

Role Of Public-Private Partnership In Improving The Economy Through Tourism Development At Disporapar Balikpapan City

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ABSTRACT

Public-Private Partnership (PPP) is a collaboration between the government and the private sector in planning, funding, building, managing or providing public services, this is also carried out by the Balikpapan City Disporapar Service to improve the economy through tourism development. This research aims to describe and analyze the implementation of government partnerships through the Balikpapan City Disporapar and private parties in tourism development and the benefits for the surrounding community by looking at the output and outcomes of the existing partnerships. The method used in this research is qualitative with data collection using observation techniques, in-depth interviews and documentation. Informants were determined using a purposive sampling technique that was adapted to data needs. The public-private partnership variable is seen from several aspects, namely implementation, community empowerment, technical guidance with partners and commercialization. The data analysis technique uses interactive analysis from Miles and Hubberman which consists of data reduction, data presentation and conclusion. The results of the research show that the implementation of the Public Private Partnership between the Balikpapan City Disporapar and the private sector is through a CSR (Corporate Social Responsibility) funding scheme and a cooperation agreement scheme, then the Balikpapan City Disporapar and Tourism also provides technical guidance so that tourism development can be optimal for the actors. businesses operating in the tourism sector and young entrepreneurs, the impact of PPP on improving the economy of communities around tourist destinations in Balikpapan City, namely creating new business opportunities in the tourism sector, creating local economic development and increasing community income

Keywords:

Partnership governance, Tourism, Disporapar City of Balikpapan

INTRODUCTION

The potential for tourism development in Balikpapan City is quite large, especially because the city has natural beauty, history, and interesting culture, this can be known for example from the condition of the beaches in Balikpapan City which are attractive such as Kemala Beach, Lamaru Beach, and Manggar Beach. The development of tourism infrastructure around these beaches, such as the construction of recreational areas, restaurants, and other supporting facilities, can increase the attractiveness of tourists. This fact is also supported by the submission of Hakim et al. (2020) which states that Balikpapan City is an urban city that has beautiful beaches and marine ecosystems so it has great potential to develop marine ecotourism, such as diving, snorkelling, and boat tours.

Tourism development is an important option for developing the regional economy, this is because tourism development has many benefits that can be felt by people in the region including tourism development which can be a significant source of income for a region as well as the potential for creating many jobs. Maharani and Malau (2022) said that with the potential that exists in the region, the opportunity for

tourism development can be a major benchmark for improving the community's economy, so it is important to plan and manage it wisely to minimise negative impacts such as environmental damage, unwanted cultural changes, and infrastructure problems.

So it can be realised that the development of tourism in the region needs to be planned in such a way that it can be directed and can achieve the goals of the region. Therefore, the local government needs to mobilise the development potential of various parties, including the private sector through the concept of public-private partnerships. Fitriani (2022) suggests that to accelerate development, Public-Private Partnerships (PPP) are needed by bringing together the expertise and resources of both parties (public and private) in serving the community. In addition, the involvement of the private sector can increase effectiveness in achieving goals because private companies usually have strong management skills and business experience. They can assist in managing tourism destinations, marketing, and operations more efficiently. And the private sector often drives product development and innovation in the tourism industry. They can create unique and exciting tourism experiences for tourists.

Although on the one hand, Public Private Partnership (PPP) is important in tourism development, it cannot be denied that often involving the private sector in tourism development results in conflict and turmoil in the community because it is considered that the portion of the private sector is too large in obtaining benefits from the tourism sector. This is in line with the submission of Salam (2021) which states that one of the causes of turmoil due to public-private partnerships is the orientation of different goals, the private sector is profit-oriented, in contrast to the public sector which is service-oriented. One example of the lack of consideration of tourism concept development in Balikpapan City for the benefit of the general public can be seen from the submission of Fitria et al. (2020) that less than optimal communication from the government to the community has an impact on the non-optimal contribution of local communities in tourism development in Balikpapan City. Referring to some of these problems, tourism development that involves the role of the private sector without neglecting the achievement of benefits for the community is an important thing to consider in the development of tourism in Balikpapan City.

METHOD

This research uses a qualitative approach by referring to the phenomenon of tourism development with the Public Private Partnership (PPP) concept. Data collection was conducted by several methods, namely observation at several tourist destinations in Balikpapan City, in-depth interview method conducted with the head of the Department of Youth, Sports and Tourism (Disporapar) of Balikpapan City, and documentation data collection technique conducted to obtain archival data or documents related to public and private partnership in tourism development in Balikpapan City. The implementation of this research was conducted from 12 June 2023 to 4 July 2023. Data analysis technique in this research uses an interactive qualitative analysis technique from Miles Hubberman with several stages, starting from data collection, data condensation, data presentation and conclusion drawing.

RESULTS AND DISCUSSION

Implementation of Public-Private Partnerships

Investment in a destination is a critical component of its performance. The Public Private Partnership (PPP) model aims to attract private investment for tourism projects. These investments can improve the capacity, quality, competitiveness, productivity, and sustainability of the destination. Therefore, investments in new capital projects and major improvements are important for the current and future performance of the destination. Public Private Partnership in its implemented form can be a cooperation between the government and private companies in providing and operating public services or projects. In a PPP framework, there is a contractual agreement between a government agency and a private entity, where the private party is responsible for providing a public service or project and bears significant financial, technical and operational risks in the project. In the implementation of PPP in tourism development in Balikpapan City, the cost of using the service is fully borne by the service users and is not charged to the taxpayers. In the aspect of private financial initiatives, the private sector invests capital based on a contract with the government to provide an agreed service, and the cost of providing the service is fully or partially borne by the government (Djabbari et al., 2021). The implementation of public-private partnerships in economic improvement through tourism development in Balikpapan City is described in Table 1 below

Table 1. Implementation of PPP for Tourism Development in Balikpapan City

No.	Public sector	PPP Implementation
1.	Avian Brands	Donation of more than 5,000 litres of paint for the development of Teluk Seribu Village tourism
2.	Angkasa Pura I	Construction of Tourism Park and Toilet at Manggar Beach Tourism through the Community Development Fund scheme Provision of boat engines and safety jackets for mangrove trekking activities in the mangrove centre tourist destination area
3.	PT. Pertamina Hulu Indonesia (PHKT, PHM dan PHSS)	Development of Orchidarium Thematic Park through Cooperation Agreement (PKS) scheme
4.	PT Inhutani I	Development of nature-based KM-10 Wana Wisata as an educational and sports facility in Balikpapan City
5.	Hotel Four Points by Sheraton Balikpapan	Project to Save the Sun Bear as an icon of Balikpapan City through Corporate Social Responsibility (CSR) funds
6.	PT Pertamina Patra Niaga Regional Kalimantan	Development of Patra Bahari Mandiri (Kampoeng Nelayan Berdasi) educational tourism programme through CSR funds

Referring to Table 1, it is known that the form of private involvement in the development of tourism in Balikpapan City is generally done by the use of CSR (Corporate Social Responsibility) funds by the company, for example, seen in companies from Avian Brands, Angkasa Pura I, Four Points by Sheraton Balikpapan Hotel and PT Pertamina Patra Niaga Regional Kalimantan. Although the use of CSR funds does not have a direct impact on increasing company profits or benefits, the use of CSR funds by companies to provide public services including the provision of facilities in tourist areas will have an impact on the brand image of the company. This

is in line with the submission of Sarah and Sutar (2020) which states that when companies are actively involved in CSR activities that focus on social and environmental responsibility, this creates a positive image in the eyes of consumers and stakeholders. In addition, the implementation of CSR that also invests in local communities including the communities around tourist destinations will give the impression that the company helps solve community problems, one of which is the provision of facilities and infrastructure at tourist destinations in Balikpapan City.

In addition to the implementation of public-private partnership through the use of CSR funds from the company, there are also several tourist destination developments with the Cooperation Agreement (PKS) scheme as carried out in the development of Orchidarium Thematic Park involving PT Pertamina Hulu Indonesia consisting of Pertamina Hulu East Kalimantan (PHKT), PT Pertamina Hulu Mahakam (PHM) and PT Pertamina Hulu Sanga Sanga (PHSS). According to Khopifatu et al. (2023), the concept of agreement or contract has the same meaning, for example, a cooperation agreement between the government and private parties in this study follows the elements of Article 1320 of the Civil Code and is limited to agreements between local governments and private parties as described in Article 192 letter C of Law Number 32 of 2004 concerning Regional Government, this agreement refers to limited cooperation in the provision of public services, namely related to the development of the Orchidarium Thematic Park.

Technical guidance by Disporapar Kota Balikpapan

Technical guidance conducted by Disporapar Kota Balikpapan aims to make the tourism development involving the private sector run optimally. The concept of such guidance is in the form of socialisation as conducted by the Balikpapan City Disporapar on Taman Bekapai tourist destination utilizing guidance and socialisation to business actors and street vendors (PKL) to create a new face of Taman Bekapai that is more environmentally friendly while still paying attention to functional, aesthetic and business sustainability aspects of PKL in Taman Bekapai (Kaltim Post, 2023). It is known that city parks are important green oases in people's daily lives, which can be a place where city residents can rest, play, and relax from the fatigue of daily routines.

However, along with the growth of the city and economic development, these parks often become the centre of debate between the Balikpapan city government and street vendors (PKL), so socialisation and guidance are needed by the government to provide harmonisation of land use of city parks, this relates to Saepuloh et al's (2022) submission that PKL is an integral part of the city economy. They are often informal workers who make a living by selling various goods and food in various corners of the city. Street vendors also bring colour and life to city streets, creating a unique atmosphere.

In addition, training and mentoring were also conducted for young entrepreneurs in Balikpapan City in 2022 by the Balikpapan City Disporapar which aims to foster the potential and awareness of youth towards entrepreneurship and the development of tourism potential in Balikpapan City (Balpos, 2022). Guidance and training conducted by Disporapar Kota Balikpapan on young entrepreneurs to be directly involved in tourism development is an important step to take, this is because young entrepreneurs operating in the tourism sector can also play a role in empowering local communities. They can involve local people in their business, provide training, and create jobs. This can improve the economic and social well-being

of tourist destinations, as well as create positive bonds between residents and the tourism industry. Young entrepreneurs often have a good understanding of social media and information technology. They can utilise digital platforms to promote tourism destinations, create creative marketing campaigns, and build strong brands for specific destinations. Through these skills, they can help attract more tourists and expand market reach.

Young entrepreneurs have great potential to be pioneers in the development of the tourism industry. Through a strong spirit of innovation, perseverance, and vision, they can contribute significantly to the growth of a region's tourism sector, which relates to Alfaqi's (2022) submission that young entrepreneurs can play a role in building strong partnerships between the private sector, government, and non-governmental organisations in a joint effort to develop tourist destinations. They can participate in community forums, advocate for the interests of the tourism sector, and contribute to policy-making that supports sustainable tourism growth. To achieve sustainable and impactful tourism development, the role of young entrepreneurs is crucial. They bring a spirit of innovation, creativity, and passion to make positive changes in the tourism industry. With the right support from the government, funding, and access to resources, young entrepreneurs can be a key driver in transforming tourism destinations into places that are attractive, sustainable, and provide benefits for all parties involved.

Impact on the economic improvement of neighbouring communities

Public-Private Partnership (PPP) cooperation in the development of the tourism sector can have a significant impact on the economic improvement of the community, this is because, with the increase in tourist visits to an area through PPP investment, residents who participate in the tourism industry can see an increase in their income. This can occur in sectors such as trade, food and beverages, handicrafts, and other services related to tourism. According to Farhan et al. (2023), the existence of projects in PPP that are successful in tourism development tends to attract more tourists to an area. Tourists bring their spending, whether in the form of accommodation, food, shopping, or recreational activities, which directly contributes to local income. This can have a positive impact on various local businesses. The impact of Public-Private Partnership (PPP) on the economic improvement of the community in Balikpapan City especially on the community around the tourist destination can be divided into main aspects as illustrated in the following figure

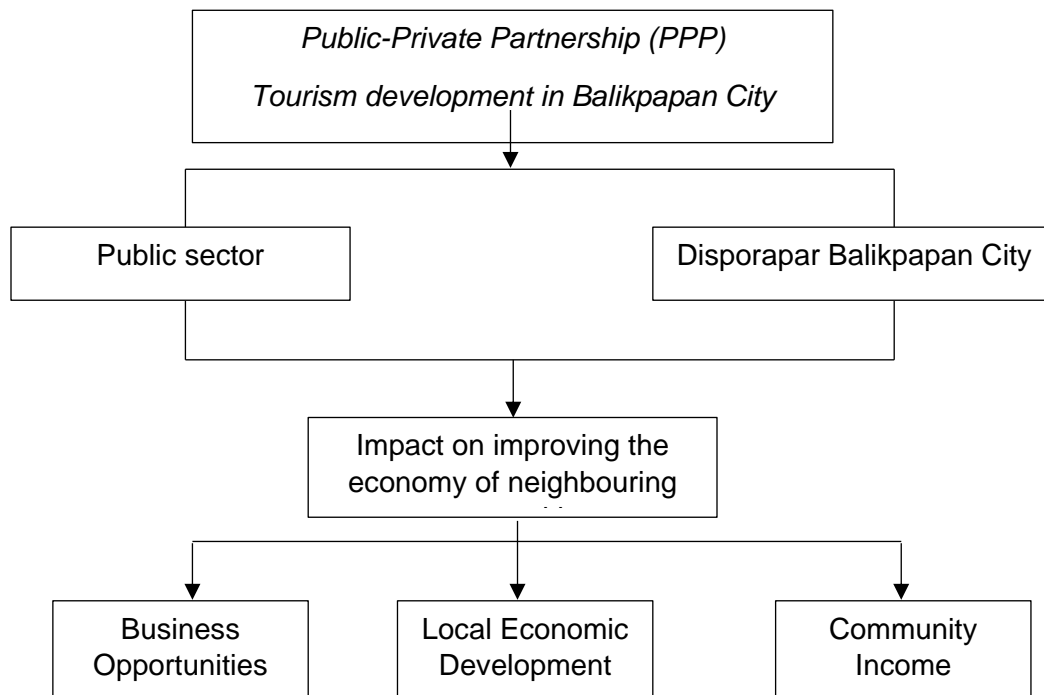


Figure 1. Impact of PPP on Community Economic Improvement

The impact of Public-Private Partnership (PPP) on the increase of income and economy in the community around tourist destinations is an important aspect to be assessed, this is because the ultimate goal of development is to lead to the welfare of the community. This is realised by the Balikpapan City government through the role of Balikpapan City Disporapar about tourism development in Balikpapan City which involves the role of the private sector. There are three main points regarding the impact of PPP on improving the economy of the surrounding community, namely on increasing business opportunities, developing the local economy and increasing the economic income of the local community. This is in line with the submission of Abdullah (2020) that the sustainability of cooperation between public and private is not only seen in terms of profit for the private sector but the sustainability of the cooperation is also seen in terms of benefits for the surrounding community.

Business opportunities created from PPPs in tourism development for the surrounding community include the creation of business opportunities in the culinary sector, souvenirs and business opportunities in the provision of rental facilities in these tourist destinations. This can be seen through Angkasa Pura I's involvement in providing boat engines and safety jackets for mangrove strolling activities in the Mangrove Centre tourist destination area (Sepinggan-Airport, 2021). So that through this provision, fishing communities around Mangrove Center tourism can offer mangrove stewardship services through boat engines and safety jackets to provide safety to tourists while enjoying mangrove stewardship views, as stated by Mulyani et al. (2022) that safety jackets can be a very important tool to save lives in emergencies. If a traveller falls into the water or is involved in another accident, a safety jacket can help them stay afloat and avoid drowning.

A further benefit derived from PPPs in tourism development in Balikpapan City towards improving the community's economy is the development of the local economy

through job creation by creating new employment opportunities, for example with employment opportunities in travel agencies and tour guides which in turn can help reduce unemployment rates and provide new sources of income to residents. This relates to the submission from Santoso and Hendriyati (2022) that local economic improvement through the tourism sector can be one of the effective ways to increase income and development in an area, one of which is done by providing training and education to residents to develop skills needed in the tourism industry, such as tour guides, chefs, and waiters. This will help create local jobs.

The next direct benefit obtained by the community around the tourist destination is an increase in income which has an impact on improving the economy of the surrounding community, this is inseparable from the improvement and acceleration of infrastructure in the tourist destination to provide comfort to visitors and affect the increase in the number of tourist visits. The direct influence of the provision of facilities and infrastructure in tourist destinations on increasing the economic income of the surrounding community is also conveyed by Ratna and Heryati (2022) who state that tourism facilities and infrastructure have a significant influence on increasing community income in a tourist area or destination, with adequate infrastructure facilities, such as hotels, restaurants, inns, and recreation areas, providing tourists with comfortable and attractive facilities. This will invite more tourists who will spend money in the area, which in turn will increase the income of local people working in these sectors. Efforts to optimise the provision of facilities and infrastructure at tourist destinations as carried out by Angkasa Pura I using CSR funds for the construction of tourist parks and toilets at Manggar Beach tourism through the Bina Lingkungan fund scheme (Balikpapan.go.id, 2018).

CONCLUSION

The implementation of Public Private Partnership (PPP) between private parties and Disporapar in tourism development in Balikpapan City is generally applied using CSR schemes such as that conducted by Avian Brand, Angkasa Pura I, Four Points Hotel and PT Pertamina Patra Niaga Regional Kalimantan, as well as using Cooperation Agreement (PKS) scheme for example with PT Pertamina Hulu Indonesia in the Development of Thematic Park orchidarium in Balikpapan City. Furthermore, to ensure that tourism development in Balikpapan City can be optimised, the Balikpapan City Tourism Agency also provides technical guidance to businesses engaged in tourism, for example to street vendors in Bekapai Park and guidance in optimising the role of young entrepreneurs to actively participate in tourism development activities. The benefits obtained by the community around tourist destinations through the cooperation between the Balikpapan City Disporapar and the private sector are the creation of new business opportunities in the tourism sector, the creation of local economic development and the increase of community income.

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