

# Government Strategic Collaborative Partnership in Tourism Affairs A study in Malang and Batu City Governments

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## ABSTRACT

Tourism is defined as part of government affairs related to public services in which concerning cross-regional externalities, therefore, its implementation are based on efficiencies that can be managed collaboratively. However, the rapid-demanding needs of tourism, force each region to partially fulfill their needs with short-term political orientation. This research would like to investigate the identification of the tourism potentials in the form of collaborative partnership between Malang and Batu governments and finding out the model of strategic tourism partnership between Malang and Batu governments. The qualitative methods with descriptive research type are applied to this research. The primary data collection technique was conducted by observation, structured-interview with related government institutions, experts and also related stakeholders. While the secondary data collection was done through documentation and bibliography techniques. Research subject was determined by using purposive sampling technique. Tourism potentials in Malang and Batu Cities offer their own strategic attraction in East Java that is complementary to each other. This study revealed that the tourism potentials are still not yet developed in the official scheme of partnership by the Malang and Batu local governments. This study offers the appropriate model of cooperation for the existing condition of each local government. Specifically, a specific cooperation on tourism affairs with the form of Cooperative Construction of procurement of physical buildings between tourist destinations in both regions is hereby discussed. Thus, the persistent problem of traffic congestion resulting from the rapid development of tourism can be addressed together effectively and efficiently. In addition, the Joint Services cooperation model can be done by both parties by establishing a one-stop service as a tourist information center of both cities.

Keywords: *Regional Autonomy, Regional Partnership, and Tourism.*

## ABSTRAK

Pariwisata dimaknai sebagai bagian dari urusan pemerintahan yang terkait dengan pelayanan publik dan menyangkut eksternalitas lintas daerah, sehingga penyelenggaraannya didasarkan pada efisiensi yang dapat dikelola bersama. Adapun realita yang terjadi pada saat ini adalah pesatnya tututan kebutuhan pariwisata, memaksa tiap daerah melakukan pemenuhan secara partial dan berorientasi politis yang berjangka pendek. Penelitian ini akan menganalisa identifikasi potensi kerjasama pengelolaan pariwisata antara pemerintah Kota Malang dan pemerintah Kota Batu serta menemukan model kerjasama yang sesuai di bidang pariwisata antara Pemerintah Kota Malang dan Kota Batu. Metode yang akan digunakan dalam penelitian ini adalah metode kualitatif dengan tipe penelitian deskriptif. Adapun teknik pengumpulan data primer dilakukan dengan observasi, wawancara terstruktur dengan lembaga pemerinah terkait, para ahli dan juga wajib pajak. Sedangkan pengumpulan data sekunder menggunakan teknik dokumentasi dan bibliografi. Subjek penelitian ditetapkan dengan menggunakan teknik *purposive sampling*.

Potensi pariwisata pada Kota Malang dan Kota Batu menawarkan daya tarik tersendiri yang strategis di Jawa Timur dan bersifat saling melengkapi satu sama lain. Potensi wisata tersebut masih belum dikembangkan dalam skema resmi kerjasama antar pemerintahan daerah dalam sektor pariwisata. Oleh karena itu, urgensi kerjasama antar daerah dalam pengembangan potensi dan pengelolaan kawasan wisata yang terintegrasi bagi pemerintah Kota Malang dan Kota Batu menjadi penting dikembangkan dalam skema strategi kebijakan *Intergovernmental Networking*. Study ini merekomendasikan format kerjasama yang sesuai adalah model *Cooperative Construction* dalam bentuk pengadaan bangunan fisik jalan raya sebagai jalur penghubung antar destinasi wisata pada kedua daerah dan model kerjasama *Joint Services* dapat dilakuakn oleh kedua belah pihak dengan mengusahakan layanan satu atap atau center sebagai pusat informasi wisata kedua kota.

Kata Kunci: *Otonomi Daerah, Kerjasama antar Daerah dan Pariwisata*

## INTRODUCTION

Tourism is part of the government affairs which has been imposed by the Act No 23 the Year 2014 among local government units in Indonesia. In fact, many local governments prioritize tourism as the main strategic income sector for accelerating local development. Tourism is also considered as a strategic agenda at the national level as stipulated under the Act No 10 the year 2009. The main goal of this policy is to integrate tourism development into a consolidated aspect of management. Tourism industry requires the involvement of many related stakeholders in national and local levels ([Spillone 1994, p. 4](#))<sup>1</sup>. Therefore, in the context of local autonomy, tourism opens up the opportunity for the local governments to establish partnerships among cities and regencies that have direct administrative and geographic borders. In this study, tourism is defined as part of government affairs that it is related to public services and across regional externalities. Hence, the tourism affair could be implemented collectively.

<sup>1</sup> Spillane, James J. 1994. *Pariwisata Indonesia, Siasat Ekonomi dan Rekayasa Kebudayaan*. Yogyakarta: Kanisius. P. 51.

In addition, the tourism sector is also determined by exploring local potencies. This means that the participation of many stakeholders is required within the concept of partnership among local government, societies and private sectors. As a matter of fact, during the process of tourism management, the problem of shortage of resources is the main obstacle for local governments. As a consequence, the governments rely merely on private sectors. Hence the tourism developments are being implemented with political interests and for short-term purposes. As a consequence, the public interests are often left behind.

It is important that the local regulation of tourism policy should be the legal reference for developing effective and sustainable development in which providing benefits to the people. Then tourism management has to be synchronized with The National Strategic Roadmap as it is stipulated at the Government Regulation No 50 the year 2011 regarding Master Plan for National Tourism Development 2010-2025. However, local governments should manage the tourism management in an effective, efficient and with public need orientation strategies. On the other hand, the integrated tourism management has to deal with many ego-sectoral interests among local governments and societies such as exploitation of natural resources, geographical claims on tourism sites, and social and economic interest among the regions. These situations hamper the possibility of local partnerships which ignores the urgency of interconnected roles among tourism sectors. These challenges occur because the tourism sector should not only improve and build tourism sites, but it should also be synergized with the provision of support systems, such as the availability of transportation channels that could accommodate the number of vehicles during peak session; the availability of communication and information installation; also the readiness of human resources as the actors of tourism management. Thus, the strength of regional competitiveness can be created through synergy. The tourism sector is an industry that has a high economic opportunity since traveling becomes an important factor in the modern lifestyle. Malang City and Batu Cities are tourist destinations that have various kinds of strategic tourism sites. In addition, they have their own particular attractiveness in East Java that is complementary to each other. Batu City offers spectacular-artificial and agro-tourism sites, while the City of Malang offers thematic, shopping and culinary sites.

Interestingly, the two regions are geographically connected via land transportation routes. Thus, the tourism sites in Malang and Batu are commonly part of the package tour. Although the tourism sectors are not yet part of an official cooperation between the local government units of Malang and Batu, this tourism potency in both regions is able to give positive impact to the regional economic development.

However, the economic potentials of tourism have not yet been managed in an integrated manner between the two local governments. Therefore, the emergence of some negative impacts also cannot be addressed comprehensively, for instance, the spatial aspect problems during the holiday season result in traffic congestion due to the high number of tourists in towns. As a result, both regions are afflicted by the impacts of congestion caused by the overcapacity of the vehicles along the highway transportation route which connects Malang and Batu tourism sites. If the problem is not immediately resolved, it will weaken the tourism potentials that have been developed. Although the two regions are aggressively developing the tourist destinations in their respective regions if accessibility becomes a top concern, domestic and international tourists will eventually decline. Therefore, the urgency of inter-regional cooperation in developing potential tourism and integrated management in the area of Malang and Batu Cites should be developed using Intergovernmental Networking Strategy. This will improve the performance of the Regional governments in meeting the public and tourism needs and will soon support the tourism sectors to be more effective and efficient.

Although the benefits of establishing a partnership between regions give promising outcomes of effectiveness and efficiency, the regional cooperation always culminates in pessimistic ends such as regional ego and conflicts due to social and economic imbalance. Moreover, there is no successful inter-regional cooperation scheme that can be used as a model for other regions. The scheme of regional integration of the *Gerbang Kertosusilo (Gresik-Bangkalan-Mojokerto-Surabaya-Sidoarjo-Lamongan)* in East Java Province as it has been stipulated by The East Java Provincial Regulation No.4/1996 on the Spatial and Regional Plannings (*Rencana Tata Ruang dan Tata Wilayah-RTRW*) of East Java Province is merely being implemented as the physically RTRW regional development, and this has not shown the real benefits of a regional cooperation scheme.

Responding to the benefits of regional cooperation for synergizing tourism development sectors, the National Government has provided a legal umbrella in the form of Government Regulation No. 50 of 2011 on the National Tourism Development Master Plan (*Rencana Induk Pembangunan Kepariwisata Nasional-RIPPARNAS*) in 2010 - 2025. In this provision, Malang Raya is included in the main planning Tourism Areas (KWU). In addition, the Law No. 23 of 2014 regarding Regional Governments give the district and municipal governments wider authorities in managing tourism potency, as it compared to the provincial government's authority that is limited only in the realm of tourism promotion. Therefore, the development of a more integrated tourism area along with mutual support is needed for making sure the cooperation run well, effectively, and efficiently, in accordance with the identified targets and objectives. This research is aimed to investigate the tourism potentials in the form of collaborative partnership between Malang and Batu governments and finding out the model of strategic tourism partnership between Malang and Batu governments. This research has found out that each government has ideas for collaboratively managing the tourism sites. In fact, the Malang government had conducted a feasibility study on tourism government partnership. Although the study has not yet led to the partnership arrangements, the idea of collaborative actions has been promoted. This research explores a possible model of government partnership in the field of tourism.

## LITERATURE REVIEW

### 1. Tourism Management as Local Government Affairs

The study of the tourism sector nowadays is not only interpreted as a recreational activity *such* as that is merely associated with the spatial tourist destinations. Hence, these activities are also defined as part and public service that is part of the government's obligation. Although in the provisions of Indonesian Acts, tourism is a non-obligation government affair. However, a majority of the local governments in Indonesia consider tourism sector as one of the local revenue sources. According to [Georgudaki et al., 2016](#) both developed and developing countries earn most of their income from the tourism sector.

In addition, tourism management is also studied more holistically, not only as a leisure activity but also as part of social, economic and environmental conservation activities. If tourism is only seen as economic driven and fully handed over to the private sectors, then there will be economic exploitation and ignoring the balance of other sectors. According to the ([Fandeli, 2001](#)) tourism activities are important in order to enjoy the beauty of nature, as well as enhance environmental conservation activities that bring benefits to preserve the welfare of the local population ([Fandeli, 2001](#)). Therefore, the role of government to promote tourism affairs is important. Tourism, as a terminology is developed into “sustainable tourism” and “ecotourism” on the scale of international studies. As [Castellani and Sala, 2010](#) mention that an International Resolution recognizes sustainable tourism and ecotourism are part of strengthening local development as well as protecting the natural environment, traditions and cultural heritage. Thus, the tourism sectors in both natural and artificial provide benefits for future generations, so that these sectors bring benefits to the economy, protects the natural environments and promote cultural values. The reason is that the cities host a large number of visitors who come from various areas that influence the local values and culture as a result of the interactions between locals and tourists. Therefore, tourism activities also known as Host-Guest Relations, which both parties conduct various transactions as Kintt was found in [Saarinen and Manwa, 2008](#) that local residents and tourists do joint activities in terms of transactions, services while inhabiting the place by sharing experiences and ideas. Due to the tourist sites and all the cultural values as part of livelihoods for the local people, the presence of tourists led to the interaction between local people and tourists. Hence, it is important for the government to consider comprehensive policy on tourism regulation and management.

### **Tourism Development and Planning**

Tourism is closely linked to aspects of planning and development towards a sustainable and well-planned process. Hence, the main regulation of tourism development must be in line with the government's development plan, so that inter-sectoral and inter-regional aspects can be accommodated well.

Tourism development is based on existing conditions along with existing carrying capacity, while tourism planning is based on national development plans whose accomplishment are divided into several stages. In addition, internal and external conditions also affect the development of tourism.

Tourism development is based on existing conditions along with existing carrying capacity, while tourism planning is based on national development plans whose accomplishment are divided into several stages. In addition, internal and external conditions also affect the development of tourism. As stated by [Dwyer 2009](#), there are six global influences that affect the development of tourism, namely, political, economic, social, technological, demographic and environmental aspects (*Tourism Management* Vol. 30 p. 63-74). Therefore, these aspects are an integral part of the domain of government policy. In addition, the holistic tourism development also pays attention to several other aspects of its management as shown in the following figure:

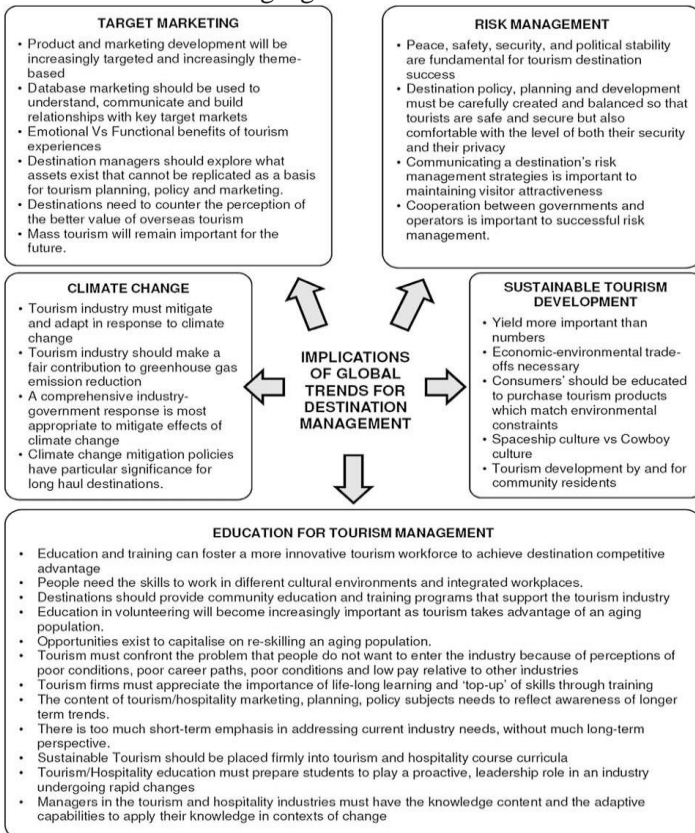


Figure 2.1 Management of Management of Holistic Tourism

Source: [Dwyer 2009, p. 68](#)

As shown in Figure 2.1, tourism development must be managed by considering several aspects of tourism targets, management risk, climate change, sustainable tourism development and education of tourism management. This model of tourism management, consider internal and external factors as part of the planning and development process for sustainability.

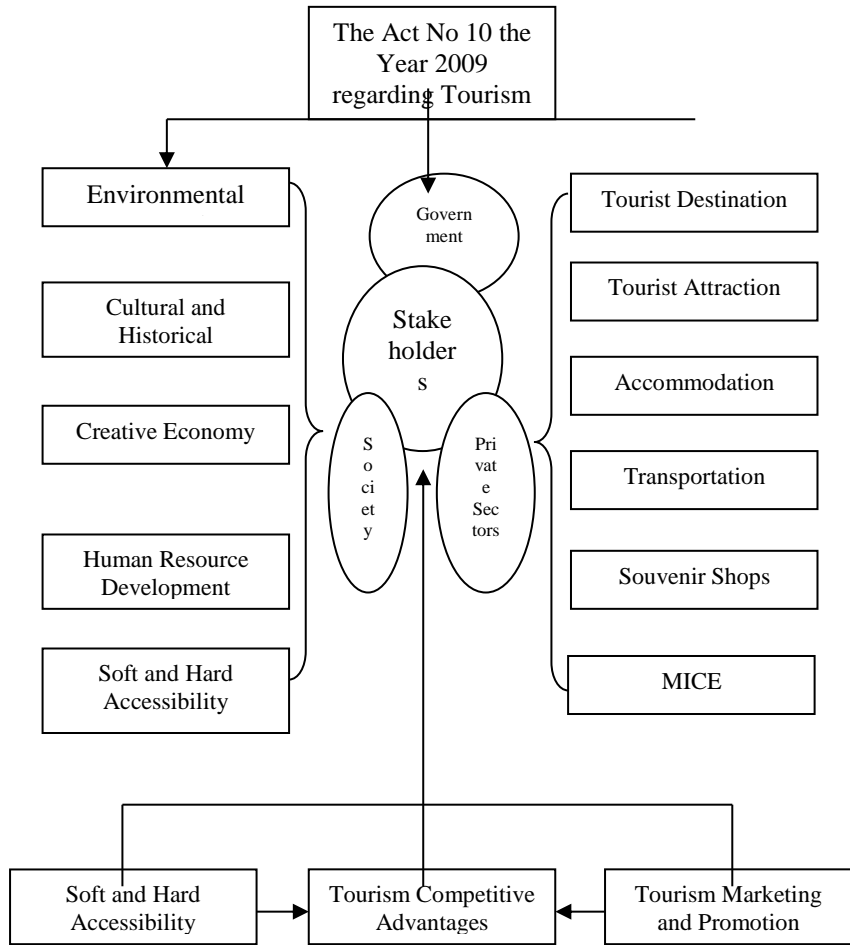


Figure 2.2 Indonesia Tourism Development Framework  
Source: Cooperation Study of Inter-Local Government of Malang City 2015



According to the framework in Figure 2.2, it appears that the main stakeholders of tourism managers consist of government, society and private sectors. The regulatory framework of the tourism sector is developed in a comprehensive and balanced manner. There is a non-spatial development scheme which consists of environmental conservation, cultural and historical values reinforcement, local wisdom preservation, the creation of a creative economy and human resource development. Also, there is a spatial tourism development scheme which consists of tourist destinations, tourist attraction activities, accommodation, transportation, souvenirs and meeting events, incentive, convention, and exhibition (MICE).

Therefore, the competitive advantage side of the tourism sector can be well developed and planned. Tourism does not only possess economic values for local governments, but also for producing foreign exchange, especially in areas that do not have the natural resources as the economic driving force ([Yoeti, 1997](#)).

#### **Legal Basis for Tourism Sector**

The legal basis of tourism affairs is regulated in the Act Number 10 of 2009 regarding Tourism, while the technical provisions of its implementation are regulated in Government Regulation No. 50 of 2011 on the National Tourism Development Master Plan (RIPPARNAS) 2010-2025. There are several important aspects of RIPPARNAS (1) The guidelines for development direction of tourism potential in terms of products, markets, spatial, human resources, management, etc. Thus, Indonesian tourism can grow and develop positively and sustainably for the development of the region and community welfare, (2) The regulator for stakeholders, both across sectors, across actors, and across regions/regions in order to encourage the development of tourism in a synergistic and integrated manner.

The vision of national tourism development as stipulated in the Government Regulation Number 50 the Year 2011 is that realizing Indonesia as a world-class tourism destination, in which competitive, sustainable and able to encourage regional developments and people's welfare. In order to realize the vision, there are four tourism development strategies that have been defined as namely; safety, convenience, attractiveness and tourism destinations accessibility; synergy, superiority, responsibility. In addition, there are effective governments, local governments, private sectors and community organizations in encouraging the realization of sustainable tourism development.

In the context of decentralization and regional autonomy implementation, tourism affairs are regulated in the Act number 23 of 2014 regarding Regional Governments which was last amended by Government Regulation in Lieu of the Republic of Indonesia Law Number 02 the Year 2014 on the Amendment of Act number 23 of 2014 regarding Regional Governments. According to the mentioned legal provision, the spatial and authority of tourism management are placed at the level of districts and city governments. Whereas, the authority of the provincial governments is limited to tourism promotion.

The legal basis of tourism management of Malang City Government is regulated in the Vision and Mission of Malang City Government which prioritizes Malang with dignity, clean, prosperous, fair, religious-tolerant, leading, safe, cultured, beautiful and educated. In addition, in the Regional Medium Term Development Plan (RPJMD 2013-2018), the tourism sector is developed in a safe, comfortable and cultured tourism development paradigm into three indicators as follows:

1. The realization of tourism development based on culture, environment, and creativity of society
2. Improving the preservation of cultural arts and local wisdom in order to enhance the attractiveness of tourism
3. Increasing the variety and quality of natural and artificial tourism

The Regional Tourism Development Master Plan (RIPPARDA) Malang City Government has been regulated in the Regional Regulation No. 34 of 2014 which set the target of tourism development on several indicators as follows:

- a. Increasing awareness of the local religious cultural values;
- b. Increasing the number of foreign tourists visiting;
- c. Increasing the number of tourist movements of the archipelago;
- d. Increasing the amount of local foreign exchange earnings;
- e. Increasing expenditure from domestic tourists;
- f. Increasing of Gross Regional Domestic Product (GDP) of the tourism sector;
- g. Improving environmental conservation;

Then, the Indicators of RIPPARDA are translated into details on the Vision of Culture and Tourism of Malang City Government in order to realize the city of Malang as a dignified tourism destination. In the context of Batu City, the legal basis of tourism management is adjusted with the vision of Batu City government in which emphasizing on the realization of Batu City as a center of organic agriculture based on international tourism. In addition, the detailed planning is stipulated in Local Regulation No. 7 of 2013 on RPJMD Batu City Government. Since the management of tourism objects has become the authority of each city and district, the opportunities for cooperation between regions in the tourism sector become very strategic, thus spatial and non-spatial problem of tourism can be managed synergistically.

In the context of Batu City, the legal basis of tourism management is adjusted with the vision of Batu City government in which emphasizing on the realization of Batu City as a center of organic agriculture based on international tourism. In addition, the detailed planning is stipulated in Local Regulation No. 7 of 2013 on RPJMD Batu City Government. Since the management of tourism objects has become the authority of each city and district, the opportunities for cooperation between regions in the tourism sector become very strategic, thus spatial and non-spatial problem of tourism can be managed synergistically.

### **Inter-Regional Cooperation**

Cooperation is stated by [Pamudji, 1985](#) is the presence of two or more parties that interact to achieve the same goal in a balanced interaction position. As according to [Kusnadi, 2002](#) cooperation emphasizes the existence of integrity. In addition, [Iryanto, 2006](#) argues that regional cooperation provides an effective synergy benefit to meet the limitations of each region. While the forms of cooperation between regions are associated with the existence of the provincial government roles as a stimulator that has the main role of coordination between districts and city governments within one province. As it is stated by Keban n.d that the urgency of the provincial government in initiating regional cooperation is vital, besides the determination of the fields to cooperate and the selection of the right cooperation model also become a strategic matter as the foundation of cooperation. According to [Dwyner, \(2009\)](#) the urgency of regional cooperation cannot be avoided, because every local government runs the regional tourism development scheme that is implemented with the spatial approach based on each region's RTRW.

Moreover, according to [Utomo, 2005](#) the real condition in each region is being interdependent on economic activities, ownership resources differences and specialization need in order to increase added values, condition and character of different regions. These situations lead the importance of regional cooperation which is a necessity for managing governments in the modern era.

### **Model of Inter-Regional Cooperation**

According to [Henry 1995 in Warsono](#) mentioned that the model of regional cooperation can be done in several schemes. *Firstly*, in the form of the Intergovernmental Service Contract. This form of cooperation uses certain service types of a local government by paying the cooperation services that are provided by another local government. *Secondly*, Joint Service Agreement in the form of cooperation by both local government parties that carry out planning, budget and provision of certain services together and *lastly*, Intergovernmental Service Transfer is a form of cooperation where services are transferred from a local government to another local government (2015, p. 107-108). There are several models of cooperation as proposed by [Taylor, Gary D. 2003](#): *The First*, Handshake Agreement, this agreement is done by both parties without any formal provisions, which is conducted on the basis of closeness and trust, *The Second* Fee for Service Contracts (service agreements) that is an agreement mechanism that agree on certain affairs with mechanism of purchasing services that are provided by other parties, *The Third*, Joint Agreements (joint ventures), is a form of regional cooperation that requires participation or involvement of parties involved in the provision or management on the matter of cooperation. Lastly, Jointly-Formed Authorities is a form of cooperation that emphasizes the formation of the joint authority, Regional Bodies is a form of territorial-based cooperation.

According to Iskandar in Pramono, R. Budi, the models of legal framework for regional cooperation in the form of agreement relates to the cooperative principal matter, or the consent that regulates technical matters in the sphere of cooperation, while cooperation through a declaration sets the agreed general provisions for implementing certain policies in the future and Memorandum of Understanding is a model of cooperation in the form of master agreement.

Furthermore, according to Rosen in Warsono, some models of regional cooperation namely the form of Consortia which is a form of cooperation with resources sharing in order to reduce costs if done separately; Join Purchasing is a form of cooperation that is done by buying something together; Equipment Sharing is cooperation which is done by using certain matters together, and its nature is not a routine use; Cooperative Construction is cooperation in the form of physical building for the fulfillment of public services together; Joint Services is a form of cooperation between parties conducted in one roof or center for a business certain; Contract Services, namely cooperation on the contract of use of public services; and other arrangements are a form of cooperation made for the purpose of reducing costs such as training and certain facilities (2015, p. 109)

## RESEARCH METHOD

This research applies the Qualitative Research Method. According to [Lexy J. Moleong, \(2004\)](#) qualitative research is a method of building a holistic-researched that describes the terms of words in a natural context and setting. This study uses descriptive research type. [Hadari Nawawi, \(2003\)](#) states that descriptive research method is inventing the factual facts and discovery of the symptoms by which includes attempts to express their relation to one another in the aspects investigated. This research uses a descriptive type of research because researchers want to explore the problems that will be investigated through description, identification, and arrangement of cooperation strategies between local government (Malang City and Batu City) in tourism affairs. There are several data collection methods that were applied in this research namely, observation, in-depth interview and documentation techniques (bibliographic). Qualitative data analysis method is applied in certain steps namely: conducting of data collection; data reduction; coding process; data processing and the final stages drawing conclusions.

## RESULTS AND DISCUSSIONS

### Potential of Tourism Cooperation of Malang and Batu Cities

The complexity of meeting the needs of public services nowadays triggers local governments to find alternative and innovative solutions in dealing with problems, including the inevitable facts of being connected with other institutions. In order to fulfill public service needs, the efficient strategy that is being taken currently is the interconnection between local governments and private sectors in the scheme of public-private partnership.

Unfortunately, the reality of inter-governmental networks (government to government) has not been explored much, although in fact the urgency for solving the problems on the collective dimension cannot be denied by local governments. This is because there are a lot of public services that are related to cross-regional interests. Therefore, the decentralization and regional autonomy policies have opened up the opportunity for realizing cooperation between regions in order to accelerate the synergy of public service delivery.

The intergovernmental network's model that has been implemented so far is the presence of various regional cooperation forums such as the Provincial Government Association of Indonesia (APPSI); the Provincial Legislative Council of Indonesia (BKPSI); the Association of Local Legislative (DPRD) Regency of Indonesia; The Association of Local Government City of Indonesia (APEKSI); The Association of Local Government Regency of Indonesia (APKASI). In addition, there are regional and sector-based cooperation forums namely: Sulawesi Regional Development Cooperation Board (BKPRS); Sumatera Cooperation Agency (VISI SUMATERA); Joint Secretariat of Pacitan, Wonogiri and Wonosari (Sekber Pawonsari); Java Promo; Surakarta, Boyolali, Sukoharjo, Karanganyar, Wonogiri, Sragen and Klaten (SOBOSUKO WONOSATREN); Banjarnegara, Purbalingga, Banyumas, Cilacap and Kebumen (BARLINGMASCAKEB); Yogyakarta City, Sleman Regency and Bantul Regency (KARTAMANTUL) (Plod S2 Ugm And Apeksi, p. 4).

Nevertheless, the previous forms of existing regional co-operation are still concerned with the discovery of formats based on regional identity and regional similarities. Hence, the real activities are still limited to the annual meeting forums that discuss the work plans on a large scale. On the level of the real cooperation benefits, a lot of constraints are still faced namely: funding issues, institutional support system, and regulatory issues. Nevertheless, the previous forms of existing regional co-operation are still concerned with the discovery of formats based on regional identity and regional similarities. Hence, the real activities are still limited to the annual meeting forums that discuss the work plans on a large scale. On the level of the real cooperation benefits, a lot of constraints are still faced namely: funding issues, institutional support system, and regulatory issues.

The possibility of regional cooperation can be formed on the basis of regional awareness and the need for achieving a common goal. Therefore, for the context of cooperation in the field of tourism between the government of Malang and Batu Cities, this could be stated that there is an opportunity for establishing of intergovernmental networking in the field of tourism. The existing policy of tourism development is merely being implemented separately by each government institution of both Malang and Batu Cities. Moreover, the policy of tourism development has not all been established in the form of joint documents, or in the form of Regional Tourism Development Master Plan (RIPPDA) of each region. This existing reality indicates that the framework of regional cooperation is still partial and not synergic in each policy among local governments. Hence, cooperation between regions in the field of Tourism should not be implemented solely on RIPPDA of Malang, but it also must be listed on RIPPDA of Batu. Furthermore, the possibility of regional cooperation between the Government of Malang and Batu Cities is undoubted could be done, since there are several related basic regulations about regional cooperation is currently implemented (see Table 4.1).

No		
1	The Act no. 23 of 2014 regarding Regional Governments	This Act has mandated the importance of cooperation among regions in order to improve the welfare of the community based on the consideration of efficiency and effectiveness of public services, synergy, and mutual benefit.
2	Government Regulation (PP) Number 50 of 2007 on Procedures of Regional Cooperation Implementation	In the PP number 50 of 2007 has been set some provisions that regulate the cooperation between regions, namely the principles of cooperation, the subject of cooperation, the object and form of cooperation, and the procedure of cooperation. Including the provisions on Cooperation Agency and Financing.
3	Presidential Regulation Number 5 the Year 2010 on RPJMN Year 2010 - 2014 (especially Book III)	Provides general guidance on regional development in general and especially potential cooperation between regions to build synergy

4	<p>Presidential Regulation Number No. 22 of 2009 concerning the Technical Directive of the Regional</p>	<p>Regulation of the Minister of Domestic Affairs contains the scope of technical guidelines for regional cooperation, namely:</p> <ul style="list-style-type: none"> <li>a. Technical guidelines for cooperation between regions;</li> <li>b. Technical guidelines for regional cooperation with third parties</li> </ul>
5	<p>Presidential Regulation Number No. 23 of 2009 on Procedures for the Development and Supervision of Regional Cooperation</p>	<p>Contains guidance and supervision procedures of cooperation between regions (KAD) undertaken by the Minister of Home Affairs and Governor conducted at the stage: assessment, negotiation, signing, implementation, and termination.</p>

Source: Malang City Government, Part of Cooperation and Investment, 2015.

Interestingly, Malang and Batu Cities are included in the National Tourism Destination as stipulated in Government Regulation of the Republic of Indonesia Number 50 of 2011 regarding the Master Plan of National Tourism Development Year 2010-2025, as shown in Figure 4.1:

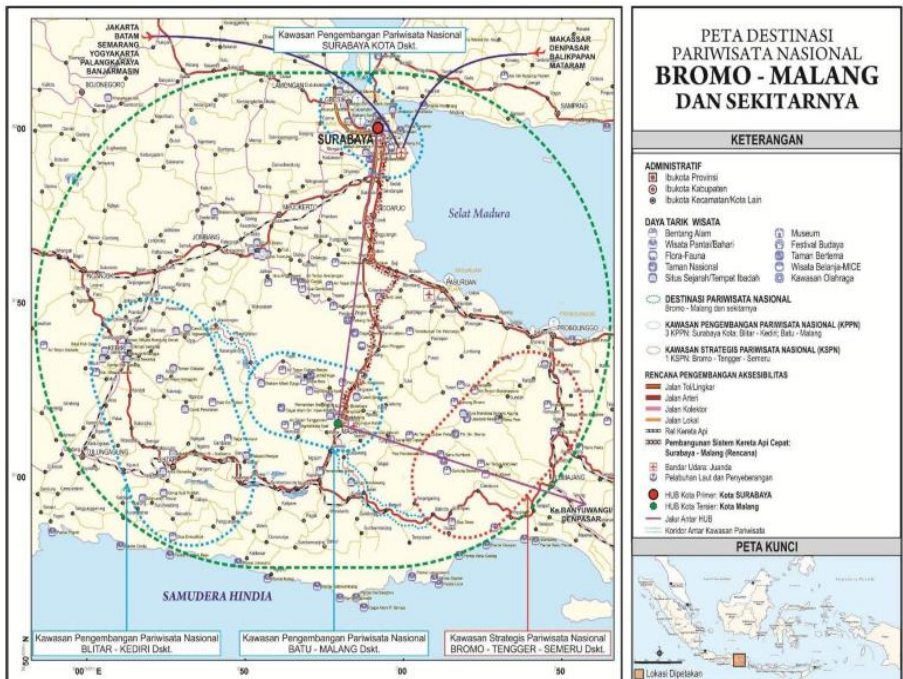




Figure 4.1 National Tourism Destinations Bromo-Malang and Surroundings

Source RIPPARNAS 2010 - 2025 (PP 50/2011).

It means that the regulation of national-scale tourism management has included Malang and Batu Cities in one national tourism destination. This is an opportunity that can be augmented by each local government. Moreover, it has been identified that those cities are managing tourism sectors based on the existing conditions as follows:

Table 4.2 Potential of Tourism Development of Malang and Batu Cities

The government of Malang City	The government of Batu City
Tourism Potential Education, Culture, Thematic, Shopping and Culinary	Potential of Artificial Tourism and Agro Tourism
It has a proximity area	
It has one ground transportation line	
Having supporting tourism support system (Hotel, Homestay, etc.)	
People are already familiar with city activities as a tourism destination	
Local tourist branding that Malang and Batu is a unity of territory	

Source, Data processed researchers.

Although the potentials of tourism between Malang and Batu Cities have been developed partially, these have been able to provide income economically both for the government and for the community. Moreover, domestic tourists in both areas state the cities are often defined as one tour packages. Unfortunately, apart from the tourism potential problems are also experienced by the two cities (see Table 4.3).

Table 4.3 Tourism Problems Malang and Batu Cities

The government of Malang City	The government of Batu City
Traffic congestion	
The condition of the highway has not been able to accommodate the abundance of tourists	
The challenge for investors	
Unintegrated public land transportation routes	

Source, Data processed by researchers.

According to the above indicators, transportation issues are defined as the common problems for big cities. On the other hand, it is a problem that can be solved in the form of joint cooperation. In addition, the data shows that there is no legal cooperation framework between local governments in managing the tourism sector.

### **Prospect of Inter-Regional Cooperation on Tourism Development Areas**

According to the proximity of potentials and problems of the two regions, there is a prospect of regional cooperation that can be cultivated together. In order to achieve this, it is necessary to have a joint commitment, as a framework of cooperation between the two parties, which is set forth in each of RIPPDA and RIPPARDA. In addition, it is important to involve the roles of the community in certain affairs that is jointly managed. Moreover, the provincial government actions on supporting system and communication between related parties on the cooperation plan areas should be strengthened. The existing facts show that formal cooperation framework has not yet been formed since each region is still with the mindset of the implementation of their respective regional government. However, both regions have conducted regional cooperation studies, especially in the field of tourism. If referring to the flow of regional cooperation stages proposed by the Decentralization Support Facility (DSF) there are 5 (five) stages namely initiation, organizing preparation, establishing formation, implementation, and monitoring and evaluation. The stages of cooperation between regions can be seen in Figure 4.2:

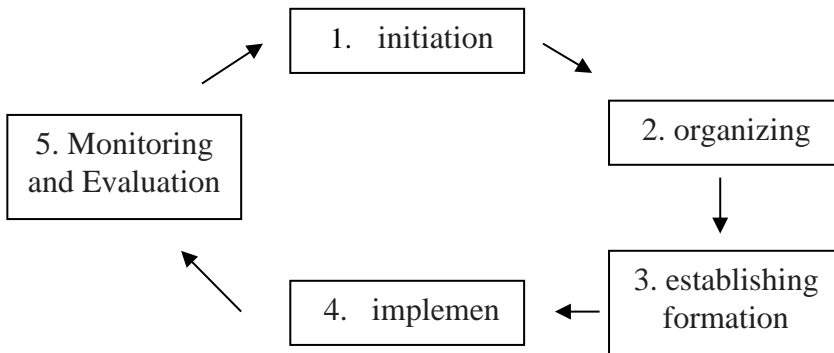


Figure 4. 2 Stages of Inter-Regional Cooperation

Source: Malang City Government, Unit of Cooperation and Investment, 2015

Referring to the stages of cooperation as Figure 4.2, the position of the two regions has not yet reached the stage of initiation that has been communicated between the two parties. In this case, the role of East Java Provincial Government as a stimulator is required. Given the reality of coordinating local government is not an easy matter in the middle of the egocentric-owned region. Therefore, it would be more effective if the cooperation between regions will start on the specific common priority. This will serve as a sound first step of joint business development between Malang and Batu Cities.

The next stage, if the two local governments have been accustomed to the joint cooperation in the field of tourism, the extension of the scopes of cooperation can be done. Hence, the level of inter-regional egocentric can be overcome if benefits have been obtained from a cooperation in the field of tourism. It can strengthen the condition/commitment of each region and it will involve the role of the societies and the private sectors, as one of the real actors of real cooperation.

After that, strengthening the stages of cooperation between these two regions through a feasibility study that are conducted by each party economically and politically. This is required to reinforce the formal formation of regional cooperation for each local government leadership on the basis of "mutual benefit" principles as the foundation of the basic philosophy of cooperation. It is stipulated in Government Regulation No. 50 of 2007 that the implementation of this Inter-Regional Cooperation should follow certain principles: a) efficiency; b) effectiveness; c) synergy; d) mutual benefit; e) mutual agreement; f) good faith; g) prioritizing the national interests and territorial integrity of the Unitary Republic of Indonesia; h) equality of position; i) transparency; j) justice; and k) legal certainty.

### Format of Regional Transportation Cooperation

The data revealed that in the government of Malang and Batu Cities, the feasibility of cooperation stages as referring to the preparation stage by each region is at the initial stage. The stages of regional cooperation as stipulated by the Government Regulation Number 50 the Year 2007 is shown in Figure 4.3.

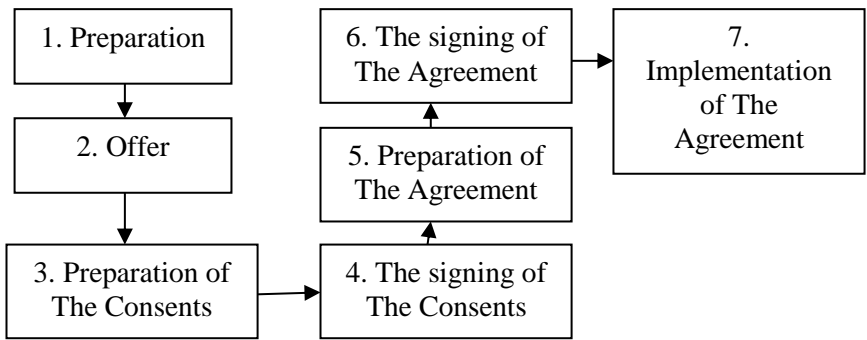


Figure 4. 3 Flow Stages of Inter-Regional Cooperation  
Source: Government Regulation Number 50 the Year 2007

In addition, the details of each of the steps and stage are delivered as follows:

**PHASE I: INITIATION**  
 Step 1 Identify key personal figures of government partnership  
 Step 2 Enhance the active roles and build relationships among key supporters of government partnership  
 Step 3 Establish a regional baseline

**PHASE II: PREPARATION OF GOVERNMENT PARTNERSHIP ORGANIZATION**  
 Step 1 Establish a Regional Forum for Key Figures  
 Step 2 Develop a draft of government partnership concept  
 Step 3 Prepare a draft/plan of institutional Forum  
 Step 4 Prepare an agreement draft of government partnership implementation  
 Step 5 Strengthen commitment

**PHASE III: FORMATION OF GOVERNMENT PARTNERSHIP FORUM**  
 Step 1 Draft of government partnership Cooperation Agreement  
 Step 2 Signing of Cooperation Agreement  
 Step 3 Establish government partnership institutions  
 Step 4 Perform human resources recruitment for government partnership operations  
 Step 5 Prepare the draft of government partnership Planning  
 Step 6 Determine the financing mechanism and asset management of government partnership activities  
 Step 7 Create a Local Regulation on the Establishment of government partnership institution  
 Step 8 Transfer Best Practices

**STAGE IV: IMPLEMENTATION OF GOVERNMENT PARTNERSHIP**  
 Step 1 Establish a working group of government partnership officers  
 Step 2 Facilitate communications between government units in certain public service areas

Source: Government Regulation Number 50 the Year 2007.

As both local governments are still in the preparation stage, there are many provisions that need to be agreed on to pursue the cooperation. Besides the important presence of the provincial government, other key figures must be involved during the stages of initiation. This must be carried out with active and simultaneous interactions as the implementation of the respective baselines of Malang and Batu City governments which have been done partially.

The appropriate model of cooperation for the existing condition of each local government is a specific cooperation on tourism affairs with Cooperative Construction in the form of procurement of physical buildings of the highway as a liaison between tourist destinations in both regions. Thus, the persistent problem of traffic congestion resulting from the rapid development of tourism can be addressed together effectively and efficiently. In addition, the Joint Services cooperation model can be done by both parties by establishing a one-stop service as a tourist information center of both cities.

## CONCLUSION

Both regions have a complementary tourism potential, and this is a great strength in realizing the regional cooperation. The Local Government of Malang City has the potential for education, cultural, thematic, shopping and culinary tourism. The Batu City Government also has the potential for artificial tourism and agro-tourism. In addition, there are indications of tourism potentials that strengthen the formation of regional cooperation namely: the proximity of the territory; the one-route of land transportation, infrastructures of tourism support system (Hotel, Homestay, etc.) and the social condition that is suitable with the activities of the city as a tourist destination. On the one hand, these indications to reveal similar problems that both regions have. Thus, regional cooperation is highly considered in order to address the problems such as, traffic jam due to the abundance of tourists especially during holiday season, investor challenges and land transportation that has not been integrated yet. Therefore, the intergovernmental networking scheme is very suitable as a framework of cooperation, which begins with more specific tourism-related policies or activities. In the near future, the appropriate cooperation model would be the cooperative construction model in the form of physical road building procurement as a liaison point between tourist destinations in both regions and joint services cooperation model can also be done by both parties by establishing one-stop service as tourist information center of both cities.

## RESEARCH RECOMMENDATIONS

1. The need for East Java Provincial Government to initiate the formal institutional cooperation in the field of tourism between the Government of Malang and Batu Cities.
2. Establish a team of individuals to coordinate the tourism initiatives of regional cooperation between Malang and Batu Cities.
3. Include baseline studies in consolidating the tourism development plans that have been owned by each region.
4. Initiate cooperation by involving intensive communication between stakeholders.

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