

Complexities of Locals' Attitudes toward Tourism Development as a Means for
Poverty Reduction: The Case of Sharia Aceh

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List of Abbreviations

AMM	Aceh Monitoring Mission
ASEAN	Association of Southeast Asian Nations
CFW	Cash for Work
DFID	Department for International Development (UK)
DOM	<i>Daerah Operasi Militer</i> (Military Operations Area)
EU	European Union
GAM	<i>Gerakan Aceh Merdeka</i> (Free Aceh Movement)
GATT	General Agreement on Trade and Tariffs
GoI	Government of Indonesia
HDI	Human Development Index
HRD	Human Resources Development
LDC	Least Developed Country/Countries
LED	Local Economic Development
LNG	Liquefied Natural Gas
MDG	Millennium Development Goals
MoU	Memorandum of Understanding
NGO	Non-governmental Organization
SAP	Structural Adjustment Program
SES	Socioeconomic Status
SL	Sustainable Livelihood
UN	United Nations
UNCTAD	United Nations Council on Trade and Development
UNDP	United Nations Development Programme
WTO	World Trade Organization

“I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person (except where explicitly defined in the acknowledgements), nor material which to a substantial extent has been submitted for the award of any other degree or diploma of a university or other institution of higher learning.”

A handwritten signature in black ink, consisting of a large, stylized initial 'D' followed by several loops and a horizontal stroke.

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Ethical approval for this research was granted by the Auckland University of Technology Ethics Committee (AUTEK) on 10 May, 2010 reference number 10/27.

Abstract

The province of Aceh, Indonesia, is a unique region that holds significant Islamic historical and cultural value. Aceh has been sporadically embroiled in armed conflict between the Indonesian central government and Acehnese political factions that demanded Aceh should be recognized as an autonomous region, if not offered independence from Indonesia. This conflict has undermined income levels and increased poverty rates in Aceh compared to other provinces in Indonesia. A brief exacerbation of conflict following the fall of Suharto's New Order government was abruptly halted by the 2004 Sumatra Andaman earthquake and resulting tsunami, which devastated the province. The signing of the Memorandum of Understanding between the Indonesian central government and the Free Aceh Movement (GAM) has resulted not only in cessation of armed conflict, but also in a renaissance of economic development in Aceh. One major development is the introduction of tourism as a potential strategy for economic growth.

Tourism is promoted as a poverty reduction strategy by the United Nations, World Bank and other international organizations, due to its reliance on numerous small operators, thus increasing wealth penetration and the economic multiplier of tourism revenues, as well as sustainable tourism opportunities. What is rarely discussed in the literature however, is the community's understanding of the concept of tourism, and the impact of tourism on community values, norms, and practices. This research project focuses on how a predominately Muslim community view towards tourism, including

their perceptions of the advantages and disadvantages, and describes the ‘sustainable livelihood’ framework as a useful tool in assessing the contribution of tourism development. The research draws upon the results of five focus group interviews, which were used to gather general opinions and information from community members about their understanding of tourism as a concept and its capacity to reduce poverty levels. It then uses targeted interviews of participants in local communities in Aceh to gather more specific information about tourism practices.

The findings of this research indicate Acehnese community members are generally supportive of tourism, but have some reservations regarding its potential application in poverty reduction. Many Muslim Acehnese emphasised the importance of cultural preservation in the application of any tourist strategy, and expressed concerns about a potential clash between Aceh’s Muslim culture and the expectations of Western visitors. Another concern was the role of small and micro enterprise in the development of tourism strategies, and their possible exclusion from the marketplace, if large-scale tourism development takes place. They also highlighted the lack of general community involvement in developing tourism activities and frameworks, which have not taken into account local priorities.

Despite these concerns, the participants were generally optimistic about the role of tourism in Aceh’s economy. Recommendations outlined in this paper include the development of local educational and vocational training to support the tourism industry, and the introduction of a tourism employment agency that small tourism

operators and service providers could use in order to mitigate logistical problems caused by relying on the lowest-paid workers. These recommendations are further developed during the analysis of the findings, and a concise set of recommendations are offered to Indonesian policymakers to formulate an effective tourism-based strategy for Aceh. The research also identifies some potential areas for supplementary research in the province as well as general questions that remain unanswered regarding the role of tourism in poverty reduction.

Chapter 1 Introduction

Significant research into tourism as a poverty reduction strategy has only been initiated within the past decade. A 2001 United Nations Conference on Trade and Development (UNCTAD, 2001) report, *Tourism in the Least Developed Countries*, represents one of the earliest formal discussions on tourism in poverty-stricken regions. The report, which summarized the capacity of tourism as a means to economic development in countries classified as least developed by the United Nations (UN), identified a number of advantages to tourism. These included: that tourism is ‘labour intensive’; ‘provides a wide range of different employment opportunities’; ‘contributes to a geographical spread of employment’; ‘employs more women and young people than most other industries’, and; ‘creates opportunities for many small entrepreneurs’ (Benavides and Pérez-Ducy, 2001, p. 12). Such characteristics means the tourism industry offers a clear advantage in promoting economic development in countries that have not yet sufficiently developed to sustain a broad industrial or service-based economy, or that continue to have difficulty with human resources development (HRD). At the same time, however, tourism is, in effect, partially a commodification of indigenous culture, representing its standardization, packaging, and sale to other, wealthier visitors to interpret as they wish (Ryan and Trauer, 2005). Given this commodification, it is not only reasonable, but also necessary to ask: How do the locals feel about the use of tourism in poverty reduction?

This research focused on a single setting, the province of Aceh in Indonesia, in order to explore this inherent conflict in the understanding of tourism as a means to poverty reduction.

Aims and Objectives

The aim of this research is to identify local attitudes toward tourism as a poverty reduction strategy in the province of Aceh, Indonesia, and to determine whether this is an appropriate strategy for the region given the existing state of the local population.

Objectives include:

1. Analyzing the role of tourism in a poverty based economic development framework;
2. Considering the norms and values of the Acehnese people, and examining how the peoples of this region view the practice of tourism, and;
3. Determining whether, given the locals' attitudes, norms, and values, a tourism-led poverty reduction strategy would be appropriate for the Aceh Province, and if so, how it should be implemented in order to meet the needs of the local people.

The Research Setting: Aceh Province, Indonesia

The Aceh Province (formerly known as *Daerah Istimewa Aceh* and *Nanggroe Aceh Darussalam*) is primarily an Islamic province in Indonesia. The province has a long religious and political history, and also holds significant mineral wealth. It has been a historically contested region however, with a number of political and military movements agitating for freedom from Indonesia. While the region has a tourism industry in place, the 2004 Indian Ocean tsunami, which is thought to have killed up to 170,000 Indonesians and destroyed the homes of a further 500,000 people, had a significant impact on the region's tourism activities.

Geography of Aceh

The geographic location of the Aceh province has had both positive and negative effects on its historical position, opening it up to both lucrative trades from the West and to devastating damage from a tsunami centred in the Bay of Bengal. The Aceh Province (Figure 1) is around 57,365 square kilometres, situated to the west of Indonesia's main body of land and to the east of the Strait of Malacca. Aceh is a mountainous region, with major ranges, including the Bukit Barisan range, with the highest peak being Leuser at 3,466 meters, and the Aceh Raya range, with the highest peak being Seulawah Agam at 1,762 meters (Aydan, 2005).

Aceh has a tropical climate with an even temperature throughout the year, with coastal areas averaging 28° celsius and inland and mountainous regions averaging 23° celsius to 26° celsius. The entire region is very humid, with average relative humidity ranging from 70 percent to 90 percent. Seasonal monsoon winds mean wide variations in daily rainfall, with the monsoon winds blowing in from the south and east from June to September, bringing the dry season, while the northwest monsoon winds bring the rainy season from December to March (Aydan, 2005).



Figure 1 Map of Indonesia



Figure 2 Map of Aceh Province, Indonesia

History of the Aceh Province

The region now known as Aceh has a long history of human habitation, and it is one of the earliest sites of Islamic culture in Asia. Aceh, located in an advantageous trading position between India and China, had a thriving trade as early as the 1st century Common Era (CE), with recorded trade with the Roman Empire being reflected in writings as well as in the archaeological evidence. The region, which was the hub of the regional spice trade, was also visited by Indian and Chinese traders through the 5th century CE. The city of Perlak had risen to prominence as a trading port by the 9th century, and was at the time a primarily Buddhist state known to the Chinese as Po-Li, although there is evidence that an Islamic community had already been established there (Clarke, Finany, and Kenny, 2010). Aceh's Islamic origins stem from its geographic location as the first port of call for Islamic traders to the region. As Islam's starting point in the archipelago, and the last point of departure for the hajj, Aceh was named by Arab traders as Mecca's Verandah (Kingsbury, 2006).

The height of Acehnese power during this period came with the ascent of Sultan Iskandar Muda, to the sultanate. Iskandar Muda, who ruled from 1607 CE to 1636 CE, was highly successful at fighting back at the Portuguese expansion, as well as consolidating the Islamic state of Aceh. The European imperial expansion of the 19th century CE once again threatened Aceh's dominance within the region (Clarke, Finany, and Kenny, 2010). Acehnese power began to decline in the seventeenth century, as the great European powers, fought for control (Reid, 1999). The London treaty of 1824, also

known as the Anglo-Dutch Treaty, created the states of Malaysia and Indonesia by partitioning the sphere of interest between the Dutch and British along the Straits of Singapore and Malacca (Lee, 2006). Nevertheless, Aceh did not simply submit to this colonial expansion. An article of the 1824 treaty also stated that the two powers recognized the independence of Aceh. The Dutch began to try to take control of Aceh in 1871, following the British withdrawal of claims to the region; still, it took two years for the Dutch forces to gain a coastal foothold in Aceh, and “it was not until 1912 that the Acehese leadership was finally killed or captured, and Aceh finally brought under Dutch control” (Clarke, Finany, and Kenny, 2010, p. 8). Even following this final assertion of control by the Dutch, there was continued resistance to the Dutch occupation.

The Second World War marked a turning point in the history of Aceh. The region was occupied by the Japanese from 1942 to 1945, and on withdrawal of the Japanese in 1945 Indonesia declared independence from the Dutch. The initial federalist state adopted in 1949 following Indonesia’s successful bid for independence seemed to support the Acehese desire for self-determination; however, in 1950, the Indonesian state was reconstituted as a unitary state and Aceh was forced into the North Sumatra region (Clarke, Finany, and Kenny, 2010). The Acehese consolidated their resources and became one of the Republic’s strongholds (Bertrand, 2007). This sparked a bid for Acehese independence, which began in 1953 under Governor Teungku Daud, who mobilized his followers to resist the central government by ordering armed units to attack government offices and security posts to confiscate arms (Sulaeman, 2006).

Although this resulted in the 1959 granting of special administrative status, which allowed for some degree of self-determination in religious and educational affairs, the Aceh province remained under the control of Indonesia (Clarke, Finany, and Kenny, 2010).

The New Order government of President Suharto (1966 to 1998) led to new practices of economic development in Aceh, primarily focused on the region's mineral wealth reserves. After almost a decade of little center-periphery conflict, Acehnese dissatisfaction re-emerged in the early 1970s. The discovery of a huge oil and natural gas reserve in North Aceh by Exxon Mobil Oil Indonesia triggered Acehnese/peripheral resentment towards the center as all of Aceh's wealth was transferred to Jakarta (Bresnan, 2005). This economic exploitation and exclusion resulted in the re-emergence of Acehnese independence movements.

From 1976 to 2001, Aceh was the site of persistent military conflict between Acehnese separatists and the Indonesian government. From 1976 to 1989, the conflict was relatively small, with the Free Aceh Movement (GAM) consisted of approximately 600 fighters, the majority of whom were trained in Libya. The Indonesian government response to this movement was the *Daerah Operasi Militer*, or Military Operations Area (DOM) (Clarke, Finany, and Kenny, 2010). This military campaign was not conducted strategically against the GAM movement, but was largely indiscriminate, meaning tens of thousands of Acehnese were imprisoned and tortured in military camps, regardless of their political affiliations. In addition, hundreds of documented rape cases and various

human rights violations affected many Acehnese until the end of the military operations (DOM) in August 1998 (Human Right Watch, 2001). The 2001 re-establishment of Aceh as a special administrative area was a move in the right direction; however, this was followed by increasing crackdowns by the Indonesian government, and by 2003 government activity had once again intensified with the declaration of a state of emergency and assumption of martial law in the region (Clarke, Finany, and Kenny, 2010).

The conflict between GAM and the Indonesian government, which had a significant civilian toll as well, was finally interrupted by the 2004 Sumatra Andaman earthquake, which occurred on the 26th of December. This earthquake, which measured 9.1 to 9.3 on the Richter earthquake magnitude scale, was followed by a tsunami that is ranked as the most devastating in human history (Lay, et al., 2005). The epicentre of the earthquake off the coast of Sumatra meant that the tsunami was focused on the Aceh coastal regions, particularly the northern Nicobar and Andaman island regions. A lack of effective tsunami and earthquake warning systems left these regions unprepared, and the resulting tsunamis, with wave heights up to 25 meters (80 feet) near Banda Aceh and average velocity of 15 meters (45 feet) per second (Paulson, 2005), were devastating. There were 283,100 confirmed deaths due to the earthquake and resulting tsunami, 141,000 missing persons, and 1,126,900 displaced persons for the affected Bay of Bengal region. Of these deaths, the majority occurred within Indonesia (235,800 people) with the remainder occurring in Sri Lanka and Thailand (Lay, et al., 2005).

The 2004 Sumatra-Andaman earthquake was devastating to Aceh; its geographic position, which had proven to be a boon for trade during the previous centuries, meant that it sustained the majority of damage from the earthquake and tsunami as well as the resulting aftershocks. From a political perspective however, there were positive outcomes. The on-going conflict between GAM and the Indonesian government, which had been steadily escalating prior to the earthquake, was abruptly halted by the disaster and the resulting need for recovery (Clarke, Finany, and Kenny, 2010). Eight months after the tsunami, the Government signed a Memorandum of Understanding (MoU) with GAM to stop the conflict.

The MoU, which established the peace agreement between the two parties, accorded new powers to the Aceh government, including a far greater level of self-determination than had previously been accorded. The agreement also set out specific conditions for the monitoring of the peace accord, with the Aceh Monitoring Mission (AMM) established by ASEAN and EU countries to monitor human rights conditions, progress in peacekeeping, as well as economic developments in the region. The agreement also specified a dispute resolution process to be used within the country in order to ensure that the agreement could be effectively monitored.

This legal agreement between GAM and the Government of Indonesia (GoI) spelled an end to the conflict between the two parties, and focused economic development assistance on reconstruction from the devastating 2004 tsunami. This reconstruction was not without its conflict amid claims that the receipt of aid was seen

by tsunami survivors as humiliating and demanding of passivity in reconstruction efforts, while donors were seen as self-serving and demanding of praise (Clarke, Finany, and Kenny, 2010). Military conflict however has been largely absent in the Aceh province since the 2005 peace agreement.

Economics of the Aceh Province

As noted previously, the Aceh Province has rich stocks of potential mineral wealth, although these mineral resources are non-renewable and have only recently been of economic benefit to the Acehnese themselves (Clarke, Finany, and Kenny, 2010). Despite increased revenues from oil and gas, a 2009 report by the World Bank indicated that 2008 economic activity in Aceh declined by more than 8 percent (World Bank, 2009). This included a fall in the reconstruction sector, which had dominated the Acehnese economy since 2004; agriculture and manufacturing have not been growing commensurately with the slowdown in reconstruction, leading to a gap in the economic growth. Overall, the Acehnese regional economy grew only 1.9 percent when considering non-oil and gas, compared to 6 percent Indonesian growth overall (World Bank, 2009).

Although the World Bank (2009) recommends that growth in the private industry must occur to compensate for the dwindling reconstruction industries, there are a number of constraints and barriers to this occurring. One of the major barriers is infrastructure, particularly electricity supply, with power being interrupted, on average,

43 times per week in Aceh (World Bank, 2009). This poses a significant barrier to manufacturing and agricultural activities that are sensitive to power supplies. A second major issue in business development is extortion and security concerns, with 9.3 percent of Acehnese businesses reporting such concerns (World Bank, 2009). These issues are thought to be correlated to the violent conflict that has consumed Aceh over the past forty years, and the resulting degradation of legal and social institutions. Such issues pose significant implications in terms of the development of economic growth however, particularly for outside investors and in terms of the availability of credit for Acehnese entrepreneurs, because it dramatically increases risk. Finally, there is the issue of encouragement of widespread growth, rather than simply focusing on areas that will provide significant advantages for a small number of beneficiaries. The development of widespread growth and how to encourage this type of growth remains a significant issue in the development of the Acehnese economy and is a source of serious political debate (World Bank, 2009).

Poverty in Aceh continues to be a major concern, although there are signs that it is beginning to lessen over time. According to a World Bank (2008) assessment of poverty in Aceh, the end of the on-going conflict between GAM and the Indonesian government, as well as reconstruction activities resulting from the tsunami, had led to a reduction in pre-tsunami poverty levels in the region by 2006, compared to 2005. In 2005, Aceh was the fourth poorest province in Indonesia. A total of 26.5 percent of Acehnese were below the poverty line, compared with 17.8 percent of Indonesia as a whole; this included 14.7 percent of urban residents and 30.1 percent of rural residents,

meaning that poverty was primarily a rural occurrence in Aceh, as it continues to be elsewhere in Indonesia (World Bank, 2008). Figure 3 represents the change in the population living in poverty from 2005 to 2006; this demonstrates that the majority of the region, other than the Simeulue and Aceh Tenggara areas, had a decline in the number of people living below the poverty line during this period (World Bank, 2008). The provision of increased funding from mineral resources, including natural gas, are not significantly reducing poverty; Aceh regions have higher GDP per capita than the remainder of the country, but this increase in wealth has not translated into a lower poverty rate. Furthermore, there is no evidence that increased health and educational spending, both of which is higher than the rest of the country, is delivering better outcomes for Aceh (World Bank, 2008). Thus, there is still significant work to be done in poverty reduction within the region, with increasing income and income distribution being major challenges for the translation of mineral wealth into sustainable population wealth. Furthermore, the poverty rate once again began to rise in 2008 following the winding down of reconstruction activities, a situation that has not yet been corrected by the development of increased activity in other industries (World Bank, 2009). Thus, there are still persistent barriers to the reduction of poverty in Aceh.

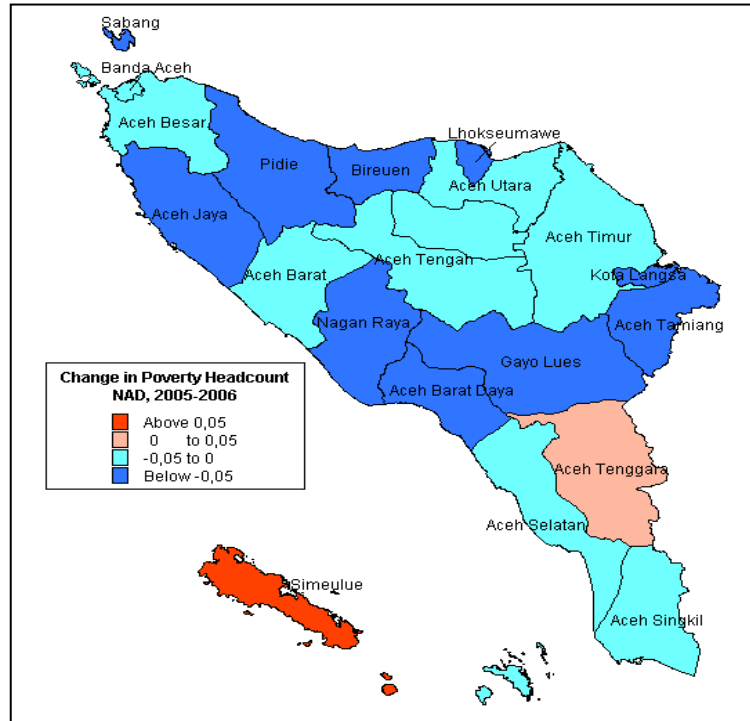


Figure 3 Change in population living below the poverty line in 2005-2006 (World Bank, 2008)

In summary, the Acehnese economy has most recently been driven by the reconstruction activity following the 2004 tsunami in sectors including construction and trucking. The winding down of this activity however has not been replaced by private economic growth, due to concern regarding illegal payments, security, and other previously mentioned issues (World Bank, 2009). This has resulted in gradually rising poverty and unemployment rates in the region, as well as stagnation of growth from previously promising areas (World Bank, 2009). Furthermore, increased spending on health and education has not translated into better outcomes, indicating that there is inefficiency regarding this spending (World Bank, 2009). Thus, despite the modest economic growth of the past several years, Aceh remains a region that has significant issues with unemployment and persistent poverty (World Bank, 2009).

Current Demographics

According to the 2010 Indonesian census, the current population of the Aceh province is approximately 4.9 million people (Wake, 2010). The gender ratio of the province is approximately even, with 50 percent male and 50 percent female residents. The region has a population density of 77 people per square kilometre, with the highest populated regions being the Aceh Utara, Bireuen and Pidie districts. The most densely populated region is the capital city of Banda Aceh, with a population density of 3,654 people per square kilometre, while the least densely populated region, namely the rural Gayo Lues district, has a population density of only 14 people per square kilometre (Wake, 2010).

The relative population of the Aceh province is small in comparison to Indonesia on the whole; as of 2005, it represented only 1.84 percent of the total population of Indonesia (Statistics Indonesia, 2010). Its annual population growth is also below the average; while Indonesia as a whole has 1.3 percent population growth on average from 2000 to 2005, Aceh had only 0.52 percent on average during this period. This drop in population growth is likely due to combined effects of the on-going war and the tsunami however, rather than falling fertility rates, as the trend fertility rate of 2.44 was higher than the 2.27 trend for Indonesia on the whole (Statistics Indonesia, 2010).

In 2005, the annual growth of the workforce in Aceh was -3.2 percent, indicating a significant drop from the previous year (Statistics Indonesia, 2010). Literacy rates are relatively high however, with 93.73 percent of women and 97.77 percent of men in the

province achieving base literacy rates (Ryan and Trauer, 2005). The calculated Human Development Index (HDI) for Aceh, which calculates the education, health, and income standards of the regions, was trending slightly above the average for Indonesia on the whole up to 2002, but by 2005 it had dropped, likely due to the negative effects of the tsunami (see, Figure 4). The HDI is a single statistic, which is used to serve as a frame of reference for both social and economic development. The HDI sets a minimum and a maximum for each dimension, called goalposts, and then shows where each country stands in relation to these goalposts, expressed as a value between 0 and 100.

Since the HDI is partially calculated using per capita GDP however, this is likely an exaggerated condition, given that as noted above, Aceh's regional GDP per capita is inflated compared to actual income because of the transfer of revenues related to the majority of mineral wealth prior to the 2005 peace agreement (Clarke, Finany, and Kenny, 2010). Aceh also ranks slightly higher on gender empowerment than Indonesia as a whole; the last available figures, as of 2002, indicate that Aceh was ranked at 62.10 on the Gender Development Index, as compared to the 59.20 ranking that is assigned to Indonesia on the whole (Statistics Indonesia, 2010). Similarly, the Gender Empowerment Index ranking for Aceh is slightly higher than for Indonesia as a whole, at 55.50 as compared to 54.60 (Statistics Indonesia, 2010). Indonesia, comparative on a global scale is ranked 108 out of 169 countries measured, and is in the medium human development category (UNDP, 2010).

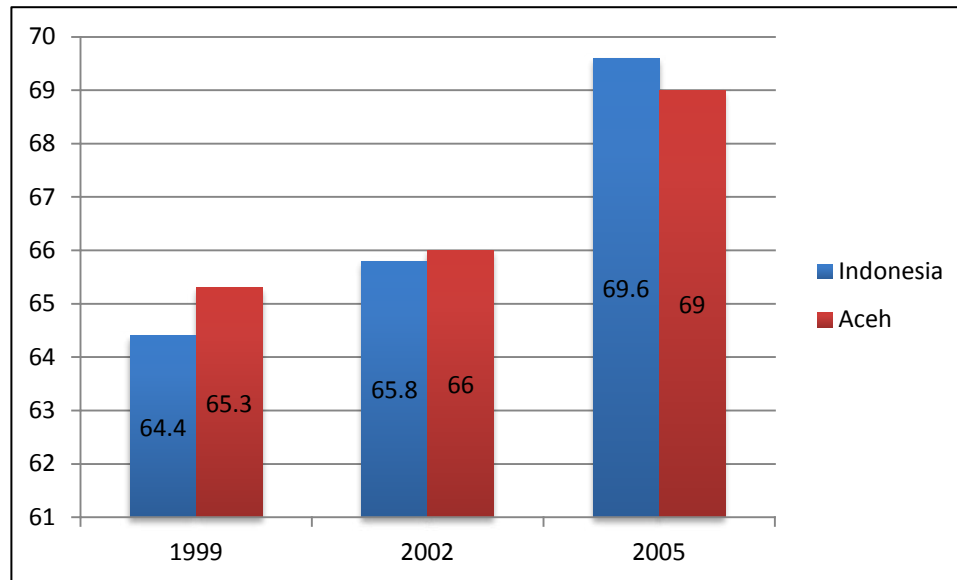


Figure 4 Relative Human Development Index outcomes for Indonesia (total) and Aceh, 1999 to 2005 (Statistics Indonesia, 2010)

Indonesia as a whole is predominately Islamic with around 86 percent of Indonesians reporting their religion as Muslim, with the remainder reporting Christian sects, Hinduism and Buddhism (Clarke, Finany, and Kenny, 2010). Aceh, long regarded as the seat of Islam in the south Asia region, is primarily Islamic, although in accordance with the 2005 peace agreement, it recognizes freedom of religion as guaranteed in the Indonesian Constitution. The religious environment has affected the province's regional laws, with much of the Aceh province's law being derived from the Islamic *Sharia* law tradition (Clarke, Finany, and Kenny, 2010).

The Tourism Industry in Aceh

Historically, Aceh played a significant role in Islamic religious travel, as it was one of the main points of departure for pilgrims departing for the *Haj* (religious journey to Mecca) during the 12th to 16th centuries (Clarke, Finany, and Kenny, 2010). Its role as a tourist destination however has expanded in recent times as well. Additional tourist attractions include the open beaches and the province's extensive ocean footage. An interview with the Mayor of Banda Aceh, Mawardy Nurdin, identified many of the key tourism draws for the region. Nurdin stated:

There is of course the beautiful waterfront in the city of Banda Aceh, as well as rolling beaches throughout the province. The island of Sabang is already recognized as a tourist destination and has recovered well from the effects of the tsunami. There are several resorts that meet international standards and there is also some of the most beautiful coral reef along the island, which attracts many divers and snorkelers... There is a tremendous amount of heritage from these sultanates and from the colonial period under the Dutch. In addition, there is the solemn interest that comes from the tragedy of the tsunami... We think there is a wealth of attractions that will appeal not only to domestic holidaymakers and regional tourists, but can indeed help to place Aceh on the international tourist map (Oxford Business Group, 2008, p. 208)

The Mayor identifies many of the tourist attractions available in Aceh, and suggests any tourism strategy should seek to target both domestic tourists and international tourists that are looking for beach-based relaxation as well as more active and cultural orientated activities (OBG, 2008). There are no official figures available for the current size of the relatively recent tourism industry in Aceh or the number of actual people visiting, although there is anecdotal evidence indicating that there are a number of areas of tourism that have emerged since the tsunami (Clarke, Finany, and Kenny,

2010). Sabang, an island north-west of the coast of Banda Aceh, has emerged as a popular diving destination, Lhoknga in Aceh Besar, has been a popular beach for surfers, and Gunung Lesuer National Park is becoming a favourite destination for nature-based tourism. Secular pilgrimage is also evident in Aceh; Dutch families visit Dutch war graves from the 19th century war between Holland and Aceh, this represents a similar secular pilgrimage as seen in Gallipoli (Hyde, 2011). Until this day, the Dutch Embassy still pays for the upkeep and maintenance of Kerkoff grave in Banda Aceh where 2200 Dutch soldiers rest peacefully. Furthermore, Malaysian visitors are frequently retracing their family heritage in Aceh, since many Acehnese left during the 30 years of conflict in the late 20th century.

There is no universal source of total number of tourists visiting Aceh because no single agency or government department collects them rigorously. Available statistics do not also include Indonesian domestic tourist numbers, or differentiate between tourists and NGO/Development workers. For example, information from the Aceh Agency of Statistics (BPS) published in July, 2011 reported that from the January – June 2011, 6,657 tourists visited Aceh. Such numbers are only collected from the Visa on Arrival visitors at Banda Aceh airport however, they do not include pre-authorized visas from outside Indonesia, or take into consideration tourists arriving through other ports such as Medan or Jakarta. The researcher's four years experience in the tourism industry in Aceh suggests that such a number is very skewed, and is more likely to be +/- 5,000 a month in 2010-2011 since a large number of tourists arrived from other ports or pre-authorized visas through Banda Aceh.

The Department of Tourism in Aceh, on the other hand, reported that in 2005, 4,000 international tourists arrived, and 320,000 Indonesian tourists arrived. In 2006 this number increased to 5,000 and 410,000, respectfully. This is clearly a disproportionate number, as the vast majority of these visitors were in fact NGO/Development workers and contractors. The Indonesian Ministry of Tourism, reported that in 2009, 1,020,000 domestic tourists travelled around Indonesia solely for tourism purposes. This number increased to 1,220,000 in 2010. Analyzing these numbers, it is evident to see that there is a clear lack of reliable data, as this number would more likely represent Bali / Lombok domestic visitors alone. This appears to be a reflection of domestic airplane travellers or domestic visitors staying at reputable hotels that report guest data to police authorities, such as in Bali. More reliable data is the number of international tourists, at 6,013,000 persons across all ports in Indonesia in 2010 and 6,074,000 persons in 2011. Bali represented approximately 36 percent of these arrivals and Jakarta 24 percent. Aceh is not currently listed in the official Indonesian Ministry of Tourism statistics. Estimations based on the numbers available would indicate that international tourist arrivals in Aceh would represent 0.1 percent of the total arrivals, or 1 in 1000, taking into consideration a large number of international arrivals coming to Aceh enter through Medan. In summary, Indonesia clearly has a lack of credible statistics available for both domestic and international tourists, and Aceh has even more difficulties.

In Banda Aceh, there are approximately 20 hotels in the two stars plus category with a total room count of 1500. In Sabang, the major tourist destination in Aceh, there is roughly the same number of bungalows/guest houses available, with a total room count of about 600. Data available on other cities and towns in Aceh is unavailable. It will likely take a few more years for the Aceh government to establish the systems to calculate reliable data to provide detailed analysis on tourist arrivals and the size of the tourism industry.

The introduction of tourism in Aceh intersects with a number of key issues in Indonesian political and cultural life. In particular, domestic and international conflict has created conditions in which the cultural preservation and environmental preservation required in order to support tourism development in Aceh (as well as in Indonesia generally) can be difficult to ensure (Silver, 2007). Indonesian tourism, one of the major drivers of economic growth during the 1990s, dropped off rapidly following the 1997 economic crisis; although levels rebounded, they dropped once again following the September 11, 2001 attacks and the global reduction in tourism (Silver, 2007). Aceh is only one of a large number of Indonesian tourism spots, which include Bali, Sumatra, and Kalimantan, many of which have also suffered from the string of disasters and political upheavals that have plagued Indonesia since the late 1990s (Silver, 2007). Another impact on tourism in Indonesia was the passage of laws intended to decentralize government and increase local governance:

Law 22/99 consolidated central government offices with their local counterparts, including tourism (*dinas pariwisata*), ending decades of a system that had made central government the dominant player in local governance. Law 22/99 made the local governments fully responsible for developing and implementing programs, including tourism. Under Law 25/99, the central government shifted the process for providing financial support to local needs from a system of targeted grants and direct payment of the costs of all government salaries to a single block grant to local governments known as the Public Allocation Fund (*Dana Alokasi Umum: DAU*) (Silver, 2007, p. 83)

However, Law 25/99 did not have the intended effect, as local governments found that revenues generated at the local level were not generally sufficient to provide sufficient support for employee salaries, even given the centralized block grants (Silver, 2007). This decentralization dramatically curtailed the potential for local development of tourism programs. Some districts, particularly those that had significant revenues from natural resources, did have funds to develop tourism programs, but these were the exception rather than the norm. Regions also continued to be influenced by external factors, such as the strength of the Indonesian rupiah, which drove or restricted tourism regardless of the region (Silver, 2007). Political conditions also led to differential development of tourism in Indonesia; while Bali, which has its own airport, had relatively open access to Western countries, other regions such as Yogyakarta and Solo, cities in Central Java, did not have this access. Events such as anti-Western protests in Java and the ongoing conflict in Aceh led to travel advisories that discouraged Western visitors as well as some Asian visitors. Thus, the local ability to drive tourism development in Indonesia was both inconsistent and not well managed, despite the responsibility for tourism development nominally having been devolved to the local regions (Silver, 2007).

There has been some research into local attitudes toward tourism in Indonesia, although not specifically in terms of attitudes toward tourism as a poverty reduction strategy. One study examined local attitudes toward tourism around the Komodo National Park, a conservation region that was set up to conserve rare flora, and fauna such as the Komodo dragon (Walpole and Goodwin, 2001). This study found that local attitudes were highly positive towards tourism and conservation in general. In particular, 94 percent of the respondents indicated that they had a high level of support for the national park and for the conservation efforts. Respondents did express some criticism towards the execution of tourism activities, indicating that visitors often wore clothing that was out of line with local customs, and that furthermore, the inflow of tourist currency led to inflation that individuals did not approve of. Furthermore, the respondents had noticed that tourism economic benefits did not reach all levels of the local population, with the poorest residents often being excluded from tourism benefits (Walpole and Goodwin, 2001). There was general approval of the tourism aspect of the park however, regardless as to whether individuals benefited from economic or conservation benefits of the national park,. These are conditions that are expected to be found in the current study.

Tourism in Indonesia

Tourism in Indonesia has been previously found to have generally positive economic effects, in particular offsetting the negative economic effects of globalization. A study of the economic effects of tourism in Indonesia found that trade liberalization, which can be characterised as one of the major components of globalization, resulted in increased tourism in Indonesia, with increasing tourism revenues beginning in the late 1980s and continuing through the late 1990s (Sugiyarto, Blake, and Sinclair, 2003). Although tourism suffered a slight setback during the 1997 economic crisis, visitor levels rebounded by the early 2000s. Foreign tourism was found to have a significant impact on agricultural, service, hotels, and restaurants, as well as a positive impact on employment, increasing the employment rate by as much as 1.49 percent (Sugiyarto, Blake, and Sinclair, 2003). It also had a significant impact on household real consumption as high as 2.12 percent, indicating a significant increase in buying power. These findings indicate that there could be significant economic advantages to further development of tourism in Indonesia, since it has already been shown to be a highly successful approach to economic growth. The political environment however, limits tourism in Indonesia. In particular, tour guide and services practices are controlled by government regulation.

Tourism is not only a means to entertainment; it can also be used for political ends. Dahles (2002, p. 783) writes, "Tour guiding constitutes a strategic factor in the representation of a destination area and in influencing the quality of the tourist

experience, the length of stay, and the resulting economic benefits for a local community.” The political influence of the tour guide is based on a number of social roles, including the role of interpreter, pathfinder, mentor, and instructor. In each case, the tour guide serves as a sense-maker to the tourists, helping them to understand and interpret the raw inputs of their senses effectively. They also artificially control the experience of tourism however, through the means of selection of destinations, timings, and experiences offered. Thus, the issue of what tour guides communicate about a given region has significant meaning for the tourism industry in general. Dahles (2002) examined the issue of politicization of the tour experience in terms of Indonesian tours under the Suharto New Order regime, asking how the government controlled tour guides indirectly, through professionalization and registration, as well as how they controlled them directly, through operational restrictions. She found that the New Order government had strict control over tour guides through licensing, regulation, and certification to conduct tours, as well as in areas such as pay and benefits. This led to strict control over the available tours and the interpretation of the tourist experience by these guides, since non-compliance with the New Order’s expectations led to removal of the tour guide’s license (Dahles, 2002). Of course, Dahle’s (2002) research in the New Order era is not necessarily the case today, due to radical government changes in Indonesia since the fall of the New Order regime.

Arrangement of the Research

This research is arranged thematically in several chapters. The present chapter has provided an introduction to the research setting and provided information regarding the relevance and importance of the research in the existing area. Chapter Two, the 'Literature Review', shall provide a theoretical framework for the research, as well as identify what is already known regarding tourism as a poverty reduction and economic development strategy. Chapter Three, the 'Methodology', discusses the methods that were used in the paper, including their theoretical basis and their method of application. Chapter Four presents the results of the identified research Chapter Five presents the views of respondents and provides an analysis and discussion which contextualizes these results and discusses them in the context of the existing research, in order to identify new contributions to the literature as well as to verify existing research in the area. Finally, Chapter Six summarizes the findings of the paper and offers various conclusions and reflections, including some limitations of the study and areas for further research.

Chapter 2 Literature Review

The literature review that has been prepared for this research is intended to provide a theoretical grounding in the research area, as well as to provide topical information regarding the area of discussion. This serves several purposes. First, the literature review identifies the research that has already been conducted, to ensure that the current research is not simply ‘reinventing the wheel’. Second, it is intended to provide insight into current research and theoretical foundations regarding tourism as a means to economic development aimed at poverty reduction, which provides a perspective for the topic studied. Third, it defines terms and provides specific analyses of topics that have been previously studied in order to allow for consistency and understanding in the process of researching the existing topic. This literature review will also be utilised in Chapter Five, ‘Analysis and Discussion’, in order to identify the ways in which the current research agrees with, contradicts, and adds to the existing body of research on this topic.

Development Theory: Poverty Reduction

Poverty reduction is one of the main goals of economic development practices. The goal of many poverty reduction strategies, particularly those built on improving economic structures and conditions, is based on development of sustainable livelihoods. The sustainable livelihood (SL) concept was developed in the 1980s by the UN Brundtland Commission on Environment and Development (Krantz, 2001). One definition of SL

originally defined by Robert Chambers and Gordon Conway (cited in Krantz, 2001) is as follows:

A livelihood comprises the capabilities, assets (stores, resources, claims and access) and activities required for a means of living: a livelihood is sustainable, which can cope with and recover from stress and shocks, maintain or enhance its capabilities and assets, and provide sustainable livelihood opportunities for the next generation; and which contributes net benefits to other livelihoods at the local and global levels and in the short and long term. (Krantz, 2001, p. 1)

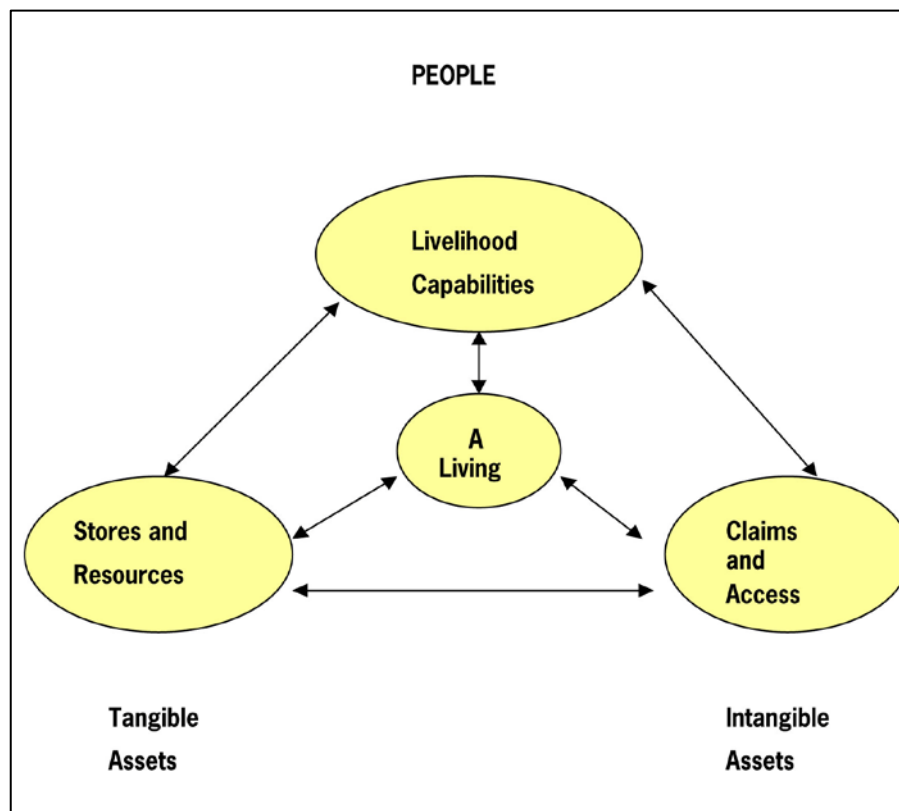


Figure 1 The SL Framework

There are three fundamental tenets of SL that drive the development of SL programs. First, capacity building for the poor is required in order to fully tie economic development programs and poverty reduction. Secondly, under the SL approach, poverty is not only considered to be correlated to low income, but also to a number of

other negative social and economic conditions, including poor health care and education and poor social services that increase vulnerability of the poor and reduce their ability to improve their circumstances. Finally, SL requires the recognition that the poor not only recognize the conditions that they are in and their current and future needs, but should also have positive input into solutions and policies (Krantz, 2001).

There are four basic types of resources, or sources of capital, used in SL in order to provide economic development improvements. These include natural capital, economic capital, human capital, and social capital (Krantz, 2001). These four types of capital, which vary from region to region, provide a unique basis for the creation of poverty reduction strategies for each region. These are not simply regional strategies however, but are also developed on a community, household, and individual level, in order to develop capital required to improve conditions on each level. Thus, this is a highly individualized model of poverty reduction, rather than a wholesale model of poverty reduction policy.

The United Nations Development Program (UNDP), and the United Kingdom Department for International Development (DFID), chooses the SL approach as a means to developing poverty reduction programs (Krantz, 2001). The sustainable livelihood approach allows non government organisations (NGOs) and other development agencies to understand the issues of poverty more holistically, to develop social and natural resources, to understand the causes of poverty, as well as to help promote the involvement of the poor in poverty reduction practices. Some weaknesses however,

include: difficulty in identifying populations and their needs, as well as; relatively slow planning and information collection processes, which can reduce the flexibility of development (Krantz, 2001). Thus, the SL approach is not fully adaptable to all conditions. The SL approach however does provide a variety of important insights into the development of programs for poverty reduction, including the use of input from the poor themselves as well as the need to address the underlying causes of poverty (Krantz, 2001). Thus, this model has been used in order to provide insight into the current program.

Antecedents of Effective Poverty Reduction Strategies

While ideal policy would provide a better result in terms of poverty reduction, the realities of regulation and policy development should be considered when examining conditions in developing countries such as Indonesia. Developing countries like Indonesia, particularly the Aceh region, which continues to have generally poorer socioeconomic status conditions than much of Indonesia, face a wide and growing range of demands in the area of policy development (Grindle, 2004). This demand for policymaking attention, combined with the limited resources all developing countries face, can lead to attenuated and often weak development of policy in many cases if perfection, rather than what Grindle (2004, p. 525) terms 'good enough governance', is the goal. Grindle defines this concept as:

Accepting a more nuanced understanding of the evolution of institutions and government capabilities; being explicit about trade-offs and priorities in a world in which all good things cannot be pursued at once; learning about what's working rather than focusing solely on governance gaps; taking the role of government in poverty alleviation seriously; and grounding action in the contextual realities of each country (Grindle, 2004, p. 525).

Thus, it is unrealistic to presume that Aceh will be able to achieve a perfect balance of poverty reduction policy in order to encourage tourism development. Instead, the region must be able to integrate tourism and poverty reduction into its other priorities. Using the techniques of 'good enough governance', rather than seeking 'perfect governance', could help dramatically improve the outcomes in this regard.

One of the major and inescapable factors in poverty reduction is the influence of the financial structure of a given country (Jalilian and Kirkpatrick, 2002). Development of the financial system of a given country includes an establishment of reliable finance and depository facilities, including facilities for small loans, and a more recent innovation of micro-lending, as well as the development of international banking connections and the reduction of corruption within existing banking systems. Financial structures, including both formal banking structures and informal structures, are fundamental to economic development and growth, and without these structures being fully developed it is not possible to ensure poverty reduction. Using regression analysis, Jalilian and Kirkpatrick (2002) determined that the degree of financial development was one of the key factors in reduction in poverty rates in countries ranked in the least developed and developing categories of the 2000 World Development Survey performed by the World Bank.

Tourism as Poverty Reduction

Tourism has been widely discussed as a means to poverty reduction in developing countries, in accordance with development of the MDG framework and the Canary Islands Declaration. The influence of tourism in poverty reduction has been studied using three factors, including prices, earnings, and government revenue, each of which have a significant effect on the income of individual households (Blake, Arbache, Sinclair, and Teles, 2008). There are four specific components that can be identified as required in the development of a pro-poor tourism poverty reduction strategy (Neto, 2003). These four components include:

1. Improved access to the economic benefits of tourism by expanding employment and business opportunities for the poor and providing adequate training to enable them to maximize these opportunities;
2. Measures to deal with the social and environmental impact of tourism development, particularly the forms of social exploitation, as well as excessive pressure on natural resources;
3. The generation of pollution; and causing of damage to ecosystems;
4. Policy reform, by enhancing participation of the poor in planning, development and management of tourism activities pertinent to them, removing some of the barriers for greater participation by the poor, and encouraging partnerships between government agencies or the private sector and poor people in developing new tourism goods and services. (Neto, 2003, p. 220)

These components are largely consistent with the use of the SL framework, although the authors of many articles discussing issues regarding poverty reduction do not explicitly address SL.

Tourism can operate as a means to poverty relief through redistribution of wealth to households, although it often bypasses the poorest households and increases income in lower middle and middle-income households (Blake, et al 2008). In particular, the skilled and self-employed sectors tend to benefit most from tourism income inflows compared to other sectors such as semi-skilled, unskilled, and capital sectors. Blake's et al (2008) empirical study of Brazilian tourism and poverty reduction showed that tourism flows increased income by 19 percent for the poorest households, 36 percent for low-income households, and 38 percent for the highest income households.

In South Africa, local development initiatives in the Western Cape region found that fundamental factors in success included “1) exceptional natural beauty and beaches; 2) key social entrepreneurs and community leaders; and 3) established community organizations that can exercise a leadership role” (Binns and Nel, 2002, p. 240). In other words, fundamental to the development of the region included both potential existing tourist attractions and the ability of the community leaders and businesspeople to take advantage of these potential attractions (Binns and Nel, 2002). There is no identified research however that explicitly discusses the use of tourism in poverty reduction in Indonesia.

Microenterprise Development

Research from neighbouring Sri Lanka brings further evidence of potential successes in poverty reduction, this time through microenterprise, as well as highlighting its difficulties (Shaw, 2004). Microenterprise, in which a single individual or family, or a small group, is funded through a microfinance bank in order to engage in small-scale manufacturing or service, is considered to be one of the most effective means of poverty reduction, as it generates an income multiplier within the community as well as provides an increased level of economic activity. Shaw (2004) however found that many of the poorest could not access the best choices of microenterprise, which meant that the majority of the generated income went to households that were already classified as having a higher income. This was also a problem that was seen in a study of tourism impacts on poverty reduction, where the poorest households did not receive as much income (Blake, et al, 2008). The distribution of funds to the poorest households, which appears to be persistent across non-cash transfer poverty reduction, could be particularly problematic in Aceh, where there are a large number of such households. Shaw (2004) identified a means of combating these barriers to entry, including introduction of non-financial assistance programs designed to aid business development and allow for market entry.

The importance of microenterprise and small businesses in areas of Indonesia has been explored in a case study of Yogyakarta, Indonesia, and the development of backpacking tourism in the region (Hampton, 2003). Backpacking is a lightweight

tourism sector that demands little in the way of capital-intensive luxury accommodations or services, but is reliant on the maintenance of unspoiled regions for hiking. Given this, the backpacking sector was considered to be a positive introduction of tourism into a poverty-stricken rural region that had significant natural capital but little in the way of cultural or economic capital (Hampton, 2003).

Challenges in Poverty Reduction Theories and Practices

One challenge in poverty reduction is determining which needs should be addressed by the program (Swallow, 2005). This can often be a problem of scaling, rather than simply ignoring the needs of the community. For example, Swallow (2005) examined poverty reduction strategies in Kenya in order to determine the overall level of consistency in this area. He found that national priorities and individual community priorities in one rural area of Kenya were largely inconsistent. This mismatch had occurred because of a scaling problem, in which the national and community priorities did not necessarily scale appropriately to the district level. Regardless of cause however, it is clear that local priorities must be considered in order to be effective.

Another major challenge in the development of an effective poverty reduction program is the problem of statistics (Ravallion, 2001). Specifically, statistics that are created in the aggregate do not describe the full picture, as they do not take into account within-group variances. Simply taking an average and creating correlations based on that average does not identify the effects that a given poverty reduction program will

have on a single country, which complicates the problem of management (Ravallion, 2001). There are differences in the income flows from poverty reduction across different social classes as well as within the given social classes; simply, not everyone benefits in the same way. This is one of the reasons that the current study has chosen instead to focus on collection and analysis of data in a qualitative fashion, in order to reflect the opinions of individuals rather than in the aggregate.

A third challenge in poverty reduction is the institutional structure adopted by the government (Barrett, Lee, and McPeak, 2005). This can often be a difficult problem to address, because of the mismatch between goals, such as a mismatch between poverty reduction and natural resources conservation. Instead, programs that are administered together must be consistent in their goals and in the ways that these goals can be accomplished in order to be successful. Furthermore, monitoring and enforcement of program rules is more important than the specific rules selected for the program. According to Barrett, et al (2005) flexible, multi-scalar institutional structures are generally preferred for effective administration of poverty reduction programs.

Critique of pro-poor tourism approaches have also been documented, accusations of narrowness and parochialism, a failure to 'deliver' benefits from tourism to the poor, and even to demonstrate clear links between PPT and poverty alleviation; critics also point to a similar failure to focus on equitable distribution of benefits or to make any attempt to change the overall system. (Harrison, 2008) The main question however, is how far pro-poor tourism can be considered truly distinctive in its approach or methods.

The critical perspectives of tourism concur with what Jafari (2001: 29–30) refers to as the ‘cautionary platform’, a particular body of tourism scholarship which proclaims that tourism has a wide range of negative impacts, including cultural commodification, social disruption, and environmental degradation (Scheyvens, 2007).

The Canary Islands Declaration and Millennium Development Goals

The ‘Canary Islands Declaration on Tourism in the Least Developed Countries’ is a resolution passed by the World Trade Organisation (WTO) in 2001, during a conference held in preparation for the Third United Nations Conference on the Least Developed Countries. This declaration had two key elements, including a four-point action plan for the development of tourism in least-developed countries (LDCs) and a plan to ensure that tourism within these regions would be sustainable (Benavides and Pérez-Ducy, 2001). The four points of action outlined in the declaration included:

- Strengthening the capacities of LDC governments to develop sustainable and competitive tourism;
- [D]eveloping entrepreneurial capacities and managerial skills to improve the competitiveness of tourism products and services;
- [P]romoting synergies between transport and tourism policies, with particular reference to air transport, [and];
- [I]ncreasing national capacities to use relevant elements of the multilateral trade framework (Benavides and Pérez-Ducy, 2001, p. 17)

The second key element of the Canary Islands Declaration was a series of identified actions by LDCs and development partners in order to increase the sustainability of tourism within the region. Some of the specific points that were intended to promote sustainable tourism by LDCs were to: “[P]romote a climate

conducive to tourism, based on peace, stability, and security [and to]; make tourism a priority sector in national development policies” as well as; promoting tourism specialization; increasing local operator’s access to distribution systems; improving air transit links, and; using the General Agreement on Tariffs and Trade (GATT) to promote tourism (Benavides and Pérez-Ducy, 2001). Development partner actions required included: increasing investment in tourism; providing technical assistance to improve the economic structure of the tourism industry within these countries; assisting in strategy formation, and; providing technical and financial assistance to allow countries to participate in multilateral trade (Benavides and Pérez-Ducy, 2001). This agreement however did not make any significant statement on the cultural impact of tourism, nor did it specifically address how to handle tourism and its intersection with culture in this regard.

Poverty reduction is a major development goal as defined by the UN’s Millennium Development Goals. These goals targeted a reduction in world poverty of 50 percent by 2025 (Collier and Dollar, 2001). Although Collier and Dollar (2001) estimated that this would be a reachable goal, particularly in rapidly industrializing Asia, it is uncertain how their estimates will have coped with the rapid increase in world poverty associated with the 2007-2009 economic recession.

Poverty reduction does not happen at significant rates, unless it is supported by specific policies intended to promote the development of sustainable and lucrative economic involvement. Specific policy changes include: allocation of aid and technical

assistance intended to support poverty reduction programs; prioritization of economic changes intended to redistribute income effectively, and; development of educational and business incentive programs to stimulate economic growth.

Aid allocation in most countries however does not effectively promote the aforementioned policy changes. Econometric analysis has indicated that the use of aid allocation in developing countries significantly diverges from the most efficient allocation if the goal of aid allocation is strictly poverty reduction (Collier and Dollar, 2002). This analysis found that aid allocation in developing countries had the net effect of lifting around 10 percent of the country's population above the poverty line, defined as \$2 per day per person income. This econometric analysis demonstrates both the empirical importance of aid allocation and the ties between theoretical concerns such as policy reform and the actual outcomes of development activities.

Tourism as a poverty reduction strategy is broadly supported by international organizations such as the World Bank who, in particular, have taken a strong role in management of tourism in developing countries during the last two decades as a means of fulfilling the UN Millennium Development Goals (MDG) (Hawkins and Mann, 2007). This involvement is a direct result of the Washington Consensus Structural Adjustment Programs (SAP) undertaken in developing countries during the 1970s to 1990s as a means of enforcing fiscal management norms, one of the conditions of receiving development aid and loans from the World Bank. Of the 44 countries that

submitted to SAP plans during the 1970s to 1990s however, only eight countries have earmarked funds for tourism as a poverty reduction strategy (Hawkins and Mann, 2007).

World Bank involvement in tourism reached momentum during the 1990s. During this period, a total of 44 development projects began in 34 developing countries, with the majority of these projects focusing on biodiversity conservation; only a small number focused on cultural preservation (Hawkins and Mann, 2007). However, few of these projects attempted to measure their economic impact, and most were conducted in an isolated manner that did not allow for knowledge or resource sharing.

The World Bank's focus shifted during the early 2000s to microfinance-based development, with tourism being seen as one of the major avenues of viable microfinance strategies. This period saw the development of guarantees of private lending through organizations like the International Finance Corporation and the Multilateral Investment Guarantee Agency, which allowed for microfinancing of tourism-based activities (Hawkins and Mann, 2007). By 2007, a total of 70 direct involvement projects had been initiated throughout the developing world. These projects were designed not only to simply provide funds for tourism development, as projects during the 1990s had been, but also to provide technical assistance and active analysis of the economic impacts of the projects (Hawkins and Mann, 2007).

The MDG framework has also been criticized for its metrics; in particular, that the metrics used to develop the goals do not provide sufficient statistical insight into the effectiveness or ineffectiveness of programs (Satterthwaite, 2003). The MDG statistics have been criticized for being inappropriate for urban populations, as well as having a poor statistical grounding (Satterthwaite, 2003). Thus, the MDG framework may be one of the problems with identifying effective development of poverty reduction programs.

Tourism in Islamic Teachings

Tourism is inherent to Islamic political, economic, legal and social policies. Based on the Islamic worldview of God, man and nature, tourism is part of the *addin* (way of life) and travel is central to Islam (Quran Chapter 29: verse 20; Q22:46). Life is a journey in the way of God, thus tourism in Islam stresses the sacred goal of submission to God's ways. Travelling in Islam is seen as purposeful activity that aims to achieve physical, social and spiritual goals (Kadir, 1989). The physical goal extends to a healthy and stress-free life, which afterwards lets Muslims serve God better. Islam recommends visiting Muslim brothers, as this helps strengthen the *silaturrahim* (bond) among the *ummah*, or Muslim community (Q49:10).

In the Islamic worldview, travelling and tourism is also connected to knowledge and learning. The greatest journeys were undertaken at the beginning of Islam with the aim of seeking and spreading knowledge. Islamic teachings also state that tourism is not acceptable in places of corruption, where alcohol is drunk and immoral actions take

place, and sins are committed, such as beaches and parties and immoral places, or travelling to hold celebrations on festivals. The Muslim is enjoined to keep away from sin, so they should not commit sin or sit with those who are committing sin.

The scholars of the Standing Committee said: It is not permissible to go to places of corruption for the sake of tourism, because of the danger that poses to one's religious commitment and morals. Islam came to block the means that lead to evil. *Fataawa al-Lajnah al-Daa'imah* (26/332) and if tourism makes it easy to commit sin and evils, and promotes them, then it is not permissible for the Muslim who believes in *Allah* and the Last Day to help others to disobey *Allah* and to go against His commands. If a person gives up something for the sake of *Allah*, *Allah* will compensate him with something better than it. *Fataawa al-Lajnah al-Daa'imah* (26/224).

Tourism in Islamic Destinations

Sharia, or Islamic law, influences the legal code in most Islamic countries, but the extent of its impact varies widely. Avowedly secular Turkey is at one extreme. It doesn't base its laws on the *Quran*, and some government imposed rules such as a ban on women's veils are contrary to practices often understood as Islamic. At the devout end of the spectrum is the Islamic Republic of Iran, where *mullahs* are the ultimate authority, and Saudi Arabia, a monarchy where the *Quran* is considered to be the constitution (Otterma, 2010). Tourism is already a dominant industry in Muslim countries such as Morocco, Jordan, Egypt, Indonesia, Turkey and Malaysia. Middle East countries have a

special place among Muslims as Islam arose there and hosts virtually all of Islam's holiest places. The traveller believes that a specific physical site embodies some powerful, mystical quality (Digance, 2003) and they will be transformed, cleansed, renewed or reborn in some important way (Hannaford and Newton 2008). Pilgrimages to Mecca and other holy Muslim sites are a huge economic boost for Saudi Arabia. Once a year up to two million people descend on the Holy City of Mecca, in Saudi Arabia, to perform the *Hajj* or Pilgrimage (Vogelsang-Eastwood, 2004). It should be noted however that not all pilgrimages to Islamic destinations are necessarily religiously motivated, and that secular pilgrimage is emerging. Studies of New Zealanders and Australian's visiting Gallipoli, Turkey, a predominantly Islamic country for example, demonstrate that pilgrimage may have a deep personal meaning for some travellers in the sense that it may be a journey to honour family members or for nationalistic reasons (Hyde, 2011).

Malaysia is the Asian Muslim country that has the most tourist arrivals. While some media may associate the Muslim world with terrorism, experiences in multi-cultural Malaysia allow non-Muslim tourists to explore Islam in a friendly and less threatening environment. Malaysia's religious tolerance helps improve its perception as a liberal, harmonious, multiracial, and multi-religious Muslim country (Hashim and Murphy, 2005). Some Islamic countries and individuals or groups of Muslims may therefore find tourists more acceptable than others, partly depending on the degree of liberalism as well as personal gains and losses. Malaysia is generally considered comparatively moderate and positive host-guest relations have been recorded there (Ap,

Var, and Din, 1991; Kayat, 2002). One specific state in Malaysia, Terengganu, has dedicated itself to a programme of 'Islamicisation' since taking office, criticizing the Western secularism of the Mahatir government and its exploitation of Islam for political ends (Kazi, 2001). A series of reforms to combat activities that are judged activities contrary to Islam have already impinged on the tourism industry. Karaoke outlets, pubs, gaming establishments and unisex hair salons were officially closed in 2000 (The Straits Times, 2002b). In some aspects, such policy decisions in the state of Terengganu are comparable to previous decisions and current enforcements in the province of Aceh.

In terms of official attitudes of residents towards tourists, Din (1989, p. 557) classifies these as 'accommodationist', 'rejectionist' and 'isolationist'. Applying the typology to Aceh would be difficult to gauge since it has been going through a radical transformation period over the past six years and this transformation is still ongoing. Even in the past three years alone, the requirements for Muslims to abide by Islamic standards of dress and demeanor have been significantly lessened due to lack of public and financial support for the *Sharia* Police. Possible social problems combined with political ideology have led several Middle Eastern countries to shun Western-style international tourism, deemed to be incompatible with Islam (Burton, 1995). Brunei is an interesting example of this 'reluctant tourist destination' strategy. Its wealth has undermined any economic incentive to encourage international tourism and thereby helped to protect citizens from its 'worst excesses' (Baum and Conlin, 1997, p. 91). In contrast, Dubai and other states of the United Arab Emirates have integrated tourism into their overall development strategy to ensure a diversified economy.

Islamic tourism also includes all kinds of family tourism that respects religious principals; as well as tourism aimed at the discoveries of old civilizations and their heritage, visiting cities and countries to come to know them, to rest, or for recreation and treatment (Shakiry, 2010). This conception of tourism, can be found more or less, in certain paragraphs of the 'International Code of Ethical Tourism' adopted the 1/10/1999 by the world Tourism Organization, which is an organization of the UN. Tourism from the Islamic point of view is integrated in the global vision of civilized and interdependent tourism (Shakiry, 2010).

Tourism from the Islamic point of view is integrated in the global vision of civilized and interdependent tourism, whose principal bases are:

1. Respect for noble human values and ethics, which preserve human dignity;
2. Respect for the natural and societal environment;
3. Enhancement of social solidarity by ensuring local people profit from tourist activities;
4. Making the effort to give the right of travel to all people by offering services at suitable prices to all social classes;
5. Respect for the families of various religions and various people who want to preserve their values and the education of their children;
6. Respect for people who observe Islamic values

Diverse Muslim cultures and differences in religious interpretation can create problems and concerns for non-Muslim tourists in a Muslim country. However, Westernisation has influenced many parts of Muslim life, and the influence varies by country. For example, there is a great difference between doing business in the relatively liberal Tunisia and conservative Saudi Arabia (Vogel and Hayes, 2002). The Muslim world has dismissed certain forms of tourist behaviour as offensive and unacceptable; these include physical displays of affection, drinking alcohol, wearing scanty clothing and sun bathing naked. Gambling and prostitution, often features of tourism, are also

forbidden by Islam and expatriate hotel management face challenges adhering to the rules regarding prayers, and handling of pork and other non-*halal* food by staff (Hong, 1985).

Islam prohibits gambling, stemming from the social concept of avoiding unjust wealth and oppression. In order to deal with international commerce however, some Muslim countries such as Egypt, Algeria, Morocco and Malaysia adopt a semi-secular approach to business law. Similarly, gambling is present in Malaysia and Indonesia (Vogel and Hayes, 2002). The introduction of tourism in an area also implies contact between the local population and tourists. This contact can be both negative and positive (Smith, 1977). The sharing of the beach area implies some negative effects for women. According to Muslim rules, strict dress codes are exercised. One should wear clothes that cover the knees and shoulders, and wearing transparent clothes is not acceptable. If certain parts of the body are seen, that person is considered to be naked. Women, in particular, cover themselves by wearing clothes from head to toe. On the other hand, some tourists who come to the coast to enjoy the sun and sandy beaches may have quite the opposite view of nakedness. For them wearing a bikini could be considered to be acceptable. (Wallevik and Jiddawi, 2005) This is as Pettersson-Løfquist (1995:10) says “a delicate issue to balance the right of the tourists to enjoy their vacations ... and the community member’s right to defend their way of living”. Contact with tourists leads to a contact between the sexes which is completely different from the way the locals may behave. The fear of tourist behaviour is related to the fear of ‘loose relations’ between young people of the opposite sex, either among the locals or those coming from town.

The impacts can also be felt by the tourists themselves in a worst case scenario when tourists violate local values, they may also experience victimization, including verbal and physical abuse and may also be robbed and cheated (Reisinger, 2009).

Economic Advantages

One of the major benefits of tourism as a poverty reduction strategy is the potential for the engagement of small operators, rather than larger companies, as tour operators and service providers. This leads to the opportunity for use of microenterprise, or enterprises that employ only a small number of individuals with minimal operational and overhead costs (Shaw, 2004). Microenterprise has widely been considered to be a significant means of poverty reduction, because it does not rely on significant supports from external companies such as Multi-National Enterprises (MNEs) (Shaw, 2004). Microenterprise does require some forms of support however, including financial and operational support from lenders and other agencies. If this support is appropriately offered, microenterprise can have some effects on poverty reduction, as Shaw's (2004) examination of microlending and its impact on poverty reduction in Sri Lanka showed. These effects are likely to be limited however due to economic conditions and ability to exit. In particular, Shaw (2004) illustrated that there are gradations of microenterprise operations, with some offering substantially more promise for participants in terms of poverty reduction. The choice of these occupations was determined by the economic conditions already pre-existing; individuals that were already of lower socioeconomic status (SES), including from rural or semi-rural areas, frequently chose occupations that

did not have as high a return in terms of growth or poverty reduction. Thus, the management of microenterprise in poverty reduction does require that potential participants be offered higher-value occupations, rather than remaining in low-value occupations such as fishing or trade (Shaw, 2004). Of course, the particulars of high or low value microenterprise operations will vary in Aceh in comparison to Sri Lanka, since conditions in these two regions are markedly different. Tourism as a microenterprise development strategy however will continue to face challenges in terms of defining outcomes and identifying the most appropriate means of promoting tourism operations as a means to viable microenterprise for the poorest Acehnese.

Sectoral Linkage

The linkage of sectors in order to reduce poverty has been seen in the tourism sector, specifically in a study of, Mexico's tourism activities in Cancun (Torres and Momsen, 2004). In particular, positive effects were seen in the linkage between the development of the tourism sector and the agriculture sector in terms of economic development practices. This linkage in Cancun was created through the interaction between tourism food services providers such as hotel chefs and the agricultural sector around Cancun, which was a major source of foodstuffs for the tourism sector. By explicitly creating relationships between these two sectors, it was possible for both the agriculture and tourism sectors to increase revenues and economic multipliers associated with the development processes and increase the poverty reduction effectiveness in both sectors. These type of linkages would need to be identified in the Indonesian sector as well.

Given the persistence of poverty for people based in the agricultural sector in Indonesia, tourism may offer a means to poverty alleviation (Suryahadi, Suryadarma, and Sumarto, 2006).

Research Gaps

Although there is much discussion regarding the role of tourism in poverty reduction, there are some areas where it is noticeably lacking. In particular, the support of the local population is not often noted as a determinant of success in poverty reduction strategies relying on tourism. This is particularly notable given the SL framework, which requires that the point of view of those involved in conditions of poverty should be provided a significant input into the development of programs intended to correct the underlying problems causing conditions of poverty (Kranze, 2001). For example, one author cited increasing access to the benefits of tourism for the poorest individuals, active support at the national level, partnerships with non-governmental organizations, and international development initiatives as key areas of focus, but did not discuss the role of increasing support at the community level for the practice (Neto, 2003). Similarly, discussion of South African poverty reduction initiatives based on tourism focused on entrepreneurs and government officials rather than on local involvement in the tourism initiatives (Binns and Nel, 2002). This mismatch can be seen in the literature surrounding general poverty reduction strategies as well, as demonstrated by Swallow's (2005) study of community and state priorities in poverty reduction.

Sustainable Tourism

One of the major factors in tourism as a poverty reduction strategy is the issue of sustainable tourism. Sustainable tourism can be defined as “tourist activities leading to management of all resources in such a way that economic, social, and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity and life support systems” (Neto, 2003, p. 208). This definition, abstracted from the UN definition of sustainable tourism, clearly defines the need to understand tourism not only on environmental preservation, but also on the basis of economic, social, and cultural preservation.

It is not enough to simply exploit tourist opportunities that are currently available, since cultural and social norms must be preserved also in order to allow for true sustainability of tourist activities. Another issue is that sustainable tourism should be intended to promote on-going demand, rather than a high spike in demand followed by a reduction in this demand. It is only through this steady management of demand that tourist development can lead to poverty reduction (Neto, 2003). Sustainable tourism is consistent with the tenets of the Canary Islands Declaration, and is also integral to many of the tourism planning mechanisms and approaches that are chosen by researchers that are discussed in this literature review.

If tourism is to be truly sustainable, a radical change in thinking is required, involving comprehensive and incremental policies and processes, since tourism is a key economic driver for many local economies. Sustainable tourism needs to be defined by 'the poor' themselves, and pro-poor strategies focusing on equality need to incorporate non-economic dimensions also, including political or cultural capital dimensions. If tourism development is to occur in a sustainable manner, it has to be accompanied by uncompromising transfers of assets to 'the poor', such as land rights and skills (Hall, 2007). Sustainable tourism may also need to include economic rational concepts such as carrying capacity considerations to save the environment for 'high quality' tourism. Carrying capacity has formed the basis for ideas related to the ecological footprint of resource use, which is also a measure of the intrinsic sustainability of a given area and level of consumption (Hall and Lew, 2009).

Research in Indonesia

Understanding the role of poverty reduction in Indonesia, including existing frameworks and processes as well as previous research into specific regions, has been a major focus of this literature review. Rather than a historical approach, due to the radically changed conditions since 2004, a near-past approach has been chosen in order to describe the recent and current conditions. The majority of research on poverty reduction in Indonesia has been focused on agricultural and urban services, the two largest components of the Indonesian economy (Suryahadi, Suryadarma, and Sumarto, 2006). Rural agricultural growth was seen as the most effective means of reducing poverty, due

to the high incidence of poverty in the rural agriculture sector; the urban services sector was most responsive to the introduction of poverty reduction services. In the latter case, the tourism sector was not examined, other than as a general sectoral component of the urban services sector.

Chapter 3 Methodology

A qualitative research methodology was used to better understand the interrelationships and interactions between different communities in Aceh within the context of *Sharia*. Peoples' attitudes are immediately suggestive of qualitative anthropological or sociological research. Indeed, it would be impossible to gather data on peoples' internal states without undertaking some form of qualitative research. The word "attitude" is especially subjective, and cannot be measured objectively at first, even if the qualitative data is later converted to a quantitative kind. Furthermore, some writers believe that quantitative traditions are far too dominant in tourism research, and should allow more input from qualitative traditions. Jennings (2007) paraphrases Riley and Love (2000), maintaining that "...quantitative based research, rooted in positivistic and post-positivistic paradigms, is the dominant form of research published in travel and tourism journals..." Ateljevic et al. (2005, pg 42) imply that they share similar sentiments about the state of mainstream tourism research, consciously choosing to move away from "...applied, empirical and industry-driven business research." This is expressed in a piece that explores "reflexivity" and "audiencing". The concept of reflexivity will be explored in a later section, but the concept of audiencing can be utilised presently, as it assists when deciding between quantitative and qualitative methods. Audiencing, according to Ateljevic et al. (2005) is being aware of one's research, and "...speaking about our research in different voice...", depending on the audience. The local and national Indonesian Government is one of this study's stated audiences.

Creswell (2007) provides a helpful framework in which to place a qualitative study, and it is the one that has been adapted for this study's research. Creswell identifies five major “research traditions”, or approaches to research, that he believes most qualitative research can fall under, namely: narrative research; phenomenology; ethnography; grounded theory, and; case studies. He explains that surrounding these approaches are “philosophical assumptions”, “worldviews”, and sometimes a “theoretical lens”, belonging to the researcher. These are important to the outcome of the study, whether the researcher makes them explicit or not. The worldviews listed, such as participatory/advocacy, contain some parallels with the idea of a research purpose, as was outlined earlier. They are also distinct however. For example, a research purpose of gauging does not oblige a worldview involving advocacy, and vice versa. Along with an initial, exploratory, research purpose, this study proceeds with a worldview of pragmatism. One hallmark of this is the understanding that research is always conducted within some social, religious, political or historical context. This is clearly the case in the Aceh province; these contexts are thrown into sharp focus when exposed to a foreign context such as that of western tourism. A pragmatic worldview provides the flexibility that is required in a dynamic region such as in Aceh, where the recent tsunami provided an impetus for an influx of foreigners and relief funds. Further, this allows the study to use a mixed-methods approach where applicable. Among the five approaches to research, a *case study* approach is utilized. In general, case studies are the preferred strategy when “how” or “why” questions are being posed, when the investigator has little control over events, and when the focus is on a contemporary phenomenon in a real-life context (Yin, 2003). Being clear about one's approach to

research is not only of theoretical interest, but also guides the methods of data collection and analysis that are required. One data collection strategy that is common to both approaches is interviewing, which includes focus groups and in-depth interviewing. This constitutes the core approach of this research.

Focus Groups

Powell and Single (1996) describes focus groups as “...an ideal means of generating hypotheses, of investigating unexplored areas of human experience and of clarifying ambiguous ones.” In this sense, the use of focus groups is in keeping with an initial exploratory research purpose, a function that Kreuger (1988) points out. The nature of a focus group is also well suited to the pragmatic style of research that will be required.

At the initial stage of research, five focus groups were formed, each consisting of 8-10 participants. Adult participants were approached in writing or in person, and on acceptance were asked to give informed consent. Each focus group represents a different “section” of Acehnese society. The focus groups are labeled: 1) Muslim Group; 2) Government Group; 3) NGO Group; 4) Non-Muslim Religious Group, and; 5) Tourism Sector Group. The focus groups have been arbitrarily divided up in this fashion, based on this researcher's personal understanding that such divisions are acknowledged within this particular society, in a subjective, and often cultural, sense, though members of one group can often be members of another group. This grouping will also ensure that each focus group will be able to communicate in a language that is common to all

participants. Even in the case of tourists, if the same language is not spoken, there will surely be some common feelings expressed. “Like with like” have been grouped, in the hope that participants will feel more relaxed and willing to share honest thoughts and feelings. This is an accepted practice in focus group studies. For example, participants are grouped in a similar way, according to “clusters” of families, friends, or colleagues. This represents the “...various and overlapping groupings in which they actually operate”, and may even facilitate a “collective remembering” (quoting Middleton and Edwards, 1990). The groups that are designed will indeed have this kind of real or psychological connection. It is envisaged that even tourists who have never met will be able to interact on a level that is meaningful to the research question. Of course, as Luttrell (2000) found, it is not expected that these groupings will be meaningful to the extent of “...captur[ing] the complexities or subtleties...” of the individual experiences within each group since they are pragmatic divisions of course.

Focus group discussions took place in a comfortable indoor area, such as a hotel conference room. Focus group discussions followed a semi-structured question format in the sense that questions guided the conversation topics, but conversations were not being limited to these questions alone. The focus groups were conducted through local resident moderators, who spoke fluent English, and any other required languages. These moderators were instructed to encourage open conversation and interaction between participants, and to ensure that all the participants had some input into the discussions. This researcher was also present as a secondary moderator, communicating in English only, since it is his native tongue, and communicating through the primary moderator if

translation was required. Focus group discussions were recorded and transcribed as raw data for analysis purposes. While it is hoped that all participants would be satisfied with their level of input, it was envisaged that key personalities could emerge from each focus group. These participants were then invited to take part in the one-on-one interviews.

One on One, In-depth Interviews

In-depth interviews provided an opportunity to more intimately explore important themes that were identified during the focus group discussions. In-depth interviews followed a semi-structured format, similar to that of the focus group discussions. At the same time, they were open-ended, in the sense that participants were encouraged to openly explore their feelings within a prescribed topic. Types of questions to be asked in interviews are also categorized in a multitude of ways. Goetz and LeCompte (1984) describe these as experience, opinion, feeling questions, hypothetical questions, and propositional questions. In-depth interviews as a form of qualitative inquiry provide personal accounts or testimony that would reveal the multiple perspectives needed (LeCompte, 2010) Questions, or topics to raise, during interviews were created based on key themes similar to that of the focus group sessions. The advantage of using focus group discussions before in-depth interviews is that such interviewees can be selected based on their “performance” in the focus groups. That is, if they provided quality input during the focus groups, and did not appear shy about doing so, they are likely to be invited to take part in an in-depth interview.

Data Analysis *NVivo 7*

As there was a large volume of data to analyse from focus groups and in-depth interviews, this study enlisted the aid of computer software, in the form of NVivo 7. Data from focus groups will first be analysed separately, and then as a whole. As Bazely (2009) notes, meaningful analysis can only occur if a few important conditions are met. These include a strong theoretical framework for the study, correct ‘naming of themes’, and integrating these themes into a broader context for the study.

Limitations of the Study and Other Considerations

One significant limitation of these techniques, as they are adapted in this study, lies in their scope. The scope of the interviews and analysis is constrained by resources such as time and logistics. For example, it was originally envisioned that there would be a second round of focus group interviewing, taking place after the in-depth interview stage. This would involve forming a mixed focus group, consisting of a selection of participants from each focus group in the first round. Such a focus group would explore the key themes that arose from the first round of focus groups, and their subsequent follow-up with in-depth interviews. By this time, the research question would be more focused, and perhaps these focus groups would yield deeper insights. This strategy was inspired by Farrell and Twining-Ward (2004), who have discussed tourism and a “whole systems approach” in previous studies. In bringing together a focus group made up of divergent cultural elements, it was hoped that a complex society, such as the one

represented in the Aceh province, could be simulated. Such novel interactions might create a spontaneous structure that was substantially different to the sum of its parts, but closer to the emergent opinion of the province. The formulation of such a focus group also holds great potential for additional challenges however, in the form of heated debate and language barriers. For this reason, and to keep the study logistics manageable, the idea was shelved. Another consideration, when deciding on the level of data collection, is that perhaps the majority of effort devoted to focus groups will be in the analysis and interpretation of their raw data. In other words, while it may prove tempting, and often possible, to call together large numbers of participants, such efforts may result in a huge pool of data that creates bottlenecks at the analysis stage, rendering the study almost static. This is especially true of qualitative data, which is usually more dependent on human interpretation when compared with a well designed quantitative study. Even advanced software programs, such as Nvivo7, can be ineffective without thoughtful human operation. Finally, even if such limitations of data collection could be overcome with an extended timeline, it must be kept in mind that there are inherent limitations in the scope of a master's thesis, by its definition.

Reliability and Strategies for Validation

It must be noted first that many researchers suggest terms that are more meaningful in a qualitative paradigm. For example, Lincoln and Guba (1985) begin by asking perhaps the more fundamental question of why the findings from a study are likely to be credible, and why they should be taken seriously. As an alternative to the concepts of

reliability and validity, they emphasize concepts such as “credibility”, “confirmability”, “dependability”, “transferability” and “quality”. LeCompte and Goetz (1982) are able to adapt reliability, both (internal and external) and validity (internal and external) to ethnographic research, while remaining sensitive to the different meanings that these notions hold within different traditions. They explain credibility for ethnographic research in terms of “reliability” and “validity”. In this framework, reliability is concerned with the replicability of results, while validity is concerned with how close the results are to some “objective” reality. The reliability of this study will be important to its future “transferability” to other studies, in the terminology of Lincoln and Guba (1984). In terms of reliability, five common areas of concern are identified: analytic constructs and premises, methods of data collection and analysis, informant choices, researcher status position, and social situations and conditions. According to LeCompte and Goetz (1982) these are the areas that might increase or decrease the reliability of a study's results, depending on how well they are designed into the research. At the same time, some aspects of these areas can be a matter of chance or compromise. This need not deter one from embarking on any research at all; even Geertz (1994 p.23) admits that “cultural analysis is intrinsically incomplete.” It is possible to gain some idea of the current study design's reliability however by evaluating it against these areas.

The analytic constructs and premises of a study refer to the “..assumptions and metatheories that underlie choice of terminology and methods of analysis.” (LeCompte and Goetz, 1982). Indeed, this is an integral part of any study, and have been treated as such throughout the preceding pages. To the extent that the scope of this paper will

allow, they have been carefully described, and will provide future researchers with an important theoretical framework, should they wish to replicate the results of this study, or change other aspects of the study without fundamentally affecting its theoretical outlook. The method of data collection and analysis is one area that is greatly affected by this theory. In the case of this study, the methods of data collection and analysis have been outlined as rigorously as possible, including their limitations. Even if a future researcher used methods of their own though, it is conceivable that they would still be able to replicate the results of this study, provided that their analytic constructs and premises were similar.

Informant choices are also described, in the sections on focus groups and in-depth interviews. As it was admitted, the initial selection and classification of participants for the focus groups was somewhat arbitrary, partly due to the pragmatic approach adopted and limited resources. The method for selecting interviewees for the in-depth interviews however was more clearly described, and based on more objective data such as the level of participant input during the focus group sessions. Closely aligned with informant choices is the researcher status position. This is an area of concern for the reliability of all studies, as it is in the current one. This is partly because different researchers will have different access to informants and information, with some researchers having greater privileges due to their “insider” status. For example, having lived and worked in the Aceh province for over three years, the present researcher has access to certain kinds of insider information among the local Acehnese people, including in many cases, more than a native Indonesian from a neighbouring province

would. This researcher may be an insider to a greater or lesser degree depending on the reference group (e.g. NGO group, Government group, etc.).

A number of strategies for validation have been considered for this study, and some of those that are considered appropriate to its goals and scope have been identified. The strategies were chosen with the help of a framework suggested by Creswell and Miller (2000), which allows one to decide on a validation strategy based on which “lens” is given more weight, namely the researcher's, participants', or an outside group's, and the paradigm assumptions of the researcher. This framework is also particularly convenient for the current study, as such theoretical aspects have already been considered. As it was explained earlier, the paradigm assumptions held during this research will be necessarily pragmatic. This means that methods that work and are suitable for the context will be employed, including strategies for validation.

Chapter 4 Findings

The Focus Groups

Five focus group sessions were held in order to provide insight into the viewpoints held. These five focus groups each included eight to ten participants. Each focus group session lasted between one and a half and three hours, with the length of time being determined by the amount of time the participants would keep talking. The role of the researcher was to provide facilitation for the focus group and to continue to drive discussion when it foundered, as well as introduce specific ideas when required.

Participants were selected from a variety of economic backgrounds, including a balanced proportion of males and females. Since there are distinctions between Acehese residents in urban and rural areas in terms of their economic base, industries and gender perspectives, this selection process was utilised in order to garner opinion from people from a wide range of socioeconomic backgrounds. Additionally, participants from districts that were strongly affected by the 2004 Sumatra Andaman earthquake as well as those that were less affected were also selected. Urban participants were drawn from Banda Aceh, the largest city in Aceh, while rural participants were drawn from smaller villages surrounding the city, including the districts of Aceh Besar, Pidie, Aceh Barat and Aceh Tengah.

Each participant was assigned a pseudonym for the purposes of the study in order to provide confidentiality during the discussion while at the same time allowing for identification of specific discussion threads and ideas.

A Note on Interpretation

Although the researcher does speak conversational Indonesian, the choice was made to use an interpreter during the focus group sessions and interviews. This decision was made for two reasons. First, it was possible that, given the active discussion environment of focus groups, the researcher would not be able to keep up with the discussion and would require assistance in note-taking. This would also assist in local slang and metaphor usage, which can be a problem in terms of communication in the vernacular. A second area of concern was cultural distance and the potential problems in communicating difficult issues. It was suggested that an interpreter would provide the participants with space to communicate effectively. A female translator was used to further provide cultural affinity, especially for the women and to ensure that the participants would feel comfortable discussing issues.

Focus Group 1

Focus Group 1 was deemed the ‘Muslim Group’ and consisted of seven males and two females. This was initially deemed to be the most culturally sensitive group, however, as it turned out, the participants were very responsive and a good conversation and dialogue of ideas and thoughts were exchanged within the group.

The researcher began this group session by asking what the participants felt generally about tourism, without asking any further leading questions regarding the issues or defining tourism. All participants in this group were enthusiastic about tourism, indicating that there were a number of positive outcomes that they expected. Tourists were also seen as sources of money and even amusement. A selection of comments from the participants is provided below:

- “Tourism is good for our economy, and it brings visitors to our city, which creates jobs” - *Pramana*
- “I don’t encounter many tourists daily, but most of those that I do are polite and offer a good customer opportunity. The tourism business is also important for Aceh to continue” - *Agung*
- “The development of tourism in Aceh is new, but I think that it is a good move for our province” – *Santoso*

Following the discussion about the basic importance of tourism, in which the participants indicated they were highly supportive of tourist activities, the researcher directed the conversation toward the problem of poverty in Aceh. The participants all agreed that poverty was a significant problem, and most participants clearly identified the 2004 earthquake as one of the reasons behind this poverty. The discussion focused on how Aceh was fundamentally under supplied with its fair share of Indonesian resources despite its vulnerable position.

The researcher then asked whether the participants felt that tourism would facilitate poverty reduction. On this point, participants were not as certain, and many disagreed. *Agung* felt that tourism would provide valuable support in facilitating economic development through job creation and the development of an increased reputation for Aceh on the world stage. Following the discussion regarding tourism and poverty reduction, the researcher asked the group what the major problems facing the poor in Aceh were. This provoked the most discussion within the group, as the participants had strong views on the issue. The participants identified education as the biggest problem facing the poor, as many of the Acehnese poor do not have adequate access to education. They stated that improved household income will enable families to provide more opportunities to access education and fund the educational needs of their family. All nine participants indicated that this affected the ability of poor workers to gain access to better jobs.

Once turning the questions to an Islamic connection the feedback became more intriguing. The participants were asked if they thought tourism is generally accepted and welcomed by Muslim groups throughout Aceh. The most interesting feedback received on this question was from *Santoso*, who is an Islamic scholar at one of the higher learning institutions in Banda Aceh. He stated that, “Islam and the Muslims are resistant to all types of tourism which lead to ethical violations, for example, coastal tourism, which leads to minimal clothes and exposing body curves, and pubs or cafes that sell alcoholic beverages. If the tourist is respectful and adheres to local customs however, they are well received.”

They were then asked what obstacles tourism development presented in the implementation of *Sharia* law. Most notably there was some concern with alcohol and prostitution. The feedback and responses suggested that ‘Westerners’ behaviour might conflict with the conservative views of local Muslims. Fraternizing in public was also brought up as an obvious obstacle. *Kiki*, who is a teacher specializing in religious studies for a local high school mentioned that “sometimes I have seen some foreigners holding hands in public and in close contact, and in Islam this is not regarded as being respectful to both your partner and the public. It is forbidden.

Next, the participants were asked if the increase of foreign tourists, both Muslim and non-Muslim, would cause any impact on religious values in Aceh. This question did raise some concern, with *Agus Salim* mentioning that tourists from western countries often do not respect people from Islamic societies, their environment, their religion, and

their culture. “Should they want to come in a Muslim country or anywhere where people lead an ethical way of life, they have to adapt themselves, and to not impose their way of life. They often bring sexual tourism, prostitution, and the development of begging. Have a look at the Thailand situation, on the one hand, there is economic development but poverty is growing, and prostitution as well. In Aceh, the local population are unable to purchase housing because tourists and NGO’s had contributed to an increase in prices in certain areas in Aceh.”

Muktar added “The right way is not to completely open your country only to gain money from tourism, but to allow it in an ethical way. The ethical and tolerant tourism is the future, because people in all countries are fed up people who do not respect them.” He went onto add that tourist activities are recommended by Islam as they relate to spirituality, either through pilgrimages, visitations to historic sites of Islam, or through visitations to God's greatest creations, such as natural scenery, volcanoes, lakes and the like. In this regard, since us as Muslims need to visit holy sites in Saudi Arabia, we as Muslims should be acceptable to tourism to our own home. *Muktar* identified a reciprocal bond for Muslim tourists visiting the Veranda to Mecca. Malaysians are well accepted not only through their support during the conflict but their strong Islamic ideology.

Next, participants were asked is *Sharia* law and its implementation in Aceh be seen as beneficial in educating tourists on local customs. The response to this question was universal. All participants felt that there were many aspects that even foreigners

could learn from the implementation of *Sharia* law. Notably, there was a reference to the health benefits of avoiding alcohol and drugs in society and the subsequent crime associated with it. All the participants felt that Aceh was safe and was immune to ‘foreign’ traits such as alcohol and drug abuse. *Makmud* went as far to say that “it was not just foreigners but also other Indonesians from Jakarta, Bali and Batam” which have also been subjected to such norms in their communities. Further statements and remarks went on to mention that *Sharia* Law prevented a homosexual community practising or appearing in society. All were in agreement that there was no place for homosexuality in Aceh, and that it was not welcomed or never will be accepted. Despite all these statements, the participants also universally accepted tourism in general provided that it tourist activities were executed in accordance with local regulations and that the Acehnese were not subjected to western norms. They felt that if there was a degree of mutual understanding and tolerance from both parties tourism will indeed create jobs and help support economic growth in the province.

The next issue discussed by this group was causes of poverty in Aceh. Although access to education was seen to play a role, this was not the primary focus of discussion for this group. Instead, the group focused on issues of infrastructure and scale of development. Two respondents who owned land from the outskirts of Aceh, remarked that farming infrastructure was not sufficient to allow them to grow as much as they wanted, as even though they had sufficient acreage, they could not farm it all efficiently because they did not have equipment or access to irrigation or other efficiency-creating systems. Problems in terms of access to financial services were also noted as a cause of

poverty. One respondent said she had tried to start a service-based business that would increase her cash income, but could not access financial resources that would have allowed her to buy the necessary equipment. The women pointed out that women and children were structurally disadvantaged by the Indonesian legal system, leaving them dependent on a male earner who may not be able to make enough to support them all. *Kiki* stated that the *Sharia* legal system sometimes guided rules and regulations related to community based small loans. Despite support for Sharia law there were also comments that suggested its limitation in terms of the current interpretation of the law, and its current application with regards to women's rights

Focus Group 2

The group designated Focus Group 2 consisted of Government representatives based in Banda Aceh from various departments at the city and provincial levels. The group ranged in age from 22 to 55 years old, and included participants from: *Dinas Pariwisata* (Department of Tourism) at both the provincial and city levels; *Dinas Pendidikan* (Department of Education); *Bureau Ekonomi* (Economic Bureau); *Kantor Walikota* (Mayor's Office), and; *Dinas Sosial* (Department of Social Welfare). In total, there were 10 participants, including seven males and three females. The group demonstrated knowledge in terms of their comments and their understanding and depth of the topic.

The initial question was: “How do government institutions view tourism development in Aceh as a means to poverty eradication and employment generation?” All participants were in agreement that tourism was a vital component to support job creation. *Nurul*, from the Department of Social Welfare, best describes some of the issues facing Acehnese in terms of job creation from a revitalized tourist industry. She commented that, “The challenges for Aceh’s development of tourism are to enhance its human resources”. She mentioned that, “Firstly, there is a need to successfully participate in a global economy characterized by increased competition and globalization. The second is the need to eliminate poverty and address issues of inequality.”

The challenges facing the province as a tourism destination are therefore, twofold. In the first instance, how to deliver tourism experiences equal to the best in the world. Secondly, channeling the potential economic and social benefits of tourism to as broad a range of beneficiaries as possible, but especially to those in the greatest need of access to economic opportunity. *Sofian*, from the Tourism Department, went on to add that, “The general lack of human capacity is partly a reflection of a relatively young tourism sector, and a lack of major operators with international expertise to cause a change, but also lack of formal training programs and qualifications. The current level of training is insufficient and many small operators have no training at all. As a consequence of this, the level of service and product quality is generally low.”

The next question posed to the group was: “If tourism is currently on the agenda as a means to creating jobs, and if so, to what extent?” The participants responded by mentioning that many government officials had the capacity and desire to deliver on tourism objectives and maximize the economic and social benefits to the population. Achievement of specific milestones will direct the future development of the tourism sector in Aceh, not only in the next five years but also into the foreseeable future. *Rizal*, from the Tourism Department mentioned, “There was a plan to accelerate in conducting short course training of trainers in hotel and tourism related field such as business administration, touring techniques, hotel and restaurant and guesthouses services, and foreign languages, with different appropriate approaches so that staff can use the knowledge gained to contribute to the development of the tourism sector.”

He further mentioned that, “There was a developing initiative to collaborate with the Department of Education to update curriculum on tourism as standards for setting up the sector at universities and at existing vocational training schools.” *Dedik*, also from the Tourism Department, added that, “(There are) ongoing efforts to establish a tourism and hotel vocational training center.”

The participants were then asked how tourism development can be included in the long-term economic growth strategy of the Aceh province. Aceh has three types of planning carried out in the province as described by various participants of the group. These included 1 year, 5 year and 20 year plans that focused on future strategic direction. *Muhammed*, from the Economic Bureau, said that tourism was an essential

component of these plans. He added that it is essential to create a brand on regional and local scales and coordinate efforts dedicated to marketing of tourism areas and the co-development of industrial activities. Tourist industries and the government need to support business enterprises and perform research and compile data used as input in tourism policy making process.

The consensus of the group was that tourism can also help other industries in Aceh. “Examples could be handicrafts / coffee. Restaurants, retailers, outfitters, and markets add value to visitor experiences through the use of local products”, adds *Dedik*. “It is then important to encourage suppliers and educational/government institutions to use these products as much as possible. In order to prevent the leakage of revenue generated from tourism out of the country, promotion and support to tourism sectors such as hotels, guesthouses, and restaurants should occur. The use of domestic products, mainly agricultural products and products for food processing, and interior decorations for hotels, guesthouses and restaurants, should be entertained to achieve these objectives, as should collaboration with industrial and agricultural trade sectors.”

The tone of the questions then changed to touch on the issue of *Sharia*. The group was asked about what concerns the government held towards tourism development and whether they believed that *Sharia* conflicted with tourism. This generated varying responses, suggesting that there was not a general consensus on this subject. Two participants mentioned that *Sharia* was, in fact, a draw card and it did not conflict with tourism development, but rather help enhanced its development. Zainal,

from the Department of Education, was adamant that foreigners would come to Aceh because it had implemented *Sharia* law and therefore ensured that the society was free of drunkards and violence. He added that there was also a “curiosity factor which would help entice some potential visitors.” Other members of the group however did not agree with such statements and believed it was a deterrent, and in fact argued that *Sharia* was not as strictly enforced as the media perceived it to be. *Nordin* explains that, “*Sharia* law is not that strictly imposed at all in Aceh. All the major hotels and some restaurants sell alcohol and if you travel to the island of Sabang, most behaviours are accepted from tourists by locals, including drinking, wearing bikinis, and so on. I believe that we should not promote that aspect of *Sharia* law with regards to tourists since it is not widely accepted in Aceh. Its non-enforcement is desirable to tourists, both Muslim, and non-Muslim. It is better however, to divert attention to the eco-tourism aspect of tourism to encourage tourism growth.”

The group was lastly asked if the government have systems in place to support the education and socialization of tourism development to residents. Recipient’s response to this question was more uncertain, and there was lack of knowledge as to whether any efforts had already been initiated. *Sofian*, from the Tourism Department, explained that indeed, at the city tourism department level, there were workshops ongoing that educated drivers, airport staff and shop owners about the prospects and benefits of tourism. He said that his team was also planning to implement and create a mentorship assistance program for small businesses to improve their best practices regularly. This could initially be budgeted on a yearly basis whereby the government

align themselves with current successful business owners in Aceh's tourism industry and potential business owners committed to furthering the development of tourism. He added that, "This can be targeted technical assistance in the form of training and workshops, and provides participants the opportunity to apply their business skills in the establishment and operation of a new business. The program will provide potential business owners in Aceh with access to experts in the tourism sector. Experts will assist participants in learning how to set up tour packages to their communities."

Focus Group 3

This group consisted of eight participants, three males and five females, and represented non-Muslim communities which included predominately Indonesian-Chinese Christians and Buddhists. They ranged from 18 to 34 years old. The initial question of what the participants thought of tourists in general was greeted with less enthusiasm. In particular, two participants indicated that they did not care one way or the other about tourists, and that this did not affect their lives significantly. The other six participants offered varying degrees of approval for tourists. One participant indicated that tourists were alright, while another indicated that he felt they were amusing. *Kersen*, a seasonal fisherman who had occasionally led tour groups on fishing and wilderness tours, was the most enthusiastic about tourists and tourism in general, indicating that he felt that tourism was a highly useful tool and that it would be of substantial benefit to the region.

The second question posed to this group related to the causes of poverty in Aceh and what could be done to resolve it. On this point the third group were extremely vociferous and much of the time spent with this was focused on issues of poverty and poverty reduction approaches. The entire group agreed that educational inequalities were one of the major causes of Acehnese poverty, and each individual within the group cited specific examples of this educational inequality. There were a number of other issues related to poverty that was cited by this group. One such issue was the uneven distribution of aid between city and rural areas. *Budi*, 22, a seasonal worker who frequently moved from city to country, had a lot to say about the problem of unequal distribution of aid funds:

When I go into the cities to work there are: roads; there is electricity; there is water, and; there is medical care. Poor city dwellers have a much easier life than they do in the country. Where does all that money come from? It doesn't seem to come from increased earnings, since people there seem to be as poor as people here. Regardless, their people have services, whereas here in the countryside, we do not. The city gets much more of its share than the rural areas do, even though there are many more people there.

The understanding of rural poverty as being significantly worse than urban poverty was noted a number of times in the discussion. *George*, 38, a smallholding farmer who is primarily growing cash crops for the market, had attended classes held by local aid workers. He said that these workers pointed out the difference between urban and rural poor populations, but had not spelled out any attempt to rectify this.

Another issue related to rural poverty, as noted by some of the participants, was the lack of distribution of funds from earthquake recovery efforts, which largely did not penetrate into the areas where the participants were focused. One participant noted that although there was a significant amount of money to be had, in fact, the rural areas outside the tsunami zone received little of it, either directly or indirectly. Despite claims made by aid workers, the recovery had only focused on those areas that needed direct rebuilding, and did not venture into those areas where there was no direct damage. Furthermore, there had been no attempt to restore damage caused by the decades of conflict between the Indonesian government and GAM, much of which had destroyed or damaged the countryside.

Following the discussion on poverty as well as identification of tourism issues, one participant, *Dian*, 22, a shop owner from the outskirts of Banda Aceh, expressed pessimism regarding the possibilities of utilising tourism as a poverty reduction strategy:

In order for tourism to reduce poverty here, tourists would need to come here. [Dian gestures broadly around the room, indicating the broader area.] Why would tourists come here? There is no reason to come here. We have no museums or nightclubs. Our countryside is still damaged and there is nothing to see. No. No, I just do not think it would work.

Other participants were not as pessimistic as *Dian*, however. *Setiawan*, a small trader who served agricultural workers and visitors, indicated that he had seen tourists in the region, and that they spent a lot of money. He felt that meant tourism would provide additional revenues. *Kersen*, a part-time tour guide for fishing tours in the region, indicated that if tourists could be lured, they would provide significant opportunities to promote development. However, he said, there would need to be some way to turn

money into savings. He had experienced the short-term nature of tourism revenue generation first-hand, he said, and he did not think that if it were always so short-lived that it would be effective. This indicates that *Kersen*, at least, grasped the impacts of seasonality tourism and the ways in which this must be supported.

The next question posed to the group was, “To what extent should non-Muslim groups be incorporated in any strategic tourism development visions for Aceh?” All were in agreement that under the current status-quo, they had no voice in civil society in Aceh despite all making significant contributions to society and economic development. They believed it was imperative to ensure that non-Muslims also had a voice and to try and further promote a harmonious society, which in turn would reflect well for tourists who would be more likely to visit.

They were then asked as to whether religion should play a vital role in potential tourism plans and future strategic decisions. This silenced the group, and many participants took a while to answer this question. *Setiawan* said:

Yes, inevitably it should be included because 90 percent of Acehnese are Muslims. If it were to take off and succeed it would need to have widespread acceptance and approval by the majority of Acehnese. This would therefore mean that the inclusion of religion in any strategic plans is imperative in promoting tourism and job creation.

The final question for the group focused on whether they knew of any local initiatives intended to promote tourism, and what they thought of those initiatives. The participants could not identify any specific local initiatives to promote tourism, and the tourism activities that they knew of were ad hoc activities that were managed by private

tour operators. They indicated that it had also not emerged as an issue at any of the local governance meetings they had attended.

While this group was overall receptive to tourism, they did not view it as a means to poverty reduction. Most pragmatically, *Lastri*, 42, a worker on a large farm near her home village stated, “How can tourism reduce our poverty rates when tourists don’t come here? Why would they come here anyway?” This point’s to one of the issues underpinning the success of tourism as a poverty reduction mechanism. Simply, there needs to be sufficient resources on hand in order to drive tourism. Others were receptive to the idea of tourism, but echoed *Lastri’s* concern that tourists simply would not want to come to the area.

Focus Group 4

The fourth focus group consisted of members from the tourism sector, predominately workers from hotels. This was the largest group represented by women, with two males and six females, with some living in Banda Aceh and others in Aceh Besar. They were also a relatively young group ranging in ages from 18 to 31 years old. The first question that was asked to this group was, once again, how they felt about tourism in general. The participants were generally positive towards tourism, although some noted problems with specific tourists. *Nova*, 22, a hotel worker, explains:

Men come here and they are not from our culture. They do not really understand about Indonesian women. Sometimes men try to treat me like I am a prostitute [Trans. note: The participant used a colloquial word that is a somewhat rude, but not aggressively so, namely a term for “prostitute” which is equivalent to the

English word for “streetwalker”]. Sometimes they try to pick me up or pick my sister up. They don’t get that Acehese women aren’t like that, but why should they? So many women are, it is no surprise that tourists want that.

By “that,” *Nova* meant sex, a significant problem for Indonesian women. The women noted that the development of the sex trade was a matter of particular concern, and one that did not affect men in the least. They also noted that, even though women and men were nominally equal under the law, men still held a privileged position, and this meant that men frequently had access to safer or better jobs in the tourist trade, which they did not consider fair. Furthermore, the respondents noted, men often had higher status jobs than women, along with the attendant higher pay. It was particularly difficult for the married women in the group. Since they were presumed to not be supporting the family, their wages were even lower than that of single women. Although they thought that tourism overall would bring more money to the region, they were not highly optimistic about much of this flowing their way. *Nurul*, also a hotel worker, stated that, “Many businesses in Aceh will simply not hire women if she is married or has children. They will give immediate preference to single women as they deem them to be more reliable and punctual at work.”

The third question related to how the participants felt about poverty and what tourism could do to reduce it. The participants were sharply critical of poverty reduction strategies, which targeted economic growth. *Merry*, 31, who was working in a hotel, caustically observed that most of the earthquake clean-up money went to the men, since the majority of aid was put toward the construction industry, which was strongly sex-segregated. Little of the funds from the clean-up made it directly to women, and instead

men were the gatekeepers of aid funds that were provided to families. This exacerbated conditions of gender inequality, particularly for the poor. The women noted that men had far more chances to find work that was sustainable and would lift them out of poverty than women, who were disadvantaged by minimum wage laws and far more restricted in the types of work available.

This restriction was particularly irritating for the younger women. *Merpati*, 28, had recently been married and become pregnant, but before that, she said, she had been working in a department store/supermarket before moving to the tourism sector. She said she was subject to sexual harassment, which the women euphemistically termed “bothering”, by the male supervisors in the store, and also had often been deprived of her pay on false pretences. Despite a good work record, she was not offered an opportunity for advancement. *Merpati* asserted that without fixing this fundamental problem in distribution of wealth between men and women, there was no way that tourism could improve poverty for everyone. Women, she noted, were consigned to low paying service jobs and even illegal jobs like prostitution, while men worked in higher status and higher paid positions like concierges, tour guides, and entertainers. Overall, *Merpati* was very discouraged about the potential of tourism as a means to reduce poverty. *Ria*, echoed her discouragement. *Ria* had received more education than the average Acehnese woman, and spoke English, but still could not get a job in the customer-facing area of her hotel. She reported that her supervisors had discouraged her from applying, because it would leave her exposed to Western men with “loose morals”. However, she said emphatically, not being in a customer-facing position didn’t help her

avoid men with loose morals, since her male Indonesian supervisor spent a lot of time “bothering” her anyway! While the older women did not report this level of despair, neither were they particularly enthusiastic about the possibility of tourism as a poverty reduction strategy. While the participants were all clear that tourism brought cash into the region, it was debatable about whether this would result in long-term economic shifts.

The next question directed at participants was about what training mechanisms had been put in place to ensure they possessed adequate knowledge about foreigners. The reaction from most of the participants was that none had occurred. Two participants, namely *Evi* and *Edwin*, who both worked at two of the larger hotels in the city said they had touched on the subject in some training workshops conducted in their respective hotels. All participants were in agreement that the cultural disparity was wide, and they felt they did not have a deep enough understanding of foreigners to serve them appropriately. All welcomed further training on this subject.

In keeping with the theme of the previous question, participants were then asked how they controlled the expectations of foreigners, and clear differences between the two cultures, especially with reference to alcohol. How was it communicated to both host and guest? Participants as a whole felt that foreigners needed to refrain from drinking alcohol in public places but said it were tolerated in their own rooms, or ‘closed off’ locations such as Chinese restaurants and hotel bars. *Edwin*, who works in the food and beverage department in one of the hotels, said that provisions with regards to

controlling the alcohol consumption of foreigners had relaxed considerably in the past few years. He said, “The locals are much more tolerant these days and in fact, many of them secretly drink themselves.” He believed Acehese youth would have a strong impact on the future cultural norms of the Acehese society.

All the participants considered the Acehese community to be divided in their opinions towards foreigners and towards issues such as alcohol. The community as a whole is reluctant to accept, and are cautious of, foreigners but as long as they are respectful and non-intrusive nobody seems to have an issue with them. Acehese were open to the idea of tour agencies and welcomed the fact that it created jobs. One participant, Nora, mentioned she heard of the GAM guerilla tourism tracks through the jungle. She considered this a strange concept but she could understand the potential business opportunities and interest for tourists.

The discussion of poverty in general then came up from the participants who noted there were also problems with prices for agricultural products, with markets demanding the lowest price possible, even if it meant that this caused budgeting problems for families. Several participants who lived in a rural setting mentioned there was an unequal distribution of resources between the city and country. The causes as to why this occurred were rapidly identified, as well as a number of other causes of poverty. Consistent with the expectations of the Sustainable Livelihoods framework, the participants in this group, more than any other, were acutely aware of the causes of poverty and the conditions that were created by them.

Focus Group 5

The fifth focus group was comprised of eight NGO foreign workers, who had lived and worked around Banda Aceh for the past few years. These participants were aged between 22 to 46 years, and the majority were engaged in local community projects although some were involved with government institutional capacity development. They were, firstly, asked what foreseeable impacts could arise from tourism development. One participant, *Jennifer*, stated that it would be a way to pass on Aceh's unique culture and heritage, which she felt was very important for restoring Aceh's rightful place in Indonesia and in the world. They also valued tourists for bringing hard currency, although one participant did point out those tourists could drive the prices up in an area. The overall feeling was that tourism might reduce poverty in cities or in coastal areas that had beaches to offer, but that it would not be useful in the agricultural regions, where there were few opportunities to offer tourists areas of interest. Participants as a whole were in agreement that there was a need to create jobs in Aceh and tourism could indeed be a contributing factor to support this, however, all addressed the issues of avoiding mass tourism and believed that a small niche market specifically for ecotourism should be targeted.

The next question, which was asked, was, "How do you judge the capacity of the people of Aceh towards any increase in tourist numbers?" *Daniel* stated that after living a few years in Banda Aceh, he identified that there was a real lack in the service industry and depth in human resources. *Chris* added further that he was concerned that the local

Acehnese culture could become increasingly objectified and commodified to entice tourists to specific destination areas. In this context, Rural culture may well be a viable asset and provide a competitive advantage for some rural communities when considering tourism as a strategy for revitalization and sustainability. Thus, through tourism, the rural regions can offer a variety of new sites of consumption for traveling tourists who are always seeking new leisure experiences.

This is one of the most interesting proposals that emerged from the focus groups, since it directly targets one of the more nuanced issues of poverty reduction through tourism, that of creating industry linkages in order to share the economic benefits of tourism outside the tourism sector. *Mark* stated that, “A great emphasis should be put on improving the quality of life and the productivity of the population, especially in the sections where illiteracy among those who will join the labour force in a few years’ time is considerably high.”

They were then asked if an influx of tourists liberalizes or weakens traditional cultural values in Aceh, The respondents felt that in general Aceh was quite a “repressed” place and a lot of their jobs were actually trying to provide more liberties for the Acehnese, including women’s rights and religious tolerance among faiths. The participants were in agreement that it will likely heighten aspects of Acehnese tradition such as dance and food, which could then be displayed or sold for tourists. *Sam* also added that it would likely lead to a transformation in the younger generation who were the future workforce of Aceh. He added that it would greatly benefit the exposure of

them to different cultures and make them competitive in a globalized world by gaining this added experience. All the participants added that a closed Aceh would have no benefits, and that it was just a matter of ‘when’ not ‘if; the Acehnese became more exposed to tourists and foreigners.

Jeff added to this further by saying that despite all the suffering and terrible losses experienced from the 2004 Tsunami, there were a couple of silver linings. Firstly, it ended the decade’s long civil war between GAM and the Indonesian government. Secondly, it enabled massive amounts of money to be spent on improving public services, hospitals, infrastructure and schools. Thirdly, and of relevance to this topic of discussion, it enabled Acehnese to interact with hundreds of different cultures from the masses of aid workers and foreigners who lived and worked in Aceh following the disaster. This ensured that there was a degree of interaction between hosts and visitors. *Jane*, who had worked in Aceh since 2007, interestingly pointed out that, “I have witnessed and observed the fear of many Acehnese towards Christian missionaries, in particular, comparable to the sort of ‘Islamaphobia’ often observed in the West.”

Lastly, the question poised to the group was if they believed sustainable conservation issues in Aceh interlinked with tourism development, and if people were ready or unprepared to align themselves with such visions. *Luke* stated the case quite clearly by saying:

Natural areas and natural resources are a foundation of tourism in Aceh. Current tourism demand and supply are focused around the coastal and marine zone, providing a secure base upon for developing the tourism market. The real future potential lies in the realization of the vast

potential that exists in the interior areas of the province, where wonderful populations of wildlife exist. National parks such as Gunung Leuser are well known worldwide due to their abundant wildlife.. Global tourism trends indicate that adventure and wildlife orientated niche markets are some of the fastest growing tourism sectors, given the increasing propensity of northern hemisphere tourists to visit interesting and exotic places. There is an urgency to develop the wildlife sector to meet this demand.

The group discussed this among themselves, with *Martin* adding:

To do this, (Aceh) has to fast track the rehabilitation of its wildlife (e.g. Sumatra Tigers, Elephants, etc.) in appropriate areas in the province, using the private sector as a key driver in this process. Eco-based tourism provides an option that can be realized given enough attention and resources.

Various participants added that there was a need for consolidation of key natural resources management, since the marine protected areas and the coast are especially sensitive areas as they host fragile ecological collections and important biodiversity, and have to be adequately managed to avoid any adverse effects. There was also widespread agreement within the group to the notion of supporting the establishment of new conservation areas, given the low human densities in some areas. There was agreement that the promulgation of new conservation areas is an important option to enhance development opportunities and preservation of resources.

Interviews

In addition to focus group sessions, there were three interviews conducted with tour operators and managers in the Aceh region. These interviews were intended to identify what aspects of the existing tourism industry could result in poverty reduction, as well as what challenges were seen. The interviews asked four fundamental questions:

1. How does tourism affect poverty in Aceh, in your view?
2. What challenges are there in improving these effects?
3. How can tourism's impact on poverty be greater?
4. How did you get your start in the tourism business?

The tour operators indicated that by increasing the flow of money into the country, there was an obvious direct effect on poverty in Aceh, because it provided paying income for much of the year, although not all of it. Tour operators also noted that tourism also brought benefits to other sectors, since tourists shopped in retail shops and markets, procured services from a wide variety of sources, and supported transportation networks within the country. They did note however that tourism did not seem to touch the poorest in Aceh, and that in particular, rural poverty was almost completely unaffected by tourism other than a slightly increased demand for agricultural products.

The operators noted that one of the major challenges was that tour companies and other service providers often found that they could not hire from the ranks of the poorest, even though they might want to because of the reduction in wage expectations.

In particular, the operators noted that knowing a second language, such as Chinese or English, was extremely important in the tour industry, and few individuals from the poorest parts of Aceh knew a second language. There were also issues with other basic educational issues, which the operators indicated were important. For example, basic mathematics was frequently a problem. Two interviewees indicated that hiring the poorest workers was difficult because they were often managing two or more jobs, and several of them also balanced subsistence farming and had transportation problems, making it difficult to sustain consistent attendance when needed. Finally, one operator confessed that he did not hire the poorest individuals because they were:

Not the right sort of people – I was afraid that it would give tourists, especially Western tourists who were not used to poverty, the wrong idea about our country. I want them to see Aceh as a prosperous and proud country, not a poverty-stricken place they should pity.

The tour operators all indicated that greater local leadership in the development of tourism could provide a greater impact in terms of positive economic developments. They also suggested that a better educational system would also provide more suitable workers for the industry. Tour guides noted that the seasonal nature of the tourism industry was a problem. With tourism in Indonesia largely, although not entirely, dependent on natural capital, the tourism industry had a distinct season that was very busy, along with much of the year that was not so busy. While this was not a significant problem for larger operators, the workers often had to balance work in other areas, such as agricultural work. One of the three operators had a novel suggestion, that of setting up a centralized agency to provide tour operators and service providers with workers by the day. This, he indicated, would allow for increased hiring from the poorest socio-

economic status regions while allowing tour operators consistent worker supply. Of course, the operator specified, this would not work for more than junior positions, since tour guide operation is a skilled profession that requires significant training and knowledge. It would however help to provide consistency in terms of supply for junior positions.

The final question proved to be the most telling. Of the three interviewees, none were funded or supported by microfinance organizations. One participant started the tour business in 2009, following the cessation of building and reconstruction activities from the Sumatra Andaman earthquake recovery, using funds he had saved during work as a construction foreman. Another used an inheritance on the death of his father to buy into an existing tour business during the late 1980s, and purchased the remainder of the interest in the business following the 1997 currency crisis, when the original owner left Aceh. The third interviewee, an owner of the newest and smallest company as well as the youngest tour operator, started operations in 2007 using a loan from his sister and her husband. The three operators however all felt that microlending seemed like a good idea, particularly to support smaller and newer agencies.

Chapter 5 Analysis and Discussion

Analysis

The focus groups and interviews clearly identified a role for tourism as a poverty reduction strategy. Overall, local residents had a relatively positive view of tourism, but were sceptical about the overall value of tourism as a poverty reduction strategy per se. Some of the issues that emerged included cultural mismatches, gender inequality, and inequality between regions that would impact the distribution of tourism wealth and achieve positive outcomes. While few indicated outright hostility to the idea of tourism in poverty reduction, most considered poverty in Indonesia too complex to be treated by concentrating on only one strategic direction such as tourism. There were a number of recommendations however that were made by focus group participants and interviewees that could improve the outcomes of a tourism poverty reduction strategy. These recommendations included: increasing the active participation of women in the tourism sector; increasing linkages between rural, urban, and beach environments, and; promoting business formation around the tourist industry that could increase the penetration of tourist's dollars. The following chapter analyzes these findings in light of the existing literature and the current state of development in Indonesia.

The focus groups and interviews identified a number of key divisions in the Acehese tourism industry that could affect how well it can address poverty in Aceh. These included splits by gender, as women are significantly disadvantaged both structurally and traditionally. In Aceh, the barriers that women experience are, among

others, education, poverty and unemployment, and lack of adequate financial resources. The structural barriers also restrict them from entering politics or high profile positions in society, many of which are related to the tourism industry. Divisions also occur along geographic lines, as it is perceived that agricultural areas in Aceh hold little interest for tourists and thus do not expect to receive significant funds from this area. This is largely due to the limited infrastructure and access to the remote agriculture regions in the highlands of central Aceh. The beaches and historical attractions are generally much more accessible from Banda Aceh and the nearby airport. Furthermore, there has been relatively little penetration of microfinance activities, or other developmental activities that could provide an enhanced opportunity for poverty reduction. Regardless, the overall findings did indicate optimism that tourism would provide for improved outcomes, and a willingness to engage with the idea of tourism. Getz (1987) describes this as 'boosterism', which is the simplistic attitude that tourism development is inherently good and of automatic benefit to the hosts.

Causes of Poverty

Identifying the causes of poverty in the view of Acehnese was one of the key tasks in using the 'Sustainable Livelihood' (SL) approach to tourism as a means of livelihood.

The responses indicated that major causes of poverty included:

- Inequalities in terms of access to, and the quality of, the educational system;
- Lack of infrastructure and transportation;
- Distribution inequality from economic activities;
- Lack of technological capital that could improve efficiency;

- Structural bias against women and those of low socio-economic status;
- Divisions between city and country in terms of available resources, especially financial and technological capital;
- Lack of penetration of reconstruction funds into unaffected areas, and;
- Lack of support for higher prices for agricultural products.

Getz's (1987) 'Boosterism' approach identifies four broad traditions to tourism planning, namely: an economic approach; an industry-oriented approach; a physical/spatial approach, and; a community-orientated approach. The link between Getz's approach is particularly evident through the need for economic growth to always be promoted, and thereby residents will gain financially by tourism.

Positive Views Regarding Tourism

Overall, the respondents had positive views of tourism in general. The respondents indicated that tourists themselves provided a source of income as well as a source of amusement and were generally respectful of their culture and circumstances. The topic of tourism as an economic activity encouraged more mixed views to be presented. Although some respondents were highly supportive, including, not unsurprisingly, the tour operators interviewed, others were less enthusiastic. Rural residents, in particular, did not have an overwhelmingly positive view of tourism, given that it rarely affected them and only occasionally was a factor in their economic life. Urban residents however were generally supportive of tourism and saw tourism as a strong benefit for the economic structure.

Concerns Regarding Tourism

Although participants were generally supportive of tourism as an industry, a number of concerns did emerge. These concerns included: lack of cultural consistency with Acehese culture and the Islamic way of life (for example, the introduction and consumption of alcohol); lack of penetration outside urban and beach areas; control of the industry by a few large companies, and; lack of local participation. There were also other concerns that were obliquely identified, including the lack of consistent policy and lack of involvement of microfinance in significant development. Given these concerns, it is clear that tourism in Aceh requires more consistent management in order to become truly effective as a means to poverty reduction.

Tourism as Poverty Reduction

Opinion was split in regard to whether tourism could serve as a poverty reduction strategy. Overall, respondents seemed to feel that it would be plausible for tourism to provide an economic benefit that could lead to poverty reduction if it were managed appropriately. However, the issue of management was contested between respondents. Some respondents identified greater penetration of tourism income into the economy as a requirement, while others identified the need for greater distribution equality, particularly between men and women. Some participants noted that tourism would not provide increased poverty reduction, unless there was support for other areas, such as education and infrastructure, which could allow the tourism industry to grow effectively,

while others noted that there would be a lack of impact on rural regions where there were no immediate tourism attractions. An ethical approach incorporating the principles of social responsibility (e.g. Fair Trade) will facilitate the sustainability of tourism within a *Sharia* context.

Recommendations

There were a number of recommendations that emerged from the focus groups and interviews that could be used to promote tourism as a poverty reduction strategy. Three such recommendations however stood out as being the most pertinent and key to development of an effective tourism industry. These recommendations included:

1. Improve educational access for the very poor in order to increase human resources and the ability of the tourism industry to penetrate the poverty level in Aceh.
2. Create a casual employment agency, appropriately overseen for working conditions, in order to ease labour shortages caused by workers who are managing dual obligations of paid work and subsistence farming, and;
3. Create explicit linkages between tourism areas and farms in order to increase penetration of economic benefits from tourism into agricultural areas, which are both the most poverty-stricken and the least likely to be visited by tourists in Aceh.

Discussion

Sustainable Livelihoods

The theoretical basis for the role of tourism in poverty reduction should be considered within a sustainable livelihood approach. The sustainable livelihood framework requires that livelihood development, such as that proposed in the development of the tourism industry, should be based on capacity building, broad-spectrum expansion of living conditions for the poor, and assessment of conditions by the poor themselves rather than policy makers (Krantz, 2001). The research method utilised by this study was intended to promote the third such requirement, as it directly addressed the opinions and experience of the people rather than focusing on the opinions of policy makers. The findings of the study supported the need for the other two issues. While addressing educational issues was the most common non-monetary issue of the poor, other issues, including income distribution inequality, lack of gender equality, transportation, technology, and other access issues were also identified as pertinent to improving conditions for the Acehnese poor.

The issue of capacity building was also addressed. In particular, the research found that educational capacity was required to be stronger in order to encourage the penetration of the tourism industry into the lowest socio-economic status portions of the Acehnese population. Without this support, it would not be possible for the poverty reduction program to be successful. In particular, financial capital is highly important

for encouraging the development of tourism and its integration into the economy at the lowest level. The SL approach is intended for use at the individual level in the rural household. The general principles of SL development however, could be applied in this case in order to encourage the development of an effective poverty reduction strategy in the wider regions of Aceh. Rather than attempting to identify the most ideal policy through extensive analysis however, given the requirement for support for development in Aceh to be consistent and continuous, policy makers may be better off considering issues of “good enough governance” (Grindle, 2004, p. 525). These policies will allow for some poverty reduction strategies to be implemented while the policy makers continue to identify the best possible policy, thus drastically improving the immediate outcomes. Policy must remain flexible however in order to ensure that the outcomes are strong. Human resources development is equally important. Moscardo (2008) discusses the importance of identifying community values in order to build community capacity and human resources. For it is only with community support of the tourism activity can tourism be considered under the principles of sustainability. The need to enhance community capacity and to create tourism knowledge and awareness is necessary.

There are a number of issues that are addressed in the literature that remained unresolved or contentious in the research. For example, there was little mention of the involvement of a coherent financial structure, and in fact, the tour operators who participated, all indicated that they financed their businesses, at least initially, without any involvement of the formal financial sector. This could indicate that, in these particular cases, Aceh’s financial system is not sufficient to support the development of

a strong tourism industry, or a strong poverty reduction strategy at all (Jalilian and Kirkpatrick, 2002). The development of a strong formal banking sector should be a priority for Acehese policy makers seeking to improve the outcomes of a tourism based poverty reduction strategy, or in fact, any such poverty reduction strategy.

Comparison with Empirical Literature

One opportunity that appears to be overlooked in the Acehese tourism industry, although further research would be required to confirm its absence, is the microenterprise framework, which allows for effective financing and development of very small businesses (Shaw, 2004). Microenterprise has proven to be effective in the development of poverty reduction strategies for the very poor in other contexts, although there are some negative aspects, including lack of access and lack of structural support. In particular, it can be difficult for the very poorest to access high-quality microenterprise opportunities, such as those represented by tourism and related services (Shaw, 2004). The development of support for microenterprise in the tourism sector could provide a significant improvement to outcomes of tourism-based development strategies, and should be considered.

Another issue that can be identified in the findings is the varying needs of Acehese regions and how tourism strategies should allocate funds to meet them. Although this division was not identified by the researcher previously, participants identified three distinct areas of Aceh in terms of tourism potential and resources. Beach

regions had strong stocks of natural capital and were the most obvious sites of tourism activity, although could potentially lead to cultural conflict (i.e., women not supposed to wear bathing suits), while cities offered cultural tourism opportunities and were the next most obvious sites. Agricultural areas were the least attractive sites in terms of the tourism industry. This created a clear inequality however, because the agricultural areas are both the largest and the poorest. Thus, a tourism-based poverty reduction strategy could not be effective on its own because it fails to address issues such as the different distribution of resources between the regions. This problem of resource allocation is a persistent problem in poverty reduction strategies in general (Swallow, 2005). In particular, local and regional authorities may have different goals for poverty reduction than local governments, due to different conditions. Given this mismatch, it's clear that an Aceh-wide tourism-based poverty reduction strategy will need to resolve this issue. Collection of effective statistics to measure the program's effects will also be required, as a lack of data can also be a significant problem for poverty reduction strategies (Ravallion, 2001). Currently, there are no such statistics gathered for the Acehnese tourism industry, an issue that would need to be resolved if this program is to move forward.

The World Bank has been actively engaged in tourism development since the 1990s (Hawkins and Mann, 2007), but there was no evidence that this involvement expanded to include Aceh. In part, this may be due to the relative novelty of peace within the region and the on-going peace development efforts in the region. Given that the effectiveness of these programs has been called into question by a number of

researchers (Birdsall and Londono, 1997, Satterthwaite, 2003), it may be more effective for the Acehese government to manage these issues on its own rather than rely on such outside assistance. The goals of the Canary Islands Declaration however do offer support if the Indonesian government feels inclined to call upon such assistance.

The idea of tourism as a poverty reduction strategy was generally supported, although with a number of reservations, by many of the respondents. If the Acehese government does decide to use this strategy, it would be appropriate to keep in mind the components of an effective tourism based poverty reduction strategy as described by Neto (2003). These components included: improved access and training for the poor to access tourism economic benefits; sustainable tourism development and limitation of environmental impact, and; increasing partnerships in development of tourism services. These approaches can help the program's success and can be clearly identified as being part of the poverty reduction program. As demonstrated in other Islamic tourism destinations, industry practice are determined by conditions in society and mirror unequal gender relations where these exist. Male pre-eminence is a characteristic of many Muslim countries where women are denied a place in public life (Sonmez 2001).

Summary

This chapter has compared the respondents' opinions with the sustainable livelihood theoretical framework, together with the findings in empirical literature in order to determine how well, and how poorly, this study reflects the existing literature. Overall, the findings did support the empirical literature, although some issues, such as a concern over the depth of economic penetration of development funds from the reconstruction effort, are uniquely Acehnese. There were some significant points of departure however that serve to identify conditions that the Acehnese policymakers should take into account when examining the means by which the government will manage any eventual tourism-based development program. The following chapter provides a summary of findings as well as critical discussion of the conclusions of the paper.

Chapter 6 Conclusions and Implications

The process of creating this research has identified a number of issues and implications that should be addressed, both in terms of the academic literature and in terms of Acehese policymaking practices. Since the Acehese government has primary control over policies such as those addressing the development of tourism-led poverty reduction, these are issues that are best addressed by the Acehese government rather than the Indonesian government at large. It should be considered however that these findings do have relevance for the Indonesian economic environment generally, since the conditions that it addresses are not unique and in fact, occur around Indonesia.

Summary of Findings

In general, tourism is viewed positively, both in terms of economics and non-economic benefits that were identified. The ability of tourism to impact upon poverty levels in Aceh however is a matter of some disagreement. The attitudes of the participants towards accepting tourism as a means of poverty reduction were mixed. Although *Sharia* law is implemented in Aceh, it is debatable to what extent it conflicts with tourism. Many of the participants who were interviewed and took part in the focus groups had a very good understanding of the tourism industry in general and the expectations of tourists. It was realized and addressed by many participants that there were indeed limitations in education and experience with handling tourists in general.

They identified that tourism was key to economic growth in many parts of the province, but that it did not penetrate rural regions. The rural regions were most subject to the cultural clashes which could occur due to the *Sharia* teachings and western tourists and this presented a case for concern. More established tourism regions such as the beaches and diving islands were already prepared for an influx of tourists, and the economic benefits are being demonstrated in these areas. Furthermore, none of the participants identified a specific known structure or policymaking group intended to support the development of tourism as a poverty reduction strategy, and many participants did have a number of positive suggestions for improving the outcomes of tourism in terms of economic assistance. This included improving education and infrastructure in order to increase the ability to participate in tourism ventures, creating a shared labour pool in order to allow employers to hire the poorest workers, and implementing direct linkages between the tourism and agriculture sectors in order to ensure that tourism revenues can penetrate into the poorest sectors effectively.

Overall, the results are consistent with the literature, and recognize a number of key issues in the literature that have been found in other regions. There is also inconsistencies however, including the massive economic effects of the reconstruction effort, which significantly changed the economic landscape into a 'bubble' economy. When talking about further development of tourist projects one must pay attention to the fact that the introduction of tourism in local communities also impacts the traditions and social life of the host population. The tourists themselves can become a social burden in the sense of introducing new kinds of behaviour, which are not acceptable in an Islamic

view, and thereby challenging traditional codes of behaviour. Tourist activities such as drinking alcohol, dressing scantily and openly showing affection are certainly at odds with Muslim culture and were all raised in the focus group discussions.

Implications of the Study

There are a number of implications of the study for Acehese policymakers that could be considered in order to improve tourism as a poverty reduction strategy, both in actuality and in terms of acceptance by the Acehese as a legitimate means of poverty reduction in the *Sharia* context.

The first implication is that policymakers need to consider issues of differences, and inequality in, the distribution of tourism funds, which could affect how efficiently it can reduce poverty. While the tourism groups, government and NGO's were generally supportive of tourism as a means to poverty reduction, Muslim and non-Muslim groups were not as accepting, pointing to differences in economic participation, religious clashes, cultural norms, disinterest in certain geographic locations and general disbelief that tourism could support poverty eradication in rural communities. Given this, the Acehese policymakers should strongly consider the implications of promoting tourism without considering distribution of these funds, and how this would be perceived as unfair by the recipient.

A second implication of this research is that there should be linkages between the tourism industry and other industries in order to maximize economic benefits and poverty reduction. This is an implication that is supported both by the literature review and by participant feedback. The literature review indicates that linkages between the tourism industry and other industries can provide substantially greater penetration of tourism revenues, in essence spreading the wealth around to more individuals than those that are directly involved in the tourism industry. The suggested linkage by both research participants and the literature is between the tourist and agricultural industries, which shall provide an opportunity to both maximize poverty reduction by tapping a known reservoir of poverty in Indonesia and which shall also provide an effective linkage into an area that does not have a significant tourism impact. Other linkages should certainly be explored however in order to expand the overall penetration of such a strategy.

The third implication that can be clearly seen, both in the literature and in the primary research, is that without adjustments to educational and work systems, it will not be possible for these policies to affect the poorest Acehnese. The secondary literature has indicated that poverty reduction strategies based on tourism frequently bypass the very poor, because of lack of preparation, human and social capital, and access to the tourism industry by individuals within this SES grouping. This is supported by the focus groups and interviews, which indicates that the poorest participants do not have access to tourist dollars and that tour operators, for a variety of reasons, do not hire these workers. In order to maximize the impact of tourism as a

poverty reduction strategy for the poorest Acehnese the Acehnese government needs to identify ways to improve the social and human capital available to the workers. Improved education has been identified here as one such potential means, but there are undoubtedly additional means that could be identified in order to improve overall conditions. This should be considered to be a matter of high importance to the development of a tourism-based poverty reduction strategy. In particular, this issue will need to be implemented as part of a long-term strategy not only to gain efficiency in poverty reduction, but also to ensure that the poverty reduction strategy has sufficient legitimacy to sustain itself in the long term.

Selected critical views of the often troubled relationship between Islam and tourism have been discussed in this research paper. The acceptance and accommodating approach of the national Indonesian government is perhaps not yet reflected in Acehnese society. However, a transitional period is in place. While Indonesian national authorities such as the Department of Tourism (*Dinas Pariwisata*) extend a keen welcome to holidaymakers regardless of their religion and origin, provincial and sub-district decisions in Aceh could inhibit Western-style tourism. A key example of where this is evident, is in the district of Aceh Barat, where women are banned from wearing jeans. Those at work in the tourism industry within Aceh need to be mindful of the changing conditions and have an appreciation of religious sensitivities, helping to educate tourists about appropriate behaviour.

There is scope for consultation with religious figures, as well as local communities, regarding the formulation of codes of conduct and presentation of sites such as mosques and shrines as tourist attractions. Circumstances in Aceh are unique, yet examining the situation in the province does offer perceptivities into the dilemmas facing Muslim nation states as they seek to come to terms with modern mass tourism.

Limitations of the Study

There are two limitations of the study that need to be acknowledged. The first limitation is that the qualitative analysis format does not allow for generalization across a population. That is, the opinions of those that participated in the focus groups cannot be uncritically applied across the entire Acehnese population, since opinions may vary substantially. The choice of participants from various areas based on specific knowledge of individuals also prevents this type of application. This does not mean that the results are not without rigour, but only that they provide a limited and preliminary view of many opinions that could be offered. Thus, the results should be approached with caution by policy makers and other researchers. The use of these opinions in policy making should be further tempered by the understanding of policy as something that takes into account the thoughts and opinions of the stakeholders, not only a simple majority vote.

A second limitation of the study is the uniqueness of the Acehnese context. As it has been frequently alluded to throughout the study, contemporary Aceh has a unique historical context, both in the distant past and in the immediate past. In particular, the

rapid cessation of armed conflict combined with the reconstruction effort engendered by the Sumatra Andaman earthquake and its aftermath in 2004 has resulted in the massive and prompt reorganization of the Acehnese society and economy. Given this rapid reorganization and change, it is impossible to state for certain what conditions would be without this influence. It is also simply difficult to apply findings from Aceh across any other area uncritically. Even application of these results to other regions of Indonesia should be considered sceptically, as economic conditions and development needs are significantly different. Thus, the transferability of this case study must be carefully examined before its application.

Areas for Further Research

This research identified some areas for further research. One obvious area is quantification of the economic impact of the tourism industry in Aceh using econometric models. This research has not, as far as the researcher could find, been conducted previously. Further research would provide significant input into how the tourism industry is currently interacting with poverty in Aceh and identify further needs for such development. This analysis was outside the scope of this qualitative phenomenological research, but it would provide significant input into the findings that policy makers might find exceptionally helpful in an economic assessment of tourism as a poverty reduction approach.

A second area of further research focuses on the penetration of tourism revenues into other economic sectors in Aceh. One of the acknowledged issues with tourism in poverty reduction is that the tourism industry frequently has weak ties with other sectors. Strengthening these ties is a means of increasing revenue penetration and reducing poverty on an absolute scale. Conducting quantitative research into the links between the tourism industry sector and other industry sectors in Aceh could provide a substantial insight into the ways that the tourism industry could most effectively promote economic growth in other sectors.

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