

Capitalization of Tourism

by Winengan 197612312005011007

Submission date: 08-Sep-2021 09:16AM (UTC+0800)

Submission ID: 1643395974

File name: Capitalization_of_Tourism.pdf (519.99K)

Word count: 5557

Character count: 30640

Vol. 7, No. 3, September 2019

p-ISSN: 2338-8617

e-ISSN: 2443-2067

Jurnal Ilmiah

PEURADEUN



JIP

The International Journal of Social Sciences
www.journal.scadindependent.org
DOI Prefix Number: 10.26811



ACCREDITED "B" by the Ministry of Ristekdikti
from October 30, 2017 until October 30, 2022



SCAD Independent
Accreditation by IAO since 2014

JURNAL ILMIAH PEURADEUN
The International Journal of Social Sciences
p-ISSN: 2338-8617/ e-ISSN: 2443-2067

www.journal.scadindependent.org

Vol. 7, No. 3, September 2019

Page: 533-550

2

**Capitalization of Tourism Development Policy
In Lombok West Nusa Tenggara Indonesia**

Winengan

Universitas Islam Negeri Mataram, Indonesia

Article in Jurnal Ilmiah Peuradeun

Available at : <https://journal.scadindependent.org/index.php/jipeuradeun/article/view/330>

DOI : <http://dx.doi.org/10.26811/peuradeun.v7i3.330>

1

Jurnal Ilmiah Peuradeun, the International Journal of Social Sciences, is a leading peer-reviewed and open-access journal, which publishes scholarly work, and specializes in the Social Sciences, consolidates fundamental and applied research activities with a very wide ranging coverage. This can include studies and reviews conducted by multidisciplinary teams, as well as research that evaluates or reports on the results of scientific teams. JIP published 3 times per year (January, May, and September) with p-ISSN: 2338-8617 and e-ISSN: 2443-2067. Jurnal Ilmiah Peuradeun has become a CrossRef Member. Therefore, all articles published will have unique DOI number, and JIP also has been accredited by the Ministry of Research Technology and Higher Education Republic of Indonesia (SK Dirjen PRP RistekDikti No. 48a/KPT/2017). This accreditation is effective from October 30, 2017 until October 30, 2022.

JIP published by SCAD Independent. All articles published in this journal are protected by copyright, licensed under a CC-BY-SA or an equivalent license as the optimal license for the publication, distribution, use, and reuse of scholarly works. Any views expressed in this publication are the views of the authors and not of Editorial Board Jurnal Ilmiah Peuradeun (JIP) or SCAD Independent. JIP or SCAD Independent cannot be held responsible for views, opinions and written statements of authors or researchers published in this journal. The publisher shall not be liable for any loss, actions, claims, proceedings, demand, or costs or damages whatsoever or howsoever caused arising directly or indirectly in connection with or arising out of the use of the research material. Authors alone are responsible for the contents of their articles.

JIP indexed/ included in MAS, Index Copernicus International, Google Scholar, OAJI, Crossref, BASE, ROAD, DRJI, CiteFactor, DAIJ, ISJD, IPI, Sinta, Garuda, INFOBASE INDEX, GIF, Advanced Science Index, IISS, ISI, SIS, ESJI, ASI, SSRN, Academia.Edu, ResearchGate, Mendeley, Academic Key, PSI and others. JIP Impact Factor ICR by ISI: 0.879, Impact Factor ICV by Copernicus: 100:00, and Global Impact Factor 0.543.



Jurnal Ilmiah Peuradeun | Copyright © 2019 SCAD Independent, All Rights Reserved





2
**CAPITALIZATION OF TOURISM DEVELOPMENT POLICY IN
LOMBOK WEST NUSA TENGGARA INDONESIA**

Winengan 1

Universitas Islam Negeri Mataram, Indonesia
Contributor Email: winengan@uinmataram.ac.id

Received: Aug 19, 2018

Accepted: May 09, 2019

Published: Sep 30, 2019

Article Url: <https://journal.scadindependent.org/index.php/jipeuradeun/article/view/330>

Abstract

This study aims to examine the interests of the actors involved in the policy formulation of land acquisition for the development of Mandalika Resort area in Lombok that caused community opposition reaction, as it will remove them from the land they have occupied for years as their residence and earn a living as farmers. This research used qualitative method of critical paradigm, by determining the informant in snow ball sampling technique. Data collection was done by interview and documentation techniques. Data analysis referred to an interactive model. While the data validity test used data credibility criteria. The results of this research states that the tourism policy by the local government actors and tourism development companies to facilitate business interests or policy capitalization has caused the value in the importance of local communities which has never been taken into account in the determination of local-level policies.

Keywords: Actors, Tourism Policy, Interests, Business



A. Introduction

Mandalika Resort area is an integrated tourism development area in Lombok Island which attracts the government attention and investors. This area is one of the leading tourist destinations of Central Lombok regency and West Nusa Tenggara Province. The first time Mandalika Resort determined as a tourism area was in 1989, based on West Nusa Tenggara Governor Decree No. 20 year 1989 with a land area of 1,249.4 hectares released as one package with land for the construction of Lombok International Airport (Karim, 2008). However, in its development, the condition of tourism in Mandalika Resort area is far behind compared to some other tourism areas in Lombok Island, such as Senggigi area in West Lombok regency and Gili Indah area in North Lombok regency. The developmental inequality is particularly evident from the condition of infrastructure and its tourism facilities (Hanafi and Ciptomulyono, 2011).

However, the MP3EI Program (Masterplan for Acceleration and Expansion of Indonesia's Economic Development), which puts West Nusa Tenggara as the national tourism gateway and the removal of the airport location from Mataram City to Central Lombok region along with the change of its status from Domestic Airport to Lombok International Airport (BIL) has been operating since October 2011. the local government again pays special attention to tourism development in Mandalika Resort area.

Through the support of MP3EI Program, Mandalika Resort area has been designed as an integrated tourism and become one of big tourism development projects in the Lombok Island which cost around IDR. 30 Trillion. In addition, based on the Government Regulation (PP) No. 52 of 2014, Mandalika Resort area was designated as a Special Economic Zone (Marbun, 2014).

Unfortunately, the process of building of various tourism facilities in Mandalika Resort area which is handled by the tourism development company 'red plate' (BUMN), that is Bali Tourism Development Corporation (BTDC) which was renamed to Indonesia Tourism Development Corporation (ITDC) pursuant to PP Number 50 Year 2008



and the Decree of the Minister of Finance No. 237 / KMK. 06/2008 did not go smoothly. It was hit by the land acquisition policy which got the opposition of the local community as the owner of the land, for the following reasons; People's land grabbing.

According to the society, there are areas of 135 hectares owned by the local communities within Mandalika Resort area which until now have not been paid but the land has been taken by MNC Land and PT Gobel International, including PT Atrika and PT Sadana Arif Nusa as business partners of PT. BTDC to develop an integrated tourism area of Mandalika Resort; Expulsion of the people from their own land. People protested the gift of the Building rights certificate (HGB) and Land Management Rights to PT Atrika covering 600 hectares and PT Sadana Arif Nusa covering 630 hectares to develop industrial timber plantations. Thousands of people have to be evicted from the land they have been working on for years due to land tenure by the two companies whereas they previously have received permission from the government to work on the land (Sagara, 2014)

Some demonstrations conducted by the community as a form of their rejection of the policy of land acquisition for the development of Mandalika Resort area as follows;

1. Hundreds of people refused the road construction by fencing and occupying Mandalika Resort area;
2. South Lombok Community Alliance held a demonstration in the Governor's Office of West Nusa Tenggara while performing a blood thumbprint demanding the local government to immediately expel the BTDC from the integrated area of Mandalika Resort;
3. Hundreds of people calling themselves "Together for Agrarian Justice" held a demonstration in front of the Governor's Office of West Nusa Tenggara requesting BTDC to halt the development project in the integrated tourism area of Mandalika Resort of Central Lombok Regency;



4. Indonesian Farmers Union (SPI) and South Sea Storm Pamswakrsa (BLS) perform an ambush against the project road construction of Bali Tourism Development Corporation (BTDC) in Mandalika Resort area of Kuta Central Lombok (Maga, 2014).

Starting from the phenomenon of land acquisition policy of Mandalika Resort area which received opposition from the community as part of its policy stakeholders, this study finds urgency and relevance to be done as a study of public policy research. The focus of the study is directed to understand the interests and mechanisms of policy formulation actors in fighting for their interests behind the emergence of land acquisition policies for the development of Mandalika Resort area in Lombok West Nusa Tenggara.

The relevance of this research departs from an understanding of policy, which was put forward by David Easton, as a political decision formulated by "rulers" in a political system (Winarno, 2008), which is a collective of political compromises filled with conflicts of interest among the actors involved in it (Lindblom, 1986). Therefore, reviewing a policy decision set by the government, but facing a reaction of opposition from the community, can provide an overview of the importance of the behavior, motivation, preferences, and mechanisms of the actors in establishing a policy (Parson, 1995).

B. Method

This research is a policy research that intends to examine the orientation and mechanism of the actors in fighting for their interests in the formulation of public policy at local level. Therefore, this policy research is put into understanding the "about" policy, namely policy research intended to examine a policy formulation process that already exists or is carried out (Danim, 2000: 30). The building paradigm adopted by researchers is constructivism, because it intends to interpretive experiences of reflective / dialectical results in empathic and interactive ways between researchers and research subjects (Muhadjir, 2000: 189),



about the orientation and mechanism of policy actors in fighting for interests in the process the birth of a policy.

The operational design of this research used a qualitative-descriptive determination of informants as a source of research data use snow ball sampling. The basis for using snow ball is due to the absence of initial information owned by researchers related to the parties involved as actors in the case of the land acquisition policy of the Mandalika Resort area. Based on this snow ball technique, the focus of determining the informants does not discuss the many number of informants, but is determined by the considerations of information needed to reach the saturation point (Moleong, 2007).

As a first step in determining the informant through this snow ball, the researcher determined the key informant, the Head of the Culture and Tourism Office of Central Lombok Regency, because the object studied was related to the problem of regional tourism development. From the information provided by key informants, researchers obtained nine names of policy actors involved in the birth process of the Mandalika Resort area land acquisition policy as the primary data digging informant through interview techniques.

The nine names are Pujut Sub-district Head, Kuta Village Chief, Rambitan Village Head, Head of National and Political Unity Agency (Bakesbangpol), Head of Tourism Office, Head of Agency regional development planning (Bappeda), Head of the National Land Agency (BPN), Assistant for Development Field, Assistant for Legal Affairs and governance of the Central Lombok Regency in the 1989 government order.

Furthermore, secondary data of this study were obtained by documentation techniques for books, journals, reports, and archives related to legislation, government regulations, regional regulations, regional head decrees, development capital participation documents, spatial planning documents, rights documents land management, regional tourism development master plan document, Environmental Impact Assessment (AMDAL) analysis report, and other documents relevant to the case of Mandalika Resort land acquisition in Lombok.



Furthermore, the research data collection was done by interview and documentation techniques. Meanwhile, to ensure the suitability between the required data and the data collected, the data analysis process was conducted by applying an interactive model consisting of three parts:

1. Data condensation, namely the selection process, simplification or changing the data that emerged from the notes during the field, both from the transcripts of interviews and documents in a focused manner.
2. Data display, establish one (group) data with other (group) data so that all data analyzed is really involved in one unit.
3. Conclusions and verification, is the last process of research activities, which basically implements the principle of inductive-abstractive inference. But before making a final conclusion, re-verification of the conclusion is made (Miles et al., 2014).

Meanwhile, to ensure the validity of the research data, researcher tested the validity of the research data by using data credibility criteria, which is done by extending the time of research, involvement of peers, adequacy of references, and triangulation (Sugiyono, 2005: 85).

C. Research Finding

The occurrence of local community opposition to the policy of land acquisition in the Mandalika Resort area, because in the policy formulation process, which took place in 1989, denied the involvement of local communities as land owners. The policy actors involved only consist of elements of the NTB Local Government, PT. LTDC, and Mataram University Student Senate. However, unfortunately, the involvement of the three elements of state policy actors is not balanced in playing its role, because the Regional Government has positioned itself as the dominant actor and does not position itself in a neutral manner, so that the policy decision on land acquisition is not an agreement of the three elements of the actor, but an order from the private party played by PT. LTDC as a regional tourism development company (Zulfa, 2015).

In addition, the interaction between the NTB Local Government and PT. LTDC as an actor in the formulation of the land acquisition policy for the Mandalika Resort area apparently did not intend to develop tourism in the Mandalika Resort area, but has a land business interest. In articulating its business interests, PT. LTDC, which is a corporate authority between PT. Rajawali Wira Bhakti Utama and NTB Local Government entered into an agreement signed by the NTB Governor and President Director of PT. Rajawali Wira Bhakti Utama. Before the Basic Agreement is made, both parties carry out the Preliminary Agreement No. 50 of 1989 signed on February 9, 1989. This agreement contains a memorandum of understanding on both sides to establish a company to develop, build, and manage the tourism industrial area with an agreed land concession at that time only 600 hectares. But on the way it then increased to 1,249.4 hectares (Karim, 2008).

This collaboration is contained in Regional Regulation No. 10 of 1989 concerning Regional Equity Participation in Third Parties through the Establishment of Limited Liability Companies (PT). This regulation was signed by the Chairperson of the DPRD NTB and NTB Governor on August 15, 1989. The regional regulation stipulated that the Mandalika Resort area which had been handed over to PT. LTDC covers an area of 600 hectares in the period of cooperation for 70 years and with a composition of 65% shares owned by the Developer Company and 35% owned by the Regional Government which is given free of charge by the Developer company. After the period of cooperation ends, PT. Rajawali Wira Bhakti Utama handed over all assets and shares to the NTB Local Government (Anjasmara, 2015).

The dominant orientation of business interests in the formulation of the policy of land acquisition in the Mandalika Resort area, in addition to being seen from the absence of the development process of various infrastructure and tourism facilities, was also seen from the transfer of land tenure from PT. LTDC to another company. In its development, PT. LTDC sells part of its shares to PT. Tridan, without the knowledge of the NTB Local



Government as the shareholder, even the shares of the NTB Regional Government were also sold, so that the remaining NTB Local Government's share of 35% remained only 10%. This role as a seller is seen from the actions of PT. LTDC which only brings in outside investors (Sagara, 2014).

Furthermore, the relationship of business interests facilitated from the process of formulating the development policy of the Mandalika Resort area makes the birth of the land acquisition policy only to defend the interests of the tourism industry capitalization run by PT. LTDC, regardless of the impact of the loss felt by the local community as the land owner in the Mandalika Resort area. Orientation of business interests that directs the behavior of actors in the formulation of land acquisition policies for the development of the Mandalika Resort area, whose roles are dominated by the Local Government and PT. LTDC, makes the values of social interests of the community no longer a major consideration in any decision making decisions at the stage of the policy formulation (Anjasmara, 2015).

Local communities are not involved to articulate their interests in the process of formulating land acquisition policies at Mandalika Resort Lombok, ranging from determining problem choices, formulating policy agendas, discussing policy plans, to the selection and stipulation of land acquisition policies, ultimately only harming the interests of local communities and benefiting the group Local Government actors and capital owners, namely PT. LTDC as a regional tourism development company (SPI NTB, 2014). The phenomenon of this policy formulation process has brought policy no longer oriented to meeting interests and solving community problems, but rather being a source of problems (Zulfa, 2015).

D. Discussion

The emergence of land acquisition policy in Mandalika Resort area has opened an opportunity for land sale practices, has reinforced the existence of policy formulation as a political process and has become an articulation arena of interest values for policy actors who come from various stakeholder groups, which consisted of government, private sector, and civil



society in the concept of governance (Shehu et.al, 2013). In the process of public policy formulation, each of this group does not have the same orientation in their involvement, although they have interrelated relations to one another (Soe'aidy, 2008). Different interests between the actors can arise in a policy formulation, and each has potential generating different insights and views on the existence of public interest issues (Belletti et al, 2015).

The existence of interest value in formulating the policy is the end of public policy process (Carlsson, 2000), and various interest values that the actors want to articulate become a factor that can influence the formulation process of a policy, such as the process of policy formulation which sometimes becomes tough and elitist (Darwis, 2011: 287). Meanwhile, according to Rahardi (2013), the interest values that the actors fight for in formulating policies include; politics, to show the existence of a government as a representative institution of public interest; economy, for the governmental financial income; and social, to maintain public order and comfort.

The involvement of various actors in the formulation of policies with a variant of this interest becomes the special characteristic of public policy (Nugroho, 2012: 538). The diversity of political beliefs and interests of actors involved in the process of policy formulation become the main factor causing conflict or conflict of interest. However, according to Jordan and Turnpenny (2015), the involvement of multi-actors with various values of interest in the arena of policy formulation can broaden the information as a basis of policy decision-making that matches with the characteristics of the problem to be resolved through the policy.

The existence of business interest orientation facilitated by the formulation of land acquisition policy of Mandalika Resort area was seen from the reason of the Local Government that established the policy of land acquisition due to request from PT. LTDC as the tourism development company. While process of the policy emergence that only involved the Local Government with PT. LTDC and without involving the community explained the process of the policy formulation, so in accordance with the results of Nurhidayati's (2012) research, that the



formulation of policy in a local region only as an interaction between the rulers and entrepreneurs to legalize business activities of investors who could provide capital donation for local authorities.

The existence of business interest values often becomes ³ the basis of interaction intimacy between the state and private in the ³ process of ³ formulation of a policy and makes ³ the policy resulted by ³ the government often to facilitate the interests of capital owners than the community (Gramsci, 1999). The government that should be as a means to fight for the interests of the citizen actually does the opposite. The state makes the society to be marginal through the policies enacted (Subarsono, 2016). This is clearly seen on public land acquisition policies occurring in various regions under the pretext of public interest. For people living in Mandalika Resort area, the development certainly does not lead to a change into a better condition, but it has the meaning of "the bearer of havoc". According to Rational Choice Theory (Wijaya and Danar, 2014: 37), the existence of state actors in the formulation of public policies represented by public officials are individuals who have tendency to fight for their own satisfaction to the choice of policy decisions.

Starting from the assumption of the above rational choice theory, that in the formulation of land acquisition policy for business interests, it can be ensured that behavior of the actors in formulating the policy is driven by the desire to seek profit. For the Local Government, based on its expectation to the existence of Mandalika Resort area, of course the value of the profit being fought is the value of the policy. It means that the Local Government actually acts well on the basis of their perception about public interest or beliefs about what constitutes public policy morally correct or proper. It is very rational if we pay attention to the functions and responsibilities to realize the welfare of society. According to Anderson (in Winarno, 2008: 134-135), consideration of policy value as the basis of actors in policy formulation is an ideal approach to influence the behavior of policy-making actors.

² The existence of a strong business interest relation in orientation of the ² formulation of land acquisition ² policy ² for the development of



Mandalika Resort area causes the state or the Local Government as a medium for PT. LTDC as the owner of capital to articulate its business interests, so that the Regional Government as a public organization indirectly in the formulation practice of the policy does not serve as a means to fight for the value of the policy (Anshari, 2004: 137). This reality reinforces the results of Nurhidayati's research (2012) which reveals that private agent involvement with their capital causes the private sector access more dominant in influencing the policies established and endorsed by the local governments.

The actions of the Local Government in articulating their interests mentioned above indicate that the state has a strong position so that it can, in many cases, pursue its own set of goals without paying too much attention of the opposition to policy of its autonomous state, but the type is pseudo state, it means that the government has considerable political power, but it is unable to avoid the process of policy formulation and the implementation of many economic policies from the interference of other political actors, so that the power of the state is more used by the interests of other actors, especially the capital owners who pursue business interests (Mas'oed, 2001).

In the view of public choice theory, the existence of state and private agent domination in the formulation of policies with a profit-seeking orientation can make the choice of policies established by the state only as an accumulation of the interests of individuals involved as actors in the formulation of the policy (Nugroho, 2012). Every actor involved in the formulation of public policy is motivated by its personal interests and of course it will certainly choose an act in the public interest that can maximize the benefits for itself (Turner, 2012). Thus public policy is the result of collective decisions of individuals concerning with the policy. This means that no particular groups voluntarily struggle to defend the interests of other groups in the realm of public policy formulation (Wijaya and Danar, 2014: 37).

The willingness of the local government to issue land acquisition policy and the ability of PT. LTDC to finance land acquisition and



infrastructure and tourism development in Mandalika Resort area, in the perspective of Social Metaphor Theory (Remn, 1992), is a form of resource exchange that happens in the process of public policy formulation as a social event and the arena of struggle, where actors (individuals or groups) have different views and social layers compete to win their respective interests. In the process of public policy formulation, each actor plays his own role according to his own strategy or way in determining the final outcome of the policy formulation process (Giddens, 1984).

The substantial capital dependence of the Local Government to PT. LTDC to build the Mandalika Resort area, indirectly, in the perspective of the political economy (Staniland, 2011), has made the policy formulation into an effort to facilitate the business interests of the developer, in order to support the economic interests of the government, and to marginalize the social interest values. This justifies the perspective of state and private relations theory (Grindle, 1991) that when the state has a dependence on private capital, it can lead to dismiss the state policy for the public benefits, thus it strengthens the results of Sjahrir's et al research (2014) that the bargaining between rulers and entrepreneurs in local region in formulating policies makes policy decisions not to realize the welfare of society, but it will be on the investor.

The private sector acts for capital accumulation, whereas politicians or bureaucrats act to defend or perpetuate their power (Mas'oeed, 2001). Therefore, public choice theory considers that individual actors are the central in policy-making by the state (Green and Shapiro 1996: 103). Based on the approach of public choice theory, there are two main mechanisms of policy-making for the interests of politicians and groups of interests; The policy-making actors of politicians will only seek to fulfill the public interest in order to increase their popularity, so that they gain confidence and will be reelected on the election process of people's representative in the representative institutions; The community as a group stakeholder will utilize the existence of the chosen policy-making actors by pressing them for issuing policies in accordance with their wishes or interests (Wijaya and Danar, 2014: 40).



Context of public formulation the ² land acquisition for the development of Mandalika Resort area it reaffirms the formulation of policies as a political process and becomes an arena of articulation of interests for policy actors, which in the governance concept consists of government, private, and civil society (Bevir, 2011). In the process of public policy formulation, each of this group does not have the same orientation in their involvement, although they have interrelated relations to one another (Belletti et al, 2015). The way the actors work in articulating their interests is through lobbying, bargaining, and intensive networking with the main policy actors (Anderson, 1984). The intensity of actors' interactions can improve the quality of public interest, if actors represent each stakeholder (Prasetyo, 2013). Some important things that can significantly affect the final outcome of activity group interest are from the internal side of the organization, such as; membership environment, member loyalty (being a member of various organizations or not), scope of activities, and degrees into the activities (Marzali, 2014).

According to Prasetyo (2013), the effectiveness of the actors' mechanisms to fight for their interests in policy formulation is determined by the means and medium used to fight the demands, this can be seen from the nature of techniques used to achieve groups' goals, demands proposed (detailed or general and blurred). From the organizational external side, according to Jordan and Turnpenny (2015), things like: degree of conformity and obedience of objectives and group activities with prevailing norms and cultural habits, degree of activity institution and procedures followed by the group has followed the existing pattern or changing, and degree of group ability to maintain the direct communication access with the government to be influenced, will greatly affect the success of achieving the goals of groups' interest.

Therefore, the ² formulation of land acquisition policy for the development of Mandalika Resort area, it is based on the perspective of public choice theory (Nugroho, 2012), is a process of collective decision formulation of state and private having an interest in the policy



formulation. The action of the Local Government who conducts land acquisition as following the wishes of PT. LTDC, according to the theory of "Power Regulation" developed by Lal and Myint (Mas'oed, 2001), it can be considered as Factional State, that is, a state with decision making done collectively and influenced by various big-interest groups (especially economy), such as companies that supply capital to the state organizer (Grindle, 1991: 51). This confirms the research results of Nurhidayati's (2013) which reveal that policy formulation in the region often provides greater access to the interests of capital owners than the society's interests.

The state's dependence on private capital can certainly make rulers who hold the power which does not have autonomy in determining policy choices but it will be controlled by the private sector as capital providers and the state will face more constraints (Mas'oed, 2001). The typology of dependent state also has two variants: (1) Democratic Factional State, a state which maintains its power to gain support from its coalition by dividing the controlled resources with its coalition members, so the chance for predation is very small. (2) Authoritarian Factional State is a country with more types trying to meet the interests that are in power, so it has less attention to the welfare of its people (Mas'oed, 2001).

The impartiality of the state to the people's interests in policy formulation, according to Mouzelis (1995: 56) because there are a number of individual interests that actors of policy formulation under the state institutions have their own personal values, expectations, and behavior patterns. The interests of each individual as an actor led to the establishment of a policy decision to facilitate the same relation of interests among actors; that is to gain access to public resources (Olson in Asad, 2015: 336). The process of policy formulation becomes a strategic arena for individuals as actors to gain access in satisfying their personal interests (Turner, 2012). Individuals from the government and politicians attempt to enlarge and retain the power, while the private sector attempts to cultivate their capital, and society attempt to fulfill their interests.



Individual action on each party is certainly reasonable (rational choice) because humans do have nature of egoism which has a tendency to act selfish (Nugroho, 2012).

According to structural theory, the forms of actors' interest struggle in the formulation of policy above will only produce policy decisions as structures that will provide opportunities for actors who play a role in controlling the process of policy formulation to facilitate their interests (Giddens, 1984). However, if the actors' actions in the policy formulation are led to support the interests of the business industry, those can create opportunities for policy capitalization. Thus, policy formulation becomes a social arena for compromise and negotiation of power-controlling actors (state) and capital (private) in staging their roles to form a structure that can facilitate their respective interests by exchanging their own resources (Renns, 1993).

E. Conclusion

Power structure changes in the implementation of local government which occurs in Indonesia do not necessarily present local development policies that are oriented to the interests of local communities. Local political actors as policy controllers at local level are increasingly free to show their power in regulating the local affairs, unfortunately, not to bring about the welfare of society. Public policy formulation formed as a structure that becomes an arena for all policy actors in staging their role freely and fairly to fight for the public interest, in fact only controlled by elite groups to articulate their respective interests. The high dependence of the state on private capital causes the involvement of private sector in policy formulation as a controller or policy decision maker made by the state in order to facilitate business interest, thus it opens the space of policy capitalization and marginalization of public interest values.



Capitalization of Tourism

ORIGINALITY REPORT

18%	16%	2%	14%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

1	Submitted to Hellenic Open University Student Paper	7%
2	journal.scadindependent.org Internet Source	5%
3	www.ijmas.org Internet Source	4%
4	Submitted to Syiah Kuala University Student Paper	2%

Exclude quotes On
Exclude bibliography On

Exclude matches < 2%