring more WHS benefits to local communities had not been as great as in developing countries. This particular study tries to contribute to the body of knowledge in the field of WHS, tourism, and community development by addressing the gaps in previous studies that were mentioned earlier (see the summary in Figure 2.3).

Figure 2.3
Four Studies Considered to be the Most Influential



Chapter III

CONTEXT OF THE STUDY

III.1. Chapter summary

In this chapter, the contextual background of the study is provided. This chapter begins by discussing tourism in Indonesia, its contribution and significance for development, as well as some of its shortcomings. Next, the discussion will shift to the history and restoration of Borobudur Temple Compounds WHS, and heritage tourism development in the WHS and its vicinity. The final section of this chapter will describe the case study area where the concepts discussed in the previous chapter operate.

III.2. Tourism in Indonesia

Although the term tourist that is used throughout this dissertation should cover both international and local tourists, the beginning of this section will focus more on the former.

In the early 1980's, the price of oil, which had previously underpinned Indonesia's economic growth collapsed, forcing the government to promote the non-oil sectors, especially tourism (Black 1997). Since then, international (in-bound) tourism has been an integral part of the Indonesian economy (Sugiyarto et al. 2003). The country has had substantial growth in foreign visitor arrivals from the late 1980s to the early 1990s (Hall 2000a). The growth of foreign visitor arrivals at that time was more than 15% per year, contributing to an increase in foreign currency receipts. Employment opportunities in tourism sector also rose as did investment in to the sector.

Although visitor arrivals and tourist income rose rapidly since the 1980s, the Indonesian government, according to Walton (cited by Black 1997), lacked the degree of commitment shown by neighboring ASEAN countries in their promotional campaigns. It was not until 1989 that the Tourism Promotion Board was established, and it still does not enjoy the political stature and government financial support of its counterparts in Singapore, Thailand and Malaysia (ibid.). The Indonesian Tourism Promotion Board relied heavily on private sector support. In the 1990s, the organization was dissolved and the responsibility of promoting the country's tourism was given back to the Ministry of Culture and Tourism. In

2009, the new tourism law (Law No. 10/2009) paved the way for a Tourism Promotion Board to be reestablished, as the law includes articles on the formation of the organization facilitated by the government.²⁹

Indonesian tourism focuses on centers such as the island of Bali (the most visited tourism destination in Indonesia), Java (Yogyakarta, Jakarta, Bandung, and Bogor), Sumatra (Banda Aceh, Medan, Lake Toba) and Sulawesi (Toraja land) (Hall 2000a). In terms of international tourism, according to the Indonesian Central Bureau of Statistics (BPS), there are four main airports serving as gateway points for foreign visitors to Indonesia³⁰. These airports are Soekarno Hatta International Airport in Jakarta, Ngurah Rai International Airport in Bali, Polonia International Airport in Medan – North Sumatra, and Sekupang International Airport in Batam. The number of international arrivals at these main airports can be observed in the following table (Table 3.1). It can be seen that Bali has the highest international arrivals compared to other airports in the country. Besides visiting Bali as their main destination, many tourists also use Bali as a base to explore other areas in the country. For instance there are travel packages from Bali to Yogyakarta (which usually includes a visit to Borobudur WHS) or even to Komodo Islands National Park.³¹

²⁹ The reestablishment of Indonesia Tourism Promotion Board has been long awaited by scores of stakeholders in the Indonesian tourism sector. Jero Wacik, Minister of Culture and Tourism, said that it is expected that an independent promotion board can concentrate more on tourism promotion while the Ministry of Culture and Tourism will focus on policy making. Wacik's statement was excerpted from Kontan Magazine, December 18 2008 edition. Available online: <http://www.kontan.co.id/index.php/nasional/news/5593/Pembentukan-Badan-Promosi-Pariwisata-Indonesia-Rampung-Akhir-2009>

³⁰ The term visitor is used by the Indonesian Central Bureau of Statistics (BPS) to refer to foreign visitors to Indonesia regardless of their purpose, be it for holiday or for business.

³¹ Yogyakarta, famous for its rich cultural tourism attractions is the second most important tourism destination in Indonesia. Komodo Islands National Park is located in the East Nusa Tenggara Province lying in the Eastern part of Indonesia. The islands are home to endemic and endangered species, the Komodo dragon.

Table 3.1.
International Arrivals by Airports

Year	Airport					
	Jakarta	Denpasar, Bali	Medan North Sumatra	Batam	Others	Total
2003	921,737	1,054,143	74,776	1,285,394	1,130,971	4,467,021
2004	1,005,072	1,525,994	97,087	1,527,132	1,165,880	5,321,165
2005	1,105,202	1,454,804	109,034	1,024,758	1,308,303	5,002,101
2006	1,147,250	1,328,929	110,405	1,012,711	1,272,056	4,871,351
2007	1,153,006	1,741,935	116,614	1,077,306	1,416,898	5,505,759
2008	1,588,698	2,241,672	140,054	1,153,564	1,305,039	6,429,027

Source: BPS – Central Bureau of Statistics (2009)

The number of international visitor arrivals to Indonesia, which was up 14 percent to 6.45 million in 2008, finally matched the all time high record of that in 1995. However, it did not reach the targeted number of international visitors, which was set at seven million. Nevertheless, total revenue from tourism in 2008 was up quite significantly (27.5%) from that of 2007. A stable political situation and Indonesia's commitment to improve security seemed to have increased confidence in international visitors. Table 3.2 shows a summary of tourism receipt, average expenditure and average length of stay in the country from 2002 – 2008.

Table 3.2.
Average Expenditure and Length of Stay 2002 – 2008

Year	International Arrivals	Average Expenditure per Person (US\$)		Average Length of Stay (days)	Tourism Receipt (in Million US\$)
		Per visit	Per day		
2002	5,033,400	893.26	91.29	9.79	4305.56
2003	4,467,021	903.74	93.27	9.69	4037.02
2004	5,321,165	901.66	95.17	9.47	4797.88
2005	5,002,101	904.00	99.86	9.05	4521.89
2006	4,871,351	913.09	100.48	9.09	4447.98
2007	5,505,759	970.98	107.70	9.02	5345.98
2008	6,429,027	1178.54	137.38	8.58	7377.39

Source: Ministry of Culture and Tourism (2009)

In 2003, international arrivals dropped to about 4.46 million from 5.03 million in 2002. This decreasing number could be attributed to the security situation that Indonesia experienced in 2002, in which bombings occurred in Bali killing more than 200 people including many foreign tourists. In addition, in 2003, the Indonesian Government revoked its no-visa policy

amid the slump in the number of foreign tourists. Instead, a visa on arrival system was introduced starting in 2003, leaving only few countries exempted from the policy, based on reciprocal treatment from these countries (each visa is valid for 30 days and the maximum length of stay was reduced from 60 days previously).³² The visa on arrival policy affects some developed countries which have actually been contributing quite significantly to international arrivals in Indonesia, such as Japan, Korea, European countries, and USA. Thus, there were concerns from the travel industry that the policy would only cause Indonesia's tourism competitiveness to decline.³³ On the fear of visa on arrival as a factor that might cause Indonesian tourism to lose some of its appeal, the reason could be explained with the tourism phenomena as asserted by Britton (1996). Britton argued that the tourism industry is designed to meet, and arose out of, the recreational needs of affluent middle class citizens in the world's rich countries. One of the implications of this is that metropolitan companies have become predominant in the control of international tourist movements, the definition and promotion of the tourist experience, and the organizational form by which overseas holidays are undertaken.³⁴ Hence, it is not an uncommon practice for travel companies with strong power in the market to shift its marketing to other destinations deemed to be more attractive.

In addition, the visa on arrival policy has been a discouragement to special segments of tourists who usually spent more time in the country due to the nature of their activities. Such segments of tourists are the backpackers and tourists who engaged in nature-based activities, such as bird watching and ecotourism – many of them coming from the developed countries mentioned above. These types of tourists are considered to have more direct impacts on the local economy because they tend to stay longer and they place more importance on interactions with local people, experiencing specific natural and cultural elements of the area. Thus it is usually expected that there are more local products and service utilized in the whole travel experience (Honey 2008).

³² This means residents of countries, which applied no visa policy for Indonesian visitors, will not be required to obtain visa on arrival and can stay in the country for a certain period of time.

³³ Based on an article published by Reuters, April 9, 2003. The article appears online at CNN.com's website: <http://www.cnn.com/2003/TRAVEL/04/09/indonesia.visa.reut/index.html>

³⁴ Metropolitan companies refer to major airlines, tour wholesaling and hotel chains, which most influence tourists movements, undertake extensive advertising campaigns, have direct sales and marketing links in the tourist source countries. These companies directly serve, and partially create the demand and the means by which tourists consume Third World tourism products (Britton 1996).

On tourists' country of origins, the top ten countries generating the most foreign visitors to Indonesia can be observed in Table 3.1 below. The table will show data from 2003 – 2007³⁵.

Table 3.3.
Top Ten Countries of Residence of Foreign Visitors to Indonesia 2003 – 2007

Country	2003	2004	2005	2006	2007
Singapore	1,469,282	1,644,717	1,417,803	1,401,804	1,352,412
Malaysia	466,811	622,541	591,358	769,988	891,353
Japan	463,088	615,720	517,879	419,213	508,820
Korea	201,741	228,408	251,971	295,514	327,843
Australia	268,538	406,389	391,862	226,981	314,432
China	40,870	50,856	112,164	147,245	230,476
Taiwan	381,877	384,226	247,037	236,384	226,586
USA	130,276	153,268	157,936	130,963	155,652
UK	98,916	113,578	163,898	110,412	121,599
Germany	142,649	134,625	156,414	106,629	112,160
Total 10 countries	3,664,048	4,354,328	4,008,322	3,845,133	4,241,333
Others	1,369,352	966,837	993,779	1,026,218	1,264,426
Total	5,033,400	5,321,165	5,002,101	4,871,351	5,505,759

Source: BPS - Central Bureau of Statistics (2009)

From Table 3.1 it can be understood that ASEAN countries as well as other countries in Asia and the Pacific make up the most foreign visitors to Indonesia. Such a fact implies that proximity seems to play an important role in the decision to travel.

Domestic tourists, on the other hand, are also very important for tourism in Indonesia. Tourism is an industry which is prone to adverse effects of security issues such as terrorism, health issues such as SARS and bird flu epidemics, or even negative images of a country. In particular, such negative issues very easily affect international in-bound tourism. Hence, when the number of foreign visitor arrival is facing a downturn, local tourists become a very important element for the survival of tourism businesses. In Indonesia, issues of instability (particularly in the case of security) have caused difficulties for tourism development (Hall 2000a).

³⁵ The number of foreign visitors from each country might have altered during 2003-2007, therefore the order of the top ten countries is based on 2007's figures.

Tourism in many areas in Indonesia has sometimes been criticized because of the high leakage rate in actual tourism receipts due to foreign ownership and the high degree of imported products the industry uses. There have been calls to give more benefit to local people and more control by the local people over tourism development and utilization of resources (Laksmi 2009).

III.3. Borobudur Temple Compounds World Heritage Site: History, Restoration, Tourism Development

Borobudur Temple Compounds is one of seven WHS in Indonesia. It was listed as World Heritage Site Number 592 in 1991 under the following criteria:

- Criteria 1: The site represents a unique artistic achievement, a masterpiece of the creative genius.
- Criteria 2: The site has exerted great influence, over a span of time, or within a cultural area of the world, on developments in architecture, monumental arts or town-planning and landscaping.
- Criteria 6: The site has directly or tangibly associated with events or with ideas or beliefs of outstanding universal significance.

Indonesia, which signed the World Heritage Convention in 1989, currently has three cultural WHS and four natural WHS with Borobudur Temple being the most visited WHS in Indonesia.³⁶ The number of visitors between 2004 to 2008 to this monument which was recorded from entrance ticket sales to Borobudur Temple Recreation Park as the main access to the temple, is shown in Table 3.4. Approximately, 80% of the visitors are Indonesian nationals. Park management, however, has determined a new target of 10 million visitors per

³⁶ The cultural WHS are as follows: Borobudur Temple Compounds in Magelang, Central Java, Prambanan Temple Compounds in Yogyakarta, and Sangiran Early Man Site in Solo, Central Java, where *hominid* fossils were discovered. Sangiran Early Man Site is one of the key sites for understanding human evolution. On the other hand, four natural WHS consist of the following: the Tropical Rainforests Heritage of Sumatra, which constitute of four national parks stretching from the northern part to the southern part of Sumatra; Ujungkulon National Park, its area encompasses West Java and Lampung (Sumatra), it is known as the habitat of the endangered Javan rhinoceros in West Java; Komodo Islands National Park, habitat of the komodo dragon, in East Nusa Tenggara; and Lorentz National Park in the most eastern island in Indonesia, Papua, which is the only protected area in the world to incorporate a continuous, intact transect from snowcap to tropical marine environment, including extensive lowland wetlands.

year in ten years time (2019) with 80% of the visitors being foreigners.³⁷ However, if this new target is achieved, it will put a lot of pressures on the preservation of the temple, which has already shown signs of wear due to visitors' presence as mentioned by Black (1997).

Table 3.4.
Number of Visitors to Borobudur Temple

Year	Number of visitors
2004	2,026,422
2005	1,992,756
2006	1,243,062
2007	1,980,565
2008	2,237,717

Note: These numbers do not include the number of visitors to Mendut and Pawon Temple, both of which are located outside the recreation park.

Source: Borobudur Heritage Conservation Institute's website (<http://konservasiborobudur.org>) for 2004 – 2007 figures, accessed on February 10, 2008. Figure for 2008 data was obtained from Tourism and Culture Office of Magelang Regency (2009).

The following sections will present some history of the temple; restoration efforts; the Master Plan and zoning as planning and management tools; and lastly, heritage tourism functioning in this particular WHS.

III.3.1. History

Borobudur Temple or Candi Borobudur is an ancient and magnificent Buddhist temple built in the 8th century. The stone temple has a shape of a stepped pyramid consisting of nine super-imposed terraces and crowned by a huge bell-shaped stupa. The lower structure consists of six square terraces. On the walls and balustrades of the temple's lower structure, one of the largest ensembles of bas-reliefs in the world is carved, describing the life of the Buddha and many other Buddhist stories. On each of the four sides of the pyramid, running up through its center to the circular terraces, are stairs and gateways framed by ornaments. Visitors are encouraged to circumambulate the monument layer by layer, proceeding to the higher terraces on these staircases to the plateau (see Figure 3.1).

³⁷ This statement, made by Agus Canny, Marketing Director of PT Taman Wisata Candi Borobudur, Prambanan and Ratu Boko, was quoted in an article which appeared in newspaper Kompas February 6 2009 edition. Available online at: <http://regional.kompas.com/read/xml/2009/02/06/20070138/wisatawan.borobudur.ditargetkan.10.juta.orang>.

Figure 3.1.

Candi Borobudur (Borobudur Temple), the Main Temple in the Borobudur Temple
Compounds World Heritage Site



Source: <http://www.ihjava2012.com/images/borobudur3.jpg>

Soekmono (1976) stated that it is not known how long Borobudur Temple was in active use or when it ceased to function as a monument to glorify the greatness of the reigning royal dynasty and as the center of Buddhist pilgrimage. He wrote that the general assumption is that the temple fell into disuse when people converted to Islam in the 15th century. But Soekmono also suggested that it is quite possible that the monuments in Central Java were abandoned as early as the 10th century when historical importance shifted to East Java. In 1814, when Java was under British rule, Lieutenant Governor-General Sir Thomas Stamford Raffles, was informed of existence of a big monument called Borobudur in the village of Bumisegoro near Magelang. Lieutenant Governor-General Sir Thomas Stamford Raffles then brought Borobudur to the notice of a wide range of people. The meaning of Borobudur is still debated as in the case of many ancient monuments in Indonesia, their original names and meanings are often unknown (Soekmono 1976). There have been several suggestions on the meaning of Borobudur, two of them are “sanctuary of the honorable Buddha” and “the monastery of

Budur” (here Budur is thought to originally have come from the word “Buddha” pronounced in the local dialect).

During the Dutch colonial period, the Dutch began to tackle the restoration of Borobudur. However, over the years the unstable nature of the structure's foundation had caused the immense stone monument to subside at a variety of angles (Black 1997). After Indonesian independence, the restoration and promotion of Borobudur (and Prambanan, another magnificent temple in Yogyakarta) became a high priority for the central government. In 1973, the restoration of Borobudur Temple began, under the coordination of UNESCO and involving a national executive agency and an international supervisory committee. The restoration was completed in 1983.

III.3.2. Master Plan and Zoning

In 1976, the Master Plan to develop Borobudur and Prambanan National Archaeological Parks, was drafted jointly by the Japan International Cooperation Agency (JICA) and the Indonesian Government. The final report was completed in July 1979 with the title of “Borobudur Prambanan National Archeological Parks Final Report July 1979”. It was a followed up of studies on tourism development plans for Central Java and Yogyakarta that was submitted by JICA between 1973 to 1976. It was a comprehensive document, which includes conservation strategies, environmental management, landscaping, infrastructure redevelopment, village improvement, a land use plan, entrances, additional facilities, as well as a proposed schedule, a budget and the administrative structure for each site.

The main objectives of the plan to develop the sites were to conserve and preserve heritage, develop Archaeological Parks to promote tourism and to improve the life of communities near the sites. Black (1997) recorded from her study of the Master Plan that the parks' development was to achieve several aims:

- 1) To promote the monuments as a focal point of domestic tourism.
- 2) To attract hard currency through international tourism to the already internationally recognized sites.
- 3) The expected rise in international interest would lead to increased communications infrastructure and prosperity and the modernization of public facilities in the area

immediately surrounding the site while, at the same time, bringing wealth to other areas through the "ripple effect". This "greater prosperity" was expected to spread throughout Indonesia especially through the implications of a growing travel and tourism industry.

- 4) The project was intended to "educate Indonesians about the glories of Indonesian civilization over many centuries and make Indonesia well-known internationally for its long development of culture and civilization". Indonesia's prestige was to be enhanced through the tourism industry.
- 5) To contribute into the long-term future to the broad development of Indonesia in the social, cultural and economic fields.

These aims indicate that, apart from economic motives, there are distinct and obvious nationalistic motives involved.

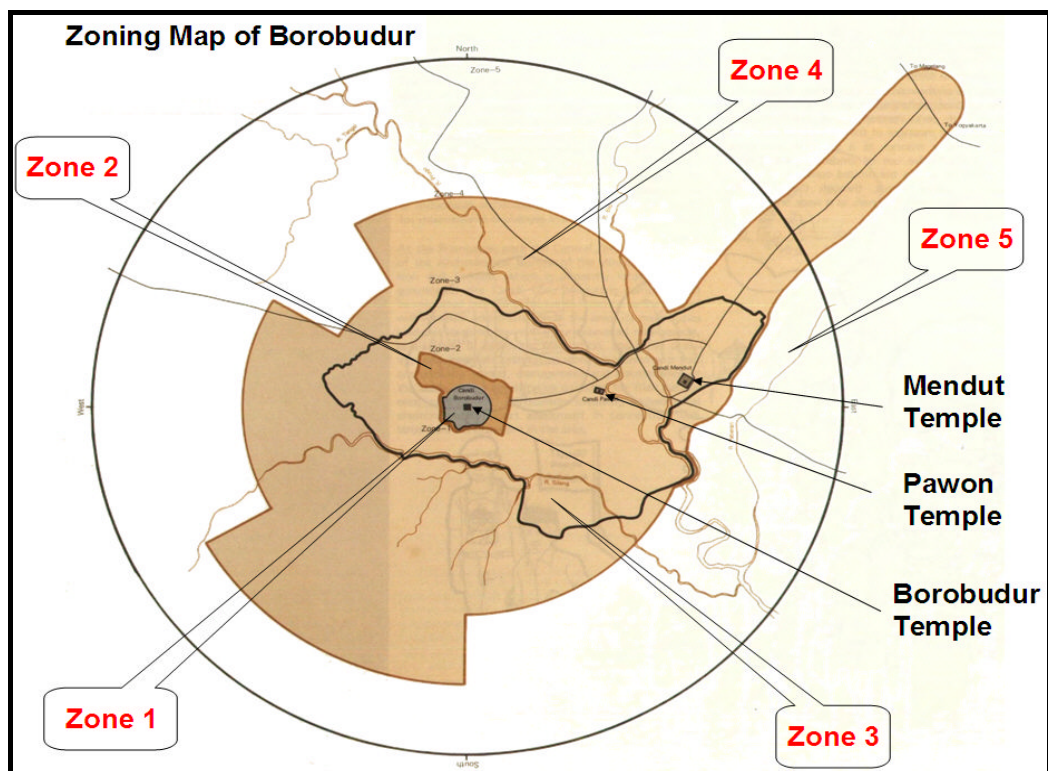
The Final Report, which is renowned as JICA Master Plan 1979, comprises four main strategies:

1. Strategy one. In this category are the plans and studies concerning the preservation of the monuments and the environments around them. This purpose is to be fully achieved by the following three steps: (1) staged archeological surveys; (2) restoration of monuments; and (3) construction of archeological environment protection areas, or sanctuaries.
2. Strategy two. Areas functioning as parks centering on the Borobudur Temple and Prambanan Temple, two of Indonesia's most representative historical monuments, will be designated. These can be provided with various facilities for accommodation of the growing number of visitors. Their land will be gradually nationalized, and their environments will be improved and facilities built for maintenance and control as parks.
3. Strategy three. In this category are the various plans and studies concerning environmental protection and area development in areas around the park. Along with the village relocation program in connection with the park construction, there is the need to promote regional development at the same time as controlling it in line with the plans that have been drawn for the areas around the parks.

4. Strategy four. In this category are the plans and studies concerning preservation of the historical atmosphere around the park. It is necessary to stress the need to preserve the Javan climate around the parks as a wider concept than preservation of the monuments alone. This is because of recognition of the facts that the national archeological parks cannot exist in isolation but can only evince their full value as a part of their surroundings, the “Garden of Java”.

In translating these strategies into working planning and management tools, a zoning system was developed, allocating the monument and its surrounding areas into a core conservation zone, a park designated to accommodate visitors, and surrounding areas in which some regulations are applied. For Borobudur, the Master Plan comprises five zones, shown in Figure 3.2. Zone 1 is the sanctuary zone; Zone 2 is the archaeological park zone; Zone 3 the land-use regulated zone; Zone 4 the historical scenery preservation zone; and Zone 5 the national archaeological park zone.

Figure 3.2.
Five zones in the Borobudur area according to
JICA Master Plan 1979



Source: JICA Master Plan (1979)

Because the Master Plan is not a legal instrument, it has no legal power whatsoever. Instead, it was used as a basis for formulating a legal instrument, the Presidential Decree No.1/1992, for regulating the management of Borobudur Temple Recreation Park (as well as Prambanan Temple Recreation Park) and assigning authorities for managing the zones. However, the decree only acknowledges three from the five zones that were developed in the Master Plan. Zone designation and utilization, as well as the authority in charge for each zone, are summarized in Table 3.5.

Table 3.5.

Zone designation and utilization for Borobudur area

Zone	Distance from temple and area coverage	Designation according JICA, 1979	Utilization according to Presidential Decree No.1/1992	Authority in charge
1	200 m; 44.8 ha	Sanctuary zone	Monument preservation	Borobudur Heritage Conservation Institute under the Ministry of Culture and Tourism
2	500 m; 42.3 ha	Archeological park zone	Recreation park, restaurants, museums, research facilities, area for cultural activities, car and coach parks.	PT Taman Wisata Candi Borobudur, Prambanan & Ratu Boko, a state-owned enterprise
3	2 km; 932 ha	Land-use regulated zone	Limited residential area, farming, green area, supporting zone	Local Government of Magelang Regency
4	5 km; 2,600 ha	Historical scenery preservation zone		
5	10 km; 7,850 ha	National archeological park zone		

Note: In a visible physical form, the recreation park – which is fenced from other part of the villages – covers 87.1 hectares made up of 2 zones (Zone 1 and 2)

Source: Soeroso (2007)

III.3.3. Recreation Park: Making Way for Heritage Tourism Development

Borobudur Temple Recreation Park was built specifically in 1985 to accommodate visitors. The development of the park has resulted in the displacement of two villages, with some conflicts arising in the process (this will be explained more in the next section). Beside

Borobudur Temple as the main attraction, the recreation park includes museums, an audiovisual theatre, kiosks and stalls, area for cultural performances, and car and coach parking.

Interestingly, some of the attractions are not directly related to Borobudur heritage. There is the main Karmawibangga Museum exhibiting restoration process in Borobudur and other artifacts related to the monument. There is also Samudraraksa Ship Museum displaying parts of Indonesian maritime history and a replica of a ship that sailed to Ghana in the Borobudur Ship Expedition: Indonesia to Africa in 2003. The Samudraraksa Ship was designed according to a bas-relief found in the Borobudur Temple.

Also located on the site is the Indonesian World Records Museum which displays individuals' or groups' achievements. This facility, however, has little if any linkage to Borobudur heritage. In fact, in 2005, several community organizations and villages' administrators from Borobudur locality launched a protest toward PT Taman, whom they considered concentrating tourism within the park (Zone 2) and not trying to disperse tourists to the nearby villages (Dna 2005).

Taylor (2002) suggested that the presence of Borobudur in an awe-inspiring landscape suggests an association between the monument and its natural setting. Borobudur stands in the centre of Kedu Plains bordered to the south by Menoreh Hills and to the east and north from the infamous Merapi Volcano by a series of volcanic peaks. In addition, there are 32 archaeological remains in the areas up to 15 km surrounding Borobudur (Soeroso 2007). The natural and cultural landscape combined with intangible heritage such as in performing arts and rituals still practiced by the communities, crafts and foods from traditional villages, have potential to be developed as cultural tourism. The potentials, though, is hardly developed alongside the core heritage site. Villagers themselves, in cooperation with tour guides in the recreation park and with a number of tour operators, have started some activities, such as small-scale village tours. However, these villages still need a lot of assistance to upgrade basic facilities and to integrate these activities more into the mainstream tourism in the heritage site.

In Chapter I, it has been mentioned that length of stay for the majority of visitors is rather short (3 - 4 hours) although there are also visitors (international and domestic) who spend a

few days in various accommodations available in the Borobudur vicinity. Many tourists use the neighboring and more popular town of Yogyakarta as a base for their trip (see Appendix C for data on number of foreign and domestic tourists to Yogyakarta). During their short visits to Borobudur, their visits are concentrated inside the recreation park. The concentration of activity inside the recreation park may be because the majority of tourists themselves are general interest tourists who are interested only in seeing Borobudur Temple. It could also be because the tourists are not aware of other attractions that have been developed by communities outside the park. As was mentioned in the previous paragraph, other attractions in rural Borobudur are hardly developed to complement tourism in the WHS; an organized effort to promote them is not evident, hence this may contribute to a lack of awareness from the tourists' side. Of course the majority of tourists will always be the ones with general interests, whereas a small portion of them (like the ones staying in the area for days) are tourists interested in niche tourism, for example rural tourism. However, more assistance to develop and promote tourism attractions outside the park might spark interests from a wider audience – although in such a case, it is necessary to consider the carrying capacity of the villages in receiving tourists.

III.3.4. Discontentment, Lack of Trust, and Little Community Participation: Issues Found in the Planning Process and Tourism Development

The Master Plan (JICA 1976), drafted without residents' knowledge, outlines "village improvement" policies – policies which concentrated largely on the process of removing people and their homes which were clustered near the monument (Black 1997). A zoning plan insisted on the need for the move and for subsequent controls to be placed on development outside the park as well. Strategy four of the Master Plan was intended to keep the ambiance of rural Java (Garden of Java) in areas surrounding the park. This was proposed in order to curb uncontrolled modern development, considered to be at odds with the goal of preserving the pastoral view, which can be enjoyed from the summit of the monument at Borobudur (Black 1997).

In Black's study on Borobudur Master Plan, informants that participated in the study, i.e. residents, administrators and outside observers seemed to agree that friction was created

between the people and the government since the start of tourism development plan in the area.

In 1982, approximately 250 families were moved from the monument area into four new settlements (Black 1997). Many of the people were strongly opposed to having to move for several reasons. Winarni's research (2006) revealed that people who were asked to move refused because they felt a strong attachment to the land they were living on. An interview that was conducted during author's fieldwork to a person who experienced being relocated gave the impression of a traumatic experience due to the presence of military personnel reinforcing the relocation.³⁸ The informant said that most people felt a great loss even until after a number of years after the event. At present when he enters the recreation park, he still remembers the trees that used to belong to his family. In addition, during an interview with an expert, the author came across specific cultural philosophy adopted by local people that might have affected the feeling of great loss, even though they received another plot of land as a replacement.³⁹ This Javanese philosophy, is called "*sedumuk bathuk senyari bumi*" or "every single piece of soil will be protected until death" (in Javanese language), which implied emphasizing the importance of homeland.

The second reason is that the villagers were worried that they would be deprived of their livelihood if they could no longer access the tourist market from their homes (Black 1997; Winarni 2006). An interview with a kiosk owner that was conducted by author during the survey in 2008 revealed that the kiosk owner's family used to sell from his or her own house or even went up to the temple to try offer and sell the goods. This was back in early 1980s when the recreation park had not existed. She also said that income was better in those days due to there being few sellers, the fact they did not have to pay any rent, and due to living expenses being lower then.

Other reason that contributes to the reluctance to move is that the people felt that their land was sacred ground because of its proximity to the monument. Thus, to move would mean that they would no longer enjoy the spiritual protection provided by the monument (Black 1997). This is interesting given the fact that the majority of villagers are actually Muslims. There

³⁸ Personal interview with a local guide in the recreation park, August 12, 2007. He requested that his name would not be disclosed.

³⁹ Personal interview with Amiluhur Soeroso, lecturer at Gadjah Mada University, March 20, 2009.

was also a lack of trust during the relocation process and many disbelieved government promises of fair compensation (ibid.). Finally, Black's study also noted that there was a general misunderstanding, reinforced by the presence of the Japanese experts, that this project was a private venture and that businessmen stood to benefit from great profits at the villagers' expense. This last reason indicates that somehow in the process of park development, there was lack of communication between villagers and people in the project, hence this misunderstanding occurred.

Nevertheless, they finally became aware that the recreation park was indeed a government project. According to Black (1997), reports differ about whether the people were paid a fair price for their land.⁴⁰ Residents complain that it was inadequate and below market-value; officials from PT Taman, past and present, contend that it was fair, citing the argument that nearby land was selling for the same price (ibid.).

The bad relationship between the government and the villagers since the start of planned tourism development might indicate an issue in the process of local people's participation. The Master Plan actually refers to the popular participation of residents through preliminary hearings and other means to obtain understanding and cooperation. However, these preliminary hearings actually mean that people were told to come to an information meeting, that informed them of what was going to occur and what the compensation package would be (Black 1997). The meetings were conducted in *Bahasa Indonesia*, a language in which many villagers are not entirely fluent (ibid.). The author's survey also found a lack of local government's participation in the process of recreation park development. When asked which party carried out the socialization process of park development, most surveyed households responded that it was people from the recreation park who talked to the villagers. Since PT Taman is a state-owned company, it can be said that the company represents the central government.

⁴⁰ The constitution states that while individuals have certain rights to land, including the right to own it, all matters concerning land are controlled by the State.

III.3.5. The Role of International Organizations in Heritage Tourism Development

In 2003 the Fourth International Expert Meeting on Borobudur – Prambanan organized by UNESCO and the Indonesian Ministry of Culture and Tourism was held. Some of the suggestions that came from this meeting were to consider the wider cultural landscape (including the surrounding rural area) in the management of the Borobudur Temple Compounds; to take into account the tourism impact on the temple structure itself and surrounding region; and the role of local community in tourism. Later, in 2006, a joint mission between World Heritage Committee (WHC) and International Council on Monument and Sites (ICOMOS) visited the Borobudur Temple Compounds as part of the reactive monitoring mission that among others aimed to (1) provide advice to the Indonesian authorities in developing a comprehensive Visitor Management Plan to mitigate the negative impact of mass tourism on the property; and (2) make recommendations to the Government of Indonesia and the WHC for a better conservation and management of the property, particularly on the strategy for the sustainable development of the area surrounding the Borobudur.

In addition, Boccardi et al. (2006) from the World Heritage Committee stated that the problem relate to the question of sustainable development of the area surrounding Borobudur and to the fact that there is little attempt to provide opportunities for local community members to gain direct economic benefit from tourism and use the temple as a platform to bring benefits to the wider context. They suggested that opportunities must be provided for local community members to gain direct economic benefit from tourism by developing products or attractions in the surrounding area. The fact that there has been a concentration of tourism activity inside the recreation park and little effort to promote local products and attractions had resulted in the feeling of exclusion from tourism by the host communities.⁴¹

III.4. Borobudur Area, Magelang Regency, Central Java

In Indonesia, the administrative divisions are as follows: province, regency/town, district, and village. Borobudur area defined in this research encompasses Borobudur, Mungkid, Mertoyudan and Muntilan District. Borobudur District is where the main temple of

⁴¹ Information obtained from survey and focus group interviews.

Borobudur, the Borobudur Temple Recreation Park, and the smaller Pawon Temple are situated. In Mungkid District, another temple included in the WHS, Mendut Temple, is situated. This sub section of the chapter will focus in describing the main area where the survey for the purpose of this research was undertaken, Borobudur District. When relevant, facts and figures presented here also include those of Magelang Regency.

Borobudur District covers an area of 54.55 km² (5455 hectare) and comprises 20 villages. Seven of the 20 villages are categorised as less-developed villages or *desa tertinggal* (BPS 2006).⁴² It has the population of 55,163 with an approximate number of households of 14,158 (BPS 2006). Residents' occupation as recorded in the Central Bureau of Statistics' publication titled Borobudur District in Numbers (2003), can be found in Table 3.6. Here, the data records occupations of residents who are older than 10 years old.

Table 3.6.
Various occupations of Borobudur Sub-district's residents

Occupation	Percentage
Farmers with own land	25%
Farm labours	14.8%
Self-employed	2.5%
Industry/factory workers	3.6%
Construction workers	3%
Traders	3.8%
Workers in transportation sector	1.1%
Government employee/military personnels	2.5%
Retiree (from government/military employment)	0.9%
Others ⁴³	42%

Source: Central Bureau of Statistics (2003)

It can be seen from Table 3.6 that agriculture still dominates rural livelihoods with around 40% of people whose age is older than 10 years old working as farmers (both with and without own land). Agriculture is still the most important sector in Borobudur District, as well as in Magelang Regency where the district is situated. Figure 3.4 shows a relief found in the Borobudur Temple indicating that agriculture has been an important sector in the area since

⁴² Less developed villages or *desa tertinggal* are villages that have been left behind due to absence or lack of development (Rigg et al. 1999). The Indonesian Central Bureau of Statistics, in making a categorization of developed and less developed villages, referred to infrastructure development that is crucial for economic development.

⁴³ Because occupations record covers people as young as 10 years old, it is possible that considerable portion of the 42% residents who fall into the category of "others", are actually students. They may be classified into this category because the record does not consider students as one of the categories.

many centuries ago. Observation conducted by author during the fieldworks also revealed that many people in Borobudur area earn their living from sapping the coconut tree. In fact, making coconut sugar is one of the traditional industries of some communities.

Figure 3.3.

Two Reliefs Found in the Walls of Borobudur Temple, One Illustrating Rice Paddy and the Other Illustrating a Farmer with His Cattles



Source: Borobudur Heritage Conservation Institute

Table 3.7 shows agriculture sector as the biggest contributor to Magelang Regency's Gross Regional Domestic Product (GRDP) from 2001 to 2008.

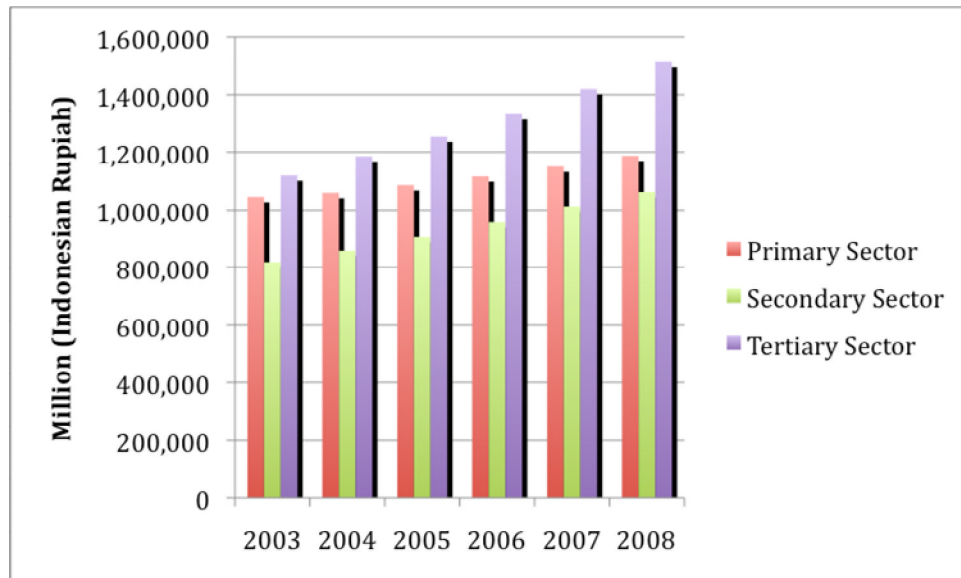
Table 3.7.
Share of GRDP by Industrial Origin at Constant 2000 Price;
Magelang Regency (2001 - 2008)

Industrial Origin	Share of GRDP (in percentage)								2008 Figure	Average Growth (2001-2008)
	2001	2002	2003	2004	2005	2006	2007	2008		
Agriculture	34.40	34.21	32.73	31.78	31.05	30.30	29.51	28.91	1,087,510	2.00%
Manufacturing	19.20	19.05	19.22	19.27	19.25	19.20	19.13	19.02	715,344	4.45%
Mining and Quarrying	2.30	2.30	2.32	2.35	2.40	2.47	2.58	2.65	99,569	6.78%
Electricity, Gas and Water Supply	0.50	0.48	0.50	0.52	0.53	0.53	0.54	0.52	19,641	7.00%
Construction	7.00	7.20	7.70	7.91	8.12	8.36	8.61	8.70	327,160	7.78%
Trade, Restaurant and Hotel	15.30	15.17	15.04	15.03	14.98	14.88	14.80	14.73	554,144	4.05%
Transport and Communication	3.10	5.40	5.45	5.49	5.51	5.52	5.52	5.53	208,138	4.88%
Financial, Ownership & Business Services	3.06	3.01	2.97	2.93	2.88	2.84	2.80	2.77	104,071	3.08%
Services	12.97	13.19	14.05	14.72	15.29	15.90	16.50	17.17	645,812	8.84%
Total GRDP									3,761,389	4.56%

Source: BPS (2006), Regional Planning Agency of Magelang Regency (2007), modified by author.

Although agriculture as a single sector has been the biggest contributor compared to other seven sectors in Table 3.7, there has been a more rapid growth in the development of the tertiary sector in contributing to the regency's economy (see Figure 3.4). Activities associated with the primary sector are extractive activities such as mining and agriculture, whereas the secondary sector constitutes manufacturing, processing and construction. The tertiary sector includes the service industry including entertainment, restaurants, tourism, banking and the media.

Figure 3.4.
 Comparison of GRDP by Sector Group in Magelang Regency at Constant 2000 Price
 In million Indonesian Rupiah (2003 – 2008)



Source: Regional Planning Agency of Magelang Regency (2008)

Although the primary sector has been developing at a slower pace than the tertiary sector, agriculture as the main component of the primary industry has been experiencing surpluses in rice production for several years now. However, Borobudur District has not been among the big contributors to this surplus.⁴⁴ In fact, although farming is still the main sector in Borobudur, parts of the district has been facing problems such as water scarcity that affects this sector (Soeroso 2007).⁴⁵

In 2006, rice fields encompassed 1,207 hectares (22% of the total district area); cleared land for farming other commodities covers 2,207 hectares. Compared to the other 20 districts in the regency, Borobudur ranked eighth in size but actually ranked nineteenth in rice field coverage. In addition, 2006 agriculture data shows that harvested area for rice fields was 995 hectares (out of 1,207 hectares). Rice production in Borobudur District was only ranked 19th

⁴⁴ Ali, S. 2008. "Rice Production Surplus" in Wawasan Newspaper (in Indonesian), March 19. Available online: http://www.wawasandigital.com/index.php?option=com_content&task=view&id=20559&Itemid=64

⁴⁵ Soeroso's analysis (2007) found that deficit in water supply for daily life consumption in Borobudur area was equal to 5.29 liter per second.

out of 21 districts in the regency (4,682 tons). A comparison of rice production in 2006 between 21 districts in Magelang Regency is shown in Table 3.8.

Table 3.8.
Rice Production in Magelang Regency (2006)

District	Harvested area (ha)	Yield rate (Quintal/Ha)	Production (Ton)
Bandongan	5,794	56.88	32,958
Mungkid	4,079	53.51	21,827
Grabag	4,192	51.38	21,728
Muntilan	3,010	60.33	18,158
Salaman	3,341	54.23	18,118
Sawangan	3,437	51.1	17,563
Secang	3,742	46.93	17,561
Salam	3,140	53.11	16,678
Ngluwar	2,406	65.42	15,741
Kajoran	3,106	49.94	15,511
Mertoyudan	2,870	49.26	14,139
Windusari	2,535	53.48	13,557
Tempuran	2,352	49.17	11,564
Tegalrejo	1,656	54.69	9,057
Srumbung	1,732	51.24	8,874
Kaliangkrik	2,040	42.82	8,735
Candimulyo	1,473	55.44	8,166
Dukun	1,376	46.14	6,349
Borobudur	995	47.06	4,682
Pakis	182	42.75	778
Ngablak	174	39.83	693

Source: BPS (2006)

In addition, the amount of land that is harvested has been decreasing during the years in Borobudur District and consequently rice production the district has also been decreasing (see Table 3.9). Harvested area has been decreasing at an average rate of 10.6% from 1999 – 2006; whereas rice production has been decreasing at an average rate of 12.54% from 1999 – 2006. Winarni (2006), by analyzing land use maps for detecting land use change over the years, pointed out that the conversion of land from rice fields to other purposes accelerated from the mid 1990s, after Borobudur was inscribed in the World Heritage List.

Table 3.9
Rice Production in Borobudur District (1999 – 2006)

Year	Harvested area	Yield rate (quintal/ha)	Production (ton)
1999	2,180	54.84	11,957
2000	1,828	54.8	10,017
2001	1,852	54.89	10,166
2002	1,827	52	9,442
2003	1,134	53.45	6,061
2004	1,790	55.6	9,953
2005	1,177	54.27	6,387
2006	995	47.06	4,682

Source: BPS (1999 – 2006)

Nevertheless, although not a big producer of rice, Borobudur District has been the number one producer of papaya and oranges in the regency (BPS 2006). From 20 villages throughout the district, there are four villages that have been the largest producers of these commodities.⁴⁶ In addition, some villages are popular as producer of *rambutan*.

As for level of education, Central Bureau of Statistics' data (2003) revealed that level of education was relatively low, with 42% of the population only graduating from elementary school. The data can be observed in the following Table 3.10.

Table 3.10
Level of education in the Borobudur Sub-district

Last Level of Education Attended	Percentage
College graduates	1.5%
Senior high school graduates	11%
Junior high school graduates	14.2%
Elementary graduates	42%
Did not complete elementary school	8.3%
Still in elementary school	16.4%
Does not attend school	6.6%

Source: Central Bureau of Statistics (2003)

In addition, there are currently 2,858 households, or around 18% of the total 15,169 households in Borobudur District that can be classified as poor (BPS, 2006). Although the number of poor households is decreasing, poverty remains a problem in the area (see Table

⁴⁶ Largest producers of papaya and orange are: Candirejo, Wanurejo, Bumiharjo and Wringinputih Village.

3.11). Community members and villages administrators have raised this problem on several occasions in which they demanded more tourism benefits for the local community.⁴⁷

Table 3.11.

Number and Percentage of Poor Households in Borobudur District

Year	Number of Poor Households	Total Households	Percentage of Poor Households
1999	4,036	12,941	31.19%
2000	4,299	13,991	30.73%
2001	4,249	14,070	30.20%
2002	3,163	14,229	22.23%
2003	3,163	14,338	22.06%
2004	3,163	14,148	22.36%
2005	4,053	15,012	27.00%
2006	2,858	15,169	18.84%

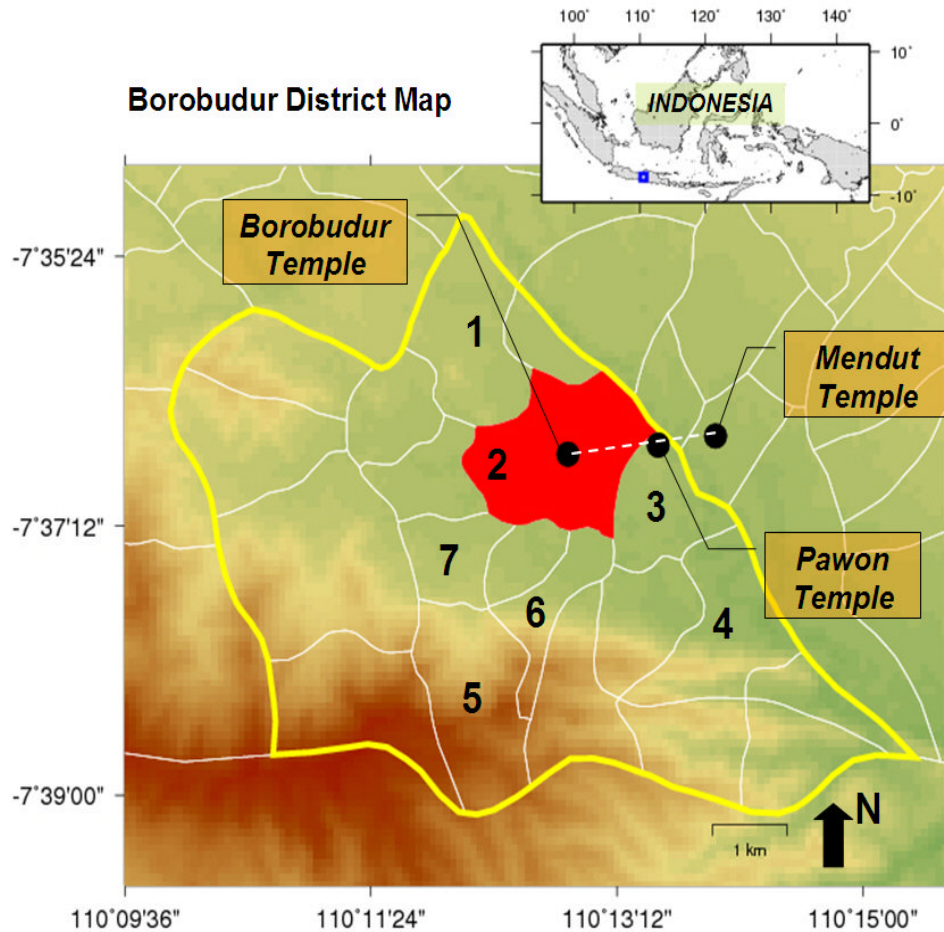
Source: BPS – Central Bureau of Statistics (1999 – 2006)

III.5. Characteristics of the Surveyed Villages

This part of the chapter will present information about seven villages which were targeted for the survey. The criteria for choosing these villages will be explained further in Chapter IV. The following map (Figure 3.5) shows the location of these villages in the Borobudur District.

⁴⁷ During the Borobudur International Festival in 2003, some community members launched a protest on the sideline of the event. Some of the comments on perceived negative impacts of gathered during the survey, were that poverty remained amid tourism in the area.

Figure 3.5.
Map of Borobudur District



Note: Number 1 – 7 are villages selected for survey: Wringinputih, Borobudur, Wanurejo, Candirejo, Giritengah, Tuk Songo and Karanganyar Village respectively.

III.5.1. Borobudur Village

Borobudur Village (number two in the above map) can be said to be the focal point of Borobudur District. The district administration of Borobudur District, Borobudur Temple Recreation Park, and the biggest market in the district are located in this village. The population of Borobudur Village in 2003 was 8,021 (4,046 male and 3,965 female), making it the most populated village in the district (BPS 2003). There are 2,177 households in the village with the average number of people in each household being 3.7.

Borobudur Village covers an area of 421.283 hectares. Its population density is the highest in the district, accounting for 1,905.23 people per square kilometer. Being the focal point of Borobudur District, the roads in this village is generally more developed than other villages. This is also because the main road coming to the district from other districts passes through this village. Table 3.12 shows comparison of road length between Borobudur Village and six other villages that were targeted for the survey.

Table 3.12.

Road Length in Seven Villages in Borobudur District (2003 data, in meter)

Village Name	Road Classification ⁴⁸	
	Regency Road	Village Road
Borobudur	36,715	2,625
Candirejo	-	6,000
Wanurejo	9,000	4,000
Wringinputih	4,000	4,000
Tuksongo	3,000	8,000
Karanganyar	3,000	3,000
Giritengah	-	4,000
Other 13 villages	11,000	87,500
Total	64,715	114,125

Note: Borobudur Village has the longest regency road in the district, which is wider and of better quality. Wanurejo and Wringinputih Village follow Borobudur in second and third place in terms of the length of regency roads.

Source: BPS – Central Bureau of Statistics (2003)

Besides having the most developed roads, Borobudur Village ranks second after Wringinputih in terms of having technical irrigation for its rice fields. Table 3.13 shows a comparison of land use between villages.

⁴⁸ In Indonesia, roads are classified into at least four types. National roads are roads connecting provinces' capitals. National roads also include highways. Provincial roads are primary roads that connect provincial capital and regency capitals or between regency capitals and other regency capitals. Regency roads are local roads in regencies, which are not included in either national or provincial roads. Village roads are local roads connecting one village to another. Regency roads are usually wider and of better quality than village roads.

Table 3.13.

Comparison of Land Use Between Villages in Borobudur District (2003 data, in hectare)

Village	Rice Field Types			Settlement & Yard	Cultivation area	Other	Total Coverage
	Technical Irrigation	Simple Irrigation	Rain Fed				
Borobudur	92.568	55.491		119.652	95.251	58.321	421.283
Candirejo			5.000	62.720	290.500	8.000	366.250
Wanurejo	38.211	59.000	33.000	83.000	46.029	16.000	275.240
Wringinputih	100.000		50.000	124.649	96.695	6.207	377.461
Tuksongo			75.000	69.284	68.127	16.024	228.440
Karanganyar		2.078	69.872	49.715	28.400	6.460	156.525
Giritengah		63.245	19.000	91.000	235.000	24.000	432.245
Total 7 Villages	230.779	179.814	251.872	600.020	860.002	135.012	2,257.444
Other 13 Villages	185.801	321.998	223.295	829.239	1,564.617	72.243	3,197.248
Total	416.580	501.812	475.167	1,429.259	2,424.619	207.255	5,454.692

Source: Central Bureau of Statistics – BPS (2003)

It can be noted from Table 3.13 that in Borobudur District, simple irrigation is more widely applied than technical irrigation, which is the most advanced type of irrigation.

The fieldwork in Borobudur Village was conducted in two different hamlets, i.e. Bumisegoro and Maitan. Bumisegoro Hamlet is located in the east of the recreation park, whereas Maitan Hamlet is located in the west of the park. Maitan Hamlet is quieter than Bumisegoro since it is located farther from the recreation park's entry gates. In the areas in front of park's entrance gates there are a number of small and medium sized restaurants, accommodation, and shops. Residents in Maitan are mainly farmers, while in Bumisegoro there are more people working in tourism related jobs.

III.5.2. Candirejo Village

Candirejo Village's population is 4,192 (2,065 male and 1,997 female) (BPS 2003). The village covers an area of 366.250 hectare, thus the population density is 1,109.84 people per square kilometer. Total number of households is 1,152 households, with an average of 3.9 people per household. Candirejo is illustrated as village number four in Figure 3.5.

Candirejo Village is renowned for its community-based tourism activity, which was initiated by the community and village administration in 1999. The village was known to maintain traditional rituals, festivals, and a community meeting mechanism called *selapanan*, even

before community-based tourism was initiated. Nowadays, Candirejo Tourism Village offers various tour packages and activities such as bicycle tours, walking tours, horse carriage tours, sunrise tours in one of the hills, traditional cooking lessons, homestays, and performance of traditional dances and festivals.

After the community initiative for tourism village emerged in 1999, the Regent of Magelang in the same year issued a Decision Letter confirming Candirejo as a village under the assistance of local government for the development of community-based tourism. To date, there are seven villages, including Candirejo, that are promoted on the Central Java Province's tourism promotion website.⁴⁹ In addition, there are three villages that are included in the list of ecosites in Indonesia in one of the reputable ecotourism websites; Candirejo is also among these three villages.⁵⁰ In 2001, an NGO called PATRA-PALA implemented a Natural Resources Management for Local Community Empowerment (NRM-LCE), project funded by JICA, in 10 villages across the Borobudur Area. Assistance for community-based tourism development in Candirejo became the main focus of PATRA-PALA activity in the area (2001 – 2003). In 2003, the villagers together with village administration, assisted by two NGOs, i.e. PATRA-PALA and Indonesian Ecotourism Network (Indecon), developed a Master Plan for the Development of a Tourism Village in Candirejo. This master plan was then adopted as a Village Decision.⁵¹ This showed village administration's commitment to accommodate the plan into a wider rural development plan in Candirejo. Tourism Village Cooperative was established in May 2003 to manage the community-based tourism activity in the village. In addition, during that year too, the Indonesian Culture and Tourism Minister inaugurated the village as a Tourism Village.⁵² In 2004, PATRA-PALA exited from Candirejo at a stage in which the villagers already managed tourism village independently through the cooperative.

⁴⁹ The seven villages offering village tourism experience, which are acknowledged by tourism website of Central Java Province, are: Candirejo, Dieng, Duwet, Karangbanjar, Karimunjawa, Selo Wonolelo, and Ketenger (<http://www.central-java-tourism.com/desa-wisata/en/candirejo.htm>)

⁵⁰ The Indonesian Ecotourism Network (Indecon), a national level NGO working to promote ecotourism development in Indonesia, lists Candirejo in Borobudur, Central Java, Cinangneng in Bogor, West Java, and Nusa Ceningan in Bali as villages offering community-based ecotourism activities (<http://www.indecon.or.id/ecosites/index.htm>).

⁵¹ Village decision is one of the legal frameworks in the village level.

⁵² Information on Candirejo Village was gathered through interviews with Village Chief, boards of Tourism Village Cooperatives, local guides, and from secondary materials obtained during the fieldwork in this village. The author also had pre-existing knowledge about this village that was accumulated during her work in Indecon, an NGO which was involved in some stage of community-based tourism development in Candirejo.

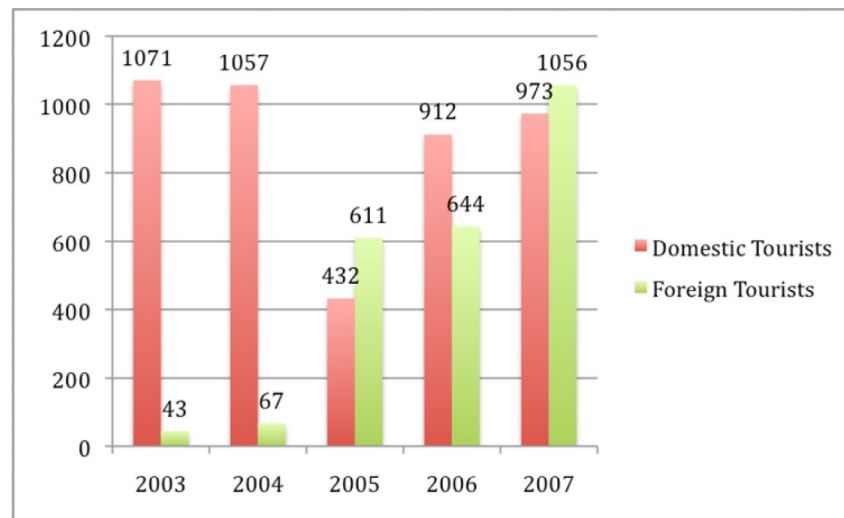
Candirejo Village is a good example of a village in which residents are active and highly motivated in developing and improving the environment of their own village (Fatimah and Kanki 2008). Fatimah and Kanki (2008) conducted a study to investigate the process of community-based tourism development in Candirejo. The findings of their longitudinal study refuted the previously widely accepted view that the NGOs were the main actors that initiated community-based tourism in Candirejo. Fatimah and Kanki argued that it was the local community that played the central role in Candirejo's rural development process, which had started in the 1980s through yard cleaning and a vegetation replacement program. During this program, the community agreed to work together to maintain their environment and replace a significant portion of vegetations in the village with productive plants, i.e. rambutan and papaya. Up to this day, Candirejo is one of the main producers of rambutan and papaya in the Borobudur District.⁵³ The second phase, according to Fatimah and Kanki is between 1991 to 1998, in which series of training programs such as bamboo and wood carvings, traditional dyeing technique (*batik*), as well as traditional dances were conducted in the village. Pride and sense of belonging was even stronger among the villagers in Candirejo after the village won the award of Best Village in a competition organized at provincial level in 1998. The third phase, 1999 to 2003, covered the initiation and concept formation of community-based tourism; whereas 2003 onwards was the start of community administering the initiative independently (Fatimah and Kanki 2008).

The number of tourists coming to Candirejo can be observed in the following Figure 3.6, and some pictures of community activities in Candirejo can be seen in Figure 3.7.

⁵³ See Table 3.11, cultivation area is Candirejo is among the largest in villages in Borobudur District. The village is popular as producer of rambutan, papaya, and chili.

Figure 3.6.

Number of Tourists Visiting Candirejo Village



Source: Candirejo Tourism Village Cooperative

Figure 3.7.

Community Activities in Candirejo



Note: Clock wise from above upper left picture: traditional dance performance; cooking lesson, puppet show, a visitor learning a traditional music instrument.

Source: Candirejo Tourism Village Cooperative

III.5.3. Wanurejo Village

Wanurejo Village, like Borobudur Village, is located near the border of Borobudur District and Mungkid District (village number three in Figure 3.5). Wanurejo has a good quality road classified as a regency road that stretches around 9,000 meter through the village. The village is home to Pawon Temple, one of the smaller temples included in the Borobudur Temple Compounds WHS. Wanurejo encompasses an area of 275.240 hectare. Its population is 3,647 (1,825 male and 1,822 female), the number of households is 1,025 with an average of 3.6 people per household (BPS 2003). The population density is 1326.18 people per square kilometer.

About 24% of the population work as farmers, including farmers who own land and farmers who work on other people's land. Wanurejo is famous for its handicraft industries. There are mainly two types of handicraft produced in this village. The first type is souvenirs made from fiber, e.g. miniature of Borobudur and figurines depicting people in traditional occupations such as farmers or *jamu* sellers (*jamu* is traditional medicine made from natural herbs). There are a number of fiber souvenirs producers in Wanurejo; some of their products are sold in the recreation park in souvenir kiosks or by street vendors.

The other one is souvenir made from wood, recycled materials such as used cans, and natural materials gathered from the surrounding environment. One of the leading producers has a gallery on the main road of Wanurejo Village. This shop, called "Rik Rok", is often visited by tour groups, especially foreign tourists (see picture in Figure 3.8). Like the fiber souvenir producers, Rik Rok also distributes some of its products to sellers in the recreation park. However, souvenirs of better design and higher quality are sold only in its gallery for a higher price. The owner of Rik Rok, a native of Wanurejo, provides a forum for other smaller scale producers to learn new skills and to discuss issues faced by small scale producers by organizing a Wednesday meeting about once every month.

Figure 3.8.

Various Souvenirs at Rik Rok Gallery – Wanurejo Village



Source: Author

III.5.4. Tuksongo Village

Tuksongo Village is located to the south of Borobudur Village (number 6 in Figure 3.5). It covers an area of 228.245 hectare, with a population of 3,132 people (1,595 male and 1,537 female) (BPS 2003). The population density is 1,373.68 people per square kilometer. The village has 802 households with an average of 3.9 people per household.

Entering Tuksongo, one can notice tobacco plantations owned by individuals in the village. Although the size of these plantations is relatively small, Tuksongo tobacco is said to have a good smell that is favored by cigarette companies. A couple of newspaper articles featuring tobacco farmers of Tuksongo Village said that tobacco farmers often had to hire water pumps to help them gather water for their plantations, especially during the planting season, due to the water scarcity that often occurred. Despite the good reputation of Tuksongo's tobacco, they are often disappointed by the low price they receive for their tobacco. However, this is

out of the farmers' hands because tobacco price is determined by cigarettes companies as the only buyers in the market.⁵⁴

In Tuksongo village, there is a home-based industry producing flour made of sugar palm. Some of this flour is sold as it is and some is made into glass noodle and sold to the market. Seeing villagers (mostly women) working to produce the sugar palm flour is often part of the itinerary in village tours offered by nearby hotels such as Amanjiwo Resort. However, when the author interviewed some people working in this home-based industry, none of them saw the link between their products and the tourism market, except that some tourists came to watch and took pictures. The products are sold to their usual buyers or to the market but there has not been any agreement, for instance with hotels, to supply these local food ingredients. Looking at the end product – glass noodle – the very modest packaging needs to be improved to make it look more appealing, especially if it is going to be marketed to visitors.

III.5.5. Giritengah Village

Giritengah has a population of 2,857 (1,468 male and 1,389 female) and 830 households, with an average of 3.4 people per household (BPS 2003). Among villages where the survey was conducted, Giritengah is farthest from the recreation park (number five in Figure 3.5). The village covers an area of 432.245 hectare. The population density is the lowest among seven villages: 661.34 people per square kilometer.

The village is categorized as a less developed village, together with six other villages across Borobudur District.⁵⁵ The majority of residents work as farmers with primary commodities such as rice, maize, cassava, chili, ginger and vegetables. A large proportion of the rice fields in Giritengah have a simple irrigation system (see Table 3.13). Recently, the people of Giritengah began village revitalization through organizing a traditional festival called Sendang Suruh Festival. Sendang Suruh is a historical site that used to be one of the posts used by Diponegoro Prince.⁵⁶ Sendang Suruh Festival, celebrated in the coming of Muharram

⁵⁴ Wawasan Newspaper July 20 2007 edition "Farmers Hire Pumps to Water Tobacco" (in Indonesian). [Online] Available at http://www.wawasandigital.com/index.php?option=com_content&task=view&id=5739&Itemid=33
Kedaulatan Rakyat Newspaper August 21 2008 edition "Magelang Starts Tobacco Harvest" (in Indonesian) [Online] Available at <http://www.kr.co.id/web/detail.php?sid=174774@actmenu=38>

⁵⁵ See footnote 41.

⁵⁶ Diponegoro Prince was a prince from Yogyakarta Sultanate, who fought against Dutch occupation in 1825-1830. The prince is acknowledged as a national hero by the government.

month – the first month in the Islamic lunar calendar – used to be celebrated by a few families who from generation to generation have been taking care of the historical site. This festival is expected to attract visitors coming to Borobudur area and improves the community's pride of its village. The community has come to realize that their village has tourism potential because the traditional village atmosphere is relatively intact compared to other busier villages in the district. The observation post at Suroloyo Peak (one of the peaks in Menoreh Hills that surround Borobudur area) and the festival are other potential tourism assets of the community.

III.5.6. Karanganyar Village

Karanganyar Village is village number seven in Figure 3.5. It is located in the south of Borobudur Village. Covering 156.525 hectares, it is the smallest among the surveyed villages in this research. Almost 70 hectares (the largest proportion) of rice fields in the village are rain fed rice fields (see Table 3.13). Karanganyar Village has a population of 1,526 (774 male and 752 female), the number of households is 406 households with an average of 3.8 people per household. The population density is 971.97 people per square kilometers.

Karanganyar is known for its pottery industry. The skill for clay-based home wares production has been passed on from generation to generation. There are around 80 people working as pottery producers, 30 of them are elderly, whereas 46 have joined a group called “Bina Karya” who received some assistance from local government (for detail, see the discussion on focus group interview in Chapter IV).

III.5.7. Wringinputih Village

Wringputih is village number one in Figure 3.5. It covers an area of 377.461 hectares; 100 hectares of its land are rice fields with technical irrigation (see Table 3.13). The population is 5,150 (2,569 male and 2,581 female) and the number of households is 1,353 households with an average of 3.8 people per household. The population density is 1,362.43 people per square kilometers.

Most residents in Wringinputih work in agriculture but there are also residents who work in tourism related jobs, both in the formal and informal sector. What is interesting about this village is that the western part of the village is where most residents who are better educated

and work in both private and public sector. On the other hand, the eastern part is where people who mostly work in the informal sector live. Farmers' houses are scattered throughout the village with some people still living in a Javanese traditional style houses (*joglo*).

Since 2008, tourists groups have begun to visit Wringinputih. The village tour is collaboration between local guides in the recreation park, specialist tour operators – based in Yogyakarta – and community members. The organization of this activity, however, has not been formalized as it has in Candirejo Village. One resident who is active in organizing this tour said that some foreign tourists like Wringinputih because of the traditional houses that can still easily be found here.⁵⁷ However, in the same way as happened in many parts of the Borobudur area and even throughout Indonesia, people in Wringinputih will probably change their traditional house after their economic condition has improved. The desire to live in “better” houses made of cement and wood seems to be a consequence of progress.

⁵⁷ Personal interview with Edi, resident of Wringinputih, August 9, 2008.

Chapter IV

THE SOCIO-ECONOMIC IMPACTS OF HERITAGE TOURISM IN BOROBUDUR

IV.1. Chapter summary

As explained in Chapter II in the literature review, tourism's impact is usually assessed according to three types of impacts, namely economic, social and environmental. Social impact is often combined with economic, hence the term socio-economic impact, or with culture – socio-cultural. This chapter will discuss the socio-economic impacts of heritage tourism in Borobudur. There are two kinds of impact discussed here, one is socio-economic impact at the regional level, which include the contribution of tourism to regional income, and another is the core of this dissertation, the socio-economic impact at the local or community level. The livelihoods framework approach (Ashley 2000) is used to develop a questionnaire for a household survey to investigate the socio-economic impacts of heritage tourism.

IV.2. Heritage Tourism Impacts in Regional Level

IV.2.1. Contribution to Regional Income through Taxes

Tourism has the potential to contribute to regional development (Telfer 2002b). It creates employment, contributes to regional income, attracts investment and stimulates the production of goods and services, which can boost gross regional domestic product – GRDP. Peppelenbosch and Tempelman (in Telfer 2002b) also pointed out that infrastructure that is required for tourism could act as regional development tools. This section estimates the contribution of tourism in Borobudur to regional development in Magelang Regency where the temple is located. The contribution to original regional revenues (PAD) will be examined first.

Original revenue is income obtained by local government from sources that exist within the region (Dewi 2000). It refers also to income managed by the local government itself. Since the implementation of regional autonomy in 2000, many local governments emphasize the importance of PAD because it can be used according to local government's initiative and will, whereas the use of non-PAD income is subject to stricter guideline from central government. PAD constitutes of regional tax, retribution, income coming from enterprises owned by local

government, and other legal resources (Law No. 25/1999). In the era of regional autonomy in Indonesia, most local governments emphasize generating as much PAD, which actually does not always reflect the productivity of the local economy. This is since most of the PAD is generated from regional taxes, such as groundwater tax, parking tax, street lights tax, food and beverage tax, and retributions. The capacity of the economy of a region is better reflected by the Gross Regional Domestic Product (GRDP) figure, which shows the value of final goods and services produced within a region.

Table 4.1 shows the contribution to Magelang Regency's PAD from Borobudur Temple Recreation Park (PT Taman), which includes entertainment tax, parking tax, and tax paid by Manohara Hotel owned by PT Taman and is located inside the recreation park area. In addition, the table also shows tax income coming from the exclusive Amanjiwo Resort. The resort, located a few kilometres from the recreation park, capitalizes on the beauty and greatness of Borobudur Temple since its location, layouts and landscapes make it possible for resort guests to enjoy the scene of Borobudur. PT Taman and Amanjiwo Resort are the two biggest tax contributors from Borobudur area to the original regional revenues. Since the beginning of 2009, however, central government has revoked the regulation that obliges PT Taman to pay entertainment tax to the local government.⁵⁸ Central government decided that cultural heritage sites should not be subject to entertainment tax, which is the tax imposed to entertainment or recreational places that attract visitors.

⁵⁸ Information from separate personal interviews with Wibowo Setyo Utomo, Head of Tourism Office Magelang Regency, March 25, 2009, and with Pantjaranigtyas Putranto, officer in the Regional Planning Agency (Bappeda) of Magelang Regency, March 26, 2009.

Table 4.1.
Contribution of tourism in Borobudur to original regional revenue (PAD) in
Indonesian Rupiah (IDR)

Items	2007	2008	Note
Magelang Regency Original Income (PAD)	70,324,135,706	79,772,994,045	
Contribution of income from Borobudur Temple Recreation Park:			
Entertainment tax paid by PT Taman	3,844,482,405	3,684,071,318	
Hotel tax paid by Manohara Hotel (PT Taman)	244,341,600	431,075,795	Located inside the recreation park
Parking tax	150,262,000	173,734,500	
Total (1)	4,239,086,005	4,288,881,613	
Hotel tax paid by Amanjiwo (2)	1,644,604,247	3,623,302,467	
Total (1) + (2)	5,903,690,252	7,912,184,080	
Percentage of contribution to PAD	(1) 6% (1) + (2) 8.39%	(1) 5.4% (1) + (2) 9.92%	

Note: These figures were counted by author from 2007 and 2008 Regional Income Report
Source: Magelang Regency Regional Income Report 2007 and 2008

Central government's decision has resulted in considerable income loss for Magelang Regency. As shown in Table 4.1, the entertainment tax is the biggest portion of income contribution from the recreation park to the local government. The local government of Magelang Regency believes it is not fair if they only obtain a small income from an object located in their area that attracts many visitors. Indeed, PT Taman has the right to collect entrance fees and that all revenue is considered as PT Taman's revenue (this will be explained further in Chapter V). The local government argues that visitors to Borobudur Temple do not directly arrive at the monument but instead to a recreation park that offers other activities such as shopping, eating, and museum visiting, thus an entertainment tax needs to be imposed to compensate any impacts which may be caused by crowds of people. Therefore, the local government of Magelang Regency has been trying to have this central government's decision reviewed by submitting a request for judicial review to the Supreme Court of Constitution. The importance of entertainment tax paid by PT Taman in terms of contribution to original regional revenues can be observed in Table 4.2, which lists original revenues from selected sectors. From the table, it can be observed that the amount of entertainment tax from

Borobudur Temple Recreation Park is even greater than original regional revenue contributed by the Office of Tourism and Culture.

Tourism sector's contribution to Magelang Regency's PAD is actually greater than 8.39% in 2007 and 9.92% in 2008 as listed in Table 4.1. Because Table 4.1 only estimates the contribution of tourism in Borobudur District to the overall original regional revenue. Tourism sector's contribution may include the tax paid by all hotels in Magelang Regency, some portion of the restaurant tax, and income from the Office of Tourism and Culture, as shown in Table 4.2.

2008 PAD made up around 9.5% of Magelang Regency's Revenue, which in total was 838,847,134,797 IDR. 82.8% of the total income came from balance funds (funds originating from the National Budget – APBN – which are allocated for the regions to finance the requirements in the scope of implementing decentralization).⁵⁹ 2007 PAD made around 9.2% of Magelang Regency's Revenue. Sources of regional revenues for local governments are as follows: original regional revenues, balance funds, regional loans, and other legal revenues.

⁵⁹ The balance funds constitute of the regions share from the revenue of land and property tax, tax on acquisition of land and building rights, and natural resources; public allocation funds, and special allocation funds (Law No. 25/1999 concerning the fiscal balance between the central government and the regions).

Table 4.2.
Original Regional Revenues from Selected Sector/Agency/Office: Magelang Regency
2007 – 2008

Sector/Agency/Office	2007	2008
Health Sector	16,570,535,065	22,832,345,846
Office of Public Work	610,985,860	715,690,400
Office of Transportation Affairs	1,464,535,150	1,640,065,300
Office of Environmental Affairs	41,797,163	44,422,500
Office of Demography & Family Planning	472,685,000	708,875,000
Office of Social Affairs & Community Empowerment	19,315,500	4,422,500
Office of Manpower & Transmigration	12,389,300	549,600
Office of Tourism & Culture	1,377,820,275	2,729,026,275
Local Government Secretariat	4,824,431,263	5,944,593,845
Agency for Management of Regional Finance & Assets (BPKKD). Selected contributors:	39,800,930,673	42,460,968,712
• Hotel tax paid by Amanjiwo Hotel	1,664,604,247	3,623,302,467
• Total tax paid by other hotels in the regency	695,997,926	1,305,486,289
• Entertainment tax paid by PT Taman	3,844,482,405	3,684,071,318
• Restaurant tax	989,192,572	1,790,648,934
• Street lights tax	9,155,880,915	10,910,117,980
• Mining tax	3,291,173,850	3,178,941,900
Other income	5,128,711,257	2,692,583,667
Total PAD	70,324,135,706	79,772,994,045

Source: Magelang Regency Regional Income Report 2007 – 2008

While the local government has experienced a loss of income since the regulation on entertainment tax was revoked, the management of PT Taman on several occasions in the interviews mentioned that for the company, the entertainment tax had been quite a burden

because it accounted for around 15% – 20% of the park’s total revenues.⁶⁰ In 2007 and 2008, it accounted for 20% and 15% of the revenues respectively.

Because of this obligation, PT Taman believed that its share of responsibility for the community is through paying tax to the local government (especially the entertainment tax). It then pointed out that the responsibility to assist rural enterprises or industries, or to solve the poverty problem, or to address the lack of job opportunities is more the responsibility of local government because the company has fulfilled its obligation.⁶¹ In 2009, since PT Taman became exempt from paying entertainment tax anymore to the local government, PT Taman has been more active in approaching the community directly to ask the needs of community in order to improve their livelihoods. Informants in Karanganyar Village told the author that representatives of PT Taman came to the village to ask the pottery producers of their needs. However, it is not clear (to the author) whether there has or will be follow up activity to this needs assessment.

IV.2.2. Tourism Contribution to Gross Regional Domestic Product

This section will attempt to examine tourism contribution to GRDP by looking at the share of tourism related sectors to GRDP. The tables and figures will describe the structure of the local economy in Borobudur and compare it with the structure of the economy at the regency and province level. The data from regency and province levels will illustrate the general or average condition in higher administrative areas where Borobudur belongs. Comparisons with Yogyakarta, which Borobudur relies on – to some extent as a gateway – will also be included. In addition, comparison with the neighboring districts is also described in this section.

The contribution of the tourism sector to Borobudur’s GRDP can be reflected from the value of GRDP from the following industrial origins: hotel, restaurant and trade; transportation and communication; and services. Value added from hotels and restaurants is closely related to tourism, whereas, value added from PT Taman may be included within “Service” – especially as government services (since Services usually include both public and private sub sectors).

⁶⁰ Personal interview with Guntur Poernomo, Director of Operations, PT Taman Wisata Candi Borobudur, Prambanan & Ratu Boko, August 4, 2008; personal interview with Retno Hardiasiwati, Director of General Affairs, PT Taman Wisata Candi Borobudur, Prambanan & Ratu Boko, March 24, 2009.

⁶¹ Personal interview with Mr. Guntur Poernomo, Director of Operations, PT Taman Wisata Candi Borobudur, Prambanan & Ratu Boko (August 4, 2008).

Although not very exact, these figures can still illustrate the importance of tourism as a contributor to Borobudur's GRDP. Nevertheless, the method used in counting GRDP is by counting the value added of all transactions or productions of goods and services in the area regardless of the origins of the production factors or where the goods actually came from. The share of GRDP in Borobudur District by industrial origin is shown in Table 4.3.

Table 4.3.
Share of GRDP by Industrial Origin at Constant 2000 Price
Borobudur District (2003 – 2007)

Industrial Origin	Share of GRDP					GRDP in million Indonesian Rupiah		Average Growth (2003 – 2007)
	2003	2004	2005	2006	2007	2003	2007	
Agriculture	36.19%	35.03%	33.46%	30.86%	30.42%	51,635	52,049	0.20%
Mining & Quarrying	6.26%	6.24%	6.17%	6.84%	7.04%	8,930	12,049	7.78%
Manufacturing	2.57%	2.58%	2.53%	2.62%	2.57%	3,668	4,395	4.63%
Electricity, Gas & Water	0.25%	0.26%	0.26%	0.27%	0.27%	361	463	6.43%
Construction	5.31%	5.51%	5.66%	6.14%	6.31%	7,583	10,800	9.24%
Trade, Restaurant & Hotel	23.38%	23.46%	23%	23.21%	23.05%	33,362	39,428	4.26%
Transportation & Communication	6.09%	6.15%	6.08%	6.32%	6.26%	8,697	10,701	5.32%
Financial, Ownership & Business Services	2.79%	2.76%	2.64%	2.71%	2.64%	3,982	4,518	3.21%
Services	17.15%	18.01%	20.19%	21.02%	21.44%	24,473	36,678	10.64%
Total GRDP						142,691	171,080	4.64%

Source: Regional Planning Agency of Magelang Regency (2007), modified by author

It is shown in Table 4.3 that the share of tourism related sectors to the district's GRDP in 2003 to 2007 is quite high, especially in the trade, restaurant and hotel sector and the services sector. These two sectors are the second and third highest contributors to GRDP after the agriculture sector.

The share of each industrial origin to GRDP in Borobudur can be compared with similar data of Magelang Regency. Details are available in Table 4.4.

Table 4.4.

Comparison of Percentage GRDP Share by Industrial Origin between Borobudur District (I) and Magelang Regency (II) at 2000 Constant Price (2003 – 2007)

Industrial Origin	2003		2004		2005		2006		2007	
	I	II	I	II	I	II	I	II	I	II
Agriculture	36.19	32.73	35.03	31.78	33.46	31.05	30.86	30.30	30.42	29.51
Mining & Quarrying	6.26	2.30	6.24	2.32	6.17	2.35	6.84	2.46	7.04	2.58
Manufacturing	2.57	19.22	2.58	19.27	2.53	19.25	2.62	19.20	2.57	19.13
Electricity, Gas & Water	0.25	0.50	0.26	0.52	0.26	0.53	0.27	0.53	0.27	0.54
Construction	5.31	7.70	5.51	7.91	5.66	8.12	6.14	8.36	6.31	8.61
Trade, Restaurant & Hotel	23.38	15.04	23.46	15.03	23.00	14.98	23.21	14.88	23.05	14.80
Transportation & Communication	6.09	5.45	6.15	5.49	6.08	5.51	6.32	5.52	6.26	5.52
Financial, Ownership & Business Services	2.79	2.97	2.76	2.93	2.64	2.88	2.71	2.84	2.64	2.80
Services	17.15	14.05	18.01	14.72	20.19	15.29	21.02	15.90	21.44	16.50

Source: Regional Planning Agency of Magelang Regency (2007), modified by author

It can be seen that the shares of tourism related sectors, i.e. trade, restaurant and hotel, services and transportation and communication to GRDP is higher in Borobudur District compared to Magelang Regency as a whole. This might show the relative importance of tourism related sectors in the district compared to in the regency. The agriculture sector is still the number one contributor to GRDP in both Borobudur District and Magelang Regency. However, the trend of share is decreasing in both the former and the latter. On the other hand, the share of mining and the quarrying sector to GRDP in Borobudur increases from 2003 – 2007, which is a little worrying due to the fact that in the areas surrounding Borobudur there are other archaeological remains. Hence there should be coordination between government agencies, especially the Mining District Office, Tourism and Culture District Office, and BHCI to make sure that mines and quarries are not disturbing any archaeological sites that may exist.

Figure 4.1 compares the trend of each sector's share to GRDP in Borobudur and Magelang.

Figure 4.1.
Trend of Sectors' Share to GRDP in Borobudur District and Magelang Regency
(2003 – 2007)

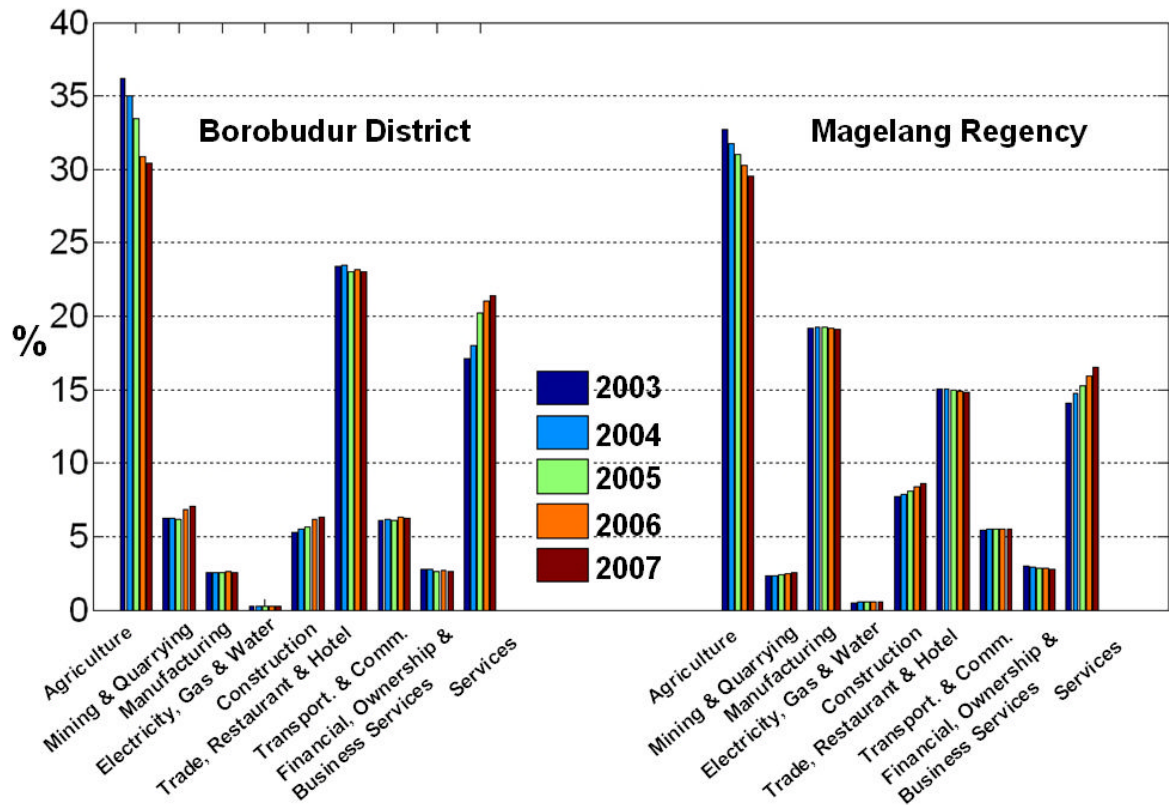


Table 4.5 shows the comparison of the average growth rate per sector between Borobudur and Magelang. It is revealed that the average growth rate of agriculture in Borobudur District is lower than Magelang as a whole; whereas Borobudur's mining sector is growing faster than Magelang's. The average growth rate of the construction sector is higher in Borobudur, which may imply the rapid development of the rural area. While average growth rate in trade, restaurant and the hotel sector is almost the same in both places, the service sector is growing more in Borobudur.

Table 4.5.

Comparison of Average Growth Rate in Sectors' Value Added between Borobudur District and Magelang Regency (2003 – 2007)

Industrial Origin	Average Growth Rate	
	Borobudur District	Magelang Regency
Agriculture	0.20%	2.02%
Mining and Quarrying	7.78%	4.57%
Manufacturing	4.63%	7.46%
Electricity, Gas and Water Supply	6.43%	6.32%
Construction	9.24%	7.65%
Trade, Restaurant and Hotel	4.26%	4.27%
Transportation and Communication	5.32%	5.02%
Financial, Ownership, and Business Services	3.21%	3.14%
Services	10.64%	8.99%
Total GRDP	4.64%	4.69%

Source: Regional Planning Agency of Magelang Regency (2007), BPS (2006) calculated by author

The fact that agriculture is growing much slower than sectors related to tourism, i.e. trade, restaurant and hotel; transportation and communication; and services sector in Borobudur, could be an indication that tourism sector development does not encourage development in agriculture. Growth in tourism could be expected to induce growth in other sectors, especially agriculture, the main income source for the majority of people living in the district, because tourism may utilize local agriculture products for consumption in the tourism sector. However, this does not seem to be the case in Borobudur District. This confirms that tourism has limited impact for the majority of the local people who still rely mainly on the agriculture sector. In addition, it indicates that tourism impact is not evenly distributed across different economic activities. Liew (1980) argued that the problem of tourism in developing countries that had not always been stimulating local agricultural production was because of weak inter-sectoral linkages.

The share of sectors to GRDP in Borobudur can also be compared to that of Central Java Province. The figures for Central Java Province can be seen as representing the average condition in the whole province where Borobudur belongs. Due to the availability of data, a comparison of sectors' share in Figure 4.2 will be for three year period 2003 – 2006. In Borobudur, the share of agriculture sector to GRDP is higher (although decreasing) when compared to the average condition in Central Java Province. The shares of trade, restaurant

and hotel sector as well as services sector are also higher in Borobudur compared to Central Java.

Figure 4.2.
Trend of Sectors' Share to GRDP in Borobudur District and Central Java Province
(2003 – 2006)

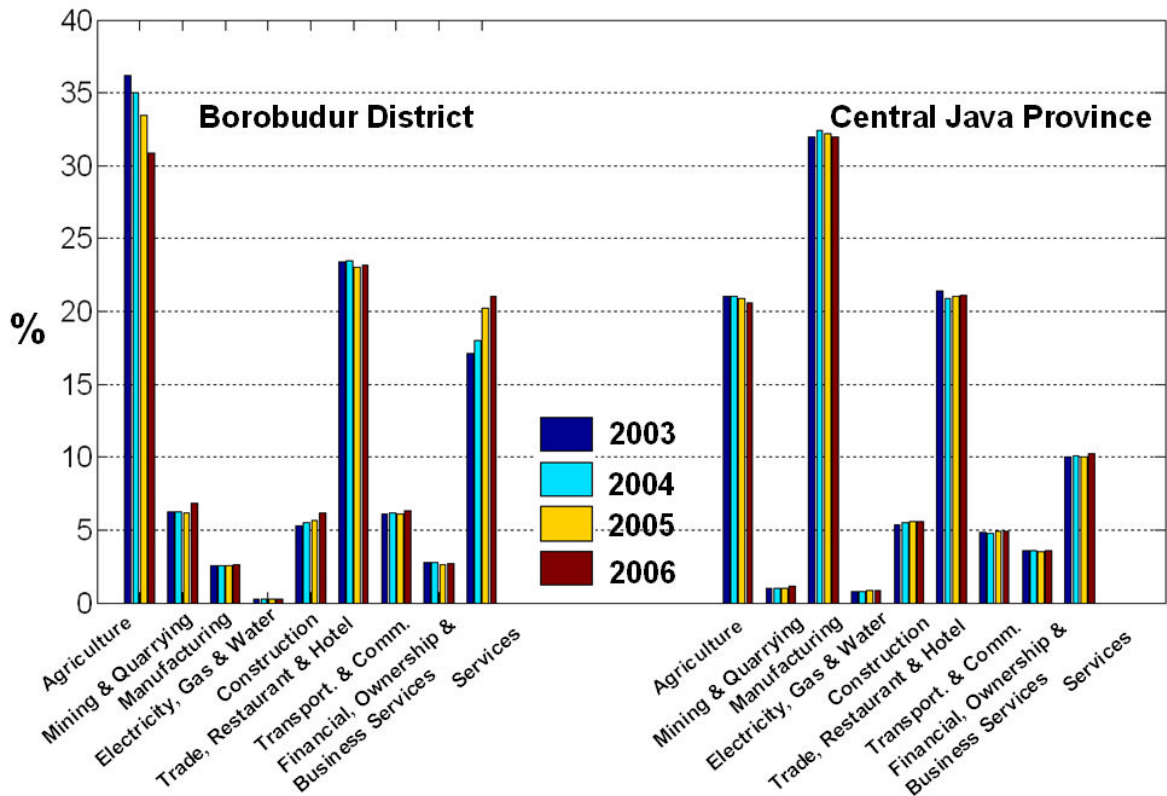


Table 4.6.

Comparison of Average Growth Rate in Sectors' Value Added between Borobudur District and Central Java Province (2003 – 2006)

Industrial Origin	Average Growth Rate	
	Borobudur District	Central Java Province
Agriculture	-1.41%	4.51%
Mining and Quarrying	7.09%	9.02%
Manufacturing	4.58%	5.24%
Electricity, Gas and Water Supply	6.41%	8.62%
Construction	9.08%	6.94%
Trade, Restaurant and Hotel	3.72%	4.77%
Transportation and Communication	5.22%	6.21%
Financial, Ownership, and Business Services	2.98%	5.10%
Services	11.26%	6.07%
Total GRDP	3.97%	5.27%

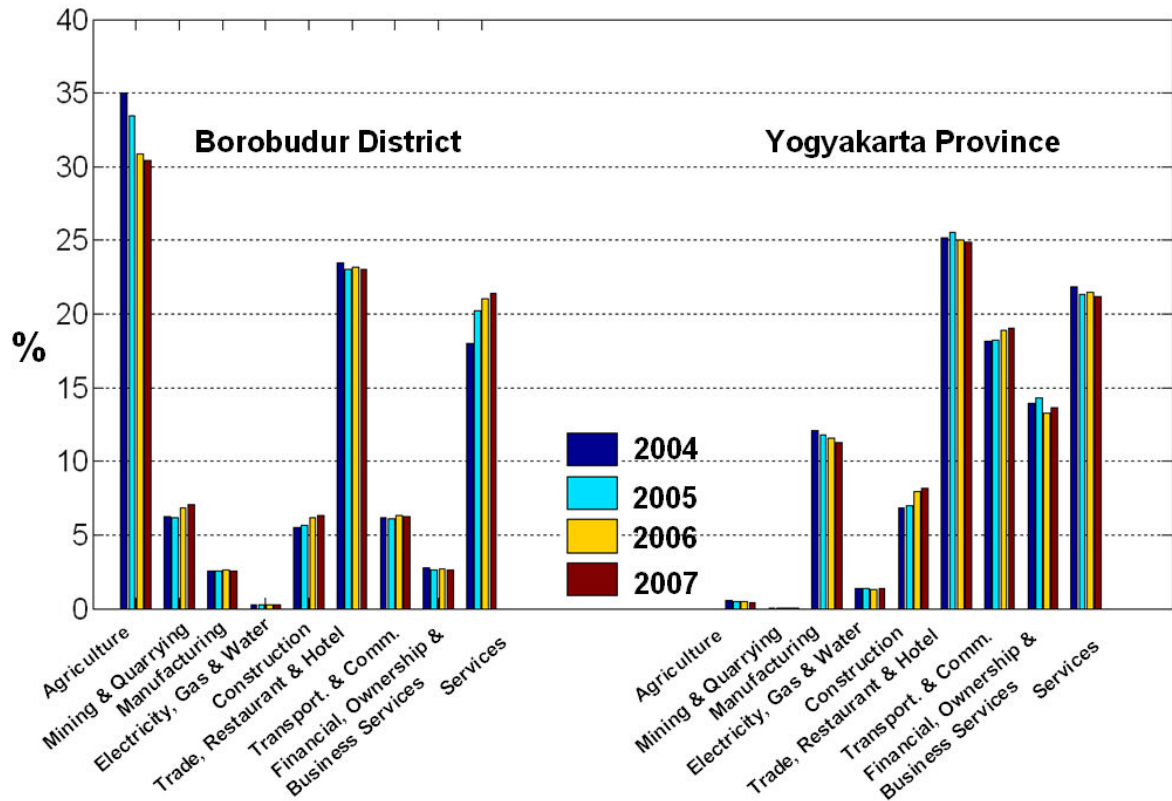
Source: Regional Planning Agency of Magelang Regency (2007), BPS Central Java (2006) calculated by author

Table 4.6 shows the comparison of average growth rate per sector between Borobudur and Central Java Province. Although the share of trade, restaurant and hotel to GRDP is higher in Borobudur compared to Central Java, this sector is actually growing at a higher rate in the province as a whole compared to in the district. In relation to tourism development, Central Java has other tourism attractions besides Borobudur.

On the other hand, the value added from agriculture sector in Borobudur is actually decreasing by an average of 1.41%, whereas for Central Java, the average growth rate is 4.51%. The average growth in the services sector is higher in Borobudur District compared to the province.

A comparison with the neighbouring Yogyakarta Province is shown in Figure 4.3 which compares the share of GRDP by sector for a three year period 2004 – 2007.

Figure 4.3.
Trend of Sectors' Share to GRDP in Borobudur District and Yogyakarta Province
(2004 – 2007)



In Yogyakarta, the agriculture share to GRDP is very small; only accounting for around 0.5%. Yogyakarta relies on tertiary sectors, especially tourism related sectors, as the biggest contributors to its GRDP. Yogyakarta's cultural attractions and the city's proximity to Prambanan and Borobudur, makes it a popular tourism destination. Compared to Semarang, the capital of Central Java Province in the northern part of Central Java, Yogyakarta is much closer to Borobudur, although Borobudur is in the territory of Central Java.

Table 4.7 compares the average growth rate in sectors' value added between Borobudur and Yogyakarta.

Table 4.7.

Comparison of Average Growth Rate in Sectors' Value Added between Borobudur District and Yogyakarta Province (2004 – 2007)

Industrial Origin	Average Growth Rate	
	Borobudur District	Yogyakarta Province
Agriculture	0.10%	-8.09%
Mining and Quarrying	9.22%	-9.06%
Manufacturing	4.70%	2.14%
Electricity, Gas and Water Supply	6.22%	3.93%
Construction	9.78%	10.72%
Trade, Restaurant and Hotel	4.29%	3.98%
Transportation and Communication	5.51%	6.14%
Financial, Ownership, and Business Services	3.44%	3.66%
Services	11.19%	3.40%
Total GRDP	4.91%	4.42%

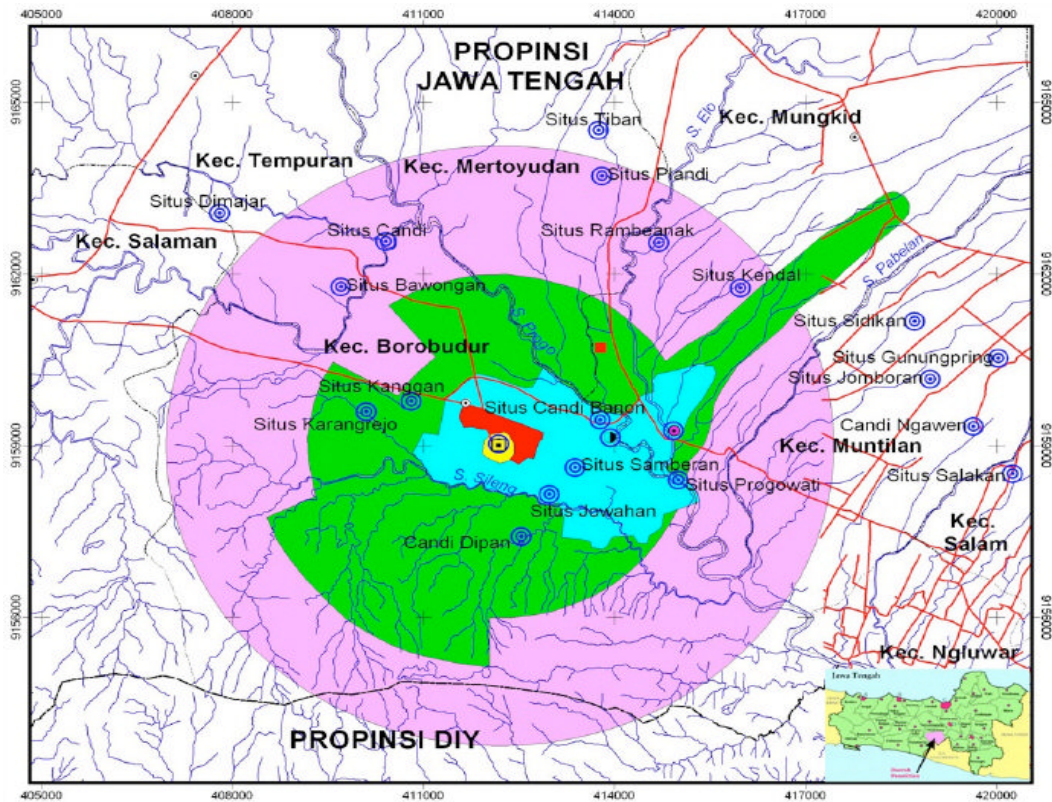
Source: Regional Planning Agency of Magelang Regency (2007), BPS Yogyakarta (2005 - 2008) calculated by author

The value added from the agriculture sector in Yogyakarta has been decreasing at an average rate of around 8% between 2004 – 2007. The population growth in Yogyakarta is around 1.4% per year. This population increase will consequently induce the conversion of agricultural area to residential area as well as put some pressure on neighbouring areas such as Magelang Regency.

Within the locality of Borobudur, the district's GRDP can also be compared with neighbouring districts. The following figure (Figure 4.4) will show neighbouring districts based on the 1979 Master Plan (JICA 1979). Figure 4.5 will present a comparison of GRDP between eight districts to show the difference between districts located in Zone 3, 4, and 5. Residential areas, according to 1979 zoning system, are located in Zone 3 to 5; whereas in the Presidential Decree No.1/1992 there are no Zone 4 and 5.

Figure 4.4.

Zoning According to 1979 Master Plan and Districts Included in the Zones



Note: The original zoning map has been overlaid onto map of Magelang Regency by Soeroso (2007).

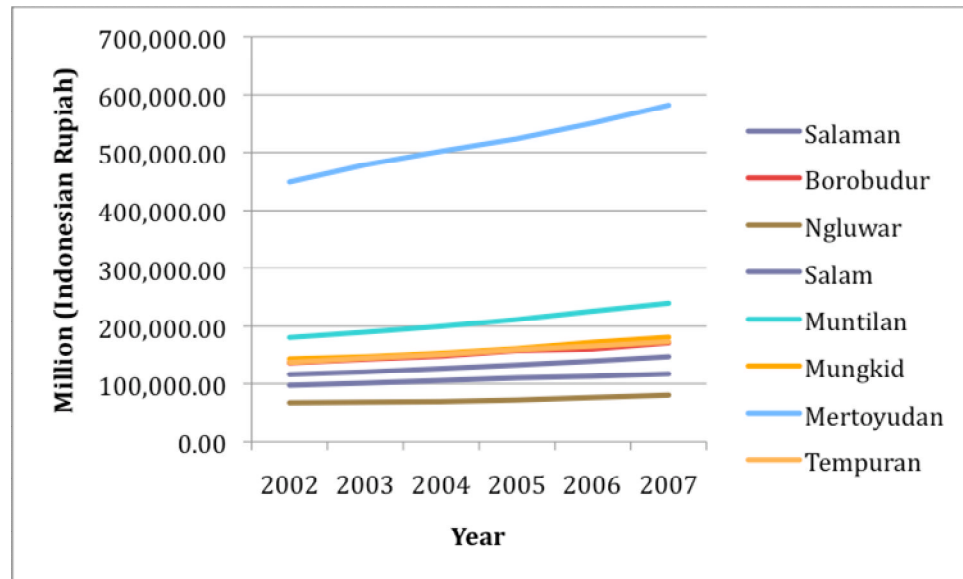
“Kec” is an abbreviation of kecamatan (district).

Source: Soeroso (2007), reproduced from 1979 Master Plan (JICA 1979)

According to this map, Zone 3 (light blue) encompasses Borobudur District, and part of Mungkid District. Zone 4 (green) is made up of the western part of Borobudur District, part of Mertoyudan, and Mungkid. Zone 5 covers the north-western tip of Borobudur District, part of Tempuran, Salaman, Muntilan, and Mertoyudan. Figure 4.5 presents a comparison of GRDP in these six districts plus the Salam and Ngluwar Districts.

Figure 4.5.

Comparison of GRDP by District 2002 – 2007 (in million Indonesian Rupiah)



Source: Regional Planning Agency of Magelang Regency (2008), modified by author

As can be seen from Figure 4.5, Mertoyudan District, which is passed by major roads connecting Yogyakarta, Magelang and Semarang (capital of Central Java Province), has the highest GRDP. In addition, Mertoyudan and also Tempuran District are famous for their automotive assembling industry. Magelang Regency has the biggest automotive assembling industry in Indonesia, which mainly involves assembling the body and interior of buses and cars used in the transportation business. Mertoyudan is followed by Muntilan, which is also one of the major commercial areas in the regency. Muntilan is also situated along the busy road that connects Magelang Regency and Yogyakarta Province. The district has many shops selling popular local foods and sweets that are often bought by visitors as souvenirs from Magelang Regency. Medium-sized companies produce some of the most popular food products. GRDP figures of Mungkid, Borobudur, and Tempuran Districts are almost within the same level. Salam, Salaman, and Ngluwar District are the bottom three.

A comparison of 2007 GRDP between districts in Magelang Regency is shown in Table 4.8.

Table 4.8.

Gross Regional Domestic Product of Districts in Magelang Regency at constant 2000 market price in 2007 (in million Indonesian Rupiah)

No	District	2007
1	Mertoyudan	582,089.85
2	Srumbung	276,274.88
3	Muntilan	239,727.48
4	Secang	223,400.48
5	Grabag	181,924.32
6	Mungkid	180,821.93
7	Ngablak	174,251.55
8	Tempuran	173,037.82
9	Borobudur	171,080.34
10	Kajoran	152,768.60
11	Kaliangkrik	151,555.22
12	Salam	147,129.60
13	Windusari	131,538.63
14	Sawangan	117,867.32
15	Salaman	116,957.00
16	Pakis	113,072.51
17	Bandongan	112,774.56
18	Tegalrejo	96,593.28
19	Ngluwar	80,544.45
20	Candimulyo	80,254.65
21	Dukun	78,983.14

Source: Regional Planning Agency of Magelang Regency (2007)

From Table 4.8, it can be seen that Borobudur District's GRDP ranked 9th among 21 districts. In this table, Borobudur can be compared with similar districts where agriculture is still the main economic activity, such as Secang, Grabag, and Ngablak. The three districts' GRDP is higher than that of Borobudur. Grabag is similar to Borobudur in terms of tourism activity. It is a district that offers various tourism attractions ranging from waterfalls and lakes, hot water springs, and a five star resort located in a coffee plantation.

IV.2.3. Economic and Spatial Changes in Borobudur Area

During the course of tourism development in Borobudur, there have been some notable economic and spatial changes that are happening. For instance, the presence of the recreation park and conservation institute brings employment opportunities. Here, the impact to local employment will be analyzed in terms of employment in the park management (PT Taman). Table 4.9 shows PT Taman's revenues from 2005 – 2008. The table also lists total revenues of six tourism or recreational attractions managed by the local government of Magelang Regency as comparisons. Table 4.9 reveals that the recreation park's revenues, gathered from entrance fee and other sources, are much higher than even the revenues from the six other attractions combined. Revenues from entrance fee that can cover both Mendut and Pawon Temple are included among the six attractions managed by the local government.

Table 4.9.

Revenues of Tourism Attractions in Magelang Regency 2005 – 2008

Year	Total Revenues from Borobudur Temple Recreation Park	Total Revenues from Six Tourism/Recreational Attractions Managed by Magelang Regency
2005	19,334,057,000	1,174,670,046
2006	14,543,274,200	1,173,275,210
2007	18,680,551,000	1,781,719,550
2008	25,686,046,000	1,884,500,000

Note: Revenue from the recreation park has not been included as tourism income for Magelang Regency because all revenue collected by PT Taman is considered as the company's revenue (according to Presidential Decree No.1/1992).

Source: Tourism and Culture Office of Magelang Regency (2009)

From the data of total revenue, the share of employment impact in terms of salaries or wages received by PT Taman's staff in Borobudur can be roughly estimated (see Table 4.10).

Table 4.10.

Estimation of Employment Income Generated by PT Taman in Borobudur
(in Indonesian Rupiah)

Year	Revenue in Current Market Price	Revenue in Real Price*	Estimated Employment Income**	Estimated Average Income per Employee per Year***	Estimated Average Income per Month
2005	19,334,057,000	14,647,012,879	3,515,283,091	9,791,875	815,990
2006	14,543,274,200	8,867,850,122	2,128,284,029	5,928,368	494,031
2007	18,680,551,000	9,989,599,465	2,397,503,872	6,678,284	556,524
2008	25,686,046,000	12,843,023,000	3,082,325,520	8,585,865	715,489

Note: *Using province's GRDP, a deflator was obtained for 2005 – 2008; revenues are then converted into revenue in real price. **PT Taman's Income Statement records that salary expense is about 24% of the total revenue; thus estimated employment income is 24% from company's revenue in real. ***PT Taman has around 359 employees in its unit office in Borobudur. Although there are more casual employees (243) than full time staff (116), this estimation of average income per employee per year does not differentiate between the type of employment. The estimation is thus a rough one.

Source: BPS (2009), Annual Report (2005), Tourism and Culture Office of Magelang Regency (2009)

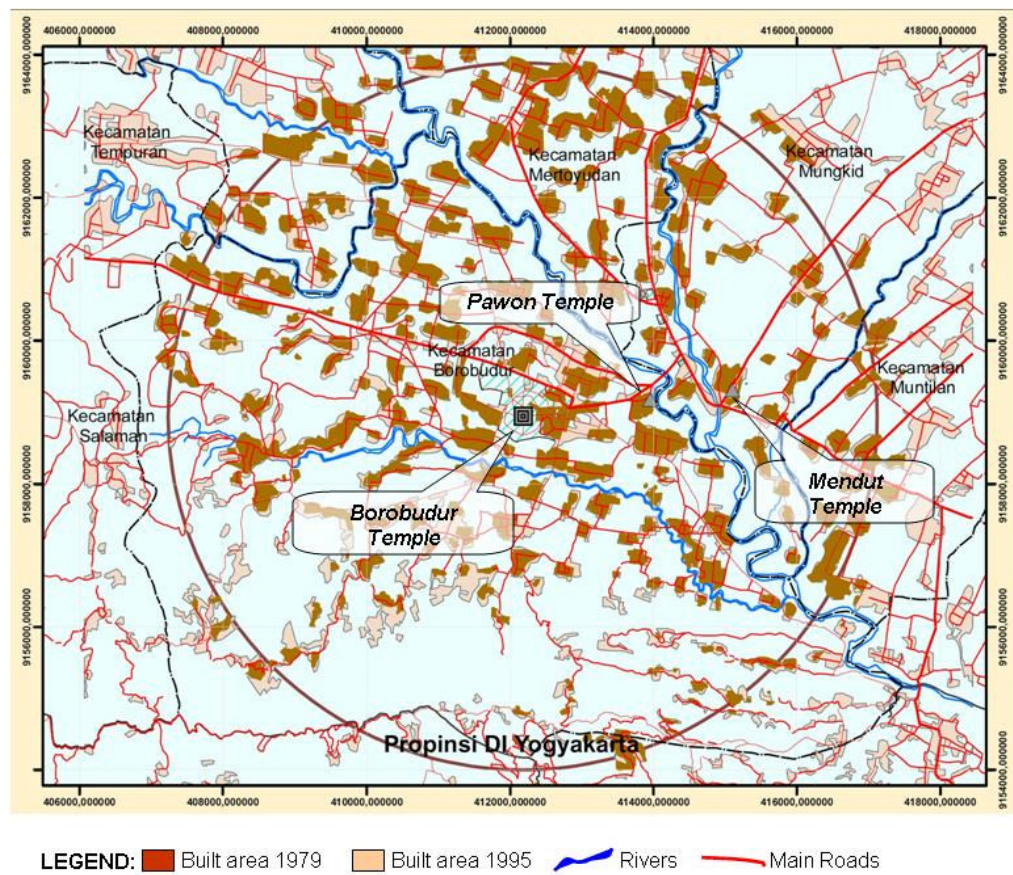
When compared to the regional minimum income, the estimated average income per employee per month in 2008 is a little higher than the regional minimum income of 650,000 Indonesian Rupiah per month.

The restoration of Borobudur Temple and the increasing flow of visitors to the area have caused some economic and spatial changes over the years. Winarni (2006), who did a longitudinal study on spatial changes in Borobudur, recorded that the most observable changes happened in Borobudur Village (in the Borobudur District), where Borobudur Temple Recreation Park is located. Her study, for instance, mentioned the increase in the number of eateries in Borobudur Village after the restoration. Before restoration there were only 15 small eateries in Borobudur Village. After the restoration was completed in 1983, the number increased to 20, 60, 70 and finally it reached 80 in 1990 (including both small eateries and restaurants). Facilities offering various services are also flourishing in the village along with tourism. These include: private parking areas; shower facilities that usually cater for school groups travelling by bus, which arrive in the area in the morning; and car washing; are also flourishing in the village along with tourism. In Borobudur Village, these changes had been concentrated in the northern and eastern part of the village with the development of hotels, homestays, guesthouses, restaurants and art galleries.

Tourism also influenced changes in other villages, such as Wanurejo, which had seen the development of several handicraft producers; and Candirejo, where community-based village tourism was first developed in the area.

This economic change seems to correspond to spatial changes that happen over the years. Figure 4.6 shows the development of residential areas and conversion of vacant land into built-up areas. This map shows the comparison of built-up areas in 1979 (before the restoration is completed) and 1995 (after Borobudur was listed as WHS).

Figure 4.6.
Map of Borobudur area: comparison of built areas (1979 and 1995)



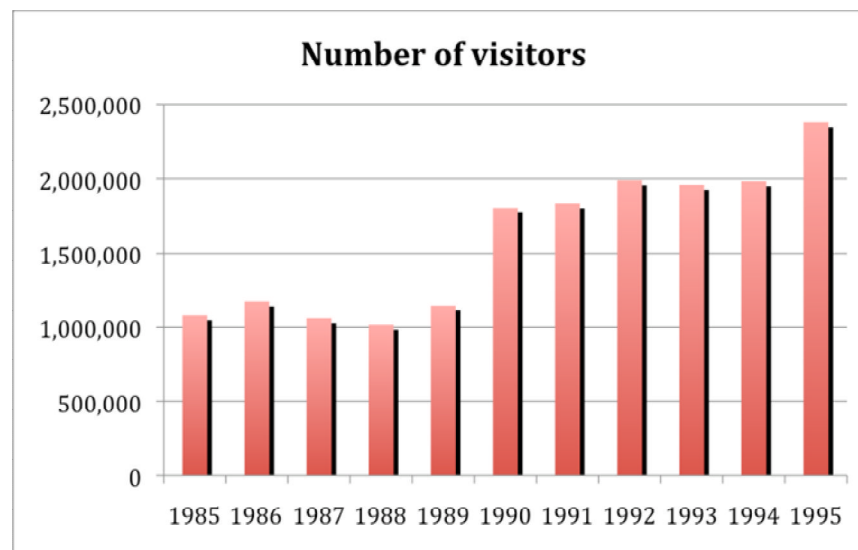
Source: Winarni (2006)

Inside the circle are areas within 5 km from the temple.⁶² It can be seen that there are quite a significant spatial changes from 1979 to 1995. The changes in areas adjacent to park might be attributed to the development of tourism in Borobudur, although some of these changes can also be attributed to the increase in population.⁶³ After the park opened in 1985, there was also significant increase in the number of visitors (see Table 4.11).

Table 4.11.

Number of Visitors to Borobudur Temple Recreation Park (1985 – 1995)

Year	Number of Visitors
1985	1,080,568
1986	1,178,688
1987	1,060,303
1988	1,017,052
1989	1,149,298
1990	1,805,923
1991	1,837,205
1992	1,990,014
1993	1,958,830
1994	1,983,342
1995	2,378,637



Some conversion from vacant land to built area, although in much lesser degree compared to the period from 1979 to 1995, is also notable in a map that compares built area in 1995 and 2003 (Figure 4.7).

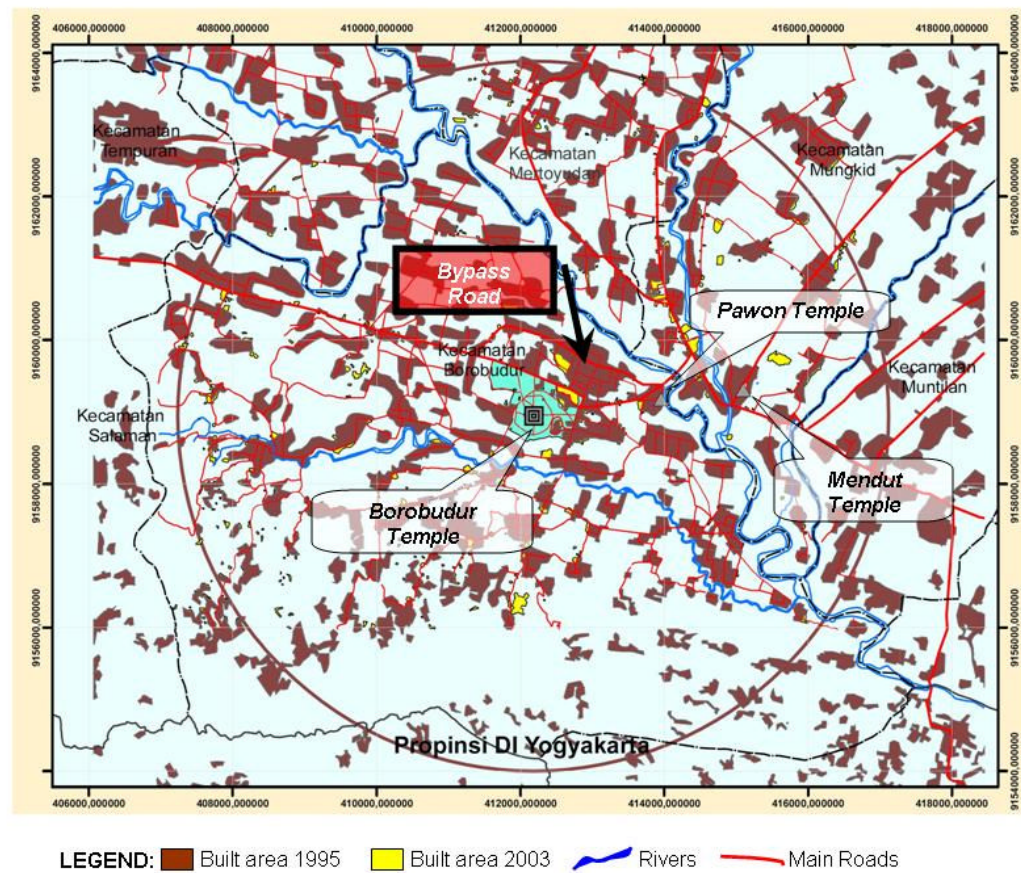
⁶² In the zoning system developed in the JICA Master Plan (1979), residential areas within 5 km from the temple encompass Zone 3 and Zone 4.

⁶³ Between 1995 to 2004, the rate of population growth in Borobudur District was 0.65 %.

In terms of the number of visitors, the period between 1996 to 2003 saw the peak of tourism in Borobudur with the number of visitors reaching more than 2.5 million in 2000 and 2001 (Table 4.7). This period, however, also witnessed a drop in visitor numbers in 1998. This was due to security issues in the whole country following social unrest that had led to the resignation of the second president of Indonesia.

Figure 4.7.

Map of Borobudur area: comparison of built areas (1995 and 2003)



Source: Winarni (2006)

Regarding infrastructure development, a new road was developed around the same time as the park development. This new 6.3 km long road was intended to take some burden off the old road, which lay in the north of recreation park. The new road, which is often referred to as the bypass road, is wider and thus is suitable to be used by tour buses coming to the recreation

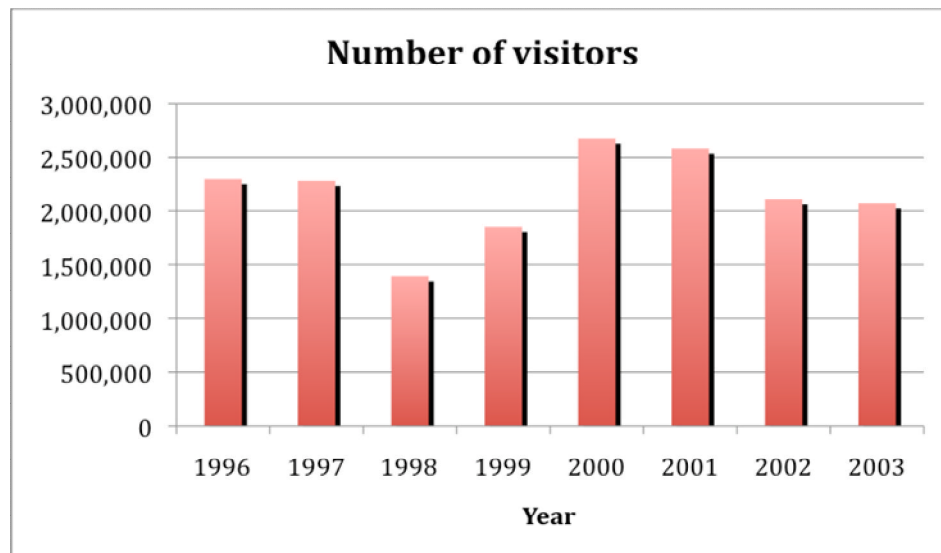
park. In addition, along this new road, there are some accommodations and eateries. Figure 4.7 above marks the bypass road.

On the other hand, although there had been the development of new road, there had also been some restrictions related to infrastructure development in areas surrounding the park. For instance, in areas adjacent to the park, roads that connect one hamlet to another cannot be widened, although the quality can be improved (Winarni 2006). Such policy is a one of the measures to control spatial changes in the area.

Table 4.12.

Number of Visitors to Borobudur Temple Recreation Park (1996 – 2003)

Year	Number of visitors
1996	2,292,264
1997	2,275,222
1998	1,394,761
1999	1,851,192
2000	2,673,967
2001	2,581,783
2002	2,106,327
2003	2,069,093



IV.3. Socio-economic Impacts of Heritage Tourism from Community's Point of View

IV.3.1. Survey of Tourism's Socio-economic Impacts to Community Livelihoods

In investigating the impact of heritage tourism from the point of view of community, livelihoods framework approach is adopted in designing the survey. The survey was conducted from July to August 2008. The next section will first explain about the livelihoods framework approach before presenting the survey results.

1. Livelihoods Framework Approach

Ashley (2000) states that an assessment of tourism's impacts on local people must not include only direct costs and benefits, such as profits and jobs generated, but should also include a range of indirect, positive and negative impacts. Such a view is embedded in the livelihoods framework approach, developed for pro-poor tourism impact assessment in several African countries (ibid). The livelihoods framework approach is an approach developed by the Overseas Development Institute (ODI, UK) in their pro-poor tourism initiatives (Ashley 2000). The framework is used in this dissertation to assess the wide range of impacts that tourism has on the livelihoods of communities. This particular approach has been chosen because it suits with the situation relevant to rural communities, where it is common for household members to undertake a range of activities, with each member in some way contributing to one or more household needs. In rural areas, tourism may not be the only livelihoods strategies as agriculture is still a core activity for many households. However, the opportunities for improved living standards that may be brought about by tourism cannot be ignored. It may therefore be useful to see how tourism has impacts or contributes to rural households' livelihoods not just from economic perspective, such as job creation and cash income. Other impacts can include how it affects other components such as rural infrastructure which contributes to the pursue of households' needs. Or how it provides opportunities for starting small businesses. In addition, tourism may have impact in providing opportunity for skill enhancement such as in the field of hospitality or opportunity to learn foreign language that would be useful to pursue current or future economic goals.

In this research, the livelihoods framework approach is used as a reference when developing survey research targeting the residents as well as interviews to a number of key informants.

Nonetheless, some modifications were made to fit the research area's condition⁶⁴ and to apply the framework in the questionnaires distributed in a household survey. Previous studies using the framework had used a more qualitative data collection method by doing semi-structured interviews (Ashley 2000; Novelli and Gebhardt 2007). A survey using questionnaires was chosen in this research so that standardized answers could be obtained – thus making it possible for some quantification and comparison. Using livelihoods framework, the impact of tourism can be considered in terms of:

1. Impacts of household assets (financial assets, physical assets, human resources, natural resources, social capital). Assets are the building blocks on which people develop their activities. Table 4.13 summarizes the impacts that tourism may have on five different types of capital.

Table 4.13. Impacts of tourism on people's assets

	Negatives	Positives
Financial assets		Income, savings
Physical assets		Tourism earnings invested in agriculture; land value
Human resources		Training, skill development
Natural resources	Increased competition, lost access to exclusive tourism areas	Enhanced collective management, incentive to work together
Social capital	Local conflicts over tourism	Stronger social organization for tourism management

Source: Ashley (2000)

2. Impacts on other household activities and strategies. Tourism is often seen as an additional activity to combine with existing livelihood activities. The research conducted by ODI in Namibia focused on the way tourism complements or conflicts with existing activities (Ashley 2000). Therefore, within this research too, the impacts of tourism on household activities and strategies was examined through questions asking rural people whether tourism-related jobs have substituted for their previous ones (presumably the traditional agriculture work) or whether tourism-related jobs serve as a complementary occupation. In addition, to relate this particular component to the whole research context,

⁶⁴ The study using livelihood framework approach in Namibia took place in a conservation area where specific regulations concerning conservation were applied, hence affecting access to natural resources for communities. However, in the case of Borobudur there have not been any conservation-based regulations implemented outside the park. Thus, some of the variables in the original framework are not applicable in this particular research.

entrepreneurship opportunities and local product development induced by tourism as the components of household activities and strategies, were added. The reason for this was, if the community perceived tourism as opening opportunities for entrepreneurship opportunity, especially profit making activities based on local products, it might affect households' strategies in achieving their goals or needs by diversifying their activities through small business.

3. Contribution to variety of household goals (well-being, income). In addition to asking the respondents whether or not they think tourism has contributed to the improvement of well-being, other factors which contribute to the pursue of well-being were also included. These other factors are improvement of rural infrastructure and access, as well as public facilities. As for income, the questions were formulated to find out the type of income received from tourism related jobs.
4. People's capacity to influence external policy environment (participation). For this component, the questions asked respondents on their perspectives on the importance of participating in forums or meetings that discusses tourism (planning, progress, development, etc.); whether they have participated in these kinds of forums; and whether there have been opportunities to be involved.

As a summary, Table 4.14 lists working variables developed purposely by the author for a survey based on the livelihoods framework approach. Each working variable represents social or economic impacts.

Table 4.14.

Working Variables Developed for Assessing Socio-economic Impacts

Livelihoods Framework Approach	Working Variables/Indicators	
	Economic Impacts	Social Impacts
Impacts of household asset - Financial asset - Physical asset - Human resources - Natural resources - Social capital	Increased income* Increased land value*	Opportunity for skill improvement* Tourism impacts on the social and natural environment* Sense of pride toward the heritage site* Sense of ownership toward the heritage site* Preservation of local culture* Changes in social relationships induced by tourism*
Impacts on household activities and strategies	Opportunity for starting small business (entrepreneurship opportunity)* Tourism promotes assistance for local product development** Opportunity to engage in economic activities in heritage site (recreation park)* Position of tourism job (if any) relatives to other job (e.g. agriculture work), as a substitute or complementary job**	Access to the heritage site (recreation park) for recreational purpose*
Contribution to household goals	Improved well-being* The type of income received from tourism related jobs. Does household receives fixed/regular income from tourism jobs?***	Tourism impact on rural infrastructure development* Impact of tourism on improvement of public facilities*
Participation		Opportunity to participate in forums or meetings on tourism development in the area***

Note: *Presented in the questionnaire as a Likert scales questions (five scales). **Samples chose either Yes or No as answers. See Appendix A (questionnaire).

Source: Questionnaire prepared by author, based on Ashley (2000), Crandall (1994), Novelli and Gebhardt (2007).

2. Survey Method

Surveys are one of the methods that can be used in social impact assessment, such as changes in employment and improvement in living standards (Crandall 1994). However, it is important to note that surveys, including the one conducted for this study, measures perceived

impacts, which may be different from actual impacts (Pizam 1978; Belisle and Hoy 1980). Therefore, it is important to also use other data sources to better understand the socio-economic impacts of tourism.

Non-probability sampling was used instead of probability sampling to anticipate the following obstacles: obstacles in language (some people had difficulty in comprehending Indonesian due to the intensive use of Javanese in their daily life); adult illiteracy was still found in the rural area; and reluctance to communicate with people they considered as outsiders. In addition, the survey was aimed at people who are 20 years old and older, and who are mature enough to answer questions that seek information regarding his or her household.

Therefore, a non-probability sampling using purposive and convenient sampling strategy was employed in this research. The sample size was determined using a formula developed by Watson et al. (1993 : 360) for population with unknown parameters. In this case, although the population of Borobudur District was known, it was not possible to know the number of people that were literate and did not have difficulty in understanding the national language used in the questionnaire. The author wanted to use the survey as a chance to also do informal interviews with respondents whenever rapport could be established and the situation permitted; therefore a minimum of 100 people was considered to be a sample size that would allow more time for each survey. Based on suggestion by Soeroso (2007), this minimum number was then added with 15 (15% of 100), resulting in 115 as the sample size, to achieve an acceptable sampling error (5% - 10%). Watson's formula is as follow:

$$n = \frac{4 \cdot Z_{\frac{1}{2}\alpha} \cdot \rho(1-\rho)}{(\omega)^2}$$

n is sample size; $Z_{\frac{1}{2}\alpha}$ is confidence coefficient, where α represents sampling error; ρ is the degree of success expected from the sample; $(1-\rho)$ is the degree of failure; $\omega=L+R$ is the number of error that can be tolerated from population in the left and right side of a normal distribution curve.

In this study, the number of sample (n) is 115; the degree of success is expected to reach 90%; the size of errors that can be tolerated is set at 6% for each side (between 5% to 10% is commonly used). Thus, using the above formula, sampling error (α) is obtained at 0.0676 or

6.7%. The acceptable sampling error is between 5% - 10%, hence 115 of minimum sample can be accepted.

Seven villages and the Borobudur Temple Recreation Park were chosen to conduct the surveys. These seven villages were selected because they met at least one of the following criteria: (1) there are a significant number of people working in tourism-related jobs; (2) the village has village tourism activities; (3) the village has specific rural industries related to tourism (such as handicrafts); or (4) the village has specific home-based industries, which have rooted in the village livelihoods although not directly related to tourism. The reasons for the selection of the seven villages are summarized as follows:

1. Candirejo and Wringinputih: villages that conduct village tourism activity
2. Wanurejo and Karanganyar: villages that have home-based industries related to tourism (handicraft & pottery)
3. Borobudur and Giritengah: villages in which many of its residents work in tourism-related jobs, especially inside recreation park
4. Teksonggo: the village has a specific home-based industry (food production), which is not related to tourism (at least not directly).

Besides respondents from the seven villages, there were four respondents from three other villages not included in the plan. These four respondents were all working inside the recreation park as kiosk owners, massagers, and street vendors, and were met during the survey in the park. The four respondents came from three villages located in Zone 3 (residential area), which are the target area of the survey. The number of respondents from each village can be observed in Table 4.15.

Table 4.15.
Number of respondents from each village

Villages Name	Number of respondents
Candirejo	15
Karangayar	22
Giritengah	20
Borobudur:	
Dusun (Hamlet) Maitan	10
Dusun (Hamlet) Bumisegoro	17
Borobudur (hamlet unknown)	3
Wringinputih	7
Tuksongo	10
Wanurejo	11
Other villages: Kebonsari (1), Tanjungsari (2), Deyangan (1)	4
Total	119

Source: Survey conducted by author

Regarding the generalization of the samples, in Borobudur District there are approximately 35,075 people who are more than 20 years old (BPS 2006) meaning that the sample of 119 of this study represents about 0.34% from this population. However, within the population, the number of people who actually matched the criteria developed for choosing the sample was not known (for example, how many people can understand Indonesian language well or how many people are actually literate).

3. General Profiles of Respondents

Among the 119 respondents (each representing one household), 80 are involved in tourism-related jobs whether as main or side occupation, 37 are not involved in any tourism-related jobs, while two respondents did not answer this question. Respondents consisted of 85 males and 34 females. It was not considered that this imbalance between male and female respondents, would affect the main purpose of the survey, because the questions were designed to be general for both men and women, and did not concern traditional roles of men and women as might be perceived by the society. Next, the following table (Table 4.16) contains the general characteristics of the sample.

Table 4.16.
General characteristics of the sample

Variable	Number of Sample	Percent of the Sample
Age		
20 – 29 years	28	24%
30 – 39	44	37%
40 – 49	28	24%
50 – 59	13	10%
60 or more	6	5%
Occupations		
Self-employed	66	55%
Farmer	10	8%
Public sector	6	6%
Employee	18	15%
Teacher	6	5%
Housewife	8	7%
Other	5	4%
Education		
Less than elementary school	6	5%
Elementary school	23	20%
Junior high school	36	30%
Senior high school	42	34%
College	12	11%
Households' monthly income		
≤ 500,000 IDR	51	43%
> 500,000 – 1,000,000 IDR	49	41%
> 1,000,000 – 1,500,000 IDR	8	7%
> 1,500,000 – 2,500,000 IDR	7	6%
≥ 2,500,000 IDR	4	3%
Land size (other than house and house yard)		
≤ 0.5 hectare	57	46%
0.5 – 0.99 hectare	12	10%
1 – 1.99 hectare	3	3%
No land other than house and house yard	46	41%

Notes: IDR stands for Indonesian Rupiah. 1 USD equals 9,600 IDR at current rate. 43% of samples' whose income is less than 500,000 IDR consists of 46 people who are involved in tourism-related jobs and five people who are not.

Source: Survey conducted by author

Respondents whose ages are between 30 – 39 years old make up the highest proportion of the sample. 55% of the sample are self-employed, many of whom are street vendors and sellers in kiosks located in the recreation park. Details on the types of jobs among 80 respondents who are involved in tourism related jobs are available in Table 4.17. High school graduates made up the highest proportion of the sample (34%), although high school graduates only accounts

for 11% of the total population in Borobudur District (BPS 2003). In the district, the majority (42%) of the population only graduates from elementary school (BPS 2003). The non-probability sampling method, in which the author targeted people who could read, write, and communicate well in the national language, seemed to contribute to the samples made up of people with a relatively higher education level than the average population. Regarding income, the highest proportion of the samples (43%) has the lowest income range of less than 500,000 IDR. They can be considered low-income households because their monthly income is actually lower than the regional minimum wage that is determined by the government of Magelang Regency at 650,000 IDR per month. On land size, 46% or the majority of the samples have less than 0.5 hectare for farming.

Table 4.17.

Types of tourism-related jobs (including part-time jobs)

Job Type	Number of respondents	Type of employment	Fixed or non-fixed income
Sellers recreation park's kiosks and stalls (16)	16	Mostly informal, some occasional*	Non-fixed
Street vendors (28), photographer (1) and massager (1) – all working in the recreation park	30	Informal	Non-fixed
Small-scale pottery producers (9), small scale handicraft producers (5)	14	Informal	Non-fixed
Workers in two medium-scale handicraft producers	4	Formal	Fixed
Worker in an art gallery	1	Formal	Fixed
Hotel staffs	2	Formal	Fixed
Village tourism players: home-stay owners (4), horse cart driver (1), village tourism cooperatives staff (2), farmers who are members of village tourism initiatives (2)	9	Part-time, informal, formal**	Non-fixed
Local guides	3	Formal	Non-fixed
Members of art performing groups	1	Informal	Non-fixed
Total		80	

Note: *Some respondents were involved in trading only in the peak holiday season; **working in cooperatives can be considered formal employment although their income is not fixed; home-stay owners are involved in tourism if there are guests staying in their house – which is not always the situation. Both home-stay owners and farmers who are members of village tourism initiatives consider tourism jobs as part-time jobs.

Source: Survey conducted by author

4. Respondents' Opinions on the Various Aspects of Livelihoods that are Affected by Tourism

a. Descriptive Analysis

Descriptive analysis of the survey results will include frequency tables for both fourteen scale items and close-ended items, descriptive statistics for the scale items, and tables showing residents' additional comments on the positive and negative impacts of tourism.

Table 4.18 indicates that respondents' opinions towards tourism impacts were positive in the following items: (4) improvement of households' income; (5) improvement of skills; (6) conservation of local culture; (7) sense of pride towards Borobudur; (8) sense of ownership towards Borobudur; (10) positive impact in rural infrastructure; (11) positive impacts on improvement of public facilities; and (12) improvement of well-being

Table 4.18.

Respondents' opinions on the various aspects of livelihoods affected by tourism

Item number	Statement	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
1	Increased land value because of tourism	7.47%	30.51%	39.83%	21.19%	0%
2	Decreasing access to the recreation park for recreational purpose*	2.52%	28.57%	19.33%	46.22%	3.36%
3	Decreasing opportunities to engage in economic activities in the recreation park*	5.88%	36.13%	12.61%	41.18%	4.2%
4	Improvement of household income	4.2%	57.26%	13.68%	14.53%	12.82%
5	Opportunities for skills improvement for respondents	8.55%	52.99%	17.95%	17.95%	2.56%
6	Conservation of local culture	23.93%	67.52%	3.42%	4.28%	0.85%
7	Sense of pride	43.23%	51.69%	4.23%	0%	0.85%
8	Sense of ownership	33.39%	52.54%	11.87%	0%	0.84%
9	Tourism has negative impacts to the surrounding social natural environment*	6.9%	41.38%	20.69%	30.17%	0.86%
10	Tourism has positive impacts on rural infrastructure development	29.91%	52.14%	12.82%	4.28%	0.85%
11	Tourism has positive impacts on improving well-being	14.53%	54.70%	17.95%	11.11%	1.71%
12	Tourism has positive impacts on improvement of public facilities	24.78%	47.01%	19.66%	8.55%	0%
13	Tourism opens opportunities to start small businesses	4.24%	25.43%	35.59%	33.05%	1.69%
14	There are changes in social relationships between residents	7.63%	11.96%	28.82%	49.15%	2.54%

Note: *indicates negative statement, thus 1=strongly agree, 2=agree, 3=neutral, 4=disagree, and 5=strongly disagree.

Source: Survey conducted by author

Despite generally positive perceptions mentioned above, this result also revealed that the majority of samples (more than 40%) agreed that tourism has negative impacts on the social and natural environment. These negative impacts according to the samples are as follows: the way tourists dress which may not be appropriate for the local culture; increasing amount of garbage in the area; competition over raw materials such as bamboos because they are often used for making handicrafts; poverty persists despite tourism; local people are never invited to participate in tourism; centralization of tourism within the park; worsened water problem

because the recreation park consumes a lot of water; and higher land and building tax in some areas in proximity to the recreation park amid little change in income.

However, there are also additional comments from some respondents on why they think tourism has impacted positively on their income and well-being. The comments are as follows: “because of tourism, I can sell things to tourists”; “household’s income increases in peak holiday season”; “tourism improves access and transportation”; “tourism brings chances to learn foreign language directly from the foreign tourists”; “I can send my children to school” (because of improvement in income and there are quite many educational facilities in the area); “public facilities are more developed”; “it is relatively easy to access our daily needs”; “in certain times of the year, there are free medical services provided by PT Taman”; sometimes PT Taman distributes “*sembako*” (nine daily food necessities) free of charge to the community; and “there is a scholarship program for children provided by PT Taman”.

The following table will show descriptive statistics analysis for the scale items.

Table 4.19. Descriptive Statistics for the Fourteen Scale Items as Major Part of the Questionnaire

Statement	N	Min	Max	Mean	SD	Var
Increased land value because of tourism	117	2	5	3.26	.894	.800
Decreasing access to the recreation park for recreational purpose	118	1	5	3.18	.966	.934
Decreasing opportunities to engage in economic activities in the recreation park	118	1	5	3.01	1.090	1.188
Improvement of household income	116	1	5	3.66	.943	.889
Opportunity for skills improvement	116	1	5	3.47	.973	.947
Conservation of local culture	116	1	5	4.09	.717	.514
Sense of pride	117	1	5	4.36	.649	.422
Sense of ownership	117	1	5	4.17	.735	.539
Tourism has negative impacts to the surrounding social natural environment	115	1	5	2.77	.992	.984
Tourism has positive impacts to rural infrastructure development	116	1	5	4.06	.827	.683
Improvement of well-being	116	1	5	3.69	.918	.842
Tourism has positive impacts on improvement of public facilities	116	2	5	3.89	.882	.779
Tourism opens opportunities to start small business	117	1	5	2.97	.914	.836
There are changes in social relationships between residents	117	1	5	2.72	.972	.946

Note: N=number of response

Source: Survey conducted by author

From Table 4.19, it can be seen that the smaller variance is observable in three items, i.e. conservation of local culture, sense of pride and sense of ownership – all are more intangible in nature. These three items (all are positive statements, with scores ranging from 5=strongly agree to 1=strongly disagree) also have the highest mean score that represent the tendency to positive (agree) response. Compared to other items, which represent more tangible impacts of tourism, such as improvement of household income and opportunity for skill improvement; response for these intangible impacts are less dispersed from the mean score, indicating a more uniform perception toward positive perceived impacts within the samples.

Moving on to tourism's impacts on household activities and strategies, the presence of tourism has caused people to shift to tourism jobs. On Table 4.20, at least 28% of the sample confirmed that tourism related jobs have substituted previous jobs. The first three statements listed on Table 4.20 are actually designed only for samples working in tourism related jobs, thus samples not involved in tourism are represented in the "N/A" category – meaning that these statements are not applicable to them.

Regarding the magnitude of tourism contribution on income, only 8.75% of respondents involved in tourism have been receiving relatively fixed monthly income from their tourism related jobs. During the focus group interviews, it was found that many participants found working as street vendors was attractive due to the possibility to earn cash everyday, although their earnings might lack stability. Cukier-snow and Wall (1993), in their study on street vendors in Bali, explained that tourism jobs might be highly prized by local residents when compared to farming small plots of land.

Table 4.20.

Selected variables for assessing tourism impacts to household activities and strategies and the magnitude of tourism contribution to household goal, i.e. income

Statement	Yes	No	N/A
Tourism-related works have substituted former works.	27.82%	47.8%	24.35%
Tourism-related works functions as complementary works	29.31%	46.55%	24.14%
Household receives relatively fixed monthly income from tourism-related jobs	8.75%	67.25%	24%
Tourism promotes assistance (financial and training) for local product development	40%	60%	-

Source: Survey conducted by author

Table 4.20 also reveals that nearly 60% of respondents said tourism development has not contributed much to local product development. It was explained in the questionnaire and during the survey that the difference between small business development and local product development lies in their emphasis on local content. The term small business development refers more loosely on starting any business, regardless of where the products come from. On the other hand, the term local product refers to those products specific to the area, for example, pottery in one of the surveyed villages or handicraft in other.

b. Comparing Means between Two Groups of Samples

The generally positive perceived impacts of tourism indicated in the previous section's descriptive analysis, might be attributed to the fact that the number of respondents who were involved in tourism related jobs was significantly more than those who were not involved in such jobs. Therefore, to learn the differences in opinions between people who were involved in tourism related jobs and those who were not, the next Table (Table 4.21) presents a comparison of means and mean equality test.

Table 4.21.

Comparison of perceived impacts between respondents who were involved in tourism related jobs and those who were not

No.	Statement	Perceived impacts		t-test for equality of means
		Respondents working in tourism related works (N = 80)	Respondents not working in any tourism related works (N = 37)	
		Mean	Mean	T
1.	Increased land value because of tourism	3.29	3.24	.328
2.	Decreasing access to the recreation park for recreational purpose*	3.06	3.39	-1.735
3.	Decreasing opportunities to engage in economic activities in the recreation park*	2.79	3.45	-3.208**
4.	Improvement of household income	3.96	3.03	4.868**
5.	Opportunities for skills improvement for respondents	3.70	3.03	3.078**
6.	Conservation of local culture	4.14	3.97	1.187
7.	Sense of pride	4.47	4.16	2.442**
8.	Sense of ownership	4.32	3.87	3.234**
9.	Tourism has negative impacts to the surrounding social natural environment*	2.67	2.97	-1.539
10.	Tourism has positive impacts on rural infrastructure development	4.25	3.71	3.433**
11.	Tourism has positive impacts on improving well-being	4.03	3.03	5.401**
12.	Tourism has positive impacts on improvement of public facilities	4.09	3.50	3.545**
13.	Tourism opens opportunities to start small businesses	3.14	2.66	2.741**
14.	There are changes in social relationships between residents	2.64	2.89	-1.337

Note: *scale used for this particular variable (negative statement) is 1=strongly agree, 2=agree, 3=neutral, 4=disagree, 5=strongly disagree. **there is significant difference between the two groups of samples; confidence interval used is 95%.

Source: Survey conducted by author

The results of the t-test revealed that there were statistically significant differences between the two groups of samples on nine variables/statements, namely: decreasing opportunities to engage in economic activities in the recreation park; improvement of household income; opportunities for skills improvement for respondents; a sense of pride; a sense of ownership; positive impacts on rural infrastructure development; positive impacts on improving well-

being; positive impacts on improvement of public facilities; and opportunities to start small businesses.

Firstly, the third statement in Table 4.21: “decreasing access for community to engage in economic activities in the recreation park”. The result indicates that respondents who work in tourism related jobs have a significantly higher degree of agreement to this statement compared to the other group. Further interviews with respondents who worked as street vendors or kiosk/stalls owners in the recreation park revealed that more rules that had been introduced to better organize these vendors to ensure visitors’ comfort were considered as resulting in decreased access. On the contrary, respondents who were not working in tourism related jobs tended to think that tourism had not impacted on decreasing chances in doing economic activities in the recreation park.

Concerning means of the variables “improvement in household income”, “opportunities for skill improvement” and “improvement of well-being”, the results show that respondents who were involved in tourism related jobs had significantly higher perceptions of these variables as being some of the impacts of tourism compared to those who had no involvement with tourism. The first and second variables correspond to the direct impact of tourism; hence the more positive perceptions of those working in tourism related jobs. The significant difference in “improvement of well-being” variable seems to be parallel with the significant difference of perceived impacts in the “rural infrastructure development” and “public facilities improvement” variables.⁶⁵ Respondents who were involved in tourism-related jobs tended to show more appreciation of these improvements being partly attributed to tourism. Attitudes to tourism vary with dependency on the industry (Perdue, Long, and Allen, 1987; and Pizam, 1978). These authors said that those who work in tourism or benefit from it would likely to identify more positive than negative impacts.

Regarding sense of pride and sense of ownership, there are also statistically significant differences between the two groups, with sense of pride and sense of ownership tending to be higher among respondents who are involved in tourism related works. The survey also revealed that not every respondent knew about World Heritage Sites and the fact that

⁶⁵ It was explained to the respondents that the definition of well-being was concerned also with other indirect impacts such as the area being more developed, due to improvement in rural infrastructure and public facilities thus making it easier to access health and education facilities.

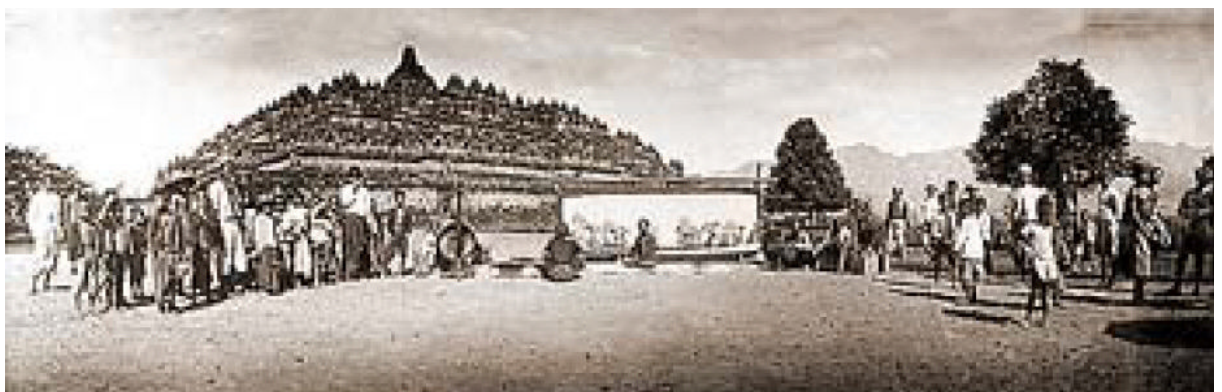
Borobudur is one of them. 19% of the respondents said they were not aware of Borobudur being one of World Heritage Sites.

In further informal interviews during the survey, it was found that most respondents said that they were proud of Borobudur as a place that attracted many tourists, and thus it opened economic opportunities for them. However, there were also others (especially those who were not working in tourism) who said that, although they felt proud of Borobudur as a tourism attraction, they did not feel much sense of ownership. Some respondents said that the site belongs to the Buddhist religion, which might have been the religion of their ancestors. However, now that they are pre-dominantly Muslim, they do not feel special attachment to the monument.

The feelings toward Borobudur of those sampled, i.e. proud of it as a tourism attraction and a place to earn a living but lesser sense of ownership or feeling of attachment to the site, may indicate that the exclusive utilization of Borobudur for tourism or tourists is at the expense of other social groups. One of the principals of sustainable management of cultural resources (see Chapter II) states that to be sustainable, continuation of multiple uses of cultural resources must be maintained. However in reality, Borobudur is hardly a place for community activities. Figure 4.8 shows that a long time ago, Borobudur was the setting of communities' events.

Figure 4.8.

Communities' puppet show at Borobudur



Source: BHCI

c. Correlations among Selected Variables

In this section, correlations tests among selected variables will be performed. The aim of doing these correlation tests is to see the relationship between direct tourism benefit, i.e. improved income and improved well-being and other impacts partly influenced by policy and overall management of the WHS and its surrounding area. These other impacts, important for supporting development in the rural area, are as follows: (a) opportunity to start small business because of tourism, which according to Fleischer and Felsenstein (2000) is influenced by a conducive policy for SME development, assistance and facilitations from the local government and other stakeholders; (b) opportunity for skill improvement for local people, for example through trainings provided by outsiders or the government (Ashley 2000); and (c) financial and skill development assistance for local product development. Table 4.22 shows correlations between these variables.

Table 4.22.

Spearman correlation coefficient among variables representing direct and indirect impacts of tourism (income and well-being) and working variables influenced by policy and management

	Improvement of household income	Opportunities for skill improvement for respondent	Opportunities to start a business because of tourism	Improvement of wellbeing	Assistance for local product development
Improvement of household income					
Opportunities for skill improvement for respondent	.552**				
Opportunities to start a business because of tourism	.460**	.488**			
Improvement of well-being	.665**	.475**	.465**		
Assistance for local product development	.014	.359**	.304**	.109	

Notes: Spearman's rank correlation coefficient was used due to the data are ordinal data.**Correlation is significant at the .01 level (2-tailed). N = 117.

Source: Survey conducted by author

As a rule of thumb, a correlation coefficient between .00 and .30 is considered weak, a coefficient between .30 and .70 is moderate, and between .70 and 1 is high.⁶⁶ The closer it is to 1 means the stronger the correlation. The results showed that improvement of income and improvement of well-being had a significant and quite strong correlation between the two variables ($r = .665$, $p < .01$). Improvement of income has a significant but very moderate correlation with both opportunity for skill improvement and opportunity to start small business ($r = .552$, $p < .01$; $r = .460$, $p < .01$ respectively). However, tourism's ability to improve income, has hardly any correlation with tourism's impact in promoting assistance for local product development.

On the other hand, tourism's impact to improve well-being has a significant but moderate correlation with both opportunity for skill improvement and opportunity to start small business ($r = .475$, $p < .01$; $r = .465$, $p < .01$ respectively), but a weak correlation with tourism's impact in promoting assistance for local product development.

The significant correlations, although moderate, implied that the more tourism is perceived as having positive impacts on improving income and well-being, the more it is perceived as providing opportunities for skill improvement and starting small business. However, such corresponding perceptions do not apply between those direct tourism benefits (income and well-being) and tourism impact in promoting assistance for local product development.

d. Participation

Regarding participation, the current mechanism in heritage tourism management in Borobudur has not been perceived as providing much chance for people to participate in the decision-making process, which affects their life as the main stakeholder of the heritage site. More than 80% of respondents agreed on the importance of being involved in forums or meetings that discuss tourism development in the area, including communities' expectations of tourism. However, only 24% (about 28 respondents) said they had the chance to participate in such forums. Further clarification with each respondent who were among this 24% revealed that only few were actually involved in a forum or meeting that allowed them to express their expectations and ideas for tourism development (i.e. in Candirejo, Wringputih and Borobudur

⁶⁶ http://www.visualstatistics.net/Visual%20Statistics%20Multimedia/correlation_interpretation.htm

Village – three villages in which village tourism had been initiated). The others were street vendors and traders invited in meetings or briefings conducted by PT Taman, in which the company conveyed the need for a more ethical way or less aggressive attitude in selling to visitors. These kinds of meetings or briefings cannot be considered participatory process like the ones happening in the three villages mentioned above.

When samples were asked whether there had been opportunities to be involved in forums and meetings that discuss tourism, 28.6% said “Yes”, 13.4% said “No”, 36.6% answered “sometimes” and 21.4% were not sure.

5. Summary of Survey Findings

In tourism’s impacts to household assets, respondents’ opinions were mixed with mainly “neutral” for the impact in physical asset, positive impact perceived in financial and human resource asset, mixed feelings toward the impact in natural resources, and positive feelings in social capital.

Land value increase as an indicator of impact in physical assets used in this survey, was felt mostly by people living near the main road while those living further down the villages have not felt significant increase in land value. Positive impact in financial assets through improvement of households’ income was quite significant for most respondents but had not yet reached the degree where they could fully depend on it for giving fixed income. For some households (29.31%), tourism related income is appreciated as source of alternative income source to traditional occupations such as farming or other extractive works. But for 46.55% of the surveyed households, tourism related jobs are now the main income source.

The majority of respondents’ income is still below 500,000rupiahs, which is below the minimum regional wage determined by the local government. In addition, tourism related income is not always reliable as a fixed income. The impacts of tourism to local economy are still limited mostly to generating local employment in the informal sectors, which has been posing a problem for the quality of tourism itself. It has not been impacting significantly on the opportunities to start small businesses and to the provision of financial assistance or training for local product development.

Utilizing local products in developing rural industries (for consumption in the tourists' market) is actually one of the keys in establishing better linkages to tourism and a key for more widespread benefits of tourism (Grefe 1994; Hampton 2005; Boccardi et al. 2006). Hence, it can be concluded that the distribution of tourism benefits is mostly limited and there is also an indication of spatial polarization of tourism benefits mainly confined within the recreation park. These problems have been mentioned by Brohman (1996), Mowforth and Munt (1998) and Liew (1980) as problems pertinent to tourism development. Lack of promotion of rural products in the area is actually in contrary to statements found in the JICA Master Plan (1979), which pointed out that promotion of other local industries is important if incomes are to be increased and if the natural population increase of these areas are to be absorbed by them.

Tourism has been perceived quite positively by respondents as opening opportunities for skill improvement through training programs that are beneficial for individual skill improvement. It is also perceived positively as contributing to improving well-being as well as it has not impacted negatively on the social capital. Tourism in Borobudur, however, has not given much chance for its people to participate in decision-making process which, as the main stakeholder of the heritage site, affects their life.

IV.3.2. Focus Group Interviews

The focus group interviews were conducted in March 2009 during the third round of fieldwork to Borobudur. According to Patton (1987), a focus group interview is an interview with a small group of 6 to 8 people who participate in the interview for one-half to two hours on a specific topic. Patton stressed that focus group interview is indeed an interview and it is neither a discussion nor a problem-solving session. The participants are selected because they have certain characteristics in common that relates to the topic of the focus group (Krueger 1994). Krueger also suggested that the group interview is conducted with different people but similar types of participants for a series of three or four group interviews, so that patterns in perception can be identified. The advantage of the focus group interview lies in its ability to get a high quality data in a social context where people can consider their own views in the context of the views of others (Patton 1987). In a focus group interview participant can hear

each other's responses and can make additional responses beyond their initial responses after they hear other participants' responses.

In this research, four focus group interviews were carried out in four villages. The author wanted to obtain more information from people who were involved in tourism related jobs or activities in order to explain or clarify some data gathered from the survey. Survey result and informal interviews, for instance, indicated that some residents shifted to tourism related jobs from previous occupations such as farming. Through focus group interviews, the author expected to explore further on this social phenomena, which was one of the results of the economic impact of tourism, i.e. introduction of new types of jobs. In addition, during this third fieldwork, the author wanted to explore more on the characteristics of local home-based industry: opportunity and challenges facing them, especially in integrating with heritage tourism generated from the WHS. In short, the aims of the focus group interviews were to capture participants' perceptions and expectations of heritage tourism development in the area, its significance for them, reasons for choosing tourism jobs; and in some villages, to discuss village specific topic such as the existing home-based industry.

When planning the actual focus group interviews, the author contacted a key informant, who had been very helpful to the author since the first fieldwork in 2007. Through this informant (he himself is a resident of Borobudur Village, a local guide and a member of Borobudur Tourism Workers Network – JAKER), the author had access to other key informants in other villages, thus making it possible for the survey to take place quite smoothly in 2008.⁶⁷ With help from this key informant, two focus group interviews could be set up in two hamlets within Borobudur Village (Bumisegoro Hamlet and Maitan Hamlet) where the survey was also conducted last year. The interviews would be held in the house of one resident in each hamlet. The house owners also participated in the previous year's survey.⁶⁸ They helped the author by contacting people who had participated in the survey. The author herself kept records of people who participated in the survey. In addition, these house owners could

⁶⁷ From these key informants, who were not necessarily village administrators – although in some cases they are, the author obtained important information, such as who could be potential respondents and when was the best time to visit their houses, or when the author could meet more than one person, for example in a special village event.

⁶⁸ The house owner in Bumisegoro Sub-village is a photographer working in the recreation park. The house owner in Maitan Sub-village is a farmer who joined the village tourism initiative.

suggest names because the author actually met some of the participants in these two houses when a special village event took place there the year before.⁶⁹

Besides these two hamlets, the author also contacted key informant in Karanganyar Village (the pottery village) to ask whether focus group interview could be arranged here. This village was chosen because from here, the author expected to learn more about the characteristics of local home-based industry, as well as about the opportunities and challenges facing this industry. The key informant, one of the most successful pottery makers in the village – a man who several times had received orders for Vesak celebration and who instructs other producers in ways to improve production quality – helped the author by contacting four other people. The key informant in Karanganyar offered his house as the venue for the focus group interview. He and the other four people had participated in the previous year's survey.

The fourth village where a focus group interview was carried out was Giritengah Village where many of its residents work inside the recreation park as informal sector workers. Among the four villages, this village is located farthest from the recreation park. The focus group interview was conducted in a house of one key informant who had helped author to distribute questionnaire in this particular village the previous year.⁷⁰ He helped the author by contacting seven other people – all of them his neighbors – who participated in the survey.

The next section will present the focus group interviews in four villages. Interviews were recorded using a voice recorder; the content from each interview were transcribed for further analysis. The names of participants will be referred to as the first alphabet in their original name.

1. Borobudur Village, Bumisegoro Hamlet

Six villagers (all male) participated in the focus group interview. Their occupations were: photographer in the recreation park (1), street vendors selling souvenirs (1), street vendor

⁶⁹ The special village events were preparation meetings for Indonesian Independence Day celebration. These meetings were attended by 10 to 15 residents who were on the small organizing committee for the celebration in their own village. Throughout Indonesia, Independence Day (August 17) is celebrated by communities with much festivity.

⁷⁰ This key informant is not involved in any tourism-related job. He is a university student in Yogyakarta, whom the author knows through personal contact.

selling toys he had made (1), street vendor selling postcard (2) and a village official whose wife is a seller in a the recreation park (1).

First the author asked each participant to introduce himself and explain his current occupation and former occupation if applicable. From six participants, only one participant – ‘A’ the photographer – had a former occupation – as a radio announcer. He has been working as a photographer offering photo service to visitors in the recreation park for 15 years.

Two people had been working as street vendors since before the recreation park was established (a postcard seller and airplane toy maker). The postcard seller ‘B’ has been working as a street vendor since 1980, he changed the type of goods sold several times and finally settled with selling postcard. The wooden airplane toy maker ‘J’ has been working as a street vendor in the Borobudur Temple area since 1977. Like ‘B’, he also changed from one merchandise to another, until he made his own products using woods a few years ago.

The village official working as a staff at Borobudur Village Administration Office, ‘Y’ used to sell souvenir in 1980s. His wife is still working as a seller inside the recreation park. Two other participants were ‘I’ and ‘T’. ‘I’ was also a postcard seller who has been working as a street vendor for six years. He changed his merchandise several times before selling postcard like now. ‘T’, the youngest of all participants (in his 20s, while other participants were aged between their late 30s to 50 years old), was first involved in trading because his mother (also a seller) used to take him along when working inside the recreation park. ‘T’ is now selling necklaces with a name tag that can be crafted with the customer’s name.

Five of six participants in Bumisegoro Hamlet use tourism-related jobs as their primary income source. Among the five participants, none was involved in other occupations, such as farming. ‘A’ and ‘J’ do not even have land other than the garden surrounding their house. However, making use of their gardens to plant vegetables and herbs is a common practice in Javanese villages, including in Borobudur. The villagers, although not involved in farming, usually rely on their gardens as source of some cooking ingredients.

Some interesting information was gathered from the focus group interview in Bumisegoro Hamlet. ‘J’ and ‘Y’ both said that the number of sellers in small un-permanent kiosks and street vendors increases every year and that the number far exceeds the number of sellers

when the park did not exist. 'J' said that besides the original kiosks with permanent structure that were built from the beginning of park operation, people were trying to build un-permanent kiosks inside the commercial area of the park over the years. In many times, this had been a problem that park management had to deal with in addition to the ever increasing number of street vendors. This wooden airplane toy maker said:

“Head of Borobudur Unit Office (within PT Taman) has been changing, but the problem remains the same for anyone who hold this position. It is dealing with sellers and street vendors, a never ending problem”.

He also said that every time PT Taman tries to organize the stalls, in the end the space allocated for them is increasing. The informant gave example of the number of stalls, which had increased from 540 to 900 after an attempt for re-arranging by PT Taman. The author tries to connect this information with other information obtained from different parties. A personal interview with Head of Human Resource Division that was held in August 2008 gave information of the number of stalls, which have reached 800 stalls (see Figure 4.9 on kiosks originally built during the first years on park operation and Figure 4.10 on additional stalls).⁷¹ Another piece of information obtained from interview with the Head of Borobudur Village, also in August 2008, reflected the difficult position of PT Taman when they were trying to organize these sellers due to several conflicts that had nearly broken out between the two parties after every attempt to organize the sellers.⁷²

⁷¹ Personal interview with Hartono, Head of Human Resources, PT Taman Wisata Candi Borobudur, Prambanan & Ratu Boko, Borobudur Unit Office, August 15, 2008.

⁷² Personal interview with Maladi, Head of Borobudur Village, August 15, 2008.

Figure 4.9.

Picture of Kiosks in Borobudur Temple Recreation Park



Note: This type of kiosk building is the one originally built during the development of recreation park.
Source: Author

Figure 4.10.

Picture of Additional Stalls in Borobudur Temple Recreation Park



Source: Author

‘Y’ illustrated the increasing number of informal sector workers in the recreation park with this statement:

“It is like there is a “*tumpeng*” (yellow rice that is shaped like a mountain and is commonly cooked in Java to celebrate happy moments such as birthdays). Before, only 10 people enjoy the *tumpeng*, now 1000 people share it, but the size of *tumpeng* remains the same”.

‘Y’ also compared the situation in Borobudur Temple Recreation Park with that of Prambanan Temple Recreation Park – also managed by PT Taman. He said that the relationship between sellers with park management is better in Prambanan. PT Taman even provides access to credit for some sellers in Prambanan. In Borobudur, PT Taman provided facility for kiosk or stall ownership to some of the “old faces” among the street vendors. However, many of these people sold their own kiosks or stalls to people from outside the area. ‘Y’ therefore argued that the hard situation faced by street vendors from the local area due to increasing competition, was partly because of their own mistakes. ‘Y’ also said that if only there were more job opportunities in the village, for example a factory that needed a lot of worker, the number of sellers could be reduced. But he quickly added that building a factory near the temple is not a possible option due to heritage conservation.

Both ‘Y’ and ‘J’ said that the number of sellers increased drastically after the economic crisis 1998 (at present reaching 2000 in a normal business day or even 3000 in peak season).

Another interesting piece of information obtained during this focus group interview was about some sellers & street vendors establishing a cooperative. ‘A’ explained that there are eight commodities recognized by the cooperatives: photo service, postcards, five kinds of souvenirs, clothing (*batik*⁷³ & t-shirts). Among photographers and postcard sellers there were agreements not to employ new people unless one member quit or was unable to do the job. When the participants were asked about the advantage of forming the cooperative, ‘A’ stated that the cooperative is a means for uniting the sellers and vendors of the above commodities (commodities which have been sold in the park since the park operated). He said that PT Taman preferred to communicate with this type of organization rather than with individuals.

⁷³ Batik refers to fabric which uses traditional painting and dyeing technique in its making.

The cooperative also contributes to a better relationship between the members and park management. Aspirations of members are better communicated to PT Taman, whereas PT Taman can introduce new rules or arrangement more smoothly through this cooperative.

2. Borobudur Village, Maitan Hamlet

Nine people participated in the interviews. They consist of the village official (1), a member of the ticketing staff at the park (1), a member of tourism village initiative who has another full time job as a factory labor (1), hotel worker (1), farmer – coconut sugar producer – member of tourism village (2), farm labor – member of tourism village (2), and an elementary school teacher who used to be a street vendor in Borobudur (1).

As in Bumisegoro, the author first asked each participant to introduce himself and explain his current occupation and former occupation if applicable. ‘Ms’, who is a staff in Borobudur Village Administration Office, is also the leader of village tourism initiative. Later, he was the one who explained more about the village tourism initiative. The member of ticketing staff working in the recreation park is ‘W’. He has been working in the recreation park for 15 years and is now assigned as the field coordinator of the village tourism initiative. Ticketing staff is not included as full time staff of PT Taman; instead they are included as a daily staff. ‘M’ is a worker in a textile factory and a member of the initiative. The elementary school teacher is ‘R’. He has been working as a teacher for five years, but used to work as a street vendor in the recreation park for 10 years. ‘R’ said that the reason he quitted being street vendor was because he was getting tired of not being able to have a stable income.

Among the participants, there was also ‘Rk’ who worked in a hotel nearby Borobudur. The hotel is not a big one but it is quite popular among school groups coming from other cities or areas, which arrive in Borobudur during dawn or morning and need a place to take a shower and have breakfast. Then, there was ‘N’ – a farmer and producer of coconut sugar. With the new tourism activity, which takes place in his village, ‘N’ now is also a local guide. There was another farmer. ‘S’, who had experience working as a street vendor for 10 years and decided to return to farming. He is now also a member of the tourism village initiative. ‘S’ said that there had been too many people working as street vendors and competition was hard,

hence he preferred going back to farming. Lastly, there were ‘Ma’ and ‘Ny’, who both worked as farm laborers but had been involved in the new initiative.

The interview in Maitan was more about the relatively new village tourism initiative. Villagers establish a village tour activity in cooperation with local guides at the park and some tour agents. They want to follow similar initiative taken earlier by Candirejo Village, which have been going on for more than six years now. This initiative is aimed at generating an alternative income for villagers. The condition in this hamlet is more deprived compared to Bumisegoro Hamlet – situated nearer to the commercial center of Borobudur. During the second fieldwork, when the author conducted a survey in Maitan, one of the villagers said during informal interview that he felt there was a big gap in the economic condition between Maitan, located in the western part of the park, and Bumisegoro, located in the eastern part. This is because ever since the recreation park has been developed, Maitan has been separated from the other area of Borobudur Village due to its location, which is literally behind the park where streets are much quieter and economic activity is limited. ‘Ms’, a member of the village staff, said:

“Our initiative was triggered from our concern that tourism has done little to raise the livelihoods of people here”

Recently, tourists have begun to visit Maitan by riding horse cart to the village from the park. They see traditional houses, traditional dance performed by children and teenagers, and see the production of coconut sugar. Income received from this activity is distributed to members. For example, people whose houses are visited will get some income. The same thing applies for coconut sugar producers, who take turns in being visited by tourists. Some of the income received from this activity is saved for building supporting facility, such as a stage for dance performance. The villagers also hire a dance teacher to teach the children and teenagers, using income they receive from tourists groups. The initiative has resulted in increased motivation among the youngsters to learn about their culture through traditional dance.

Asked about the tourists, the participants explained that most of them were from European countries, especially from the Netherlands. Asked what obstacles they found so far, they said that they felt the basic facilities, such as toilets and seating areas, had been lacking but there

has been no assistance from local government or park management to help improve them. The villagers are still trying to save some of the income for facilities improvement.

Another challenge was, according to 'Ms', coming from their own community, in which some older people did not really welcome tourism in the village. 'Ms' said that some people debated the compatibility of tourism activities and religious principles (especially those principles of the major religion in the village, Islam). However, he added that through communication and assurance, these people started to welcome tourism as an activity to generate alternative income.

3. Karanganyar Village

Five pottery makers participated in the focus group interview. One of the most successful pottery makers is 'Sp', whose house is often visited by tourists who want to try making pottery. In the holiday seasons, 'Sp' often sells beverage in the recreation park. Besides people who produce pottery as their main income source, there is 'Mk' who makes pottery in his spare time. His main income is from selling meatball soup in Prambanan Temple Recreation Park, located around 40 km from Borobudur. His wife works as a member of staff in the recreation park. 'Mk' said that he does not have land for farming. Then, there was 'I' who supplied materials and equipment for making pottery. Sometimes, 'I' also works as a construction worker. The other two participants were 'B' who made pottery and had a small kiosk selling vegetables in the nearby market; and 'A' who made pottery and continued farming as the same time.

Some of the interesting findings obtained from the interview will be discussed next.

Most pottery made by the villagers is everyday house wares, which goes to the usual market. Some enter the recreation park and some are made according to order. Some diversification of products into souvenirs has been taking place for several years, but only a few have achieved a good standard. There are around 80 pottery producers in the village. 46 of them have become members of a group called "*Bina Karya*" who receive some assistance from the Office of Industry and Cooperative within the local government.⁷⁴ The office gave training to this group as well as access to capital and assists in providing equipment. During the survey,

⁷⁴ Bina Karya can be translated into Assistance for Production.

several respondents from this particular village said that some of the pottery makers received micro-credit from banks. The participants, however, felt that the assistance is lacking continuity and has not reached every producer in the village. When asked what obstacles need to be addressed if they want to use the opportunity given by the tourists market, ‘Sp’ mentioned the need for skill improvement, capital, and assistance in marketing the products. ‘Mk’ gave example that when ‘Sp’ received big orders to make special products for Vesak ceremony, ‘Sp’ gave some of these orders to other pottery makers but some times the products made by these other producers were of lower quality than the ones made by ‘Sp’.

When asked about the tourists, the participants said that an average of four or five tourists per month come to the village to try pottery making. Most of them are guests of the exclusive Amanjiwo Resort and Manohara Hotel – owned by PT Taman. They are especially from European countries.

In 2008, one sect within the Buddhist community helped the village by building a toilet that could be used by tourists. Before, the villagers had felt that with a basic facility such as toilet lacking, the village was not suitable for receiving tourists. ‘Sp’ said:

“One day a tourist from the Netherlands wanted to go to the toilet and there was no public toilet in this village. The tourist had to use the toilet in my house, which is not good. I saw the tourist’s uneasy expression and I felt embarrassed for not having a better toilet for them.”

With the improvement of toilet facility for visitors, it is clear that not only visitors will be more comfortable but also the villagers who want to make sure their guests are comfortable visiting their village.

4. Giritengah Village

Seven people participated in the focus group interview; all of them worked inside the recreation park. They consisted of four street vendors whose goods are recognized by the sellers’ cooperatives mentioned earlier (postcard, *batik* bag, Borobudur miniature, and bronze figurine), two street vendors who are not member of cooperative, and one local guide.

'R' the postcard seller has been working in his job since 1989. He said that he does not have another occupation. 'R' also said that the majority of buyers are foreign tourists. *Batik* bag seller 'P' started selling 15 years ago and he did not have any previous occupation. 'Pw', who at the time of interview, had been selling miniatures of Borobudur made of fiber for six years, used to work in a palm oil plantation in the island of Kalimantan (Borneo) for 10 months. He said that although he received regional minimum wage in the plantation, he came back because that place was too far. 'Pw' chose to become street vendor as long as he could stay in the village. Another seller who is already a member of the seller cooperative is 'Mu'. 'Mu' sells bronze figurines of Buddha and bronze miniatures of Borobudur. He has been a street vendor since 1990.

Two street vendors whose commodities have yet to be recognized by the cooperative is 'Sr' and 'Sn'. 'Sr' sells small souvenirs such as key rings, pens, and accessories. She has been working as a street vendor for 19 years. Her husband does not have a permanent job. 'Sr' worked in Malaysia as a domestic worker for three years but chose to return to her village. She said that five years ago, only few people sold the same goods as her, but nowadays there are more people selling the same things. On the other hand, 'Sn' who sells primitive figurine said that there are only five people selling the same thing as him.⁷⁵ People who buy these figurines are mostly domestic tourists. This is perhaps because foreign tourists like souvenirs that relate more to the place they visit, such as bronze figurine of Buddha, miniatures of Borobudur and postcards.

The last participant is a tour guide in the recreation park 'Is', who has been working as a local guide in Borobudur for six years. Before that, he used to work as a street vendor selling guide books and as a waiter in one of the nearby restaurants. 'Is' said that nowadays, more and more domestic tourists are using local guide when visiting Borobudur Temple.⁷⁶ With only few foreign tourists (20% from total number of visitors in average), there is more prospect of getting income from domestic tourists than from the foreign counterpart.

⁷⁵ This so-called primitive figurine is not related to the monument or to Buddhism. It is just a made-up character, whose appearance is similar but not the same as statues coming from the tribes in Papua, Eastern Indonesia.

⁷⁶ This maybe because there are more middle to upper class domestic tourists, who are better educated and want to learn something from the place they visit.

Some of the important findings from this focus group interview will be discussed next. Participants said that most of the goods sold in the park are from outside the area, they are brought by suppliers to sellers in the park. All of the street vendors said that they stay in the informal sector because of the possibility to earn cash everyday, although the amount is small and the income is not stable. Being a street vendor does not need much skill, said 'Pw'. Cukier-snow and Wall (1993) and Ballard (2005) indeed pointed out that low education level and lack of skills are often a constraint to obtaining higher profile jobs in tourism. Moreover, the participants seemed to agree that there were not many job opportunities in the village. 'Is' the local guide, said:

“Many of us have been working inside the park for 20 years. Whenever there is a change in park management’s personnel, the rules regarding sellers and street vendors also change. Sometimes the rules are not consistent. Today something is allowed, the day after, it is not allowed. If only there were more job opportunities, jobs that can provide us with income for every day life, I think many people will go for that (jobs).”

From the seven participants, only two participants have land for farming. 'Is' has less than 0.5 hectare, whereas 'Mu' has more than 0.5 hectare but less than 1 hectare. Farming, however, seems not really favored by participants. Although 'Sr' said that if she had some land maybe she would not work as a vendor, another participant, 'Pw', said the opposite:

“Some people who work in the park (in the informal sector) have land for farming. But we have to wait for a long time to get money; we have to wait for harvest...that is, if the harvest is successful...no guarantee. We have children who go to school, we need money everyday. Therefore people prefer job that can give them money everyday.”

The focus group interview in Giritengah Village was conducted on the last night of author's stay in Borobudur when the author did not have any other research plans for the next day. This particular group interview took 2.5 hours, while the others took a maximum of 2 hours. Participants were keen to share stories, therefore the author decided to probe more into their expectations from tourism development.

'Is' said that he hoped the park management and local government could bring more tourists to Borobudur. However, he added that Borobudur had only been a transit place, saying that when foreign tourists come for a five-day package tour, four days will be spent in Bali while one day will be spent in Yogyakarta and Borobudur. He also said that this must be because there are more to see in Bali:

“Bali has more to sell, everything there can be turned into money. Here it is more monotonous, fewer selling points, it is only culture and history so not many people stay here for a long time. But maybe, if other potentials are developed, people will be interested in staying here longer.”

The participants then talked among each other that while Bali has nightlife to offer, they would not want that (nightlife) in Borobudur. They felt that nightlife would bring negative impacts to local people.

5. Summary of findings from the focus group interview

From these focus group interviews, there are several points that can add to an understanding of the socio-economic impacts of tourism in the area. First, it is clear that tourism prompted a shift from agriculture-based occupation to other occupations related to tourism, whether it is trading or service. Urry (1996) referred to such a situation as the effects of tourism upon pre-existing agriculture and industrial activities. He said this includes gradual undermining of agriculture as labor and capitals are drawn into tourism. The focus group interviews revealed that in certain cases this was partly because some people do not have land for farming, or if they do have, the area size is small. On the other hand, other cases showed that some people leave their farm for other jobs that they favor more. As written in this chapter, a research done by Cukier-snow and Wall (1993) on street vendors in Bali, explained that for many local residents, tourism related jobs seemed to be more interesting and highly prized when compared to the back breaking task of farming small plots of land.

Second, there were mixed feelings about tourism. People relied on it but admitted that it had not done much to raise their standard of living. This is because most people relied on the informal sector jobs, which lack income stability and also because there is heavy competition

caused by the large number of people involved in this sector. The issue of scarce employment opportunities was also raised as contributing to people relying much on tourism.

Third, the initiatives to form a cooperative among sellers and to develop village tourism activity in one of the villages reflect efforts from community to take a bigger part in tourism. One effort is by raising their bargaining position when dealing with the authority and at the same time influencing the decision making process; another by developing village tourism for generating alternative income. Both efforts can be regarded as the forms of participation in tourism, as suggested by Timothy (1999), that participation in tourism can be viewed at least from two perspectives, i.e. in the decision-making process and in the benefits of tourism development.

Fourth, the development of other tourism attractions, e.g. in Karanganyar Village and Maitan Hamlet faces the challenge of lack of basic facilities needed to make tourists' visit more comfortable. In addition, the number and type of tourists who favor these kinds of alternative activity is still limited. At present, village tourism attracts more international tourists, from European countries in particular, especially those interested in cultural tourism. On the other hand, international tourists represent only about 20% of the total number of tourists to Borobudur. The fact that these other attractions attract more international tourists can be understood from an anthropological point of view. Crick (1996), for instance, argued that being a tourist implies getting out from every day life and stepping beyond ordinary social reality. Thus, tourists have the tendency to like something that is 'different'. Gottlieb in Crick (1996 : 37) gave examples of wealthy people on holiday who may play at being a "peasant for a day" while poorer tourists might like to be 'king for a day". For domestic tourists, seeing villages may not be as interesting as international tourists see it. However, the author's own experience of being involved in promoting ecotourism in some parts of the country showed that there has been a growing market of urban middle to high class society for special interests tourism such as village tourism and ecotourism. The key is tourism product development.

Another finding was that most products sold by vendors are produced outside the local area. This could be considered as some form of leakage resulting from income flowing outward. The incidence of some leakage in any tourism activity is unavoidable, especially when the area is smaller and thus some goods and services must be imported from outside. Stynes

(1997) indicated that the more a region is self-sufficient the smaller the leakage. However, increasing the number of local products in the tourism market should be one of the goals in tourism development in order to achieve more economic benefit through utilization of potentials and characteristics of the rural area (Pretty 2002) or innovation by expanding the scale and scope of tourists products based on rural resources (Hjalager 1996).

IV.4. Conclusion

The main works presented in this chapter, i.e. the survey and focus group interviews were aimed at investigating socio-economic impacts of heritage tourism from the perspective of the local community. However, to complement these primary data, tourism contributions to regional income through taxes and through its shares in GRDP are also presented. In addition, this chapter also included some discussion on how tourism induced economic and spatial changes in Borobudur. The conclusions or major findings that will be discussed here are the triangulation of different research tools that the author used.

At least up to the end of 2008, Borobudur Temple Recreation Park as a single entity had been quite a significant contributor to Magelang Regency's original revenue (PAD through entertainment tax). Tourism related sectors, such as trade, restaurant and hotel; transportation and communication; and services have been growing in their shares to Borobudur's GRDP. The share of these sectors to Borobudur's GRDP has been higher than the share of the same sectors to the GRDP of Magelang Regency and Central Java Province. However, despite the higher growth in services sector, the agriculture sector's shares to the local economy is decreasing year by year. The average growth of value added from agriculture sector in Borobudur is even lower than the average growth of the same sector in Magelang Regency. This is an indication that tourism in Borobudur does not encourage the growth of agriculture sector. It is also an indication that tourism impact for the majority of local people who rely mainly on agriculture is limited and that its impact is not evenly distributed in the local economy. Tourism has also induced spatial changes in the area and changes in the structure of local economy that shift from an agriculture based economy to service based economy.

From the community side, survey and focus group interviews that were conducted to capture the samples' perception of tourism's socio-economic impact reveal mixed feelings toward tourism. Positive perceptions about tourism impacts in improving the livelihoods of rural

community that were obtained from the survey had not been supported by other information about the samples, for example, low monthly income. In reality, monthly households income for majority of samples was below the minimum regional wage. Problems such as scarce employment opportunities and the fact that some people cannot rely on farming due to problems such as lack of water, decreasing agricultural lands and production, contribute to a high dependency on tourism. Tourism has been showing local significance in providing informal sector employment, but has not been really stimulating development of other sectors in the rural economy. Villages with potential small or home-based industries that can be integrated into the tourism sector encounter problems such as lack of skilled human resources, access to capital and lack of attentions from the stakeholders involved in managing the WHS.

From the survey and observations, it could be concluded that villages that reap more economic benefit from tourism development in Borobudur are those located closer and can be accessed along the main old road leading to the temple (Borobudur, Candirejo, Wanurejo Village). This is indicated from the increase in establishments that have sprung up to serve visitors such as accommodations, eateries and shops, the flourishing of souvenir producers and the existence of tourism village. As for the participants' perceptions toward tourism, further investigation through focus group interviews found that there has not been much relation between distance to the WHS and their perceptions. In Borobudur Village, the nearest village to the WHS, there were samples who admittedly said that they depended on tourism but there were also others who implied that they were better off not depending on tourism. In Giritengah, the village located farthest from the temple the author found during the focus group interview that all participants depended on tourism as their main income source. Hence, it can be suggested from this study that perceptions of the villagers were more influenced by the degree of involvement in tourism than the distance between their village and the main tourism attraction – the heritage site.

Chapter V

ORGANIZATIONS AND SYSTEM INVOLVED IN MANAGING BOROBUDUR WHS AND ITS LOCALITY

V.1. Chapter Summary

This chapter presents an important element of this research, i.e. the organizations and system involved in the management of Borobudur WHS and other stakeholders. This chapter will discuss organizations involved in the management of the WHS as well as the inter-relationships between them and the management functions undertaken in the whole management process.

V.2. Introduction

UNESCO in its Operational Guidelines for the Implementation of the World Heritage Convention (World Heritage Center 2008) states that every WHS must have appropriate buffer zone, management system or management plan. On the buffer zone, an article within the Operational Guidelines states that:

“For the purpose of effective protection of the nominated property, a buffer zone is an area surrounding the nominated property which has complementary legal and/or customary restrictions placed on its use and development to give an added layer of protection to the property. This should include the immediate setting of the nominated property, important views and other areas or attributes that are functionally important as a support to the property and its protection...” (World Heritage Center 2008 : 26).

Further on the rule of managing buffer zone, the Guidelines states that:

“Although the buffer zones are not normally part of the nominates property, any modifications to the buffer zone subsequent to inscription of a property on the World Heritage List should be approved by the World Heritage Committee”.

In Borobudur WHS, the three temples (one main and two smaller ones) are located in different places. Referring to the zoning map presented in Chapter III, the main temple is located in Zone 1, whereas the other two temples are located in Zone 3. In between Zone 1 and 3, lies Zone 2 (recreation park) that forms an access to Zone 1. Zone 2 serves as an immediate buffer zone to the main temple, while the rest of Zone 3 (area outside the two smaller temples) serves as a buffer zone to these temples. As such, the three zones are actually

interconnected. The Presidential Decree No. 1/1992 stipulates that the three zones in Borobudur area be managed by three organizations. Considering this legal instrument and the suggestion that buffer zones are integral part of WHS, this study then defines the management system of Borobudur as comprising the three organizations. Further details are in the following section.

V.3. Organizations Involved in the Managing of Borobudur WHS

Organization refers to “a formalized intentional structure of roles or positions designed to remove obstacles to performance caused by confusion and uncertainty of assignment, and to furnish decision-making and communication networks reflecting and supporting enterprise objective” (Weihrich and Koontz 1993).

The organizations involved in managing Borobudur WHS and its surrounding area are stipulated in the Presidential Decree No. 1/1992 regulating the management of Borobudur Temple Recreation Park (and Prambanan Temple Recreation Park). It stipulates that the Borobudur Heritage Conservation Institute has authority over Zone 1. A state-owned company named PT Taman Wisata Candi Borobudur, Prambanan & Ratu Boko is assigned to manage Zone 2, Borobudur Temple Recreation Park. Local government manages Zone 3 or the areas outside the recreation park where the community are residing and where two other temples – Candi Pawon and Candi Mendut – are situated. The following sections will provide information about each organization.

V.3.1. The State-owned Company: PT Taman Wisata Candi Borobudur, Prambanan dan Ratu Boko

PT Taman as it is commonly known, was established in 1980 with a mandate to manage important cultural assets located in Central Java Province and Yogyakarta Province as tourism resources, i.e. Candi Borobudur (Borobudur Temple) and Candi Prambanan (Prambanan Temple). Prambanan, a beautiful Hindhu ruins located in Yogyakarta Province, was listed on the World Heritage List the same year as Borobudur. In 1994, the company was also assigned responsibility of managing another site, the ruins of Ratu Boko Palace, located 3 kilometres from Prambanan Temple complex. It is believed that all three archaeological remains dated back to the same period of between 8th – 9th century.

PT Taman has its headquarter office near Prambanan Temple; however, in each site it has a unit office responsible for managing the site. In Borobudur Unit Office, the number of full time employees (organic staff) is around 116 people. According to an interview with the Head of Human Resource Department in Borobudur Unit Office, 90% of these full time staffs are from the surrounding area. There are also 243 daily staffs who belong to a cooperatives established by the company. In addition, there are 26 contract staffs that belong to another company serving as a sub-contractor for PT Taman.

The company's vision, mission and objectives as stated in its Company Profile, are as follows:

Vision: *“to be a company with high capability and competency, professionally supported by qualified human resources to create the park and temple as a tourist attraction with the full capacity to compete globally”.*

Mission: *“supporting the national cultural heritage preservation and developing the tourism industry for the benefit of the community, region and nation”.*

Objectives:

- Realization of vision and mission, participating and supporting government policy and program in the economic sector and national development, especially to preserve the environment of Borobudur Temple, Prambanan Temple, and Ratu Boko as a cultural theme park that has cultural, education, and recreation characteristics.
- Creating profitability, market growth, quality and market leadership.

Looking from its organizational purpose, it is clear that the company's presence as assigned by the central government reflects commercial orientation that capitalizes on the three cultural assets. The company states that in order to maintain the sustainability of the three cultural assets, it operates various activities within five business units as follows:

- Borobudur Temple Recreation Park, covering the management of park and Manohara Hotel
- Prambanan Temple Recreation Park

- Ratu Boko Recreation Park
- Ramayana Theatre and Performances (located in the vicinity of Prambanan Temple)
- Transportation Service

According to the Presidential Decree No. 1/1992, PT Taman has the rights to collect revenues from entrance fee and other source, and that all revenues are considered the company's revenues. However, the company is subject to paying taxes and other contributions. In its Annual Report 2005, it is said that contribution to the government includes:

- Dividends
- Corporate income tax
- Property tax
- Income tax
- Miscellaneous tax: Entertainment tax

PT Taman belongs to the central government; it is responsible to the Ministry of State-Owned Enterprises. The Ministry of State-owned Enterprise has classified the company as a healthy company according to an audit.

Since the company belongs to the central government, revenues from entrance fee and other fees applied to visitors in the recreation park are considered as income for central government. This income is of course redistributed to the regions both directly or indirectly. However, the company's Income Statement (2003 – 2005), which has been recording profits for those years, does not show an allocation for community development expenses.

V.3.2. Borobudur Heritage Conservation Institute - BHCI

BHCI is one of the technical implementation units under the Directorate General of History and Archaeology in the Ministry of Culture and Tourism. Its history dates back to the restoration process of Borobudur, in which archaeologists from Indonesia and other countries worked to restore Borobudur. The restoration process was considered so successful that the Indonesian Government decided to permanently establish a conservation institute stationed in Borobudur area with the specific task of undertaking maintenance and preservation of the site.

It was also given the remit to act as a center for research and training on conservation of archaeological artifacts.

Currently, the organization has 90 staff. According to interview with the head of the institute, Marsis Sutopo, they are currently facing difficulty in securing the main temple, due to some financial constraints in hiring more security guards.⁷⁷ Looting of archaeological artifacts had decrease to a very low level, compared to when the temple was first restored. However, the presence of guards may still be necessary to make sure that visitors abide by the rules, such as not climbing onto the stupa and not throwing trash or even putting trash into the holes of stupa. Marsis also mentioned the fact that 80% of the visitors are domestic tourists coming from all sorts of social classes, had been contributing to a special problem for his institute. This is because, many of the visitors are not aware of conservation or the value of the monument. Behavior such as trashing and treating the monument like a picnic ground is still evident, although signs have been erected in some places to remind visitors of the appropriate behavior.

The organizational purposes of BHCI are as the followings.

Vision: *“accomplishing the conservation of Borobudur Temple as a World Heritage Site and the realization of Borobudur Heritage Conservation Institute as center of research and training for conservation of archaeological artifacts”.*

Mission:

1. Accomplishment of the conservation of Borobudur Temple as a World Heritage Site
2. Realization of Borobudur Conservation Institute as center of research and training of cultural artifacts
3. Fostering professional human resources in the field of cultural artifacts conservation
4. Developing national and international cooperation in the conservation of cultural artifacts

⁷⁷ Personal interview with Marsis Sutopo, Head of Borobudur Heritage Conservation Institute, March 27, 2009.

Objectives:

1. Implementing research in conservation, civil engineering, architecture, geology, biology, chemistry and archaeology in the area of Borobudur Temple and other archaeological artifacts
2. Utilizing research in the field of conservation, civil engineering, architecture, geology, biology, chemistry and archaeology in the area of Borobudur Temple and other archaeological artifacts
3. Providing service, training and development in conservation of archaeological artifacts
4. Providing facilities for the study of Borobudur conservation and other archaeological artifacts
5. Maintaining and protecting Borobudur Temple artifacts
6. Performing the documentation and publication which relates to the Borobudur Temple
7. Performing administration works

It is clear from these organizational purposes that the institute is mainly concerned with conservation and few of its objectives relates to the local community.⁷⁸

V.3.3. Local Government of Magelang Regency

Since 2000, Law No. 22/1999 (now revised as Law No. 32/2004) on Regional Governance gave way for decentralization in Indonesia. Regencies and cities are considered autonomous areas, with many of the central government's authority now transferred to the local government.

One of the authorities that has been transferred from central to local government is tourism. There are no longer representative offices of the Ministry of Culture and Tourism. Instead, all tasks and responsibility have been in the hands of District Office for Tourism except the authority to manage conservation areas such as World Heritage Sites, National Park, and other nature reserves.

⁷⁸ Marsis Sutopo said during the interview that the institute conducts programs in schools to raise awareness of conservation.

The case of Magelang Regency is quite exceptional because there are two temples under the Borobudur Temple Compounds WHS, for which the local government has the right to collect entrance fees. The conservation of these monuments is still under the responsibility of Borobudur Heritage Conservation Institute.

Looking at Borobudur WHS as an asset for economic development for both local people and local government (through taxes), the local government of Magelang Regency is seeking for opportunity to play a bigger role in managing the WHS and its surrounding area.

This opportunity came when the State Coordinating Ministry of People's Welfare decided that the Presidential Decree No.1/1992 should be reviewed for better management of WHS, especially for Borobudur WHS.⁷⁹ The local government view on the effort of re-arrangement of the heritage area are as follows:⁸⁰

- The effort should aim at the conservation of Borobudur Temple as a World Heritage Site
- The development of Borobudur Temple area should be re-oriented to a development that aims at welfare improvement as well as empowerment of local community, which could be achieved through encouraging economic development of the hinterland (vicinity) and periphery of the site
- The goals should be increased number of foreign tourists and improved visitors' length of stay.⁸¹

⁷⁹ To date, the review process has not yet been completed.

⁸⁰ Based on Magelang Regent's presentation in the National Workshop "Rethinking Borobudur", May 27, 2008.

⁸¹ One of the local government concerns about Borobudur is that the length of stay for common visitors is relatively short, with almost the whole time spent inside the recreation park. For tourists with special interests, especially the Europeans, some have begun to explore areas outside the park and stay in the area for a few days.

V.4. Management Process

This section will present an analysis in the following categories: planning, organizing, and coordination. By discussing the three functions, the overall management process in the heritage site can be described and important issues that need to be addressed can be identified.

V.4.1. Planning

Planning in general term refers to selecting missions and objectives and the action to achieve them (Weihrich and Koontz 1993). When discussing planning in any heritage site it is necessary to look at the mission and objectives of that particular site (McLoughlin et al. 2007) because planning is about developing a rational approach to achieving preselected objectives (Weihrich and Koontz 1993). According to McLoughlin et al. (2007), a heritage site's mission can be thought of as a heritage site's overriding purpose. They stated that mission, either explicitly or implicitly, reflects partly the context of the heritage site (the culture, the national system, governance and legal system) as well as the power and interests of the stakeholders. On the other hand, objectives represent a more specific commitment over a specified period of time.

In the case of Borobudur, interviews conducted with key informants from the three organizations as well as analysis of documents indicate that there is no overall organizational purpose of the heritage site. Instead, each organization in the management system has its own organizational purpose (presented earlier in this chapter), with differing interests based on the underlying function of each organization, i.e. PT Taman is more business orientated, BHCI's main function is conservation, and the local government's main interest is contribution of tourism to regional original income.⁸² Part of mission statement that is close to expressing the site's prevailing purpose is that of PT Taman: "...to preserve the environment of Borobudur Temple, Prambanan Temple, and Ratu Boko as a cultural theme park that has cultural, education, and recreation characteristics".

⁸² See Chapter IV for more detail on the regional original income (PAD) received by Magelang Regency from Borobudur Recreation Park. Considerable loss is felt by the local government due to the park not being required to pay the entertainment tax to the local government since the beginning of 2009.

Interviews with key informants from PT Taman and BHCI revealed that the organization's purpose is very much influenced by higher organizations within central government to which PT Taman and BHCI are each responsible to; that is the Ministry of State-owned Enterprise for PT Taman and Ministry of Culture and Tourism for BHCI.

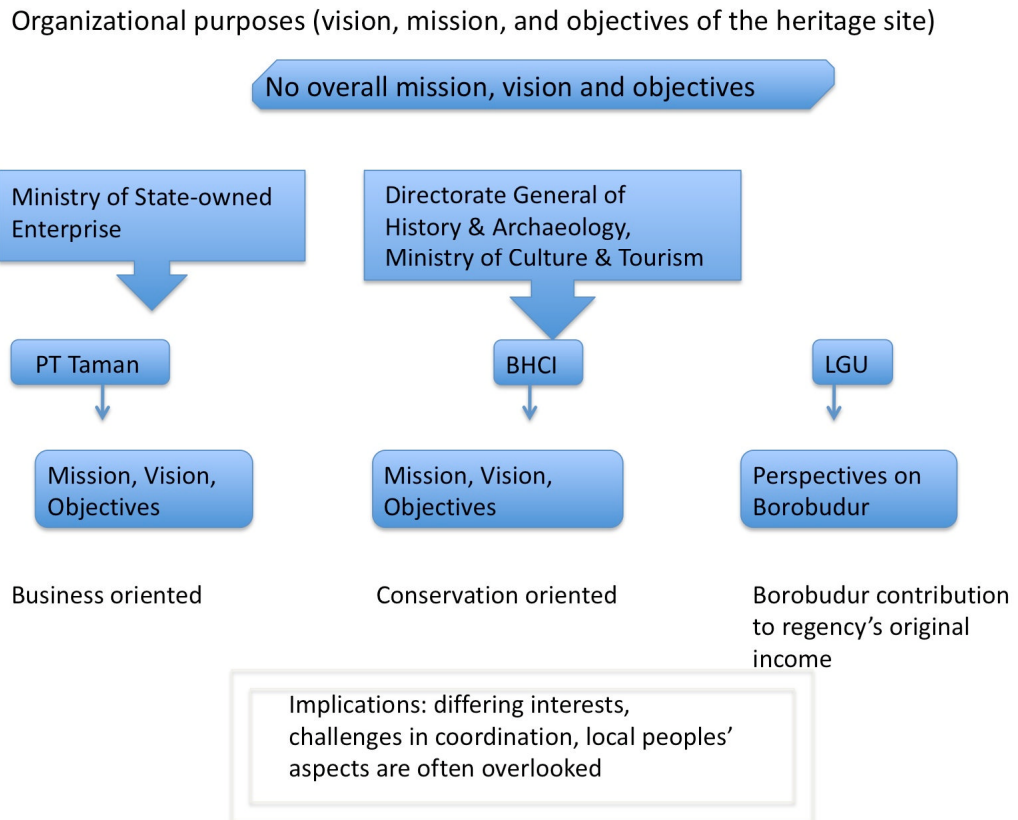
There are several impacts of absence of shared organizational purpose between the organizations in the management system. First, there is no unified direction that permeates the management system as a whole. Henry Fayol identified fourteen principles of management for effective management (Wehrich and Koontz 2004).⁸³ At least one of them, unity of direction, is difficult to achieve when there is no shared or agreed purpose between the three organizations.⁸⁴ Jamal and Getz (1995) asserted that defining purpose and problems together is paramount if autonomous organisations in a tourism domain wish to resolve problems related to planning or the development of the domain (Gray 1989; Jamal and Getz 1995). Figure 5.1 illustrates the current situation in relation to the organizational purpose of the heritage site.

Having different organizational purposes is a situation that cannot be avoided in a domain where several stakeholders are involved. Selin and Beason's study (1991) on inter-organizational relations between United States Forest Service, chambers of commerce and tourism associations adjacent to an Arkansas National Forest found that their hypothesis that goal similarity would be positively related to the degree of cooperative relations occurring between tourism organizations was not proven. However, the study did find that a consensus or awareness that each organization is a part of the same domain would be positively related to the degree of cooperative relations between organizations. The study suggested institutionalization of partnerships among different stakeholders with each sharing responsibility in one area.

⁸³ Fourteen principles of management are: (1) division of work; (2) authority and responsibility; (3) discipline; (4) unity of command; (5) unity of direction; (6) subordination of individual interest; (7) remuneration; (8) degree of centralization; (9) scalar chain; (10) order; (11) equity; (12) stability of tenure or personnel; (13) initiative; and (14) esprit de corps.

⁸⁴ Unity of direction means that all those working in the same line of activity must understand and pursue the same objectives

Figure 5.1
Illustration of Current Situation in Relation to the Organizational Purpose of
the Heritage Site



The second impact from the inexistence of shared organizational purpose between the organizations in the management system, especially one concerning community development, is that local people's aspects are largely overlooked in both PT Taman's and BHCI's objectives. For instance, PT Taman does not specify any measurable objective related to community development or the promotion of more tourism benefit for the communities in its company objectives (Annual Report 2005). Moreover, the company's annual report does not indicate a defined portion of community development fund from the company's revenue. The company has a number of times been giving free "sembako" (nine basic food necessities) to poor people in the district; scholarships to children; and free medical service for the communities. Some local people who participated in the survey actually perceived this as a positive impact of heritage tourism.

The Borobudur Heritage Conservation Institute (BHCI), as mentioned earlier in this chapter, does not specify community related strategy in its objectives. The organization could actually expand its activity from conserving the monument to promoting the value of Borobudur as a common heritage for the community. For instance, it could influence the policy of PT Taman to accommodate some community activities inside the recreation site. As suggested in Chapter IV, in the discussion of sense of pride and sense of ownership, the dominant view among the respondents is that Borobudur is as a tourism attraction, an economic ground, and a Buddhist monument. Although these views are not wrong, such views – which are encouraged by the management process that only places emphasis on tourism and physical conservation – limit the potential of a heritage site to play a greater role in community life, such as being the setting of some community activities, i.e. festivals and other rituals. Allowing multiple uses of a cultural heritage could result in an improved sense of ownership and respect toward the heritage site, attitudes that would support conservation from the community side.

Another important issue in the realm of planning is the absence of a formal management plan of Borobudur. The Operational Guidelines for the Implementation of the World Heritage Convention states that:

“An appropriate management plan or other management system is essential and shall be provided in the nomination. Assurances of the effective implementation of the management plan or other management system are also expected.”

Wilson and Boyle (2006) stated that it was not until 1997 that the management plan became a prerequisite for inscription as a WHS and all sites listed before 1997 were required to prepare and submit a management plan by 2005. An examination by the author on the Nomination Dossiers (1990) submitted to the World Heritage Committee found only this statement regarding management plan:

“The management of the monuments and sites is being done jointly by the Directorate General of Culture to preserve the monument and site, and the Borobudur Archaeological Park Ltd under the Directorate General of Tourism. The Directorate General of Culture is responsible for the preservation of the monuments, while the Directorate General of Tourism manages the tourist promotion aspects”.

The author tried to clarify the existence of a formal management plan that might have been submitted to the World Heritage Center, by interviewing an official at the UNESCO Office in

Jakarta Indonesia.⁸⁵ It was revealed that the Indonesian Government had not submitted another management plan and apparently, the comprehensive plan available was only the Master Plan developed by JICA in 1979.

The Master Plan completed in 1979 with the assistance of JICA is actually a comprehensive document, which includes conservation strategies, environmental management, landscaping, infrastructure redevelopment, village improvement, a land use plan, entrances, additional facilities, as well as a proposed schedule, a budget and administrative structure for each site. However, it did not include a strategy for integrative site management between organizations, which is the essence and the rationale of WHS management. In addition, the Master Plan has never been whole-heartedly implemented or given more legal power through the process of institutionalization⁸⁶. The Master Plan's suggestion to develop other rural industry has not been realized optimally.

Austen and Young (cited by Wilson and Boyle 2006 : 504) assert that a management plan must be viewed within the context and impact of local plans, regional planning guidance, regional economic, cultural and tourism strategies and rural or urban issues that emphasizes the need for partnership in tackling problems, for the involvement of local communities and for an integrated and holistic approach to problems. Developing a management plan, thus requires skills and commitment from organizations to work together. On the other hand, Nuryanti (1996) suggested that there have been problems of inadequate institutional capabilities in many WHS management in developing countries. Such issues of inadequate institutional capabilities, lack of budget, lack of priority given to the culture and tourism sector, and potential political issues such as a partial loss of decision autonomy in each organization, may be the reason for the absence of Borobudur (and Prambanan) management plans up to present day.

Wilson and Boyle (2006), who studied 12 management plans from different WHS in the UK, explained that management plans typically consist of some shared objectives, mechanisms such as the presence of leading body, steering committee, annual action plan, monitoring measures, performance indicators and consultation arrangement. However, their study found

⁸⁵ Personal interview with Masanori Nagaoka, UNESCO Cultural Specialist, UNESCO Office Jakarta, March 18, 2009.

⁸⁶ Institutionalization promotes rule of law and transparent, accountable enforcement of standards (Gera 2008).

that despite the existence of management plan, there is still reluctance from organizations in collaborating. Again, many of the reasons have to do with the issue of power relations as suggested by Jamal and Getz (1995) – (see Chapter II).

The inexistence of management plan in Borobudur has resulted in the absence of a continuous heritage tourism planning mechanism between the three organizations, not to mention a lack of integrated planning between tourism and other sectors. Gunn (1994) stated that such lack of integrated planning is a constraint for tourism development that should actually be incorporated in the wider development context if it is to bring maximum benefit for local people.

The absent of shared organizational purpose in the overall Borobudur management also makes it difficult to undertake the controlling function, which refers to the measurement and correction of performance in order to ensure that plans are being accomplished (Wehrich and Koontz 1993).

V.4.2. Organizing

Organizing is the identification and classification of required activities to accomplish goals and the grouping of activities in light of human and material resources available (Wehrich and Koontz 1993). It is also about authority relationships and information flows. Hence, how to govern is actually the focal point of organizing.

In the daily interaction between organizations, especially between PT Taman and BHCI, the grouping of activities is quite clear because each party has a different task of a different nature (see Figure 5.1). However, there are still some problems concerning visitor management, which involve the two organizations. For instance, visitors whose behavior jeopardizes the conservation state that BHCI is trying to maintain, are apparently not guided on how to behave appropriately before they enter Zone 1 (core conservation zone). An observation on the recreation park conducted by the author revealed that information is distributed to visitors informing them of the dos and don'ts when in the heritage site. Leaflets are available only when a visitor asks and this leaflet is not produced by PT Taman but by an NGO who is concerned with the conservation of Borobudur. An interview with an official at the Ministry of Culture and Tourism also revealed that agencies responsible for conservation of the

monument, such as BHCI and the Directorate of Culture, have not been providing input for the visitor management system that had been implemented by PT Taman.

In addition, an issue in the organization of tasks that affects the community will also be discussed. One implication of the current way of governing the heritage site in Borobudur is it is not clear yet who will take the main initiative on sustainable development in the area. PT Taman, who is currently managing on-site tourism, has not pursued any policy of linking the surrounding villages into a scheme of sustainable development of the Borobudur area. The company, in fact, is rather sceptical about the capacity of the rural industries.⁸⁷ The local Government of Magelang District, who is responsible for the management of Zone 3 and who has authority over the villages in the Borobudur District, has implemented some assistance program in efforts to promote rural industries. However, there is lack of continuity and long-term vision in the assistance programs carried out by the local government.⁸⁸

V.4.3. Coordination

Wehrich and Koontz (1993) underscored that each managerial function contributes to coordination. Nevertheless, coordination has often been a challenge in tourism development due to the fragmented nature of the industry (Jamal and Getz 1994). This study finds that coordination is indeed affected by other managerial function – in this case study, planning and organizing or governance. For instance, when planning does not involve shared mission and objectives and a common perception of problems exist in the locality, coordination between the organizations becomes a real challenge. Coordination with other sectors is also hard when there has yet to be an integrated planning mechanism in the area. Finally, coordination refers to achieving harmony among different efforts toward the accomplishment of mutual goals (Wehrich and Koontz 1993). Therefore, when tasks that need to be done for improving the benefit of heritage tourism for local people have not been identified, coordinated effort to tackle local problems is almost impossible.

⁸⁷ Personal interview with Mr. Guntur Poernomo, Director of Operations, PT Taman Wisata Candi Borobudur, Prambanan & Ratu Boko, August 4, 2008.

⁸⁸ For example, training on product development in several villages has not been followed by further guidance and assistance on capital provision and marketing strategies.

If inter-organizational collaboration is to be promoted to address the problem of coordination in tackling the problem of limited socio-economic benefits as suggested in Chapter IV, there are a number of opportunities and constraints in its implementation. Geographic proximity of the organizations' offices is an advantage in this process, as asserted by Selin and Beason (1991). The presence of community groups such as Borobudur Workers Network (*Jaker*), Borobudur Vendors Cooperatives and community. Community organizations that manage village tourism initiatives are also an advantage, because they can facilitate communication between communities and the management system. Opportunity also lies in recent years development in which institutions in central government and UNESCO have been involved in facilitating review of the current legal instruments, albeit through a rather slow process. In addition, the 1979 Master Plan and academic research conducted in Borobudur can be utilized as inputs in developing an overall management plan of the area.

The biggest constraint is related to the lack of legal framework that specifies coordination mechanism between the three organizations. This will be discussed further in Chapter VI.

Chapter VI

FACTORS AFFECTING SOCIO-ECONOMIC IMPACTS OF HERITAGE TOURISM FOR THE COMMUNITY

VI.1. Chapter Summary

This chapter will discuss other factors affecting socio-economic impacts that have not been discussed in previous chapters, i.e. in the national and international context. They will be followed by a discussion that will synthesize the findings of socio-economic impacts and factors affecting them: local environment (Chapter III), management (Chapter V) and international and national context (Chapter VI).

VI.2. National Context: Policy and Legal Frameworks

In Chapter V it was explained that there is lack of legal framework that specifies a coordination mechanism between the three organizations involved in the management of Borobudur WHS. The legal framework reflects existing policy in a specific field or sector. Within the national context, there are some legal instruments that form the macro environment in which this particular WHS operates. Although a report from World Heritage Committee Reactive Monitoring Mission to Borobudur 2006 stated that the legal framework is still lacking in Borobudur to safeguard the WHS from development pressure that threatens their conservation (Boccardi et al. 2006), this study attempts to examine how these legal instruments affect the socio-economic impacts of heritage tourism to the rural communities. Rizzo and Mignosa (2006) underlined that heritage is an output of regulatory process. Therefore, in being an input for social and economic development, heritage is strongly affected by how the regulation policy is carried out. Hence, it is important to evaluate the regulatory process and what regulations are now affecting the heritage site. Regulations, according to Rizzo and Mignosa (2006 : 61), refer to non-monetary interventions of the governments in economic activities.

The most important legal instrument is the Presidential Decree No. 1/1992 on the management of Borobudur Temple Recreation Park and Prambanan Temple Recreation Park, and their surrounding environment. However, the Presidential Decree No.1/1992 is subject to

criticism because it only emphasizes the commercial value of the Borobudur Temple as part of the recreation park. Amid being the only legal instrument that was created especially for the WHS, it fails to acknowledge the sites as a heritage with international significance. The Decree does not have bylaws that are actually needed to elaborate more on the rights and obligations of each organization, their obligations towards community development through tourism, and coordination mechanism between organizations. With the current developments (a review of the Decree and Master Plan) there is a hope that improved management structure and new management plan can be realized.

In addition to failing to acknowledge the sites as a WHS, and not merely as just another tourism attractions, the Decree also contributes to the issue of power relations between the three organizations because it emphasizes more the rights of PT Taman. This led to a situation in which PT Taman had been too dominant in the management of the site as well as the decision making process concerning the site (admission fee, business development) amid the presence of two other institutions.⁸⁹

The national tourism policy in Indonesia, which put more emphasis on the economic growth, may have contributed to the enactment of this Decree. The Indonesian Government sees tourism as a vital tool for economic growth, regional development, and employment creation (Dahles in Hampton 2005). Hampton argued that planning in Borobudur was done very much on the economic/industry-based approach according to the four conventional tourism planning approaches identified by Getz in Hampton (2005). Hall (2000b), however, stressed that prioritizes over economic goals over social and cultural aspects may risk taking little note of who actually benefits or loses.

PT Taman as a state-owned company is part of the Indonesian Government strategy to utilize major tourism attractions such as Borobudur as revenue generators. The first Indonesian law on tourism (Law No. 9/1990) places more emphasis on private sector role in tourism, but has been criticized for neglecting the role of government in facilitating tourism development and the importance of coordination. Thus, although PT Taman is a state-owned enterprise, the

⁸⁹ These opinions were expressed by Magelang Regency Local Government officials, whom were interviewed separately for this research (Head of Tourism and Culture District Office Wibowo Setyo Utomo, personal communication, August 8, 2008; Secretary for Local Government, , personal communication, August 7, 2008).

approach taken by the Indonesian Government in granting most power in the Borobudur management system to the company – which is a commercial venture – is actually in parallel with the overall tourism policy. The new tourism law (Law No. 10/2009) fills the important areas left untouched by the previous law, among them are: the role of government (including local government) in facilitating coordination and in developing the Master Plan for tourism development, promotion of small-medium enterprises, and the development of a tourism promotion board within the national and local scope. It is not clear yet how the new tourism law can influence or be used as a base to improve current management system in Borobudur to make it more conducive to the development of other sectors in the rural economy along with tourism.

An interview with UNESCO Culture Programme Specialist for Indonesia, Masanori Nagaoka, in March 2009 revealed that the Decree has been deemed inconsistent with the World Heritage nomination dossier submitted to the World Heritage Committee in 1990. This is because it only refers to three zones instead of five zones that were indicated in the dossier. He also pointed out that there are issues related to the lack of an appropriate planning and regulatory framework that has impacted on land use, building codes, and infrastructure. Local Regulation No.5/1998 on Spatial Planning in Magelang Regency has a special section on spatial planning within Borobudur District. However, Winarni (2006) found that there had been inconsistency between regulation and practice in spatial planning within Borobudur District. All of these contributed to the major weakness in the management system for the conservation of WH property, especially the integrity of the wider landscape setting of the Temple Compounds.

Moreover, because heritage tourism development is concentrated in the main temple and there are different authorities managing the main Borobudur Temple with the other two smaller temples (managed by the Local Government of Magelang Regency), the link between the three temples is not very evident in the daily tourists' flow or in the interpretation of the heritage site as a whole. There is limited information about the other temples once tourists have reached the main temple. For instance, maps and printed materials, which can be obtained from the recreation park's information center, do not explain that Borobudur Temple Compounds World Heritage Site consists of multiple locations. See Figure 6.1 and Figure 6.2 for pictures of Mendut and Pawon Temple.

Figure 6.1.
Mendut Temple



Source: Author

Figure 6.2.
Pawon Temple



Source: <http://en.wikipedia.org/wiki/Pawon>

VI.3. International Context

In the realm of Borobudur as a World Heritage Site, the legal context encompasses soft laws and hard laws. Soft laws can be defined as regulatory conduct that is not legally binding as hard law (Hall 2006). Francioni (2008) stated that international convention, such as the World Heritage Convention, is an example of soft law instrument. On the contrary, Hall (2006) argued that a Convention imposes obligations to countries that ratify it, thus it is an example of 'hard' international law. Nevertheless, although imposing obligations, the Convention is not legally binding in terms of imposing any sanction (except moral sanction) for countries showing non-compliance. Therefore in this study, the World Heritage Convention and the Operational Guidelines for the Implementation of the World Heritage Convention are both considered soft laws that constitute the international legal context of a WHS. An implication of the Convention being a soft law is that compliance is voluntary and is left to the discretion of each country. A clear example is the fact that no sanction has been imposed on sites without management plans.

The discourse of World Heritage has been evolving since the Convention was adopted in UNESCO's General Assembly in 1972. While there has never been any revision in the Convention itself, some changes have been notable in the sixth editions of Operational Guidelines (1977, 1980, 1992, 1996, 2005, and 2008). Some words on the ten criteria for outstanding universal value have been revised, added, or deleted for the improvement of the criteria (Yusuf 2008; Redgwell 2008). Moreover, as has been explained in Chapter II, article on participation of local communities began to appear in Operational Guidelines in 1996. A management plan for WHS has also been required since 1997, although there is little guidance in the Operational Guidelines on how it should be developed, let alone assistance for developing the management plan, which may be needed by developing countries.

The discussion of World Heritage that has extended to the role of WHS in development and poverty alleviation (Araoz 2008; Ballard 2005; Matsuura 2008) and participatory planning in sites' management (Millar 2006; Yuksel et al. 1999), is closely related to the evolution in development paradigm. For instance, the development of the participatory development paradigm during the 1990s has influenced the discussion of participatory planning in tourism – including heritage tourism – (Reed 1997; Yuksel et al. 1999) or even the involvement of

communities in the nomination of World Heritage Sites (Aas et al. 2005). New paradigm in World Heritage Management (see Table 2.1) by Engelhardt (2005) was also important in marking the development in World Heritage discourse.

Araoz (2008) highlighted the need for nomination dossiers for WHS inscription to present or analyse demographic information about the population in and around sites proposed for inscription into the World Heritage List and to address potential impact of inscription on the local, regional or national economy. However, interviews with government officials at the Director General of History and Archaeology, the Indonesian Ministry of Culture and Tourism revealed that what is now increasingly expected from nomination dossiers or even WHS management have not been expected in the past.⁹⁰ Thus, when examining the nomination dossiers of Borobudur Temple Compound World Heritage Site, none was said about communities or about how they would benefit from the presence of a WHS (Nomination Dossier of Borobudur and Prambanan Temple Compounds Indonesia for Inclusion in the World Heritage List 1990). The nomination dossier was mainly focusing on the physical features of the temples and their state of conservation.

VI.4. Discussion

Borobudur, like most rural areas in Java, is characterized by maximum land use and outflow of population (JICA 1979). Agriculture, which is the main source of income for most people, increasingly faces challenge of decreasing farming land, decreasing farm production and water scarcity in parts of the district. The share of the agriculture sector to Borobudur's GRDP is decreasing from year to year. The growth in value added generated by the agriculture sector between 2003 – 2007 was even lower than the average growth in regency level. This implies that the condition of declining agriculture sector in Borobudur is worse than that of the average condition in Magelang Regency. Challenges in agriculture, combined with scarce employment opportunity – a problem that is common in many rural areas (Pianta 2002) – makes dependency on tourism high in this area. A comparison can be made with the situation in areas surrounding Prambanan Temple Compound WHS in Yogyakarta. Prambanan Temple Compound WHS is managed in a similar way to Borobudur with the

⁹⁰ Personal interview, Winarni, official at the Directorate General of History and Archaeology, Ministry of Culture and Tourism, April 2, 2009)

same PT Taman as the manager of the Prambanan Temple Recreation Park. However, because it is located in a more urban area where there are more employment opportunities, dependency on tourism has not been as high as in Borobudur.⁹¹ In addition, income and education level in Prambanan is generally higher than those of the Borobudur area.

Such facts about the difference in socio-economic profiles and hence variation in dependency toward tourism suggests that tourism in Borobudur is expected to contribute more to socio-economic improvement. Greffe (1994) implied that tourism could have more positive impacts if more local products can be utilized. However, tourism in Borobudur has been rather limited in generating local employment in the informal sector. It also has more linkages with the regional economy (especially urban centres), from where most products for visitors' consumption come, compared to those coming from the local economy. Liew (1980) argued that due to weak inter-sectoral linkages, tourism in developing countries does not always stimulate local agricultural production or promote the development of rural industry.

In the Borobudur case, potential sectors that can be linked with tourism face some constraints in their development. Besides agriculture, rural industry also faces the problems of lack of skilled human resources, capital, access to credit and other assistance. However, there seems to be little effort to assist these small, mostly home-based industries to reap the tourism benefit, for instance, through assistance in product development and marketing.

One of the crucial problems is that the problems faced by local community are somehow overlooked in the management process that governs the heritage site and its locality. Table 6.1 illustrates this matter in the framework of management function.

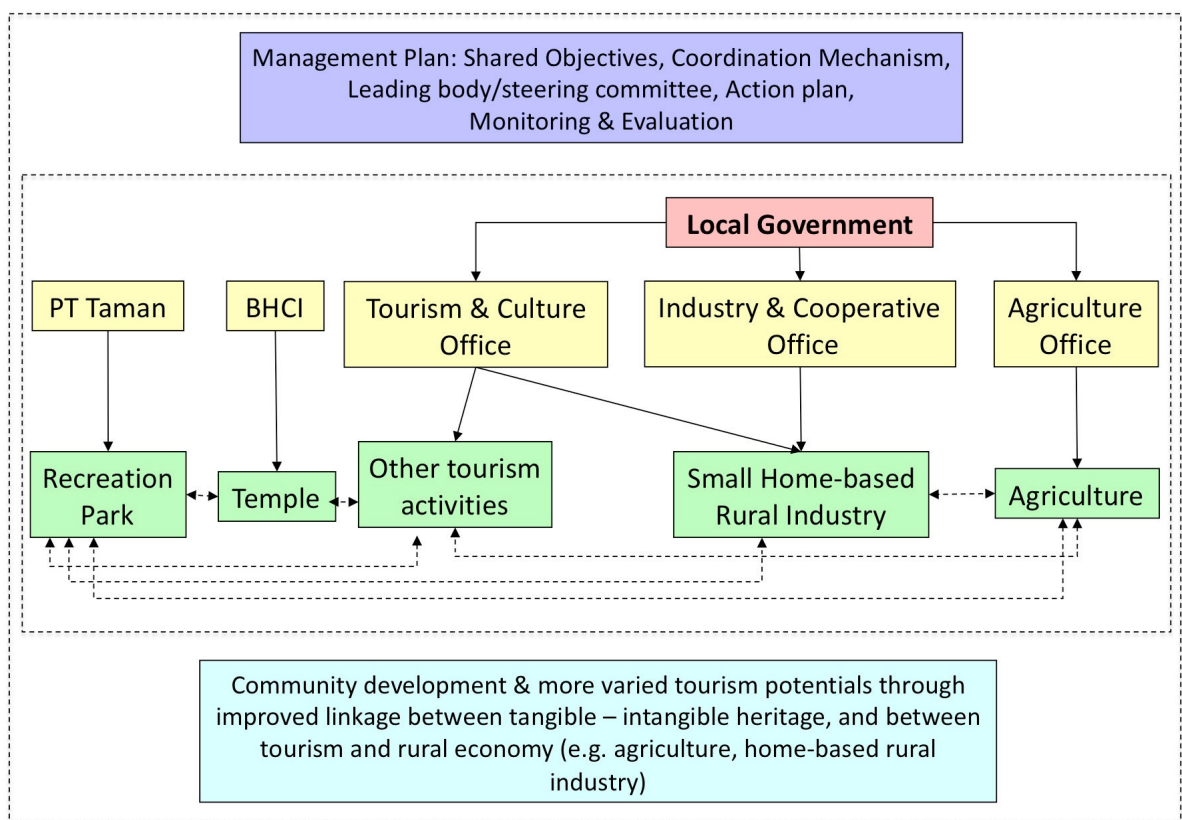
⁹¹ Personal interview with Amiluhur Soeroso, Lecturer at Gadjah Mada University, March 27, 2009.

Table 6.1 Institutional Problems Found in Borobudur and Their Impacts

Functions Carried Out in the Management Process	Problems	Impacts
<p>Planning: developing a rational approach to achieving preselected objectives (Wehrich and Koontz 1993).</p>	<ul style="list-style-type: none"> • No overall organizational purpose (mission and objectives) of the heritage site • Each organization in the management system has its own organizational purpose with differing interests based on the underlying function of each organization. • 1979 Master Plan encompassing the core conservation zone, recreation park, and surrounding villages lacks implementation and has not been institutionalized. • Lack of integration between tourism planning with planning from other sectors. 	<ul style="list-style-type: none"> • No unified direction, needed for effective management, between organizations. • Local people's aspects are largely overlooked because there have been no specific and measurable objectives related to community development. • Other rural potentials and intangible heritage such as local knowledge in performing arts, rituals, crafts, and food from traditional villages are hardly developed alongside the core heritage site.
<p>Organizing: identification and classification of required activities to accomplish goals and the grouping of activities (Wehrich and Koontz 1993).</p>	<ul style="list-style-type: none"> • Issue of power relations (as explained under "Policy and Legal Context" section) • Issue of clarity in identification of required activities needed to help the local communities and who are responsible to carry out these activities. 	<ul style="list-style-type: none"> • No coordinated effort on achieving sustainable development in the area.
<p>Coordination: achieving harmony among different efforts toward accomplishment of mutual goals (Wehrich and Koontz 1993).</p>	<ul style="list-style-type: none"> • Coordination is very much affected by other managerial functions. Thus, problems in planning and organizing are indeed impacted on coordination. 	<ul style="list-style-type: none"> • Planning does not involve a shared mission and objectives, and a common perception of problems that exist in the locality, thus coordination between the organizations becomes a real challenge. • Coordination with other sectors is difficult when there is no integrated planning mechanism. • Tasks for increasing the benefits of heritage tourism for the local people have not been identified and divided between organizations; hence, coordinated effort to tackle local problems is hard to achieve.

An integrated plan must be carried out in all related sectors with a vision of heritage tourism as one of the drivers of rural economy, utilizing goods and services from other sectors. Figure 6.3 shows the current situation in which each organization has a narrow focus on its institution or field of responsibility and the ideal situation that can be emphasized when integrated planning through the development of management plan is realized.

Figure 6.3.
Current and Ideal Situation in the Scope of Work of Relevant Organizations



Note: Full arrows illustrate current scope of work; dashed lines illustrate the ideal situation in which collaboration could be established for the purpose of improved benefits for development.

Unlike Figure 5.1, which illustrates the current situation where there is no overall organizational purpose (shared objectives) between organizations, Figure 6.3 shows the ideal situation where there are shared objectives – especially those which relate to the socio-economic development for communities in the rural Borobudur. Figure 6.3 also shows many possibilities of organizations working together in integrating one sector to others. Recreation park and temple (conservation agency) could improve the visitor management system (some

shortcomings in the current one were discussed in Chapter V). The conservation agency could work closely with the Tourism and Culture Office in conserving other archaeological remains and investigating the possibility of utilizing it as alternative attractions. Recreation park could work with Tourism and Culture Office in supporting and integrating intangible heritage such as art, festivals and local knowledge, as well as with the natural landscape with Borobudur WHS as the main magnet drawing visitors to the area. Recreation park, Industry and Cooperative Office, Agriculture Office, and Tourism and Culture Office could work together to develop and increase the capacity of home-based rural industry in terms of product development and marketing opportunity in the tourists market for the purpose of improving linkage between tourism and other sectors in the rural economy. Cooperation between the Agriculture Office and the Industry and Cooperative Office is also important in trying to add the value of agricultural products – especially the popular commodities, such as papaya and rambutan – through further processing, quality improvement of the fresh produce, or developing supply channels to hotels and restaurants.

In short, local government must be given more authority to take part in managing the World Heritage Site and its vicinity as one integrated area. In the case of World Heritage Site management, because the national government is the main party responsible for the site, the management process often tends to be centralised (Wall and Black 2005; Winter 2007). However, the new tourism law (Law No. 10/2009), specifying strategic areas for tourism development (including protected areas), and Regulation No. 26/2008 on National Spatial and Land Use Planning, specifying the newly-defined national strategic area (including those with WHS status), can be used as a basis to review the current management process. For the time being, the policy and legal framework in the lower (local) level (Hall and Lew 2009) is still not adequate to realize the ideals that are suggested in higher level (national policy and international convention). Figure 6.4 shows the relativities of scale in the current policies, laws, and institutional arrangement regarding WHS and tourism for development that influence the socio-economic impacts of heritage tourism in the Borobudur.

Figure 6.4.

Relativities of Scale in the Current policies, Laws, and Institutional Arrangement regarding
WHS and Tourism for Socio-economic Development – Case of Borobudur

	Socio-economic Development	Tourism for Socio-economic Development	WHS for Socio-economic Development
High level	International	Agenda 21 for Tourism Sector*	Relevant articles in Operational Guidelines: participation of local communities and the importance of management plan
	National	Relevant articles in the new tourism law (Law No. 10/2009): the role of local government, small and medium enterprise development, and local participation	Need guidelines for implementing the above articles within the Operational Guidelines
Low level	Local	Need improved legal framework from the current one. The improved one should institutionalize coordination mechanism between organizations in the WHS management system for the sake of achieving improved socio-economic benefits for the communities	Need management plan that covers WHS and its vicinity for the purpose of integrated planning to achieve socio-economic development of people in rural area (see Figure 6.3 which indicates the function of LGU should be increased)

Note: * Agenda 21 was adopted at the 1992 Earth Summit in Rio de Janeiro as a way to move towards sustainable development. Later in 2002, the World Summit on Sustainable Development in Johannesburg addressed sustainable tourism within the Johannesburg Plan of Implementation.

For more detail, see http://www.un.org/esa/dsd/susdevtopics/sdt_susttour.shtml

Source: Author, modified from Hall and Lew (2009)

Chapter VII

CONCLUSIONS AND RECOMMENDATIONS

This research has sought to assess the impacts on the rural community generated by heritage tourism at Borobudur. It also seeks to analyze factors that are affecting the generation of these impacts.

This study finds that heritage tourism in Borobudur had contributed quite significantly to local government's tax revenue and to the growth of value added from services and tourism related sectors' (such as trade, hotel, and restaurant sector, and transportation and communication sector) shares into Gross Regional Domestic Products (GRDP) within the Borobudur District. However, Borobudur District's GRDP could be considered modest compared to other districts with a similar economic structure which still rely mostly on agriculture. In 2007, Borobudur District's GRDP was ranked number nine among 21 districts. It is lower than similar districts that mostly rely on agriculture such as Secang, Grabag and Ngablak, despite Borobudur having other significant economic activity, i.e. tourism. In Borobudur, the decline in the agriculture sector is evident from the decreasing share of value added from this sector to the district's GRDP in the recent years. Tourism has not encouraged the growth in the agriculture sector – a sector in which more than 40% of the workforces are involved. Growth in the service sector, which has been induced by tourism, is not accompanied by a growth in agriculture sector.

Tourism has stimulated the development of infrastructure in the area and business opportunities over the years, which is indicated from the growing number of shops, restaurants and galleries. In the case of business opportunities though, there needs to be further surveys on the ownership of the businesses and on the linkage between these businesses with products coming from the local area.

Tourism's impact on employment has been most significant in providing employment in the informal sector. The number of informal sector workers has been overwhelming for both the

management and the workers themselves, who are faced with an increasingly competitive working environment.

This study also found that tourism in Borobudur had not been really stimulating the development of other sectors in the local economy. Its impact to other sectors is limited to certain economic activities that are closely related with tourism, such as tourism village and handicrafts. However, other important sectors, which are rooted in the rural livelihoods, i.e. agriculture and food production have been largely neglected. This may explain why the growth in the service sector, which has been induced by tourism, is not accompanied by a growth in the agriculture sector. From the author's observation, for instance, well performing commodities such as papaya, *rambutan*, and orange have not been introduced as some of the area's specialties to the visitors. This limited linkage between tourism and other sectors in the rural economy indicates an uneven distribution of benefits of tourism across different economic activities.

Although the survey results suggest generally positive perceptions of tourism impacts from the samples, the perceptions are not supported by other facts, such as the level of income and the magnitude of tourism impacts to employment and income. Monthly households income for the majority of households who are involved in tourism related jobs are still below the minimum regional wage. Although almost 58% of the samples agreed to the statement in the questionnaire that tourism improves household income, further inquiries through informal interviews and focus group interviews revealed that some of these people lacked choices in other job opportunities and some could not rely on farming due to natural challenges such as water scarcity, having small or even no land for farming and other factors. As such, tourism had become the last resort in such a situation. For some samples, the perceptions of tourism as an economic activity that could improve income had resulted from their comparing income from tourism related jobs (however small) with no income at all due to unemployment. There were also samples who preferred being street vendors over farmers because unlike in farming in which they had to wait until harvest time, they could earn cash everyday by selling some goods. However, there were some samples who had been using tourism related jobs as a way to get additional income.

Another important finding from the survey was that local people that were surveyed did not see much relationship between tourism and the opportunity to develop local products specific to their area. Some villages already have specific local home-based industries such as tofu production, glass noodle production, coconut sugar production and cassava-based snacks. However, strategies to assist these communities in integrating their industries to the existing tourism industry through product development and promotion have been minimal. This study found that local industries face problems such as lack of skilled human resources, capital, access to credit and other assistance. Thus effort to overcome these constraints is urgently needed, for example through trainings, microcredit, and assistance in product improvement and marketing.

In attempting to analyze factors which have been influencing, or more precisely, limiting the socio-economic impacts generated by heritage tourism in Borobudur, three main factors were analyzed, i.e. local environment (socio-demography, area characteristics, and management) and policy in the national context that is reflected from the existing legal framework. In addition, the study also tries to view the issues in light of the nomination process, guidance from relevant international organization and the development in WHS discourse.

From a local context, challenges in the local area, such as unfavorable conditions for farming in parts of the area; small land holdings; low education level which limits job opportunities; poverty and scarce employment opportunity, contribute to a high dependency on tourism in the area. Many people want to be involved in tourism, but tourism itself does not yet provide sufficient job opportunities. Previously it has been mentioned that tourism's impact to employment has been most significant in providing employment in the informal sector. There are several reasons why other tourism related jobs are quite limited. First, length of stay for the majority of visitors is short, since many tourists use the neighboring and more popular town of Yogyakarta as a base for their trip. During their short visits to Borobudur, their visits are concentrated inside the recreation park and there is almost no need for accommodation or meals outside the park for this kind of tourists. The concentration of activities inside the recreation park, can be because the majority of tourists themselves are general interest tourists who are interested only in seeing Borobudur Temple. It can also be because the tourists are not aware of other attractions that have been developed by communities outside the park in an attempt to have some share of tourism benefit. This unawareness is related to the second

reason of limited employment opportunities. Currently, there is no systematic effort for promoting other potentials in the vicinity, which could become additional tourists attractions to complement Borobudur. Promoting the development of other attractions such as village tourism or tours for viewing the nature scenery would help absorb some employment. In addition, promoting the development of existing and potential local home-based industries so that they integrate better with tourism, would also help create more job opportunities in the villages.

Within the local context, there is also the management system consisting of three different organizations managing three different zones. Lack of coordination mechanisms and the absent of a management plan (which is actually required for every WHS) influence the magnitude of tourism's impact on the currently limited and confined one inside the recreation park. PT Taman, with the biggest opportunity to influence the tourists to explore areas outside the park, has not been doing it optimally. Overall, there has been a lack of concerted effort between organizations in tackling problems at the local level. This study identified the following institutional problems as being responsible for the lack of concerted effort for improving socio-economic development in the local level: lack of planning mechanism, difficulties in coordination and the lack of a legal framework specifying management systems' responsibilities to community development as well as coordination mechanism between organizations. These have prevented the management system from working together to address local issues. Figure 6.3 in Chapter VI illustrates many possibilities of organizations working together in integrating one sector to others.

Inadequacy in the current legal framework issued by the central government (Presidential Decree No.1/1992), the main focus of which is to give a state-owned company an authority to manage Borobudur Temple Recreation Park (and Prambanan Recreation Park), is a reflection of central government's policy on tourism during the time the decree has been issued. The tourism law at that time (Law No. 9/1990) emphasizes more on private sector's role in tourism and less on the role of local government in facilitating tourism development. The development of small and medium enterprises was not a priority either in the previous law.

Within the international context, this study argues that the nomination process, guidance from relevant international organizations and the development in WHS discourse have also

influenced the course of heritage tourism development – although not directly. The nomination process, which emphasizes conservation but to some extent disregards community development, has influenced the limited view of WHS for conservation and tourism. International organization such as UNESCO should do more to encourage or even enforce compliance from WHS to ensure the wider benefit of WHS for development by developing a management plan and implementing participatory process.

In the end, this study recommends that a formal management plan or integrated plan between sectors is necessary if the development of other sectors in the local economy alongside tourism is to take place. The study also suggests that in the spirit of decentralization, in which Indonesia has moved since 2000, the local government must be given more function in managing the WHS and its vicinity. Again, figure 6.3 illustrates the possibility of an ideal situation in which local government offices work together with each other and with the state-owned company as well as the conservation agency. Community participation is needed in recognizing potential resources to be developed or improved as well as problems or weaknesses that may exist. All of these efforts may help to realize at the local level, the ideal of WHS for development that has been stated by organizations such as UNESCO in the higher level (see Figure 6.4).

Overall, this study is successful in combining the analyses in the micro level (community) with factors affecting the socio-economic impacts in the more macro level. The research framework can be a contribution to different cases, especially in developing countries. It is clear from the study that the limited positive impacts to community have been influenced by how the site and its surrounding area is managed, i.e. coordination mechanisms taking place between sectors, collaborations between different organizations to solve problems in the local domain, and existing policy. However, the limitation of this study is that the relationship between socio-economic impacts and factors affecting them is more of a suggestive relationship.

Finally, there are several recommendations for further studies. First, a longitudinal study on the socio-economic impacts of tourism could help to better understand the impact of tourism. Second, there is a need for a study on the perceptions and interests of tourists coming to the heritage site, from which a tourism marketing strategy for the whole area could be better

developed. The third recommendation is related to the wider WHS discourse. There has been progress in the discourse of WHS itself, including suggestions for local participation in WHS nomination and management since 1996, management plan as a compulsory WHS management tool since 1997, the shifting paradigm of WHS management that is not only concerned about conservation but also development, and suggestions for nomination dossiers to include expected impact of nomination for community development. Because of these developments, a study that compares nomination dossiers of WHS listed before these development and the ones listed more recently could be conducted. Such a study could assess how organizations such as UNESCO and its World Heritage Committee encourage national governments to adopt these changing practices and paradigms in an effort to improve WHS' role in development.

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Appendix A
Translation of Questionnaire into English

Survey of Socio-economic Impacts of Heritage Tourism in Borobudur
Questionnaire

Respondent profile

1. Gender: a. Male b. Female

2. Age: a. 21 – 30 b. 31 – 40 c. 41 – 50 d. 51 – 60 e. > 60

3. Last level of education attended:
 a. Elementary school b. Junior high school
 c. Senior high school d. College/university

4. Occupation:
 a. Civil servant (other than teacher) b. Teacher
 c. Employee in a private enterprise d. Farmer
 e. Retiree f. Self-employed, please state:
 g. Other, please state:

5. Households' monthly income:
 a. ≤ 500,000 IDR b. > 500,000 – 1,000,000 IDR
 c. > 1,000,000 – 1,500,000 IDR d. > 1,500,000 – 2,500,000 IDR
 e. ≥ 2,500,000 IDR

6. Number of household members (including yourself):

7. Does your work relate to tourism sector in the Borobudur area?
 a. Yes b. No

8. If you answer Yes to question number 6, please state the type of job.

9. Do you have any land for farming other than land for your house and house yard?
 a. Yes b. No

10. If you answer Yes to question number 9, please choose land size below:
 a. ≤ 0.5 hectare b. 0.5 – 0.99 hectare c. 1 – 1.99 hectare

11. Please state the village where you live:.....

Questions Part I-A

On a scale of 1 to 5, 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, and 5 = strongly agree, please place your opinion on the following statements

	Statement	Scale				
1.	There had been significant increase in land value because of tourism activities in your area.	1	2	3	4	5
2.	The presence of Borobudur Temple WHS and tourism that is generated from the site contributes to the increase in your household income.	1	2	3	4	5
3.	Tourism brings opportunity for you to improve your skills through various trainings.	1	2	3	4	5
4.	Tourism has positive impact in conserving local culture, i.e. art, rituals, festivals, handicrafts.	1	2	3	4	5
5.	You feel sense of pride toward Borobudur Temple.	1	2	3	4	5
6.	You feel sense of ownership toward Borobudur Temple.	1	2	3	4	5
7.	Tourism has positive impact on rural infrastructure development.	1	2	3	4	5
8.	Tourism has positive impact on improving public facilities.	1	2	3	4	5
9.	Tourism has positive impact on improving well-being.	1	2	3	4	5
10.	Tourism opens opportunity to start small business.	1	2	3	4	5
11.	Tourism induces changes in social relationships between residents.	1	2	3	4	5
12.	It is important for the community to be involved in forums or discussions regarding tourism development in the area.	1	2	3	4	5

Questions Part I-B

The following statements are negative statements, the scales used are in opposite to the previous scales in Part I-A: 1 = strongly agree, 2 = agree, 3 = neutral, 4 = disagree, 5 = strongly disagree

1.	Tourism has caused decreasing access to the recreation park for recreational purpose	5	4	3	2	1
2.	Decreasing opportunities to engage in economic activities in the recreation park	5	4	3	2	1
3.	Tourism has negative impacts to the surrounding social and natural environment	5	4	3	2	1

10. What do you think are the negative impacts of tourism?

.....
.....

Appendix B

GRDP of Magelang Regency by Industrial Origin at Constant 2000 Price (2001 - 2008) - in million Indonesian Rupiah

Industrial Origin	2001	2002	2003	2004	2005	2006	2007	2008
Agriculture	946,588	981,002	976,268	986,624	1,007,980	1,031,806	1,057,403	1,087,510
Manufacturing	527,402	546,283	573,202	598,423	624,776	653,953	685,408	715,344
Mining and Quarrying	62,914	65,865	69,246	72,889	77,889	83,978	92,326	99,569
Electricity, Gas and Water Supply	12,235	13,634	15,026	16,129	17,223	18,144	19,201	19,641
Construction	193,629	206,375	229,754	245,503	263,684	284,754	308,531	327,160
Trade, Restaurant and Hotel	419,755	434,989	448,629	466,706	486,160	506,570	530,289	554,144
Transport and Communication	84,173	86,245	88,676	90,966	93,357	188,041	197,855	208,138
Services	356,983	378,282	419,038	457,033	496,215	541,448	591,293	645,812
Total GRDP	2,752,752	2,867,362	2,982,476	3,102,727	3,245,979	3,405,369	3,582,648	3,761,389
GRDP per capita	0.99	2.57	2.65	2.68	2.78	2.89	3.02	3.15

Note: Industrial origin does not include the tourism sector. Value added from the tourism sector may be represented in trade, restaurant and hotel; transport and communication; and services.

GRDP values are rounded due to space limitation.

Source: BPS (2006)

GRDP of Borobudur District by Industrial Origin at Constant 2000 Price (2003 – 2007) - in million Indonesian Rupiah

Industrial Origin	2003	2004	2005	2006	2007
Agriculture	51,635.34	51,891.65	52,817.39	49,488.45	52,048.74
Mining and Quarrying	8,930.10	9,247.80	9,746.19	10,966.49	12,048.88
Manufacturing	3,667.53	3,828.90	3,996.79	4,195.48	4,394.70
Electricity, Gas and Water Supply	361.10	386.66	411.71	435.11	463.34
Construction	7,582.92	8,161.76	8,940.94	9,840.44	10,799.70
Hotel, Restaurant and Trade	33,362.13	34,757.62	36,297.18	37,224.85	39,427.54
Transportation and Communication	8,696.92	9,110.15	9,594.42	10,132.16	10,701.41
Finance, Leasing, and Corporate Services	3,981.82	4,081.54	4,159.15	4,348.34	4,517.79
Services	24,473.17	26,679.59	31,875.41	33,707.41	36,678.24
Total GRDP	142,691.03	148,145.67	157,839.16	160,358.72	171,080.34
Mid Year Population	52,701.00	54,373.00	54,871.00	55,142.00	55,663.00
GRDP per Capita	2.71	2.73	2.88	2.91	3.07

Note: GRDP per capita value has been rounded to two decimals. 1US\$ equals 9,600 Indonesian Rupiahs.

Source: Regional Planning Agency of Magelang Regency (2007)

Appendix C

Number of Foreign Tourists in Staying at Accommodations in Yogyakarta

Type of Accommodation	Year				
	2003	2004	2005	2006	2007
Number of Foreign Tourists in 1-5 Stars Accommodation	61,900	75,500	79,500	73,800	96,600
Number of Foreign Tourists in Non-star Accommodation	22,272	14,491	10,841	15,556	13,231
Total per year	84,172	89,991	90,341	89,356	109,831

Number of Domestic Tourists Staying at Accommodations in Yogyakarta

Type of Accommodation	Year				
	2003	2004	2005	2006	2007
Number of Domestic Tourists in 1-5 Stars Accommodation	622,900	611,800	647,300	536,100	619,900
Number of Domestic Tourists in Non-stars Accommodation	1,590,144	1,701,348	1,351,878	1,534,810	1,837,234
Total	2,213,044	2,313,148	1,999,178	2,070,910	2,457,134