

Sustainable Tourism Development In Berau: A Creative Economy Approach To Inclusivity

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Abstract. Tourism has a strategic role for the Indonesian economy through its contribution to the formation of GDP (Gross Domestic Product), foreign exchange earnings and employment. Kaniungan Island Tourism Area is one of the leading tourism destinations in East Kalimantan. However, analytical data shows that the tourism sector has not had an optimal impact on improving the welfare of the community around the tourist area. In improving the optimization of the role of tourism in the economy and community welfare, it is necessary to develop a sustainable and inclusive tourism development based on an adequate understanding of the characteristics of the conditions and constraints faced by creative economy-based MSME business actors in the tourism sector. The development needs to be supported by appropriate financing and investment schemes. The methods used in this research are; descriptive analysis and A'WOT analysis (SWOT and *Analytical Hierarchy Process (AHP)*). Primary data was obtained based on direct interviews with 12 expert resource persons consisting of local government, village government, Berau DPRD, banks, academics, and local entrepreneurs. Secondary data came from several official government agencies at the central, provincial, and regional and village levels. As well as, using questionnaires to 121 micro, small and medium enterprises (MSMEs). The results of the study using AWOT analysis show that, namely: (1). Form island regulations in accordance with strategic policy directions to support the improvement of a conducive investment climate. (2). Facilitate investment forums to accelerate and increase ecotourism business financing in accordance with user preferences (3). Adequate management of tourism areas with sustainable concepts by being aware of social, economic, cultural and environmental concepts. (4). Improving access to adequate infrastructure to improve the investment climate which has an impact on increasing tourism visits. (5). Facilitation of collaborative forums for stakeholder partnerships to improve SMEs, local governments, business/private actors, universities and NGOs (6). Preparation of a business *plan for* sustainable and equitable ecotourism management. (7). Improving the institutional and human resource capacity of both the government, tourist attraction managers and the community with various trainings in the field of tourism.

Keywords: Development Strategy, tourism, Financing, Investment, Berau.

1. Introduction

Tourism is one of the sectors that plays an important role in improving the economy in a country. Tourism development is able to stimulate business activities to produce significant social, cultural and economic benefits for a country. When tourism is well planned, it will certainly be able to provide benefits to the community in a destination. In the midst of its development, the Kaniungan Island Tourism Area is considered not to have an optimal impact on the economy and welfare of the people in the surrounding area. Data from BPS Berau Regency shows that in 2022 the poverty rate in Berau Regency was still relatively high, at 13,620 people and decreased in 2023 to 13,310 people. Although still lower than the poverty rate of East Kalimantan Province, it was almost double the national poverty rate of 9.22% in the same year. Although Berau Regency's GRDP has consistently increased every year, tourism's contribution to economic growth is still low. In relation to domestic investment, especially in Berau Regency, it is the second largest in East Kalimantan Province at Rp 635.13 billion or 29.21% in 2023. This contribution has urgency for the future economic development of Berau Regency, both in the context of encouraging growth and improving people's welfare.

The coastal area of Berau Regency consists of several tourist attractions. All existing locations rely heavily on the potential of the beach or sea along the coast. In maximizing the development potential of the Kaniungan Island Tourism Area, of course, it must be balanced with appropriate financing and investment policies from both the central government, local government and the private sector. So far, financing from the central and local governments to finance the tourism sector has not been significant compared to its potential. Similarly, private involvement is still minimal in investing in the Kaniungan Island Tourism area. The very limited fiscal space of the central and local governments and the low participation of the private sector in financing tourism sector development will affect the development of the Kaniungan Island Tourism Area. Therefore, the Kaniungan Island tourism area requires development direction and design, as well as the right financing strategy to respond to the challenges of integration, sustainability and inclusiveness.

In the Indonesian context, a study of financing in tourist areas was conducted by Latuconsina et al. (2013) which examines the financing strategy for community-based tourism development in Ambon City. Likewise, there are several studies that focus on the Tourism Area in Berau Regency, such as Erb (2014); Marry and Kristanto (2013); Sugiarto and Mahagangga (2020); Kodir et al. (2020) and Suasapha et al. (2020). However, to date, no study has been found that specifically examines tourism business development strategies based on sustainable and inclusive financing and investment, especially those based on appropriate empirical data in the inclusion of aspects of financial inclusion, partnerships and organizations, and technology adoption in an effort to increase the income of Creative Economy-based MSME business actors that can be achieved through increased investment, not only relying on government financing through the APBN and APBD in the Kaniungan Island Tourism Area, Berau Regency.

2. Literature Review

2.1. Tourism Policy

According to Law Number 9 of 1990 concerning Tourism, tourism is a travel activity or part of the activity that is carried out voluntarily and temporarily to enjoy objects and tourist attractions. Meanwhile, tourism is everything related to tourism, including the exploitation of objects and tourist attractions as well as businesses related to this field.

2.2. Sustainable and Inclusive Tourism Development Concept

Economic, environmental and social sustainability are depicted as partially encompassing circles with sustainability at the center, allowing society to prosper. So then there is an economic flow that runs continuously, without reducing the level of welfare from generation to generation.

2.3. Creative Economy-Based MSME Development

The business development strategy is an effort to anticipate problems that arise and can provide operational direction in the implementation of industrial activities. For this reason, appropriate interventions are needed, which do not conflict with the basic rules in a free economy, but still ensure the achievement of social equity. Business partnerships are an important and strategic path for the development of people's economic enterprises.

2.4. Financing and Investment-Based Tourism Development

Financing or funding is the main key to successful development, including tourism development. Tourism development requires investment with the right amount and approach (mode of investment). Financing for these investments can come from public or private sources. The capital ownership factor is very influential on the role of the tourism sector in improving the economy (Hironimus et al. 2019).

3. Research Methods

This research uses qualitative research methods with data collection techniques through primary data obtained through surveys using data on 121 creative economy-based MSME business actors in the Kaniungan Island Tourism Area, Teluk Sumbang Village. The scope of respondents observed includes creative economy-based MSME business actors engaged in travel agents, tour guides, food and beverage providers, hotels/lodging, souvenir shops, crafts, and transportation, as well as other businesses related to tourism.

The processing and analysis methods used in this research are:

- 1) Qualitative and quantitative descriptive analysis, used to provide a description of the *time series* of regional macroeconomic data of Berau Regency for 5 years (2018-2022). Thus, there are 5 observations for each variable used in the model maximally as a reference for developing the tourism sector.
- 2) According to Bawamenewi (2019) the AWO'T analysis method or a combination of AHP (*Analytical Hierarchy Process*) and SWOT (*Strength Weakness Opportunity Threat*) to formulate strategies, programs and patterns of investment and financing cooperation between the government, private sector and the community in the development of mutually beneficial tourism activities with MSMEs. The A'WOT method was established to determine the weighting in the SWOT analysis (Maromon, 2017). Data is collected through 2 (two) stages, the first stage is carried out SWOT factor identification activities which include internal factors (strengths and weaknesses) and external factors (opportunities and threats) the second stage aims to obtain the weight and rating of each internal and external factor. then the analysis of internal (IFAS) and external (EFAS) strategic factors, *space* matrix analysis and decision making stage with SWOT analysis.

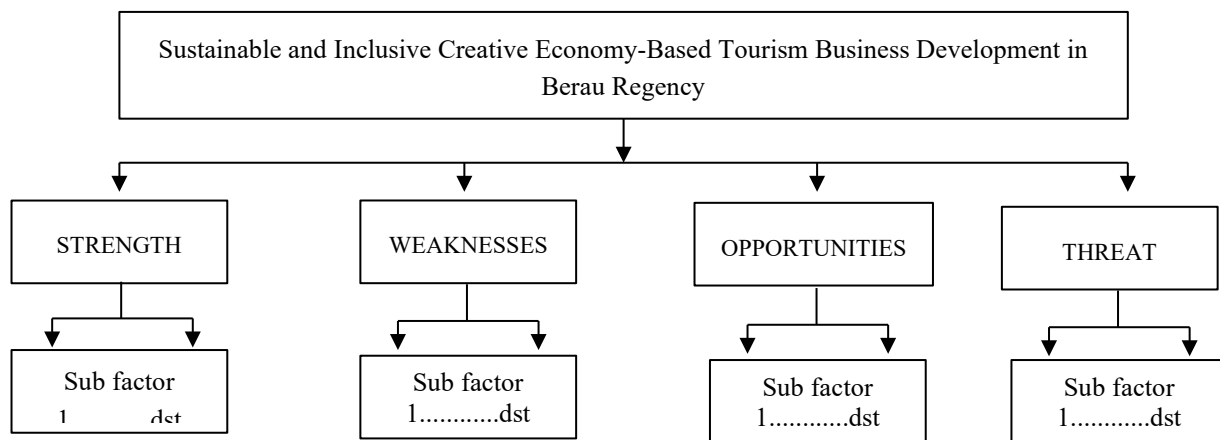


Fig.1: SWOT components analyzed with AHP

4. Research Results

4.1. Compilation of SWOT Components of Tourism Business Development

The formulation of sustainable and inclusive financing and investment-based tourism development strategies is formulated from the results of AHP and SWOT. The formulation of sustainable and inclusive financing and investment-based tourism development strategies is carried out by identifying SWOT component factors. as follows;

Table 1: SWOT Component Factors of Tourism Development Strategy

INTERNAL FACTORS			
Strength (S)		Weakness (W)	
1.	Beautiful small island ecosystem	1.	Lack of infrastructure that supports tourist attractions
2.	Carrying capacity of the area is adequate	2.	Ecosystem vulnerability
3.	Status of the island area in accordance with applicable regulations	3.	The ability to manage tourism is still constrained by capital
4.	Stakeholder support	4.	Less professional human resources
5.	Digital publications disseminated	5.	Multiple interpretations of land status
EXTERNAL FACTORS			
Opportunity (O)		Threat (T)	
1.	Synergistic policy direction	1.	The practice of <i>destructive fishing</i>
2.	conducive investment climate	2.	Climate change impacts
3.	Tourist visits, both local and national, are increasing	3.	Social, economic, cultural, and environmental impacts of tourism
4.	Integration of Tourism Attractions	4.	Competition with other attractions
5.	Supportive cooperation network	5.	Lack of public awareness of tourism potential

Source: Data processed, 2023

1) Internal Factors

Internal factors are divided into two, namely strength (*Strong*) and weakness (*Weakness*). The strength factors owned by Kaniungan Island are First, beautiful small island ecosystems, in the Kaniungan Islands there are several small island ecosystems that are very beautiful and important, namely coral reefs. In addition, many protected species are in the Kaniungan Islands such as green turtles, hawksbill turtles, whales, dolphins, clams, coconut turtles, dugongs, barracuda fish and several other species. Second The carrying capacity of the area is adequate, the carrying capacity of tourism on Kaniungan Island is very concerned about environmental, socio-economic and socio-cultural aspects that support tourism activities without causing a decrease in environmental quality and tourist satisfaction in traveling. Third, the status of the island area is in accordance with applicable regulations, Coastal Areas and Small Islands, especially the kaniungan island area, have a high diversity of natural resource potential, and are very important for social, economic, cultural, environmental development, and a buffer for national sovereignty, therefore they need to be managed sustainably and with global awareness, taking into account the aspirations and participation of the community, and national values based on national legal norms.

As for the weakness factors owned by Kaniungan Island, the first is still the lack of infrastructure that supports tourist attractions, the most important thing in developing tourism areas is an increase in the infrastructure sector, but on Kaniungan Island there is still a lack of infrastructure that supports tourism development such as: hotels, roads, ports, transportation equipment, airports and others in various regions are still lacking. So that the affordability of tourist objects in an area is not fully good

and this causes the cost of tourist travel to be high. Another problem in the field of tourism infrastructure is the lack of direct flights from the place of origin of tourists to the intended tourist attraction. Second, ecosystem vulnerability, tourism activities have an impact on the environment, especially the ecosystem. Some tourism activities in some locations pay less attention to the environment. There are tourism activities that in some locations have a negative impact on the environment, for example: damaging the beauty of the existing natural environment and garbage that is disposed of carelessly or not managed properly. Third, the ability to manage tourism is still constrained by capital. To date, investment in the tourism sector on Kaniungan Island is still lacking. In addition, certified tourism guides are also lacking.

2) External Factors

External factors are divided into two, namely opportunities (*Opportunities*) and threats (*Threats*). As for the opportunity factors owned by the direction of Kaniungan Island, the first is the synergy policy, the application of policies that have been implemented on Kaniungan Island has synergized with the policies of the central government, regional government, and village government. This must be in accordance with the provisions that serve as guidelines in every effort to achieve goals so that each activity has clarity in moving.

The first threat factor owned by Kaniungan Island is destructive fishing practices, destructive fishing activities carried out by unscrupulous people generally use explosives (fish bombs), and the use of toxic materials to catch fish. The use of these materials causes damage to coral reefs and surrounding ecosystems, and causes the death of various species and sizes in these waters. Second Impact of climate change, Climate change in tourism areas results in uncontrollable predictions of tourist visits because it will have an impact on visits that affect climate change. Third The social, economic, cultural, and environmental impacts of tourism, tourism has a negative influence on social and cultural activities, as well as religion such as a decreased sense of togetherness, and participation in mutual cooperation, as well as the low frequency of attendance in religious activities, decreased frequency of attendance at celebrations, and the implementation of several cultural ritual events such as death, birth, and circumcision. Fourth, the existence of competition with other tourism objects, forms of competition in the management of Kaniungan Island Natural Tourism Objects include competition in economic, cultural and political terms.

4.2. Weighting SWOT Factors with AHP Technique

SWOT weighting is carried out using AHP (*Analytical Hierarchy Process*) analysis techniques where each AHP component is analyzed with Saaty's pairwise comparison system. Each SWOT component was compared with each and the factors were also compared for each component by *experts* consisting of the Government, Legislature, Entrepreneurs, Business Actors, Banking and Non-Banking Parties. The results of twelve (12) *experts were combined (combine)* so as to produce a structure, as follows:

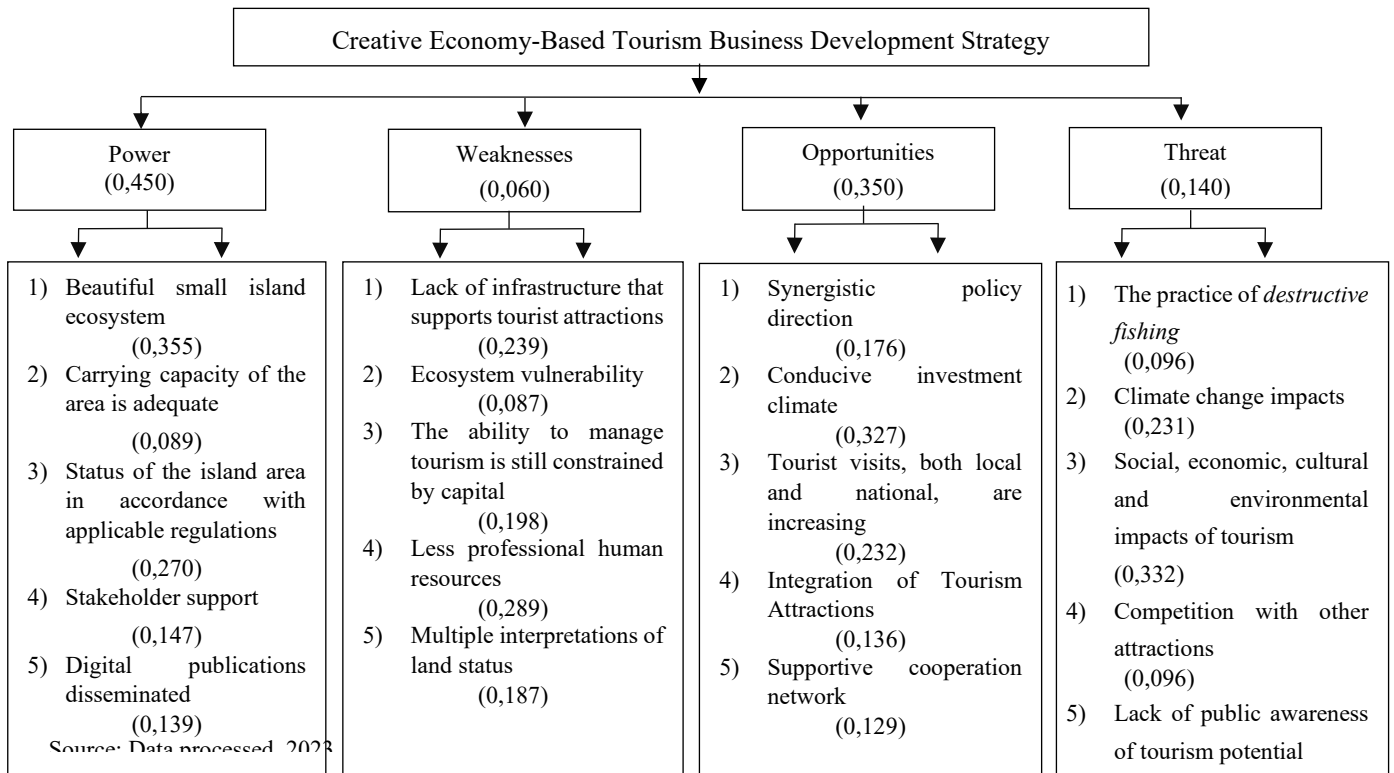


Fig.2: Hierarchical Structure of Combined Internal and External Strategic Factors

4.3. Internal Factors Analysis Summary (IFAS) and External Factors Analysis Summary (EFAS) in SWOT Analysis Method

The importance and influence of internal (strengths and weaknesses) and external (opportunities and threats) factors on tourism development strategies on Kaniungan Island were analyzed using the IFAS (*Internal Factor Analysis Summary*) and EFAS (*External Factor Analysis Summary*) matrices, which were weighted using AHP. Each factor is ranked to determine its influence up to a rating value of 1-4 where the value of 1 (*poor*) means less influential, rating value 2 means somewhat influential, rating value 3 means influential, up to rating value 4 (*outstanding*) means very influential (Rangkuti 2009). To get the score resulting from the multiplication of weight and rating. Furthermore, the total score of each internal factor (strength-weakness) and external factor (opportunity-threat) then the calculation results are placed in the appropriate quadrant to take the right strategy (Marimin 2004).

Table 2: SWOT components analyzed with AHP

SWOT	SWOT Weight	SWOT Factors		Sub-factor Weight	Prioritization Factor
Power	0,450	1.	Beautiful small island ecosystem	0,355	0,160
		2.	Carrying capacity of the area is adequate	0,089	0,040

		3.	Status of the island area in accordance with applicable regulations	0,270	0,122
		4.	Stakeholder support	0,147	0,066
		5.	Digital publications disseminated	0,139	0,063
Weaknesses	0,060	1.	Lack of infrastructure that supports tourist attractions	0,239	0,143
		2.	Ecosystem vulnerability	0,087	0,052
		3.	The ability to manage tourism is still constrained by capital	0,198	0,119
		4.	Less professional human resources	0,289	0,173
		5.	Multiple interpretations of land status	0,187	0,112
Opportunities	0,035	1.	Synergistic policy direction	0,176	0,006
		2.	conducive investment climate	0,327	0,011
		3.	Tourist visits, both local and national, are increasing	0,232	0,008
		4.	Integration of Tourism Attractions	0,136	0,005
		5.	Supportive cooperation network	0,129	0,005
Threat	0,140	1.	The practice of destructive fishing	0,096	0,013
		2.	Climate change impacts	0,231	0,032
		3.	Social, economic, cultural, and environmental impacts of tourism	0,332	0,046
		4.	Competition with other attractions	0,096	0,013
		5.	Lack of public awareness of tourism potential	0,245	0,034

Source: Data processed, 2023

1) Internal Factors Analysis Summary (IFAS)

IFAS (*internal factor analysis* summary) matrix to analyze external strategic factors concerning strength factors and weakness factors in tourism development strategies on Kaniungan Island, weighting in the IFAS matrix is carried out using AHP. To determine the influence of a factor, a rating value is used. (Table 3). Through internal strategy analysis with the IFAS matrix, strengths that can be developed and weaknesses that can be minimized are obtained. Based on Table 3, it can be seen that the aspects of the uniqueness and characteristics of tourist objects on the strength factor have the highest weight (0.133) which is very influential (*rating* 4) on the development of beautiful small island ecosystems, this is also supported by the results of interviews with the Berau Regency Tourism and Culture Office which says that the beautiful small island ecosystem has uniqueness and different characteristics that each beach tourism object has become one of the strengths in the development of tourism on Kaniungan Island. The lowest weight is the aspect of digitalization which is interpreted (0.094) which is somewhat influential (*rating* 3) on the development of Kaniungan Island Tourism attractions.

In the weakness factor, the aspect that has the highest weight is the lack of infrastructure that supports tourist attractions (0.103) which is influential (*rating* value 3) this is in accordance with the

results of interviews with *stakeholders* (Entrepreneurs) who argue that in the development of tourism infrastructure is needed to support tourist attractions this is very important to do. while the lowest weight is owned by the aspect of multi-interpretive land (0.080) which is less influential (rating value 1) is that land management must be managed properly in accordance with applicable regulations. While the lowest weight is owned by the aspect of land that has multiple interpretations (0.080) which is less influential (rating value 1) is the management of the rules for land must be managed properly in accordance with applicable regulations.

Table 3: IFAS Matrix in Kaniungan Island Tourism Development

Internal strategic factors		Weight	Rating	Score	Symbol
Power					
1.	Beautiful small island ecosystem	0,133	4	0,498	S1
2.	Carrying capacity of the area is adequate	0,103	3	0,301	S2
3.	Status of the island area in accordance with applicable regulations	0,118	3	0,393	S3
4.	Stakeholder support	0,112	3	0,355	S4
5.	Digital publications disseminated	0,094	3	0,252	S5
Total				1,799	
Weaknesses					
1.	Lack of infrastructure that supports tourist attractions	0,103	3	0,301	W1
2.	Ecosystem vulnerability	0,083	2	0,193	W2
3.	The ability to manage tourism is still constrained by capital	0,086	2	0,207	W3
4.	Less professional human resources	0,088	3	0,221	W4
5.	Multiple interpretations of land status	0,080	2	0,179	W5
Total				2,900	

Source: Data processed, 2023

2) External Factors Analysis Summary (EFAS)

EFAS (*external factor analysis summary*) matrix to analyze external strategic factors concerning opportunity factors and threat factors in the tourism development strategy on Kaniungan Island, the weighting in the EFAS matrix is carried out using AHP. To determine the influence of a factor, a rating value is used.

Table 4: EFAS Matrix in Kaniungan Island Tourism Development

External strategic factors		Weight	Rating	Score	Symbol
Opportunities					
1.	Synergistic policy direction	0,113	3	0,330	O1
2.	conducive investment climate	0,129	3	0,431	O2
3.	Tourist visits, both local and national, are increasing	0,123	3	0,389	O3
4.	Integration of Tourism Attractions	0,097	3	0,243	O4
5.	Supportive cooperation network	0,087	2	0,197	O5
Total				1,591	
Threat					
1.	The practice of destructive fishing	0,068	2	0,119	T1
2.	Climate change impacts	0,091	2	0,211	T2

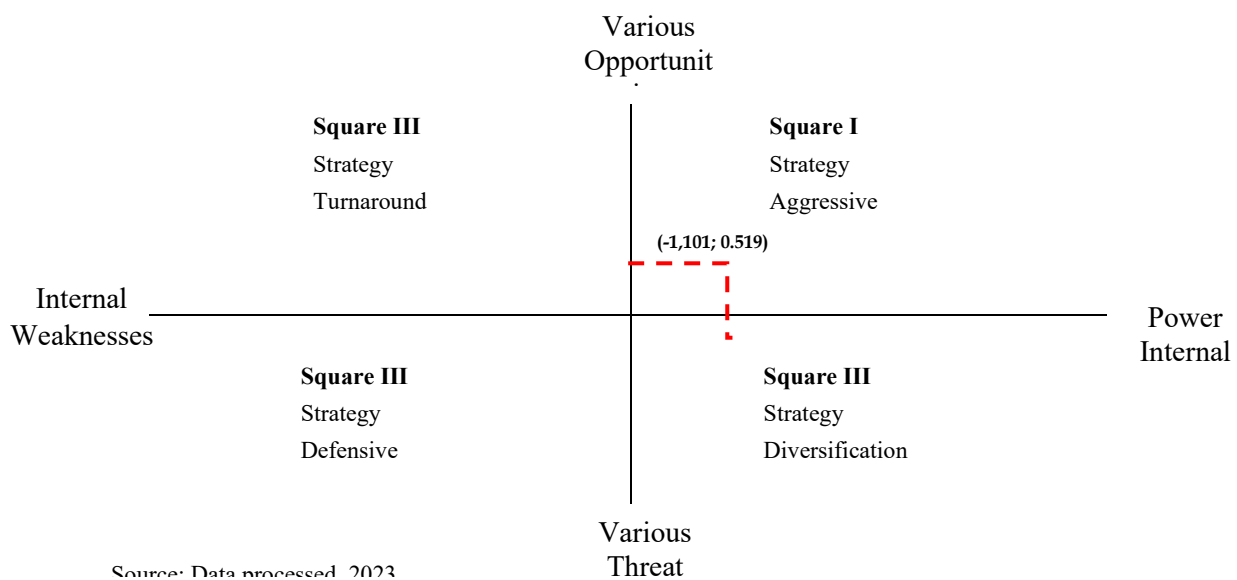
3.	Social, economic, cultural, and environmental impacts of tourism	0,113	3	0,330	T3
4.	Competition with other attractions	0,081	2	0,169	T4
5.	Lack of public awareness of tourism potential	0,097	3	0,243	T5
Total				1,072	

Source: Data processed, 2023

4.4.Space Matrix Analysis

The analysis results of the *space matrix* can be used to determine the direction and position of tourism development on Kaniungan Island, Berau Regency based on the quadrants contained in the *space matrix* (Rahmawati 2015). The parameter used in the *space matrix* analysis is the score difference between internal factors (strengths-weaknesses) and external factors (opportunities-threats) with the following calculation:

- Total strength score - total weakness score = 1.799 - 2.900 = -1.101 (X coordinate)
- total opportunity score - total threat score = 1,591 - 1,072 = 0.519 (Y coordinate).



Source: Data processed, 2023

Fig.3: Analysis results of the *space matrix*

5. Research Discussion

The preparation of tourism development strategies in Kaniungan Island, Berau Regency based on financing and investment was carried out using SWOT analysis. By referring to the space matrix analysis, the position of tourism development on Kaniungan Island based on financing and investment was in quadrant I. So that the selection of the strategy chosen is the SO (Strengths-Opportunities) strategy or in other words a strategy that is prepared by using all the strengths to seize and take advantage of the maximum opportunities. The next step, combining the strength factors possessed to deal with threats (ST), reducing existing weaknesses by utilizing opportunities (WO) and reducing weaknesses to deal with upcoming threats (WT). The formulation of tourism development strategies in Kaniungan Island, Berau Regency based on financing and investment is formulated using the SWOT strategy matrix results (Table 5). The results of the combined SWOT analysis are sorted by ranking to get the priority and direction of the main strategy as presented in Table 5 as follows;

Table 5: Strategy Matrix Result of SWOT Analysis Method

External / Internal	STRENGTH (STRENGTHS)	WEAKNESSES (WEAKNESSES)
	<ol style="list-style-type: none"> 1) Beautiful small island ecosystem 2) Carrying capacity of the area is adequate 3) Status of the island area in accordance with applicable regulations 4) Stakeholder support 5) Digital publications disseminated 	<ol style="list-style-type: none"> 1) Lack of infrastructure that supports tourist attractions 2) Ecosystem vulnerability 3) The ability to manage tourism is still constrained by capital 4) Less professional human resources 5) Multiple interpretations of land status
OPPORTUNITIES	SO STRATEGY	WO STRATEGY
<ol style="list-style-type: none"> 1) Synergistic policy direction 2) Conducive investment climate 3) Tourist visits, both local and national, are increasing 4) Integration of Tourism Attractions 5) Supportive cooperation network 	<ol style="list-style-type: none"> 1) Establish island regulations in accordance with strategic policy directions to support the improvement of a conducive investment climate to support tourism areas that can maintain existing ecosystems (O1, O2, S1, S4). 2) Facilitation of collaborative stakeholder partnership forums for improving SMEs, local governments, business/private actors, universities and NGOs for the preparation and implementation of sustainable and equitable ecotourism business plans (S2, S4, O2, O5) 3) Facilitation of investment forums to accelerate and increase financing for ecotourism businesses in accordance with the preferences of users (<i>customerized financial system</i>) (S1, S4, O2, O4) 4) Facilitation of publication networks and marketing communications through digital media platforms (S5, O3, O4) 	<ol style="list-style-type: none"> 1) Improve access to adequate infrastructure to improve the investment climate which has an impact on increasing tourism visits (W1, O2, O3, O4) 2) Facilitate access to training and financial administration for MSMEs in order to increase the capacity of human resources and business institutions (W3, W4, O5) 3) Improve supervision in investment related to the use of island ecosystems that become tourist attraction objects (W2, O1, O4) 4) Increased financing and investment in the tourism business and management sector by working with the Ministry and the private sector to increase investment (W3, O2, O5) 5) Improve coordination across sectors, including government, community, private sector, and tourism area managers to reduce internal and external conflicts for the development of tourism objects on Kaniungan Island (O1, O5,

		W5)
THREAT (THREATS)	ST STRATEGY	WT STRATEGY
1) The practice of <i>destructive fishing</i> 2) Climate change impacts 3) Social, economic, cultural and environmental impacts of tourism 4) Competition with other attractions 5) Lack of public awareness of tourism potential	1) Preparation of a <i>business plan for sustainable and equitable ecotourism management</i> (S1, S2, T3) 2) Law enforcement against <i>destructive fishing practices</i> (S3, S4, T1) 3) Development of disaster warning and mitigation systems in ecotourism areas (S2, S4, T2) 4) Improve the institutional and human resource capacity of the government, tourism managers and the community with various trainings in tourism (S2, S4, T4, T5) 5) Adequate management of tourism areas with sustainable concepts by being aware of social, economic, cultural and environmental concepts (S2, S4, T2, T3, T5)	1) Procurement and Improvement of tourist facilities and infrastructure on tourism objects that have developed, potentially developed and tourism objects that have less potential to be developed in order to realize a competitive tourism sector both locally, nationally, and internationally (W1, W3, T4, T5). 2) Develop travel behavior guidelines that accommodate ecological principles and social, economic, cultural, and environmental norms of local communities while providing a memorable travel experience for tourists (W3, W4, T3, T4) 3) Strengthening legal frameworks at the regional and community levels related to spatial planning and land use aspects (W5, T5, T3)

Source: Data processed, 2023

Based on Table 5 above, there are 12 strategies as follows:

- 1) Establish island regulations in accordance with strategic policy directions to support the improvement of a conducive investment climate to support tourism areas that can maintain existing ecosystems (O1, O2, S1, S4).
- 2) Facilitation of collaborative stakeholder partnership forums for improving SMEs, local governments, business/private actors, universities and NGOs for the preparation and implementation of sustainable and equitable ecotourism business plans (S2, S4, O2, O5)
- 3) Facilitation of investment forums to accelerate and increase financing for ecotourism businesses in accordance with the preferences of users (*customerized financial system*) (S1, S4, O2, O4)
- 4) Facilitation of publication networks and marketing communications through digital media platforms (S5, O3, O4)
- 5) Preparation of a *business plan for sustainable and equitable ecotourism management* (S1, S2, T3)
- 6) Law enforcement against *destructive fishing practices* (S3, S4, T1)
- 7) Development of disaster warning and mitigation systems in ecotourism areas (S2, S4, T2)
- 8) Improve the institutional and human resource capacity of the government, tourism managers and the community with various trainings in tourism (S2, S4, T4, T5)
- 9) Adequate management of tourism areas with sustainable concepts by being aware of social, economic, cultural and environmental concepts (S2, S4, T2, T3, T5)
- 10) Improve access to adequate infrastructure to improve the investment climate which has an impact on increasing tourism visits (W1, O2, O3, O4)

- 11) Facilitate access to training and financial administration for MSMEs in order to increase the capacity of human resources and business institutions (W3, W4, O5)
- 12) Improve supervision in investment related to the use of island ecosystems that become tourist attraction objects (W2, O1, O4)
- 13) Increased financing and investment in the tourism business and management sector by working with the Ministry and the private sector to increase investment (W3, O2, O5)
- 14) Improve coordination across sectors, including government, community, private sector, and tourism area managers to reduce internal and external conflicts for the development of tourism objects on Kaniungan Island (O1, O5, W5)
- 15) Procurement and Improvement of tourist facilities and infrastructure on tourism objects that have developed, potentially developed and tourism objects that have less potential to be developed in order to realize a competitive tourism sector both locally, nationally, and internationally (W1, W3, T4, T5).
- 16) Develop travel behavior guidelines that accommodate ecological principles and social, economic, cultural, and environmental norms of local communities while providing a memorable travel experience for tourists (W3, W4, T3, T4).

Based on the results of the AHP and SWOT analysis in creating a tourism business development strategy on Kaniungan Island, Berau Regency, the final result is 12 sequences of Kaniungan Island development strategies. However, the 6 highest sequences were taken to be the 6 priority strategies (table 6) used in developing the Kaniungan Island development strategy according to the highest weight, namely: (1). (O1, O2, S1, S4) with a weight of 1.615, (2). S1, S4, O2, O4 with a weight of 1.527, (3). S2, S4, T2, T3, T5 with a weight of 1.441, (4). W1, O2, O3, O4 with a weight of 1.365, (5). S2, S4, O2, O5 with a weight of 1.284, (6). S1, S2, T3 with a weight of 1.129, (7). S2, S4, T4, T5 with a weight of 1.067.

Table 6: Total Weight and Priority Order of Strategies

Elements	SWOT	Related	Total Weight	Ranking
Strategy	SO			
	SO1	(S1, S4, O1, O2)	1,615	1
	SO2	(S2, S4, O2, O5)	1,284	5
	SO3	(S1, S4, O2, O4)	1,527	2
	SO4	(S5, O3, O4)	0,884	10
Strategy	ST			
	ST1	(S1, S2, T3)	1,129	6
	ST2	(S3, S4, T1)	0,867	12
	ST3	(S2, S4, T2)	0,868	11
	ST4	(S2, S4, T4, T5)	1,067	7
	ST5	(S2, S4, T2, T3, T5)	1,441	3
Strategy	WO			
	WO1	(W1, O2, O3, O4)	1,365	4
	WO2	(W3, W4, O5)	0,625	17
	WO3	(W2, O1, O4)	0,766	14
	WO4	(W3, O2, O5)	0,835	13
	WO5	(W5, O1, O5)	0,706	16
Strategy	WT			
	WT1	(W1, W3, T4, T5)	0,919	9
	WT2	(W3, W4, T3, T4)	0,927	8
	WT3	(W5, T3, T5)	0,752	15

Source: Data processed, 2023

Based on the results of the analysis according to the ranking obtained 7 priority strategies for the development of the leading sector of Kaniungan Island, Berau Regency, namely:

- 1) Establish island regulations in accordance with strategic policy directions to support the improvement of a conducive investment climate to support tourism areas that can maintain existing ecosystems.
- 2) Facilitation of investment forums to accelerate and increase ecotourism business financing in accordance with the preferences of users (*customerized financial system*).
- 3) Adequate management of tourism areas with sustainable concepts by being aware of social, economic, cultural and environmental concepts.
- 4) Improving access to adequate infrastructure to improve the investment climate which has an impact on increasing tourism visits.
- 5) Facilitation of collaborative forums for stakeholder partnerships to improve SMEs, local governments, business/private actors, universities and NGOs for the preparation and implementation of sustainable and equitable ecotourism business plans.
- 6) Preparation of a *business plan for* sustainable and equitable ecotourism management.
- 7) Improve the institutional and human resource capacity of the government, tourism managers and the community with various trainings in tourism.

6. Conclusion

Based on data testing and empirical evidence in the field through descriptive analysis, SWOT and *Analytical Hierarchy Process*, this research resulted in the following conclusions:

- 1) The priority strategy for tourism business development of Kaniungan Island, Berau Regency consists of 7 strategies based on AWOT analysis, namely: (1). Establish island regulations in accordance with strategic policy directions to support the improvement of a conducive investment climate to support tourism areas that can maintain existing ecosystems. (2). Facilitate investment forums to accelerate and increase ecotourism business financing in accordance with user preferences (*customerized financial system*). (3). Adequate management of tourism areas with sustainable concepts by being aware of social, economic, cultural and environmental concepts. (4). Improving access to adequate infrastructure to improve the investment climate that has an impact on increasing tourism visits. (5). Facilitation of collaborative forums for stakeholder partnerships to improve SMEs, local governments, business/private actors, universities and NGOs for the preparation and implementation of sustainable and equitable ecotourism business plans. (6). Preparation of a *business plan for* sustainable and equitable ecotourism management. (7). Improving the institutional and human resource capacity of both the government, tourist attraction managers and the community with various trainings in the field of tourism.
- 2) Tourism business development in the Kaniungan Island area, Berau Regency is carried out by prioritizing financing and investment to further strive for sustainability and inclusiveness. The main approach (*driver*) of the development is through policy, which is directed to carry out two main strategies in the form of increasing MSME and creative economy businesses, competence and quality of human resources, and increasing connectivity, both physically and business systems between tourist destinations. The strategy for developing a sustainable and inclusive creative economy-based tourism business in the Kaniungan Island Tourism Area, Berau Regency is sourced from government collaboration, while still opening up opportunities for the private sector to participate through financial institutions in the form of both banking and non-banking.

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