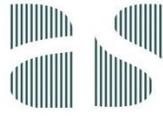


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Tourism, Communities and Quality of Life Indicators in Bali

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Shirley Chin Wei Lee

Abstract:

Global tourism's continuing expansion as exemplified by rising international arrivals and number of new destinations suggests that understanding the socio-economic prosperity of a competitive destination is an essential component of effective destination management and planning. This paper applies Kim and Wicks' (2010) tourism cluster development model to Bali – a small, mature destination in the developing economy of Indonesia. It demonstrates whether economic prosperity achieved through destination competitiveness can translate into better social welfare, particularly in mature destinations such as Bali. This paper investigates locals' perceptions of how far the impact of destination competitiveness has actually improved the quality of life of locals in Bali. Through a qualitative approach involving N = 28 semi-structured interviews, this paper illustrates that successful and competitive tourism destination does not always mean better welfare for its residents as is shown clearly in this Bali case study. Planned tourism development does not necessarily stimulate balanced regional development and equitable growth, thus justifying the importance of taking a step further in analysing the links between destination competitiveness and the residents' quality of life.

Keywords: *Tourism, socio-economic prosperity, communities, quality of life, Bali*

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Tourism, Communities, and Quality of Life Indicators in Bali

Shirley Chin Wei Lee

INTRODUCTION

The proliferation of emerging destinations has led to more countries competing for potential tourist markets, therefore managing destination competitiveness became a prominent factor in the tourism industry. Nevertheless, it is equally important to examine the socio-economic¹ prosperity of a competitive destination as this signifies the changes in wealth, education, the environment, and the welfare of citizens as a destination develops. This may in turn affect consumption behaviour, changes in income, as well as the distribution of wealth, hence affecting the overall Quality of Life (QOL). This paper therefore demonstrates whether the increase in tourism competitiveness does translate into a better social life for host communities. This paper highlights how destination competitiveness may have affected the livelihood of the residents, specifically in Bali. The impact of destination competitiveness on residents' QOL was examined to verify whether benefits cascade in favour of the host community.

Although there are some research findings assessing the impacts tourism may have on the quality of life of residents (Tosun, 2002; Ap, 1992; King, Pizam and Milman, 1993); the link between societal prosperity and tourism (Dwyer and Kim 2003); and attitudes of residents towards tourism (Kayat, 2002), research on the link between destination competitiveness and QOL have

¹ A socio-economic change is caused by the development of a country. Socio-economic is defined as “a discipline studying the reciprocal relationship between economic science on the one hand and social philosophy, ethics, and human dignity on the other” (Lutz 1990, p. 304). In a similar vein, economic changes are strongly related to sociological (changes in health, life expectancy, and education, which are all known as social dimensions), political as well as cultural changes. This is supported by Szirmai (2005), who states that economic development is inextricably linked to changes in social indicators. As tourism is a lucrative industry, an increase in tourist spending inevitably leads to changes in the living conditions of the host population, and therefore the quality of life of the locals is further explored in this case.

not been undertaken thoroughly in association with Kim and Wicks' (2010) tourism cluster development model. This paper represents the first attempt to investigate an in-depth understanding of the link between destination competitiveness and QOL (as seen on the Kim and Wicks' model) based on the perceptions of key stakeholders involved. Although Crouch and Ritchie (1999) and Dwyer and Kim (2003) mentioned socio-economic prosperity of a destination briefly, no serious attempt has been initiated to investigate whether destination competitiveness does bring better welfare towards its host population as assumed in the Kim and Wicks' model.

This paper will comprehensively investigate the social welfare impacts on Bali residents when destination competitiveness² is achieved. This analysis could bring invaluable insights for tourism practitioners and policy-makers. The inclusion of social welfare implications for residents within planning and management of tourism is highly significant, as quality tourism experiences do not come from hostile but receptive host communities (Andereck and Vogt, 2000). According to Mattson (1990) and Perdue, Long and Allen (1990), communities' intrinsic qualities should be seen as a priority for successful tourism development planning. The paper is divided into five sections. The introduction is followed by an overview of Kim and Wicks Tourism Cluster development Model and its research approach used. An analysis of the key themes that emerged during respondents' interviews will be examined and discussed and the paper concludes on the notion that socio-economic prosperity is not guaranteed although a destination appears to be successful. The findings show that the economic prosperity achieved through tourism competitiveness in Bali does not always transpose to better social welfare for local residents.

Kim and Wicks Tourism Cluster Development Model- Social Welfare Implications

Kim and Wicks' (2010) Tourism Cluster Development Model, as seen in Figure 1, is a reformulated and combined version of Porter's Diamond model with Tourism Competitiveness model of Crouch and Ritchie (1999) and Dwyer and Kim (2003). In Kim and Wicks' framework, a few variables claimed to be highly pertinent to developing economies have been included in their model. The two scholars illustrated the significance of Transnational Corporations (TNCs) and Foreign Direct Investment (FDI) specifically for developing or emerging nations, as the economies of developing countries are highly dependent on investment from TNCs flowing from the

² See Chin et al (2015).

developed countries (Kim and Wick, 2010). The significance of TNCs and FDI in the tourist sector, especially in emerging destinations, has also been discussed in the UN Conference for Trade and Development (UNCTAD) due to many countries' high dependence on external investment (UN WTO, 2012).

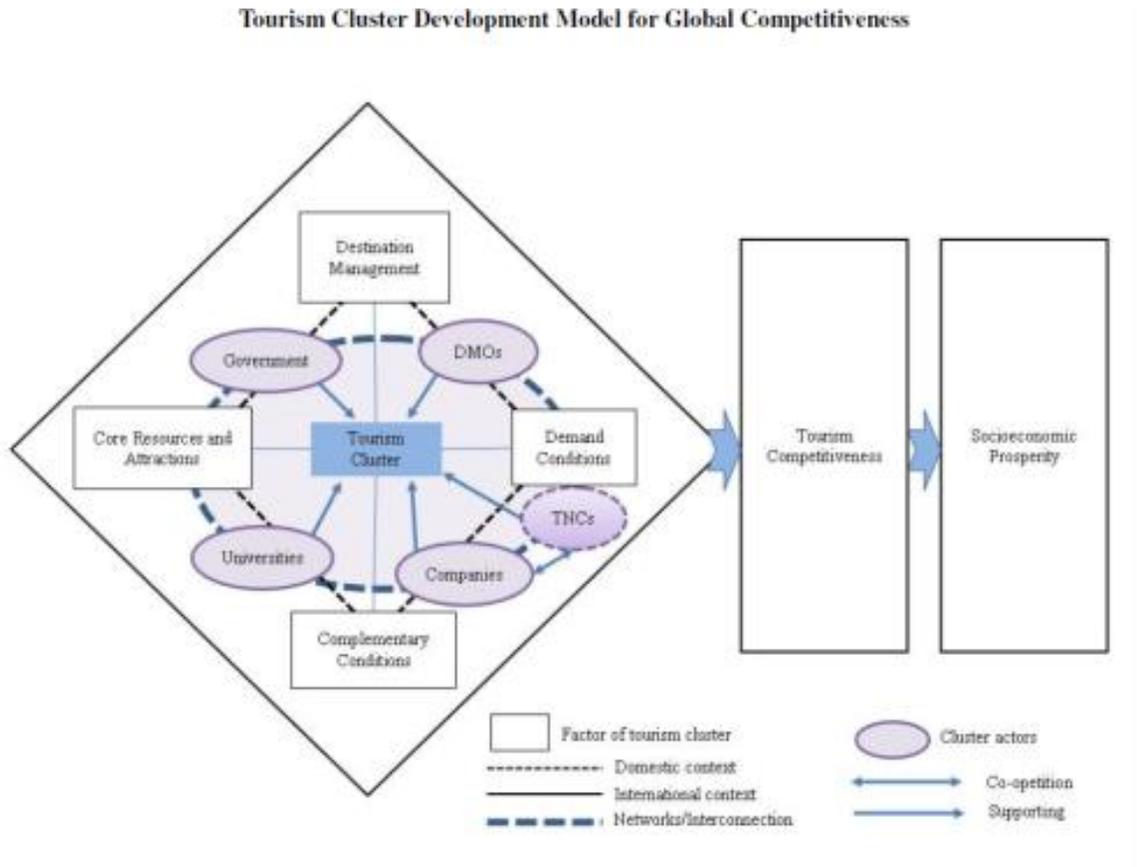


Figure 1. Kim and Wicks (2010) Cluster development model
Source: Kim and Wicks (2010)

Besides, Kim and Wicks' model also emphasise the importance of clusters and highlighted the significance of how each cluster actor works towards networking and interconnection. Although a wide range of literature on quality of life and tourism exists (including Kim et al, 2013; Andereck and Nyaupane, 2010; Pham and Kayat, 2011), this paper concentrates on attributes provided in the Kim and Wicks tourism cluster development model. Chin et al (2015) looked at Kim and Wicks Tourism Cluster development model applied to Bali, illustrating intricate issues and relationships that are identified in this small but mature destination. Cluster actors such as TNCs, DMOs (Destination Management Organisations), government and companies are highlighted with detailed analysis of the destination's strengths and weaknesses, and provide a

more nuanced understanding of what facilitates a destination's competitive position. This paper, however looks at how such competitiveness has cascaded down contributing to the socio-economic prosperity of a destination (See Figure 1). This paper illustrates whether economic prosperity achieved through destination competitiveness does translate into social welfare, particularly in mature destinations such as Bali. The paper investigates locals' perceptions of how far the impact of destination competitiveness has actually improved their quality of life in Bali. The link between destination competitiveness and quality of life will be thoroughly examined in this paper, providing a more in-depth understanding for tourism practitioners and academics. Additionally, this paper also provides a broader view by looking not only at the significance of achieving destination competitiveness, but also crucially, what it means for the local people.

Methodology

The study destination, Bali was selected, as it is one of Indonesia successful small developing economies in terms of the contribution of tourism to its GDP within Southeast Asia (WTTC, 2013). Bali was chosen as a destination for fieldwork due to its continuous tourism development which has made it the main tourism hub in Indonesia. It had 3.76 million tourist arrivals in 2014, a rise of 14.94% in comparison to 2013 (The Jakarta Post, 2015). It is also predicted to reach a total foreign tourists of 4.6 million by the end of 2016 (Balidiscovers, 2016). Additionally, the drastic changes to Bali's tourism development (Mowforth and Munt, 2009); and the evident rapid uncontrolled development (Wong 1998; Hunter 1995; Dahles and Bras, 1999) are all characteristics of Bali which can be tested on whether the economic benefits associated with destination competitiveness transpose to better social welfare of the host residents.

This study involves an intense four-week visit using a rapid rural appraisal approach alongside qualitative data collection techniques (Chambers, 1983; Ellis and Sheridan, 2014). Budget and logistical constraints meant that a longer period of field work was not possible on this project so that a rapid appraisal type approach was considered to be the most appropriate utilizing the team's 'pre-knowledge' to maximize qualitative data collection in Bali.

Legian, Denpasar, Kuta and Ubud were the regions chosen to carry out the interviews, due to the rapid pace of tourism development in these areas. Interviews were also carried out in Kintamani, a small village located North of Bali. By interviewing respondents in regions

experiencing a fast pace of tourism development as well as in regions with limited development, this provided the researcher with valuable information on the difference in opinions on how locals felt tourism has affected their lives. With the continuous development of tourism over recent decades, a small developing mature destination like Bali could provide further confirmation of destination competitiveness and more precise results of its residents' QOL.

A total of N=28 in-depth, semi-structured interviews were conducted during peak tourist season (June 2014) and the average length of interviews was approximately 1.5 hours. Their occupation; years of experience in the industry; interview duration; and the breakdown of the typology of all of the stakeholders are listed in the appendix section (See Appendix: Table 1 and 2). Semi-structured interviews were carried out and interviewees (local residents) were chosen based on their accessibility and proximity to the researcher. Residents of Bali were seen as key target participants in this research, to solicit their views on whether destination competitiveness brings socio-economic prosperity to the host population. Respondents such as beach vendors, taxi drivers and small local business owners were interviewed using convenience sampling; these respondents were easily available in the busy tourist areas like Kuta, Ubud, Legian and Denpasar. Furthermore, key stakeholders in the tourism industry such as government, tourism boards, travel agencies, tour operators, universities, and NGOs were also interviewed. Their views on how tourism has affected them, management techniques, and the ways in which the stakeholders communicate and compete provide an informed record of the industry itself.

Parameters

In order to investigate whether destination competitiveness plays a part in leading to socio-economic prosperity as claimed in Kim and Wicks' framework, a reliable set of parameters and indicators for socio-economic issues was identified to construct an appropriate set of interview questions. Secondary data were gathered to form the parameters and indicators for measuring the social welfare of the host residents. There are numerous ways and techniques available to measure quality of life. However, only the parameters that are most relevant to this research were chosen. The subjective parameters most relevant to this research (to create the interview questions on locals' perceptions on socio-economic prosperity) include the 'Happy Planet Index'³ and the

³ Happy Planet index is the first index that not only takes into account the well-being of society but also the issue of sustainability. This index not only measures how happy people are but regards the efficiency of each country's

‘Gross National Happiness’⁴. One has to be aware that the aim of this research is not to calculate the value of these indexes, but to make use of these indicators to help formulate appropriate questions for the collection of primary data. By using subjective well-being to restrict the complex situation of ‘happiness in a society’, the indicators incorporated into the Happy Planet Index and Gross National Happiness were seen as useful for measuring the social welfare of citizens.

Those indicators (Table 1) were chosen as they convey important meanings to measure the quality of life of citizens, which are more detailed than general indicators such as GDP, literacy or mortality rates. More importantly, those indicators can easily be incorporated into the tourism context to identify how competitiveness has affected the way locals live by using indicators such as ‘community vitality’ or ‘cultural resilience’. These indicators were used to design the interview questions. Interviewees were selected through two initial gatekeepers: a leading development NGO working in Bali, and a tourism academic from Udayana University. Interviews were carried out with these gatekeepers and more contacts were made using the ‘snowballing’ technique. The stakeholders interviewed through the snowballing process were all pertinent to this research since the majority had relevant knowledge (academics, government officials) and some were involved in innovation practices (entrepreneurs, hoteliers, tour operators, travel agencies). Faugier and Sargeant (1997) argue that snowballing takes advantage of the identified respondents’ social networks, which can be highly useful for researchers by providing a set of potential contacts. The author, however, recognize that only a small number of interviews were undertaken with each type of stakeholder, and that this is a limitation and raises the issue of representativeness of the sample. The study therefore include a representative cross-section of key stakeholders, which provides some reliability for cross-checking between the literature and the parties within the relationships stated in the framework.

Qualitative methods such as semi-structured interviews were seen as an appropriate way to expand our knowledge-base on whether destination competitiveness brings a better quality of life for locals. Crouch (2011, p. 30) concurs with this argument, stating that a qualitative approach

utilisation of the planet’s natural resources. Indicators include the strength to overcome difficulties in life; opportunities to undertake meaningful, engaging activities etc. (See Table 1)

⁴ The Gross National Happiness indicators relevant to this research are ‘Time use’ such as the value of non-work time for happiness like personal care, community participation, religious activities and many more. (See Table 1)

provides useful “information, knowledge and insights from destination managers, and other key stakeholders as they are the ones who have spent time addressing the challenges of what makes a destination competitive”. By adopting the interpretive methodology, this research has an “empathetic stance” (Saunders, Lewis and Thornhill, 2006), that is, to understand the respondents’ social world from their position. This is particularly useful for this research in order to understand the different stakeholders’ perspectives as well as dissonance between different respondents.

Table 1. Table of parameters and their associated indicators

Parameters	Indicators
Happy Planet index	<ul style="list-style-type: none"> - Happiness - Health conditions - Individual vitality (strength to overcome difficulty in life) - Opportunities to undertake meaningful, engaging activities - Life satisfaction - Sense of belonging to society - Feeling of relatedness (family and friends) - Respecting ecological limits
Gross National Happiness	<ul style="list-style-type: none"> - ‘Ecological diversity’ in terms of ecological degradation indicator and ecological knowledge indicator. - ‘Time use’ -value of non-work time for happiness like personal care, community participation, religious activities - ‘Community vitality’ - family indicator, social support - Culture diversity and resilience’ in terms of maintenance of cultural traditions like Dialect indicator, community festivals

Results and Analysis

Becoming a successful tourist destination has definitely affected Bali and the way in which the locals live. This is relevant in the case of Bali, as it is a successful tourist destination where the majority of local livelihoods depend on this industry (Baker and Coulter, 2007). Hence, an examination of how tourism competitiveness has helped or hindered the lives of the locals needs to be carried out.

The results illustrate that most of the respondents from the tourist regions (Kuta, Legian, Denpasar and Ubud) expressed positive views about tourism development while some expressed a ‘mixture of feelings’ about Bali’s success as a destination. Those who expressed positive views

might be directly involved in the tourism business, and thus enjoy its economic benefits. However, some expressed concerns regarding over dependence on TNCs, as well as other social and environmental concerns. NGOs and academics have agreed on the economic benefits and opportunities that tourism brings to locals, but they have also strongly emphasised the issues of spatial inequalities, power issues, and they have expressed concerns over the huge presence of TNCs. People who lived further away from the tourist regions, such as villagers, expressed negative views about the arrival of tourism, stating its limited benefits. Furthermore, respondents who were indirectly involved in the tourism business but benefited from its presence (seamstresses, or those in the handicraft/carving businesses) supported the opportunities that the tourism industry had created. Some listed the indirect problems that tourism had created (the increase in land prices, pollution and crime rates due to rural urban migration), while others expressed the numerous advantages that tourism had brought. The emerging themes that indicate the QOL of the locals are discussed below.

Dependency on Tourism and Inequality

Respondents from Ubud, Kuta and Legian felt very strongly about the reliance on tourism. The seasonality of tourism in Bali affects how Balinese earn their living as they need to prepare to sell most of their products or service within the ‘fruitful season’ also known as the peak and overcrowding season of the year (Respondent 2). According to Respondent 14, “majority of the locals work as street vendors, pedicab, taxi operators and street guides; so most locals are dependent on tourism to earn their living. If tourism is taken away, locals will definitely face a hard time surviving.” This is then supported by Respondent 7 who stated: “We know the consequences of relying too much on tourism but we have no choice but to go on with it as it gives us employment.”

The respondents were actually aware that they were in a disadvantageous position but were too powerless to react or do anything to solve this matter. This reflects the findings of Andereck and Vogt (2000) who argued that locals are aware that tourism might bring negative impacts on host destinations but still support its development. To the same extent, they are “willing to put up with some inconvenience in exchange for tourist money” (Var, Kendall and Tarakcoglu, 1985, p. 654). This might be because locals underestimate the costs associated with tourism development while at the same time overvaluing the gains that they will attain (Liu and Var, 1986).

The majority of the respondents, who were employed directly in tourism, for instance, hoteliers, taxi drivers, tour operators, vendors and small businesses like souvenir shops, expressed concerns about the over-dependence on revenue from tourism. Respondent 7 stated:

Without tourists I can't live. I have been driving around tourists for years and my earning is based only on my basic salary and their generous tips. If they don't come I can't bring any money back to my wife.

In addition, Respondent 1 voiced out that:

I have spent half of my life depending heavily on the income from tourists to feed my family, my parents and some extended family. The culture here is different. It is all our responsibility to look after all our family members being the man of the house.

Tourism is so deeply embedded in the life of the locals and Gursoy et al (2002) argued that locals are more likely to support tourism when the economy is depressed and are expected to place more significance on the benefits it brings.

Respondents also expressed their apprehensions about their livelihood and their burden providing for families if tourists no longer see Bali as an attractive destination. These concerns can easily be comprehended as evidenced by the bombing incidents of 2002 and 2005. Respondent 14 stated the devastating effects for Balinese and their businesses after the unfortunate bombing. Most locals especially in tourist towns are so dependent on tourism that their livelihood was threatened. Their spending on basic needs such as food, clothing and education for children were reduced. Besides economic problems, social problems increased such as alcohol abuse and crime rate. Respondents 1, 3, 13, 20 and 28 shared similar views on the aftermath of bombing in the lives of citizens in Bali. Many locals especially those involved in tourism businesses expressed difficulty in surviving as tourist numbers fell drastically. Travel agencies or tourism related businesses made people redundant. Additionally, shops went bankrupt and people who worked as vendors at beaches, shops and some restaurants were all forced to close down. According to Respondent 12, "The bombing happened when I had just started my business which was a very hard time for me to keep it going."

As stated by Baker and Coulter (2007), locals normally work at the bottom of the hierarchy where the reliance on tourism is high. The findings clearly show compatibility with the study of

Baker and Coulter (2007), on the over-dependence on tourism on the livelihoods of the locals. This can be seen by the decrease of their income due to the decrease in number of tourists. Visitors were 38% less in June 2003 than the previous year after the bombing (Bali Tourism Authority, 2004). There is no safety net available to assist locals and results showed that locals are not in the position to either ask for contingency plans from authorities or know how to plan one. The island of Bali is carrying the risks of concentrating too much on a single sector of the economy (Feenstra and Hanson 1996), thus affecting negatively their QOL.

Villagers from Kintamani were dissatisfied with the unequal benefits gained within Bali. People who live in Southern Bali like Kuta, Sanur or Legian area benefited more from tourism than people who live in Kintamani (Respondent 16). According to Respondent 15,

We only get the occasional tourists brought by some drivers who have some association with me. The problem is that tourists do not know how to differentiate between authentic coffee '*luwak*' (civet coffee) and a clone and a lot of them buy from big supermarkets and shops in Sanur or Kuta where they sell inauthentic products. They manufacture it in a large scale unlike us using the traditional way. They earn more as they can manufacture more and sell at a higher price which tourists will still buy due to their popular brands and image. I guess it is not important for people nowadays to maintain the traditional taste and way of doing but I have always insisted on doing it my way, which is the traditional way. Well I would be happier if there are more equity and fairness. If my land is situated in town, I would have been richer by having my land rented out or having a partnership business with investors.

The distribution of income, employment and benefits are not as ideal and equal as the provincial government had hoped. With an influx of tourists and investors coming in to Bali, it is inevitable that their presence would impact on the local communities. It is however important to see how much it has affected them and whether the consequences are viewed positively or negatively. The findings showed that residents in the village were dissatisfied and unhappy about the development of tourism due to the limited benefits they experienced.

According to Respondent 27,

People can be seen richer and wealthier in places where tourists are present such as Kuta, Seminyak, Legian and Ubud area. But it is also saddening where you can see some parts of Bali so developed and modern while others have to suffer and have no proper living conditions. The central government has failed to do something about it, instead continuously welcoming those rich investors making the gap between the rich and the poor wider. More opportunities are given to people living in towns usually the southern part of Bali.

This finding echoed the research by Pearce (1989) who stated that “much of the enclavic development that has exacerbated spatial inequalities in Third World countries has been promoted not only by transnational capitals, but also by international aid agencies and central governments” (p. 183).

The findings show the QOL of locals has improved to a certain extent as evidenced by the low poverty level in Bali. Nonetheless, inequality still exists between the rich and the poor; and the town people and villagers. The positive knock on effect of tourism does not reach all levels of locals, leading to inequality of wealth and opportunity, hence affecting negatively their quality of life. As agreed by Brohman (1996), “[t]ourism creates ‘winners’ and ‘losers’ among local residents, often without any common acceptance as to the equity of such redistribution,” (p. 59).

Power Issues

The majority of the respondents who expressed negative perceptions over power issues were academics and DMOs, as most of them felt that there was an unequal power distribution in the tourism industry. As tourism involves an array of stakeholders, many in the community felt that they are the least powerful group while they perceived the rich and those involved within the government sector as the most powerful (Respondents 8, 9, 10, 11, 14 and 20). This inequality of power is not new to residents of Bali and has been obvious since the former Governor of Bali, Ida Bagus (1988-1998) was well known for favouring foreign investors as well as the interest of the Jakarta conglomerates. He was seen to be giving priority to foreigners for business opportunities though Jakarta companies could not be considered ‘foreign’ (Hitchcock, 2000). This is relevant to what Parnwell (1993) referred to as core-peripheral theory where “tourism is found in many peripheral areas, though it is usually the urban entrepreneurs who appear to derive the greatest economic benefit” (p. 239). This has led to dissatisfaction in the local community for years and the situation has not improved since then (Respondent 5). According to Respondent 1,

The system has led to the rich being more powerful than the poor. Foreigners and businessman from other parts of the Indonesia come to Bali with the main aim of pushing our prices down at the cottage industry and our plantations. They demand a huge discount and buy in bulk from us. They then sell it at a higher price to earn a huge amount of profit. We do not have connections or capital to set up a business line, that is why we are being taken advantage of by those businessmen.

Respondents also mentioned the case of building the resort near Tanah Lot in 1994, where opposition was made clear to the authorities. The locals felt that the authorities have disregarded their opinions (Respondent 19). Three respondents mentioned the controversial issues concerning the building of Pan Pacific Nirwana Bali resort within two kilometres of Tanah Lot, a sacred temple in Bali. They voiced their disagreement with the project and were unhappy about it when the government approved it regardless of their opposition. The locals felt the construction of a luxury resort and a golf course which were too close to Tanah Lot would “disturb the harmony between humans, god and nature” (Respondent 5). The situation is made even worse when local family temples were displaced and relocated to places that were not in the way of construction of the resort. According to Respondent 9, “Locals were furious and there was a huge influence on their cultural traditions. We feel that we were treated unfairly and this has definitely affected our opinion on tourism.”

This was also been mentioned by Cohen (1994), who criticised how the demonstration by locals was ignored. In fact, many Balinese felt that the government normally decides what they think is right and then communicates with the local people to look for support (Respondent 19). The provincial government usually has more power in decision making than the rest of the community and locals normally accept and believe that the government will make a decision which will benefit the majority. The feeling of trust seems to be there. However, this has been changing as many manipulate regulations based on their own agendas (Respondent 11 and 14). “This is just so common in Bali and the whole of Indonesia. The bigger picture is not taken into consideration instead personal agendas are being prioritised” (Respondent 11). Many officers are abusing their powers to take advantage for their own benefit (Respondent 9). This is supported by Brohman (1996), Wall (1996), and Morris and Dickinson (1987), on how uncontrolled development can result in skilful manipulation of the community by a few dominant local developers.

Additionally, the unequal distribution of power however does not only apply between government and communities but also within government and non-governmental organisations. Theoretically, popular organisations like environmental groups should take part in decision making process for responsible tourism. This was however not the case in the 200 hectare resort project built to host the 2013 Asia-Pacific Economic Cooperation (APEC) forum in Jimbaran (Reuters, 2011). Environmental groups expressed their concerns on the degradation of coral and

air quality but opinions were often not taken seriously. The local government approved the project aiming to use the newly built resort for the APEC in November 2013. The issue is made even more complex with the difference of power wielded between the central and provincial government. This can be seen in several other cases elsewhere in Indonesia where the different power relationships between tourism developers and operators have affected the development of tourism on the island of Lombok, Indonesia (Fallon, 2001).

Aditjondro (1995) from Time's research asserted that Suharto not only owned most five star resorts and hotels in Nusa Dua and Jimbaran but also partly owned other tourism services like Sempati airlines. As international conferences and gatherings were held in those hotels enhancing the promotion of Indonesia, it was also simultaneously benefiting Suharto (Hitchcock, 2000). This shows how the elite can make use of their connections and positions to own a large number of businesses and drive their own personal agenda and this has led to a feeling of hostility towards the government. In addition, this has also created a gap between those empowered, rich and well-connected group and those powerless, poorly connected group, hence impacting negatively on their QOL.

The result shows clearly the dissatisfaction of local communities on the issue of unequal power distribution within Bali. However, the residents expressed that there was nothing that can be done being the least powerful and knowledgeable group among all stakeholders. The unequal power relations remained among stakeholders, with the distribution of power tilted towards the authorities, rather than the residents in Bali, thus impacting negatively on their QOL.

Corruption

This issue drew the strongest reactions from most respondents. All respondents except Respondent 3 expressed negative perceptions on the issue of corruption. Most recognised that corruption is a major issue not only in Indonesia but in many developing countries.⁵ Campos (2001) commented that Indonesia had been ranked among the most corrupt countries in the world. Mauro (1995)

⁵ Corruption in Indonesia is a major on-going political issue and has been focused on by the World Bank (2003) and academics (Kuncoro, 2003). Indonesia had implemented full decentralisation of expenditure with some degree of local democracy. This shift in regime was expected to help solved the issue of corruption with higher level of involvement in local government. However, Henderson and Kuncoro (2004) showed that decentralisation may have worsened corruption overall.

added that the main reasons for the little development and slow progression in growth rates in many developing countries might be due to the high level of corruption.⁶ Combating corruption has been in the rhetoric and policy of Indonesia since the fall of Suharto in 1998. A number of anti-corruption campaigns were launched such as the creation of the ombudsman and the Assets Auditing Commission like the *Komisi Pemeriksa Kekayaan Penyelenggara Negara* (KPKPN) as well as the *Komisi Ombudsman Nasional* (KON) (Sherlock, 2002). However, like any other anti-corruption campaigns and the hope of *reformasi* (the period of reform), changes have been limited and disappointing (King, 2000).

Most respondents expressed strongly their negative perceptions on corruption, especially within the government sector. According to Respondent 5, who is a lecturer himself, “Government servants normally will demand for some money in order to approve licenses, to lease a shop or maybe someone who is selling their land etc.” This is supported by the study of Henderson and Kuncoro (2004) where firms reported that more than 10% of their spending and time were used for bribery with local officials for ‘smoothing business operations.’ Respondent 5 then added,

Corruption is an issue not only with the tourism industry but everywhere ranging from agricultural to export and import. It is just because the tourism industry earns more money, so corruption level is higher. It is actually a big issue and we are not proud of it. Everyone just does not earn enough for themselves or for their family, which is why they go for alternative sources of income such as bribes

Moreover, Respondents 1 and 15 also claimed that money earned from tourism normally goes through multiple layers of different government officials and bureaucrats which results were briberies. Some local community programmes sponsored by government were highly inefficient and money was lost from going through departments to departments. This was evidenced by the corrupt use of state funds by Bali’s former tourism chief, who was found guilty for being reimbursed twice for international trade fairs for Bali in 2011 (Travel Trade News, 2013). “It is a very serious issue at all levels and almost everywhere. It is almost the one important thing that we do not have any solution to” (Respondent 1).

This issue was also supported in the writings of Olken (2005) that the multiple layers of bureaucracy in Indonesia had created opportunities for high levels of corruption. In addition,

⁶ The use of perceptions-based measures of corruption in economics was pioneered by Mauro (1995). More recent work using perceptions-based measures is summarised by Rose-Ackerman (2004).

according to Sherlock (2002), the issue of corruption in Indonesia remains, due to the lack of incentives for those empowered to stop corruption as they profit from their status quo.

“Corruption has been going on for a long time and I am ashamed to say that it is embedded in the business culture here in Bali” (Respondent 13). It is so common and known worldwide that investors know how they should process their application when they want to do business with Indonesians (Respondent 6). It happens so frequently that it is common for local and foreign businessman to bribe just to get the process done quicker than to go through the tedious proper procedure (Respondent 9 and 14). In similar vein, Respondent 8 expressed his regrets on his financial ability to open his own business due to high level of corruption.

Like me, I can't open my own business, because I do not have enough money with all the corruption going on. I need to get a proper license for the company but the expenses that I have to pay to actually obtain the license is way more than I expected due to the high cost of bribery. I am sure the process will be amazingly faster and easier with money and relationships with government officers.

With the views expressed by most respondents, corruption has affected the life of the majority of the local community negatively especially those who are poor. The multiple layers of bureaucracy in government sectors and the convenience of bribery are issues which lead to the continuation of corruption.

However, there are issues on bigger scale such as inter-government corruption like bribe taken based on taxation or corrupt money from subsidised local community programmes (Sherlock, 2002; Olken, 2005, 2007; Henderson and Kuncoro, 2004). A study on a transfer programme on distributing heavily subsidised rice to poor households in Indonesia by Olken (2005) have shown that corruption existed and 18% of the rice disappeared due to the lack of transparency and the poorly publicised programme. The villagers have limited information on the allocation of rice other than the village head, thus making it possible for those in charge to be corrupt. This study showed that corruption is more likely to happen in sparsely populated areas, poorer areas and areas with fewer social organisations (Olken, 2005). This study although not directly relevant to tourism, shows that the amount of corruption was extensive and significant enough to make an initially welfare-enhancing programme to help those in power or position to benefit and exploit more from poor villagers. This study gives a very good example on how corruption can affect the QOL of locals negatively. The distribution of benefits and the issue of

corruption need to be taken into consideration, to achieve a more equal distribution towards local community.

In essence, corruption remains a major problem not only in Bali but throughout Indonesia. Multiple layers of bureaucracy and the lack of incentives for those empowered to help stop corruption have increased opportunities for corruption. The locals in this study were forced to save more money; the extra amount of cash is needed for corruption to ensure all procedures are approved. Locals who have the capital and connections might not see corruption as a problem because they have excess money to bribe relevant people to get what they want. This has unfortunately led to the exploitation of poorer locals, whose QOL are negatively affected.

Involvement of Women

Bali has been a success in attracting approximately 3.76 million tourist arrivals in 2014 (The Jakarta Post, 2015) creating greater employment opportunities for women, both within the formal and informal sectors (Cukier, Snow and Wall, 1993, 1994). Women who used to stay back home or were employed in the agricultural sector, are now employed in the tertiary industry in the trade, hotel and restaurant sectors. The majority of the respondents from Ubud and Legian showed positive feedback on the increased involvement of women in tourism and saw this as a blessing as women are able to escape from manual, hard work in agriculture and work in the service industry. Respondent 7 stressed that her job is simpler in the service industry:

I feel happier now as I don't have to work in the hot sun, farming crops. I am happy to have escaped all those hard work and sit in the air conditioned car every time I drive tourists around. As long as I give good service, I can even earn more from their tips. It makes me happy and proud to have this job.

This was similar to what Respondent 10 who saw the changes in the role of women positively,

Women used to stay home and look after their children and do house chores while now more women are involved in their own businesses like masseuses, *warungs* (food stalls), manicure or pedicure and also souvenir shops. They are more independent and earn more money for our family to live more comfortably.

Respondent 8 expressed that the increase in jobs for women has helped him lessen his financial burden for his family. He said,

My wife worked as a masseuse in a spa shop and earns only 600,000 rupiah (£41) each month. Although the salary is low it does help the whole family. If she is not working, I don't think my salary will be enough for my whole family. I want my children to be better than us, so I need to work very hard to give them education.

The findings show that tourism has given females more opportunities for businesses and independence as well as supporting the family.

Moreover, locals are also benefiting from self-employment in terms of opening their own businesses such as local warungs or locally owned convenience stores. This seems to be really popular along Poppies Lane Street in Kuta, where most shops are locally owned. Most *warungs* are operated by women and as suggested by Cukier, Norris and Wall (1996) this is an example of “modifications of operations to take advantage of tourism opportunities” (p. 261). Ibu Oka in Ubud is one example of small successful businesses run by women famous for its local delicacy *babi guling* (Suckling pig), with little capital. It started off catering for locals but is now popular among tourists due to good reviews from Trip Advisor and is advertised in Lonely Planet. Mabbett (1987) noted that many Balinese entrepreneurs are women who developed successful concerns, particularly in hospitality, often with little formal training. Furthermore, Respondent 12, who has her own business as a seamstress, said that

I am very proud of myself as I can work here, earning a lot of tourists' money and support my family. I even hire family members to help out during busy periods. As my shop is near my house, I can also cook; look after my children and at the same time fulfil my duties.

This also reflects the work of Hampton (2013) on low capital entry costs in which modest requirements are needed for small scale development which later enhances local participation and lower leakages. Local women have responded to tourism by opening businesses like food stalls, souvenir shops or convenience stalls allowing more income towards supporting their family as well as flexibility in carrying out activities within their families, thus impacting on resident's QOL positively.

Nevertheless, Respondents 1, 16 and 20 had an opposite view of the increased involvement of women in the tourism industry. Respondent 16, who lives in a village commented,

The social structure is changing and the importance of family is declining. Younger people are leaving their village or parents behind wanting to work in touristic towns due to higher employment opportunities. They

visit their homes less frequently due to their inflexible or busy schedules of working in a large company. Most do not attend religious rituals and ceremonies because of their long hours of shift.

This argument has also been discussed by writers such as Wall (1996) on the increasing numbers of people leaving their villages in Bali in search for work in the tourism industry. The traditional responsibilities for men and women were in charge of the irrigation of crops and neighbourhood group (*banjar*); and the role of religious and home based activities respectively (Mabbett, 1989).

This might be the reason for the opposing views of Respondent 16 stating that

most are happy with the economic benefits but older generations are not happy with their current lifestyle. People nowadays rather pay fines to their *banjar* for failure in participation for ceremonial activities than doing less hours of work. Due to their limited time, they tend to buy offerings from shops and house chores; and rituals are being abandoned. It contradicts the traditional beliefs and the role of women.

Besides, “the inflexible working time like night shifts or the ‘round the clock’ working hours created to meet tourists’ demands forced people with families to put up with it. Women who are married are forced to leave their children with family members” (Respondent 1). The findings show tension between their rigid working hours in hotels and restaurants, which distorts their traditional family value⁷ and religious responsibilities. This is also supported by the work of Wall (1996), asserting that the conflict arises from their working hours and freedom to return to the village to perform cultural obligations. Although tourism has involved many local women in Bali, it has also affected their role not only in the family but also in cultural and religious obligations.

The pressure on family values, the abandonment of household chores, infrequent visits to the village and declining participation in religious roles, all contradict the traditional belief and role of Balinese women. However, in today’s era, it is generally accepted that a change in the status of women is a good indicator of the pattern and the direction towards modernisation. Any society is subject to modern changes, however the manner in which society accepts them may vary depending on the level of education and urbanisation (Sharma, 1990). Those respondents who expressed negatively are villagers from Kintamani and older residents from Denpasar who might hold very strong traditional beliefs and have been less influenced by modernisation. Although

⁷ However, according to Cukier, Norris and Wall (1996) most women although faced with inflexible work schedule, managed their family properly. This is due to the family system in Bali where “several family members may live in one family compound and family networks are used to facilitate care for children” (p. 262).

faced with inflexible work schedules, many women managed to fulfil their duties after work and used family members for child care. Nonetheless, the ability to provide for their family, children's education, the ability to enter into small businesses, and the shifting from agriculture to the service sector brought a significant improvement in QOL of women.

Opportunities for Locals

All respondents except for those from Kintamani, agreed on the opportunities locals gained, through the success of the service industry. Din (1992) argues that local entrepreneurial development is a natural process in reacting to tourists' demands as it is only reasonable in terms of strategic and locational advantages that local people have. With the increasing number of hotels, restaurants and tourism related businesses in Bali, local people will stand a chance to benefit in terms of employment, better income or better opportunities. Though not all jobs are guaranteed to be attractive, job availability is sure to emerge. According to Respondent 9,

Locals also possess entrepreneurial outlook in them but on a smaller scale. The moment one hotel is developed; locals will soon have other businesses developed near them. Locals do their businesses in small scale in terms of car or motorbike rental, food stalls, local spa, local laundrette, barber shop and many more. Locals do have opportunities but businesses are small due to their limited capital.

This was highly supported by Respondent 6, 14, 16 and 19 where they expressed positively the opportunities given for locals either in the form of small enterprises like souvenir shop, tattoo shop, local food stalls, vendors by the beach who provide services such as massage, hair plaits, henna⁸ or manicure to medium size enterprises like hostels, local tour operators and bed and breakfast.

Stakeholder groups like DMOs, academics and those directly involved in tourism businesses (Respondents 1, 7, 9, 15 and 19) also agreed that the younger generation will have a brighter future as most are being educated. Tourism schools are being built to train young people for the market of tourism. Besides, according to Respondent 10 there are more opportunities as many locals have built partnership with foreigners through friendship and their frequent visits to Bali. This is due to the implementation of rules for an easier processing of business license using local names since 1997. They open businesses and share the profit and workload. One of the most

⁸ Henna is a type of plant extracts/dye from a flowering plant *Lawsonia inermis*. The dye is normally used for hair products and body art for women on their hands, arms, body and legs.

popular businesses is buying villas aiming to cater for high end tourists (Respondent 9). Furthermore, according to Respondent 10, her cousin who owns a local hostel in Kuta is constantly trying to work with locals in terms of buying food from local suppliers, contracting out those washing linens to locals. This will create even more opportunities and this will lead to stronger linkages, thus money staying within the Balinese community and perhaps reinvested in the local economy. As Din (1992) suggested, viewing the local community as an inactive victim which gains nothing from this tourism era seems inappropriate and overly pessimistic. He argued that some locals have a sensible and realistic vision of becoming entrepreneurs.

Entrepreneurs have used different tactics and personal details were extracted to bond with tourists just to make a sale. According to Shaw and Shaw (1999), it is very significant for informal sector workers in Bali to use such strategies in order to survive in the highly competitive informal sector. The most common strategy is using ‘guilt as a ploy’ by playing on the income discrepancies between visitors and locals. Negotiation techniques are also mastered by locals to relate to tourists with different nationalities on their spending power and on the value of their currency (Shaw and Shaw, 1999).

All respondents who raised the issue of opportunity agreed on the positive impact tourism brings except for those living in Kintamani. Residents in Kintamani feel that they have had fewer chances to gain tourism benefits due to their location and infrequent interactions with tourists. In addition, this reflects the notion of Doxey Irridex⁹ where residents living further away or have least exposure to tourism tend to be more keen on the presence of tourists and expressed a generally positive attitudes towards them.

Additionally, tourism also provides employment opportunities not only to the young but also the older generation. Older people who have retired or have no experience in any tourism field can sell souvenirs and offer massages or small business like manicure or pedicure for tourists at attractions or beaches (Respondent 6).

⁹ Doxey (1976) Irridex theory is a phenomenon which shows the stages of residents attitude from euphoria, apathy, irritation and antagonism as tourism evolves and intensifies. As tourism grows, residents who had the greatest exposure will slowly show more reservations towards tourists. (Getz, 1986) Naturally, like any other theory, Doxey Irridex had faced a number of criticisms in terms of generalisation of dominant attitudes in a community. One needs to be aware on the chances of having “divergent views within a single community with respect to the desirability of tourism development” (Mathieson and Wall, 1982, p. 139).

Respondent 12 had the same perception who stated that,

My mother who is 67 years old still helps out in my shop because we normally get an influx of tourists in July and August doing their dresses and suits here. I have also seen older people setting up local food stalls, setting small businesses like tattoo or local karaoke place for tourists.

With the opportunity given to locals, locals felt happier. Most respondents agreed that they are better off in general and expressed their satisfaction as they are able to send their children off to universities or higher education (Respondent 1, 7, 10, 16 and 20).

With tourism growing in Bali, it does slowly reduce the poverty level of the province.

Although it is difficult to stop the rich from becoming richer, but most importantly is to help the poor. Tourism helps us have a more stable income than agriculture, unless there is terrorism or war. If we depend on agriculture, we will have more money when we have more crops but when the weather is poor, we earn almost close to nothing. (Respondent 5).

With the opportunity given to locals, it does help the poverty level to some extent. This was evidenced by the number of people living below the poverty level¹⁰ in Bali. The less than 5% poverty level among the 3.9 million residents in Bali was seen as the lowest in the whole of Indonesia¹¹ (Global Post, 2011).

Discussion and Conclusion

Examining the socio-economic prosperity of a competitive destination is important as this signifies the changes in wealth, education, the environment, the welfare of citizens, as a tourist destination develops. This may in turn affect consumption behaviour, changes in income, as well as the distribution of wealth, hence affecting the overall QOL. This is even more relevant in the case of Bali, as it is a successful tourist destination where the majority of local livelihoods depend on this industry (Baker and Coulter, 2007). The key themes that emerged through the interviews reflect on the notion that socio-economic prosperity is not guaranteed although a destination appears successful. The findings show that the economic prosperity that are normally perceived from a successful competitive destination like Bali, does not always transpose to increased social welfare.

¹⁰ Poverty was defined in this case, as an income of less than £1.30 (US\$ 2) per person (Global Post 2011).

¹¹ Data on changes in Income levels of Bali could not be found from reliable sources such as UNWTO, TSA or BPS. This might be because Bali is a province and most data publicised are for the entire country, Indonesia. However, poverty level of less than 5 % could signify that tourism does help local's way of living to a certain extent.

The framework of tourism competitiveness leading to better socio-economic prosperity is partially demonstrated in this case as tourism does bring increased opportunities for locals in terms of employment and entering into business; improved living conditions in terms of better housing and education; and the involvement of women, despite the negative consequences.

An improvement in the quality of life is evident to a certain extent but the result does not entirely correlate with Kim and Wicks framework. There are still a significant number of the host population who are being taken advantage of, and who are facing irresolvable issues such as inequality, over dependency on tourism, power differences and corruption. The population who live further away in the villages expressed that there was little opportunity to even come into contact with tourists, let alone benefit from the industry. They remain poor, as the benefits are limited to the southern region of Bali where good infrastructures and attractive TNC resorts are available. This poses further questions about the 'trickle down' of tourism benefits as a theory.

Additionally, spatial concentrations of mass tourism investment in the Southern region of Bali have increased disparities among regions and classes. This concurs with Torres and Momsen (2005), who state that planned tourism development does not necessarily stimulate balanced regional development and equitable growth since the majority of the profits generated flow to the entrepreneurial elites, the government and TNCs, causing inequality. The backward linkages in improving the life of the locals seem to be limited. Furthermore, as agreed by Scheyvens and Momsen (2008), many small developing economies are still facing inequality due to ethnic diversity, the postcolonial economic dominance of TNCs and the low level of education, as seen in the Bali case study. This also links closely to the work of Akama (1996) and Ziffer (1989), in which they state that the economic benefits from tourism are seen to flow back to the outside operators or the government, while locals are left with limited benefits. It is unsurprising that the development of tourism seems to revolve around business ideas and prospects, which might alienate local communities (Rudkin and Hall, 1996). Therefore, this paper has gone a step further and has investigated the welfare of the citizens, to obtain a more balanced picture of tourism development. The significance of having equitable social benefits among the local communities needs to be emphasised (Scheyvens 1999; Liu 1994; Ceballos-Lascurain 1996).

The results show that the success of Bali has brought an improvement in QOL to the Balinese but only to a limited extent. A successful and competitive tourism destination does not

always mean better welfare for its residents as is shown clearly in the Bali case study, thus justifying the importance of taking a step further and analysing the links between destination competitiveness and the residents' quality of life.

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Appendix Table 1. List of respondents from Bali (N=28)

Name	Age	Sex	Town/ Country	Nationality	Occupation	No. of Years in Business	Interview Duration
R1	30-40	Male	Kuta	Balinese	Free lance taxi driver	17	1 Hr 32 Minutes
R2	35-40	Male	Kuta	Balinese	Tour agency in Barong Guesthouse	20	47 Minutes
R3	40-50	Male	Kuta	Balinese	Triad leader	15	58 Minutes
R4	30-40	Male	Kuta	Balinese	Henna business/ professional surfer	7	48 Minutes
R5	50-60	Male	Ubud	Balinese	Former secretary Bali tourism board	30	2 Hrs
R6	30-40	Male	Ubud	Balinese	Coordinator in Bali Tourism Board	2	48 Minutes
R7	30-40	Female	Ubud	Balinese	Driver	4	1 Hour
R8	50-60	Male	Ubud	Balinese	Tour Operator	7	1 Hr 41 Minutes
R9	25-30	Female	Ubud	Balinese	Swiss Contact (NGO)	3	1 Hr 39 Minutes
R10	30-40	Female	Legian	Balinese	Lecturer in University Udayana	6	44 Minutes
R11	50-60	Male	Legian	Balinese	Carvings business	8	57 Minutes
R12	40-50	Female	Legian	Balinese	Seamstress	9	52 Minutes
R13	50-60	Male	Legian	Balinese	Bali Tourism Board	15	1 Hr 33 Minutes
R14	50-60	Male	Legian	Balinese	Head of Master Program in Udayana	17	1 Hr 55 Minutes
R15	40-50	Male	Kintamani	Balinese	Coffee Plantation (worked in Sanur before)	27	1 Hr 35 Minutes
R16	40-50	Male	Kintamani	Balinese	Coffee plantation	30	1 Hr 11 Minutes
R17	30-40	Male	Denpasar	Balinese	Work in Temple	2	20 Minutes
R18	25-30	Female	Denpasar	Balinese	Work in Temple	3	35 Minutes
R19	30-40	Female	Denpasar	Balinese	Lecturer in University Udayana	8	2 Hrs 20 Minutes
R20	25-30	Female	Denpasar	Balinese	Lecturer in University Udayana	3	1 Hr 10 Minutes
R21	30-40	Couples	Singapore	Singaporean	Tourist	N/A	30 Minutes
R22	25-30	Couples	California	USA	Tourist	N/A	25 Minutes
R23	50-60	Male	-	Swiss	Swiss contact (NGO)	2	1 Hour
R24	25-30	Female	Kintamani	Balinese	Farmer	6	1 Hr 24 Minutes
R25	25-30	Female	Kintamani	Balinese	Works in Plantation	5	1 Hour
R26	35-40	Male	Kintamani	Balinese	Rice plantation	7	45 Minutes
R27	30-35	Male	Kintamani	Balinese	Rice Plantation	5	1 Hour
R28	30-35	Female	Kuta	Balinese	Small Restaurant owner	8	1 Hr 25 Minutes

Appendix Table 2. Breakdown of the typology of stakeholder groups

Respondents	People involved <i>DIRECTLY</i> with tourism businesses				People who are <i>NOT</i> directly involved in tourism			NGOs/Academics			People with limited benefit
	Taxi Drivers	Tour Operator/ Hotelier	Vendor	Triad Leader	Seamstress	Temple	Carving business	Lecturers	Swiss Contact	Bali Tourism Board	Villagers
KUTA											
R1	X										
R2		X									
R3				X							
R4			X								
R28			X								
UBUD											
R5								X		X	
R6										X	
R7	X										
R8		X									
R9									X		
LEGIAN											
R10								X			
R11							X				
R12					X						
R13										X	
R14								X			
KINTAMANI											
R15											X
R16											X
R24											X
R25											X
R26											X
R27											X
DENPASAR											
R17						X					

R18						X					
R19								X			
R20								X			
R23									X		
	N=6				N=4			N=9			N=2
Therefore total respondents (26) + 2 tourists : N=28											