Development of Premium Ecotourism in the Outermost Islands

A Notohamijoyo1*, P Lestari2, A S Wiyata2, M Billah2, H Sugandhi3

1 Ministry of Tourism and Creative Economy, Wisma Antara 18th Floor, Jl. Medan Merdeka Selatan No. 17, Jakarta 10110, ORCID ID: 0000-0002-3350-3590
2 Ministry of Marine Affairs and Fisheries, Jl. Medan Merdeka Timur No. 16, Jakarta 10110
3 Deputy Chairman of the Fisheries Committee of Indonesia Employers Association

Abstract. The tourism sector is the economic sector hardest hit during the Covid-19 pandemic. A breakthrough is needed in line with health protocols to maintain physical and social distance. Tourism on the outermost islands is an alternative solution. As the largest archipelagic country globally, Indonesia has the potential for the outermost islands that can be used as tourist destinations. A breakthrough policy is needed in the management of ecotourism in the outermost islands related to the limited capability of the Government, such as the high costs for transportation and logistics arrangements in the outermost islands. Tourism in the outermost islands must be directed towards premium tourism. Its market share is middle to upper-class tourists who want a new atmosphere and challenges and are willing to pay quite a lot of money. This study presents a management model that divides each government agency’s duties in managing ecotourism in the outermost islands with a premium scheme and the National Border Management Agency being the operator. The model is expected to encourage the formulation of targeted policies for the management of the outermost islands, including the presence of cruise ships.

1. Introduction
Tourism is the economic sector most affected by the Covid-19 pandemic. The rising unemployment rate has hit the economy very hard. The Government has not yet found the right strategy for the recovery of the sector. A precise breakthrough is needed to boost the tourism sector again.

As the largest archipelagic country, Indonesia must start encouraging eco-tourism in the outer islands [1]. This is a sure-fire solution to maintain physical and social distance during a pandemic. The biodiversity of the outer islands is a tremendous attraction for tourists.

Based on Presidential Decree (Keppres) Number 6 of 2017 concerning Designation of Outermost Small Islands, there are 111 outermost islands spread over 22 provinces. Twelve of them are directly adjacent to neighbouring countries, namely: Rondo Island (India), Berhala Island (Malaysia), Nipah Island (Singapore), Sekatung Island (Vietnam), Marore Island, Miangas Island and Marampit Island (Philippines), Fani Island, Fanildo Island, Bras Island (Palau), Batek Island (Timor Leste) and Dana Island (Australia) [2]. Although the Government has established the National Border Management...
Agency (BNPP) through Law Number 43 of 2008 concerning State Territories [3], BNPP has not been able to boost the development of border areas, including the outer islands.

Until now, the extraordinary economic potential of the outer islands such as fisheries, tourism, underwater minerals, and others has not been utilized properly. The outer islands also have many limitations, such as the lack of availability of energy resources, infrastructure and location distance. This is a big challenge for the tourism industry. A breakthrough is needed in the management of the outer islands.

Ecotourism in the outer islands needs to be directed towards premium tourism. This needs to be done to deal with the limited capacity of the Government. The need for high costs for transportation and logistics arrangements encourages tourism to the outer islands to be directed at premium tourism. Its market share is upper-middle-class tourists who want a new atmosphere and challenge and are willing to pay quite a high price. Research from Hultman et al. [4] showed that the alignment of attitudes and awareness of tourists towards ecotourism had a positive effect on interest and desire to spend money on premium tourism or willingness to pay the premium (WTPP).

Collaboration is the key to the success of developing outer islands as premium tourist destinations. Collaboration must be carried out by the Ministries/Government Agencies that manage the outer islands. As the agency in charge of tourism, the Ministry of Tourism and Creative Economics needs to play an active role. Tourism management needs to cooperate with the other ministries/government agencies, including determining the sea route to be traversed by cruise ships.

Potential locations for snorkelling, diving, and fishing activities need to be mapped precisely in the sea route. This is an attraction for premium tourism of the outer islands. Security and safety for tourists who will visit must be prioritized. Sea routes that have a high-security risk should be avoided.

Tourist visits, especially domestic tourists to the outer islands, will encourage the development of information about these islands in Indonesia. Awareness and a sense of belonging to the community will grow towards the outer islands as the front line of Indonesian territory. In addition, tourist visits emphasize the existence and sovereignty of Indonesia over the outer islands. The sea route traversed by cruise ships will avoid individuals who carry out illegal activities such as smuggling, human trafficking, and others.

Such management can encourage increased roles and income for residents/communities on the outer islands. That is related to Haesup Han et al. [5] regarding local wisdom as an attraction for tourism.

The Government needs to immediately create a pilot ecotourism project based on premium tourism in some outer islands. The pilot project’s success is expected to be tangible evidence of the management of the outer islands. The management mechanism constrains the management of the islands. There are so many aspects that are the responsibility and authority of each stakeholder, making it challenging to manage the outermost islands in an integrated manner.

Various limitations possessed by the outer islands such as accessibility, long distances, energy, clean water, make it difficult to optimize their management. The limited budget owned by the Government is also an obstacle. The development of tourism in the outer islands is a good solution. Tourism in the outer islands to directed at premium ecotourism. An integrated management model is needed to support tourism in the outer islands.

2. Method
This study aims to develop a model of ecotourism management in the outer islands of Indonesia. This research integrates the roles of each related institution. The next step is the study of literature on the management of ecotourism in the outer islands in Indonesia and other countries. This research is expected to build the best model in the management of premium ecotourism in the outermost islands in Indonesia.

3. Results and discussion
The parties responsible for the management of the outer islands in Indonesia consist of several institutions. These institutions have different management responsibilities. For coordination, there has
been a Coordinating Ministry for Maritime Affairs and Investment. However, the authority and responsibility for all activities and their reporting are not under the Coordinating Ministry. Authorities and responsibilities are reported directly to the Minister and the Head of Institutions, who lead the relevant institutions.

Based on each institution’s duties and responsibilities, seven institutions are directly related to the management of the outer islands, including community empowerment. The seven institutions are the Ministry of Maritime Affairs and Fisheries, the Ministry of Environment and Forestry, the Ministry of Tourism and Creative Economy, the Ministry of Villages, Disadvantaged Regions and Transmigration, and the National Border Management Agency. The consolidation of the seven institutions is needed to realize sustainable tourism management in the outer islands. The National Border Management Agency is appointed as the operator and manager. The other institutions become primary supporting institutions.

The tourism management model for the outer islands is in figure 1 as follows:

**Figure 1. Outer Island Tourism Management Model**

In this model in figure 1, all related institutions for the management of outermost island tourism are presented based on their respective capacities and capabilities. Management is handed over to the National Border Management Agency. Derivative regulations are needed as guidelines to implement them. The derivative regulations will facilitate the management of the outer islands as tourist areas and strengthen the position of the National Border Management Agency.

Border management is an integral part of state management, which operationally is an activity to handle or manage regional boundaries and border areas. In line with the reorientation of development policies in border areas, Law Number 43 of 2008 concerning State Territory [3] mandates the Government to establish a Border Management Agency at the central and regional levels to manage border areas. Based on the mandate of the Law, the Government, through Presidential Regulation No. 12 of 2010, formed the National Border Management Agency (BNPP) [6]. In the context of managing state boundaries and border areas, BNPP prioritizes policy and program synergies so that the existing weaknesses and limitations, namely the ad-hoc and partial handling of state borders and ego-sectoral, have resulted in overlapping and redundancy as well as mistargeting and inefficiency. Border management is expected to be improved.

Meanwhile, the other seven institutions provided support in the form of policies and facilitation. The seven institutions, namely the Ministry of Home Affairs, the Ministry of Maritime Affairs and Fisheries, the Ministry of Transportation, the Ministry of Environment and Forestry, the Ministry of Tourism and Creative Economy, the Ministry of Public Works and Public Housing, the Ministry of Villages, Disadvantaged Regions and Transmigration, are included in the primary supporting institutions. The following is a description of each Ministry included in the primary supporting institution:

1. Ministry of Home Affairs; The Ministry has responsibility for domestic affairs and is responsible to the President. Based on Presidential Regulation Number 11 of 2015 [7] concerning the Ministry of Home Affairs. The Ministry also has the task of administering state government.
2. Ministry of Marine Affairs and Fisheries; This is a ministry within the Government of Indonesia in charge of marine and fisheries affairs, including fishers and coastal communities. The organization of the Ministry has a legal basis in Presidential Regulation [7]. The laws that are mandated to be implemented by the ministry include Law no. 45 of 2009 concerning Fisheries [8], Law no. 18 of 2012 concerning Food [9], Law no. 7 of 2016 concerning Fishermen, Cultivators and Salt Farmers [10].

3. Ministry of Transportation; Based on the Presidential Regulation [11], the ministry has tasks and functions as follows to assist the President in carrying out some government tasks in transportation.

4. Ministry of Tourism and Creative Economy
   The Ministry of Tourism and Creative Economy is stipulated through Presidential Regulation Number 69 of 2019 concerning the Ministry of Tourism and Creative Economy [12]. The Ministry of Tourism and Creative Economics’ primary tasks and function is to carry out government affairs in the tourism and creative economy sectors to assist the President in administering the state government.

5. Ministry of Environment and Forestry
   The Ministry of Environment and Forestry was established through Presidential Regulation [13]. This Ministry has the task of carrying out government affairs in the environment and forestry sector to assist the President in administering state government. The functions of this Ministry include the formulation, stipulation, and implementation of policies in the field of implementing forest area stabilization and environmental management sustainably, managing the conservation of natural resources and their ecosystems, and others related to a sustainable environment and forest management.

6. Ministry of Public Works and Public Housing (PUPR)
   Following Presidential Regulation Number 27 of 2020 concerning the Ministry of Public Works and Public Housing [14]. The Ministry of Public Works and Public Housing has the task of carrying out government affairs in the field of public works and public housing to assist the President in administering the state government.

7. Ministry of Villages, Disadvantaged Regions and Transmigration
   The Ministry of Villages, Development of Disadvantaged Regions and Transmigration (KDPDTT) of the Republic of Indonesia is the ministry in charge of developing rural and rural areas, empowering rural communities, and accelerating disadvantaged areas’ development and transmigration. The Ministry of Villages, Development of Disadvantaged Regions, and Transmigration are under and responsible to the President. Several regulations became the basis of the task of the KPDFTT. These regulations include Government Regulation of the Republic of Indonesia Number 78 of 2014 concerning Acceleration of Development of Underdeveloped Regions [15], Presidential Regulation of the Republic of Indonesia No. 63 of 2020 concerning Designation of Underdeveloped Regions for 2020-2024 [16], Presidential Regulation of the Republic of Indonesia No. 85 of 2020 concerning the Ministry of Villages, Development of Disadvantaged Regions and Transmigration [17].

   Other supporting institutions include the Ministry of Energy and Mineral Resources, the Ministry of SOEs, the Ministry of Health, the Ministry of Education, Culture, Research and Technology, the Ministry of Agriculture, the National Disaster Management Agency, and the National Family Planning Coordinating Board. These institutions in the model are directed to support the management of tourism in the outer islands indirectly.

   Institutions included in the monitoring and evaluation of the outer island tourism management model are the Coordinating Ministry for Maritime Affairs and Investment, the Ministry of Defence, the Indonesian National Armed Forces, the Indonesian National Police, the Ministry of Foreign Affairs, and the Maritime Security Agency. These institutions are responsible for monitoring and evaluating tourism developments in the outer islands. The following is a table 1 that contains details of the duties of each Ministry/Agency.
Table 1. Detail of duties for Each Ministry/Agency

| Primary Supporting Institution                  | Secondary Supporting Institution                  | Monitoring and Evaluation                  |
|-----------------------------------------------|-------------------------------------------------|-------------------------------------------|
| 1. Ministry of Home Affairs                   | 1. Ministry of Energy and Mineral Resources      | 1. Coordinating Ministry for Maritime Affairs and Investment |
| 2. Ministry of Marine Affairs and Fisheries    | 2. Ministry of SOEs                             |                                           |
| 3. Ministry of Transportation                 | 3. Ministry of Health                            |                                           |
| 4. Ministry of Environment and Forestry       | 4. Ministry of Education, Culture, Research and Technology | 2. Ministry of Defence                     |
| 5. Ministry of Tourism and Creative Economy   | 5. Ministry of Agriculture                      | 3. Indonesian National Armed Forces       |
| 6. Ministry of Public Works and Public Housing| 6. National Disaster Management Agency           | 4. Indonesian National Police              |
| 7. Ministry of Villages, Disadvantaged Regions and Transmigration | 7. National Family Planning Coordinating Board | 5. Ministry of Foreign Affairs            |

Literacy studies on outermost island tourism are needed to support ecotourism development in the outermost islands in Indonesia. Research conducted by Agius et al. [18] on nine islands in the central Mediterranean region that crosses the Malta-Italy border is one of the supporters for building premium ecotourism in Indonesia. In this study, stakeholders view limited connectivity as the key to developing ecotourism in remote/outermost islands.

Connectivity between islands is considered helpful in for increasing the potential and competitiveness of ecotourism because of the different characteristics of the islands that encourage island-hopping. On the other hand, infrastructure development carried out to reduce connectivity problems can negatively impact the environment. Therefore, in the context of ecotourism, it is emphasized the need to improve existing connectivity services and infrastructure development with limited environmental impact.

This research is in line with research conducted by Searcy [19] in the Lau Islands south of Fiji. The region is relatively remote and isolated and is geographically dependent on sea transportation. Physical development on an island can put pressure on the ecosystem on the island. Research conducted by Cong-Ying He et al. [20] conducted on forty-six islands along China shows that. The utilization of the outer islands is generally directed at marine tourism areas. Various studies support the direction of tourism development in the outer islands. Research conducted by Wijayanto et al. [21] in Talaul, North Sulawesi, Yahyah, and Tokan [22] in East Nusa Tenggara and Albintani et al. [23] in Riau are evidence that tourism is the most likely sector to be developed as an economic driver in the outer islands.

However, there are many challenges in developing tourism in the outer islands. Energy constraints, long distances, high transportation costs, and limited infrastructure are common problems in managing the outer islands. Research from Yahyah and Tokan in East Nusa Tenggara [22] is evidence of this limitation. How can the potential of various outer islands be developed as tourism and marine conservation areas such as Alor Island, Ndana Island, Batek Island, Dana Island and Mangudu Island in East Nusa Tenggara to face this classic problem.

Dependence on the state budget (APBN) is also an obstacle that accompanies the management of outer islands and borders. Research from Albintani et al. [23] in Pasir Limau Kapas Subdistrict [Palika], Rokan Hilir Regency, Riau Province, Indonesia, shows concrete evidence regarding this. The Palika region is an underdeveloped, isolated, and remote area. The surrounding islands, such as Jemur Island, have good marine tourism potential, but they have not been appropriately managed until now. The inability of the Regional Government to manage the area without creativity and breakthroughs has made the area a strategic location in the Malacca Strait and is located on the border not well developed until
now. This is similar to Fitri et al. [24] in their research on border areas discusses the need for borders to be strengthened through the development of the central supporting infrastructure.

Rochwulaningsih et al. [25] stated in their research that the Indonesian government has not been able to develop maritime well. Maritime power (sea power) includes commercial shipping, defense instruments, modern maritime technology, etc. A maritime country should be able to optimally utilize its potential such as natural resources in the form of islands and seas and human, political, and cultural resources and the potential formed from a strategic geopolitical environment.

The research carried out by Mellor [26] in the Cook Islands is worth a close look as the economy is largely based on tourism. In addition, the Cook Islands region, which is relatively far away from New Zealand, can serve as an example for Indonesia in developing tourism in the outer islands.

Tourism is significant to the Cook Islands economy and indirectly affects many other sectors of the economy. The most important thing is a straightforward clear strategy formulated by the government and cooperation with the private sector.

The key is how to build an integrated management model that involves all stakeholders. During a pandemic like today, water areas far from settlements are targets for tourists to vacation. Vacationing has become a lifestyle and a primary need for premium travelers. Although the Covid-19 virus pandemic is currently hitting the whole world, these tourists still try to vacation in places considered safe and away from social contact and physical contact with humans. The sea area and the outer islands are a good choice for these tourists.

Premium tourist visits to the outermost islands can increase tourists’ understanding and better information that these islands are the territory of Indonesia. On the other hand, disseminating information from tourists to Indonesian territory will further strengthen Indonesia’s sovereignty over the outer islands and the surrounding waters [27]. The beauty of the outer islands is extraordinary, and so is its potential. Premium ecotourism should be developed in the outer islands.

The government should also give awards to tourists who visit the outer islands. When the tourists have reached the outermost islands visited, the coordinates are sent using satellite to be verified at the management office. These coordinate points are proof that tourists have arrived at the outer islands and are printed in the form of an official certificate. The certificate can be signed by the President and the Minister/Head of Institution who is the coordinator of the management of the outer islands. This is an exclusive attraction as well as the pride of tourists who have reached the outer islands.

This also emphasizes the existence of Indonesian sovereignty. A solid legal basis is needed to strengthen the framework for cooperation between central and regional government agencies. The involvement of the community living on the outer islands and surrounding areas is also needed. This is to build the economic and social resilience of the community.

4. Conclusion

Integrated management is the key to its implementation of premium ecotourism in the outermost islands. The thing that must be considered is the legal basis that must be prepared for integrated management between various Ministries, Institutions, and Local Governments. In addition, the involvement of the community and communities living on the outer islands and their surroundings must be done correctly. This will build the economic and social resilience of the people in the outer islands and their surroundings. Premium tourism will raise the socio-economic community in the outer islands and build public awareness of the territorial sovereignty of the Republic of Indonesia.

References

[1] Andre N, Agil A H, Mustaidz B and Adhi S W 2020 Integration of Ecolabelling and Ecotourism Schemes: Case Study of Forest Honey in Indonesia E3S Web Conf. 211 1-10
[2] President of Republic of Indonesia 2017 Presidential Decree Number 6: Designation of Outermost Small Islands
[3] House of Representative of Republic of Indonesia 2008 Law Number 43: State Territory
[4] Magnus H, Azadeh K and Vahid G 2015 Intention to Visit and Willingness to Pay Premium for Ecotourism: The Impact of Attitude, Materialism and Motivation J. Bus. Res. 68 1854–61
[5] Heesup H, Taeyon E, Amr A, Hyungseo B R and Wansoo K 2019 Community-Based Tourism as A Sustainable Direction in Destination Development: An Empirical Examination of Visitor Behaviors Sustainability 11 28-64
[6] President of Republic of Indonesia 2010 Presidential Regulation Number 12: National Border Management Agency
[7] President of Republic of Indonesia 2015 Presidential Regulation Number 11: the Ministry of Home Affairs
[8] House of Representative of Republic of Indonesia 2009 Law Number 45: Fisheries
[9] House of Representative of Republic of Indonesia 2012 Law Number 18: Food
[10] House of Representative of Republic of Indonesia 2016 Law Number 7: Fishermen, Cultivators and Salt Farmers
[11] President of Republic of Indonesia 2015 Presidential Regulation Number 40: the Ministry of Transportation
[12] President of Republic of Indonesia 2019 Presidential Regulation Number 69: the Ministry of Tourism and Creative Economy
[13] President of Republic of Indonesia 2020 Presidential Regulation Number 92: the Ministry of Environment and Forestry
[14] President of Republic of Indonesia 2020 Presidential Regulation Number 27: the Ministry of Public Works and Public Housing
[15] President of Republic of Indonesia 2014 Government Regulation Number 78: Acceleration of the Development of Underdeveloped Regions
[16] President of Republic of Indonesia 2020 Presidential Regulation Number 63: Designation of Underdeveloped Regions for 2020-2024
[17] President of Republic of Indonesia 2020 Presidential Regulation Number 85: the Ministry of Villages, Development of Disadvantaged Regions and Transmigration
[18] Karl A, Nadia T and Alan D 2021 So Close yet So Far: Island Connectivity and Ecotourism Development in Central Mediterranean Islands Case Stud. Trans. Policy 9 149-60
[19] Taylor S 2017 Bridging Islands and Calming Seas: A Material Flow Management Approach to Sustainable Sea Transportation for Fiji's Lower Southern Lau Islands Mar. Policy 83 221-29
[20] Cong-Ying H, Jian-Qing W, Xiao-Jun Y and Kuan-Hong M 2020 Assessing Development Intensity and Ecological Risk of Islands on The Eastern Coast of China: Promotion of Refined Classification Management Ocean Coast. Manag. 198 1-11
[21] Dian W, Imam T, Nur T S and Denny N S 2019 Strategies of Marine Tourism Development in Talaud Islands Regency, Indonesia 4th Int. Conf. on Tropical and Coastal Region Eco Development IOP Conf. Ser. Earth Environ. Sci. 246, 1-10 (Semarang: IOP)
[22] Yahyah and Moses K T 2015 Characteristics of The Outermost Small Islands In East Nusa Tenggara Province Indonesia Int. J. Oceans Oceanogr. 9 23-42
[23] Muchid A, Mayarni and Mimin S 2017 Strategic Border Region and Palika Potential Main in The Coastal Malaka Strait, Riau, Indonesia Global Journal of Politics and Law Research 5 17-24
[24] Suryani F, Trikariastoto and Ita R 2017 Risk management of Infrastructure Development in Border Area Indonesia – Malaysia. AIP Conf. Proc. 1903
[25] Yety R, Singgih T S, Noor N M, Nazala N M 2019 Marine Policy Basis of Indonesia as A Maritime State: The Importance of Integrated Economy Mar. Policy 108 1-8
[26] Colin S M 2003 Towards New Tourism Development Strategies in Cook Islands Pac. Econ. Bull. 18 100-7
[27] Andre N 2021 Rintisan Pariwisata Pulau Terluar Bisnis Indonesia 30 April 2021