

# CHAPTER I

## INTRODUCTION

International Development is the pursuit of a better world for all by eliminating poverty, discrimination, and injustice. International Development focuses on improving various facets of quality of life within a society, which will help economically grown the country. However, despite a general definition, in reality, “International development is not easy to define and encompasses a broad range of disciplines and endeavors to improve the quality of life of people around the world. It includes both economic and social development and encompasses many issues such as humanitarian and foreign aid, poverty alleviation, the rule of law and governance, food and water security, capacity building, healthcare and education, women and children’s rights, disaster preparedness, infrastructure, and sustainability<sup>1</sup>”. Development may mean economic growth defined in macroeconomic terms as increases in the gross domestic product (GDP), import-export figures, and industrialization levels. Development may include a human element, such as humans' ability to meet their basic needs through their initiative. Development may also mean sustainability, in that economic growth and the power of humans to meet their basic needs should not deplete natural resources to the extent that those resources become unavailable for future generations<sup>2</sup>”.

The concept of empowerment includes the notion of community-based development. Related to this understanding, it is necessary first to understand the meaning of empowerment and community empowerment. People who have

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<sup>1</sup> Virginia Greiman, “Guide on International. Development: Public Service Careers and Opportunities.,” *Office of Public Interest Advising, Harvard Law School*. 02138, no. Massachusetts, USA: Bernard Koteen (2011), <http://hls.harvard.edu/?s=Guide+on+International.+Development%3A+Public+Service.+Careers+and+Opportunities.+Written+By%3A+Virginia+Greiman%2C+Attorney+Advisor>.

<sup>2</sup> Ibid.

achieved collective goals are empowered through their independence; it is even a "must" to be more empowered through their efforts and the accumulation of knowledge, skills, and other resources to achieve their goals without depending on external relations<sup>3</sup>. Community empowerment is an effort to increase people's dignity and dignity in poor conditions to escape from the trap of poverty and underdevelopment. Empowerment is an effort to build people's capacity by encouraging, motivating, to develop this potential into concrete actions. Community empowerment is an economic development concept that encapsulates social values. This concept reflects a new paradigm of development that is people-centered, participatory, empowering, and sustainable. The idea of empowerment is broader than just an effort to meet basic needs or just a mechanism to prevent further impoverishment processes <sup>4</sup>.

The widespread understanding of tourism as a development tool in the developing world has scattered, with many seeing tourism as a means of contributing to the UN Millennium Development Goals (UN-MDGs). At the United Nations (UN) Summit in New York, United States (US) on 6-8 September 2000, which was attended by heads of states and heads of government from UN member states, it has agreed to create a more prosperous world, just and peaceful. This agreement is the beginning of the formation of the Millennium Development Goals (MDG). In the 2012 MDG report, the heads of states and governments of UN member states have assessed the MDGs' achievement in providing global support and attention to achieve the millennium development targets as per the objectives contained therein. The MDGs have eight-millennium development goals, namely tackling poverty and hunger, achieving primary education for all, promoting gender equality and empowering women, reducing child mortality, improving maternal

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<sup>3</sup> Totok Mardikanto, Poerwoko Soebiato, "Pemberdayaan masyarakat dalam perspektif kebijakan publik", 2012.

<sup>4</sup> Zubaedi. 2013., "Pengembangan Masyarakat Wacana dan Praktek", (Jakarta: Pustaka Kencana Prenada Media Group).

health, fighting HIV / AIDS, malaria, and other infectious diseases, ensuring environmental sustainability life, develop global partnerships for development<sup>5</sup>.

Sustainable Development Goals (SDGs) were designed to continue the Millennium Development Goals (MDGs), which had not been achieved by the end of 2015<sup>6</sup>. The Millennium Development Goals (MDGs) is a global development paradigm, declared by the 189 member states of the United Nations (UN) Millennium Summit in New York in September 2000. The legal basis for the MDGs declaration's issuance is United Nations General Assembly Resolution Number 55/2 18 September 2000<sup>7</sup>. All countries who attended the meeting committed to integrating the MDGs as part of national development programs to handle solutions related to very fundamental issues concerning the fulfilment of human rights and freedoms.

The concept of SDGs is needed as a new development framework that accommodates all changes that have occurred post-2015-MDGs<sup>8</sup>. Especially concerning changes in the world situation since 2000 regarding the deflation of natural resources, environmental damage, increasingly crucial climate change, social protection, food, energy security, and more pro-poor development. Unlike the MDGs, which are aimed only at developing countries, the SDGs have a universal target. SDGs were presented to replace the MDGs with the aim of better meeting the challenges of the world's future. The Indonesian government also attended the Millennium Summit in New York and signed the Millennium Declaration. The SDGs were first discussed at the United Nations Conference on Sustainable Development, held in Rio de Janeiro in June 2012. The SDGs document was approved at the UN Sustainable Development Summit, which took place in

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<sup>5</sup> United Nation ESCAP, GA Resolution 55/2: United Nations Millennium Declaration, <https://www.unescap.org/resources/ga-resolution-552-united-nations-millennium-declaration>.

<sup>6</sup> Wahyuningsih Wahyuningsih, "Millenium Developpment Goals (Mdgs) Dan Sustainable Development Goals (Sdgs) Dalam Kesejahteraan Sosial," *Bisma* 11, no. 3 (2018): 390.

<sup>7</sup> UNITED NATIONS. GENERAL ASSEMBLY., *United Nations Millennium Declaration - A/RES/55/2, General Assembly*, 2000.

<sup>8</sup> Akhir, D. J., 2015. *Sustainable Development Goals*. Jakarta: Okezone.Com.

New York on 25-27 September 2015. In the summit, it was determined that the SDGs would come into effect after 2015 to 2030. The SDGs apply not only to developing countries but also to developed countries at the end of 2015. Because this is an International commitment, every member of the United Nations translates it into National Development, SDG's are expected to cooperate with other countries.

Social Welfare is an organized system of social and endeavors social institutions shown to assist individuals or groups in achieving satisfactory standards of life and health and to achieve individual and social relationships which can enable them to develop their full abilities and to enhance their well-being in accordance with the needs of the family and society<sup>9</sup>. In Indonesia, the SEZ (Special Economic Zone) is one of the programs from the government to accelerate development. SEZ is an area with specific boundaries that are covered in the territory of RI Law which is determined to carry out economic functions and obtain individual facilities.

SEZs were formed to create a conducive environment for investment, export and trade activities to boost the pace of economic growth and serve as a catalyst for economic reform, for this idea was inspired by the success of several countries that adopted it earlier, such as China and India. SEZs in Indonesia began to be regulated since 2009, which is the development of various types of economic areas in previous periods. In 1970, it was known as the development of the Free Trade Area and Free Port. In 1972, the Bonded Zone development emerged. It continued in 1989 with the Industrial Estate, then in 1996, an Integrated Economic Development Zone (KAPET) was developed, and finally, since 2009, the development of a Special Economic Zone was started. The National Council for Special Economic Zones is a council established at the national level to administer Special Economic Zones (Law No. 39/2009). SEZ was based on May 21, 2010, with the legal basis of the provision of Law no. 39 of 2009. The Coordinating Minister for the Economy,

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<sup>9</sup> A Friedlander, Walter. 1961 . Pengantar Kesejahteraan Sosial Jakarta: Gema Insani Press,

abbreviated as the Coordinating Minister for the Economy, is the minister who oversees the Coordinating Ministry for the Economy of Indonesia and is the chairperson in the formation of the National Council for Indonesia's Special Economic Zones<sup>10</sup>.

The Beauty Untouched from Northern Part of Sulawesi. Likupang Special Economic Zone becomes one of the Indonesian Government Super Priority Investment Project. Likupang SEZ offers perfect tourism luxury resort, cultural tourism, eco-tourism, and more than 30 dives spot<sup>11</sup>. North Sulawesi is a province of Indonesia that is well known for its stunning natural attractions. The beaches, the mountainous areas, and lush forests are a must-visit if you visit the site. One of the best places you can find here is Likupang Beach. The beach is located in the northernmost part of Sulawesi, and it is just 48 km away from Manado, specifically in a district called Likupang.

From the very first time you lay eyes on Likupang Beach, you are guaranteed to be stunned by its beautiful and vast white sandy beach. Not only that, but it also has gorgeous clear seawater and also offers several other tourist attractions. You can also enjoy the scenery under the sea that will hypnotize you, and you can dive directly into it. There are several attractions such as Pall Beach, Pulisan Beach and the famous Likupang Beach. Meanwhile, for the islands, there are Lihaga Island and Gangga Island, which also have outstanding underwater beauty<sup>12</sup>. From Manado, you can use public transportation from Paal bus station, and the bus will take you directly to the Likupang bus station. If you travel in groups, you better use your vehicle or choose a car rental service since this beach is relatively far away from the heart of the city.

The idea of developing the opportunities and promote Indonesian tourism and Indonesia's Special Economic Zone in the Philippines was to assist Ministry of

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<sup>10</sup> KEK Berkontribusi Bagi Perekonomian Bangsa, <http://indonesiabaik.id/infografis/kek-berkontribusi-bagi-perekonomian-bangsa>, 2020.

<sup>11</sup> Daftar Kawasan Ekonomi Khusus di Indonesia, <https://www.investindonesia.go.id/id/artikel-investasi/detail/daftar-kawasan-ekonomi-khusus-di-indonesia-id>, 2020.

<sup>12</sup> Ministry of Tourism Republic of Indonesia, 2020.

Tourism of the Republic of Indonesia, Embassy of the Republic of Indonesia in Manila and Indonesia tourism industries of North Sulawesi to choose effective strategies to develop an action plan and to boost Filipino people coming to Indonesia especially in North Sulawesi. Tourism in Indonesia is an essential component of the Indonesian economy. The country has planned to achieve 8 percent of GDP from the tourism sector is targeted to attract about 18 million visitors by 2019<sup>13</sup>. The tourism sector ranked as the 40th out of 140 countries overall with a Travel and Tourism Competitiveness Index score of 4.3<sup>14</sup>. There must be concrete steps to support the expansion of the tourism sector that can attract visitors from different parts of the world.

The Embassy of the Republic of Indonesia in Manila has is not only acting as a representative to conduct bilateral relation with the host – country but also it is responsible to maintain, develop, or even create relation with travel industries in the Philippines on behalf of Indonesia. It is going in line with the objective to achieve which is to understand how the state actors develop strategy and promote Indonesian tourism in the Philippines. In general, the government's role in developing tourism is to provide infrastructure (not only in physical form), expand various forms of facilities, coordination activities between government officials and the private sector, regulation, and general promotion to other regions and abroad. The government has the authority to regulate, providing, and allocating various infrastructure related to tourism needs. Not only that, but the government is also responsible for determining the direction in which tourism travel is headed. Overall, Indonesia has served Filipino people coming to Indonesia, reaching 260,000 in 2019<sup>15</sup>, That means a development occurs on the scale of foreign tourists entering Indonesia, seeing from year to year the achievements of foreign tourists from the Philippines in 2018 is 217,000 (103.61% of the target of 210,000). The arrival of Filipino people in December 2018 has increased compared to November 2018 (up

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<sup>13</sup>Ibid.

<sup>14</sup> Indonesian Investment, 2016

<sup>15</sup> Ministry of Tourism Republic of Indonesia, 2020.

2.12%). Realization of Filipino people until December 2018 reached 103.61% of the change target of 210,000 foreign tourists<sup>16</sup>.

Ministry of Tourism of the Republic of Indonesia has many programs to attract Filipino people to travel to Indonesia. The program carried out by the Indonesian government under the control of the Ministry of Tourism are Top-10 Indonesia destination promotion -as exhibitor- in Travel Tour Expo 2018 held by Philippine Travel Agencies Association (PTAA). Many experiences that researcher got it in Ministry's promotion programs in the Philippines when the researcher doing internship in Indonesian Embassy in Manila. For example, when researcher interviewed correspondent from travel agencies or tour operators in the Philippines related to Indonesian destination, many of them do not know the destination except Bali. Even though, there are lot of Indonesian destination besides Bali for example, North Sulawesi (Likupang).

Furthermore, many information that researcher got from tourism industries of Indonesia. The connectivity is always to be highlight issue. Because it can impact to traveller making decision to go to Indonesia, cost of travelling is too high and the flight schedule is not profitable to the traveller. In Indonesia, the central government works closely with provincial governments such as North Sulawesi and district and city governments. The government is responsible for managing and regulating the tourism industry.

According to tourism industries of Indonesia, hospitality issue needs to be concerned like a driver taxi or public transportation based on online in Indonesia need to be friendly more. Look into the strategies of Indonesia tourism in the Philippines, according to researcher, still need more efforts. Because, since 2014, Ministry of tourism in not only promote Indonesia destinations but also looking for concrete act to sell it. Even though the Ministry will achieve the target, researcher

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<sup>16</sup> Ibid.

believe that the Ministry can attract more than 2018 target in the future. Furthermore, Philippines is a potential market for promoting Indonesia destination. As researcher know that The Philippines population in 2018 is 106.51 million, according to the latest UN estimate, especially in Metro Manila which has overall population of 12.8 millions people per the 2015 census data.

### **1.1 Research Questions**

Based on the background explained above, this thesis focus on the following research question:

1. In what ways does the special economic zone in north Sulawesi facilitate the global sustainable development goals through regional cooperation?
2. What are the effort of the local government of North Sulawesi in building the relationship with the Philippines to increase the potential of North Sulawesi Special Economic Zone?
3. What is the role of Indonesian Embassy to the Philippines in Manila to assist North Sulawesi effort?

### **1.2 Research Objectives**

1. To explain how the Special Economic Zone in North Sulawesi facilitate the Global Sustainable Development Goals through Regional Cooperation.
2. To describe the effort of the Local Government of North Sulawesi in building the relationship with the Philippines to increase the potential of North Sulawesi Special Economic Zone.
3. To describe the role of Indonesian Embassy to the Philippines in Manila in assisting North Sulawesi efforts.

### **1.3 Significance of the Research**

This thesis's findings will redound to the government, and local people benefit, considering that tourism growth can make the growth of income and wealth. When this thesis has precise and up to date information from development strategies, this thesis will be understandable about tourism-related impacts and the government effort and Indonesian embassy in the Philippines ' role to assist north Sulawesi effort in building the relationship with the Philippines to increase the potential of north Sulawesi special economic zone.

Furthermore, the Ministry of Tourism of the Republic of Indonesia can improve their efforts based on the finding of strengths and weaknesses of the program, and significant commonalities and differences exist in the respondent's assessments using strategies to achieving goals and encourage investment cooperation in the tourism sector between North Sulawesi and the Philippines.

### **1.4 Writing Outline**

This thesis consists of five chapters including Introduction, Theoretical Framework, Research Methodology, Analysis, Conclusion and Bibliography's. A short description of each chapter is outlined below:

#### **Chapter 1 INTRODUCTION**

This chapter explains the background of issues, research question, research objectives, research contribution, and structure of thesis.

#### **Chapter 2 THEORETICAL FRAMEWORK**

This chapter describes the theories used to support writing process on this thesis. Literature review and theory/concept are also presented to conceptualized the research focus and help in the analysis.

### Chapter 3

### RESEARCH METHODOLOGY

This chapter describes the type of research approach, research method, data collection techniques, and data analysis techniques.

### Chapter 4

### RESEARCH ANALYSIS

This chapter explains about the opportunities of Indonesia's special economic zone in North Sulawesi to regional cooperation in ASEAN, the effort of the local government of North Sulawesi in building the relationship with the Philippines to increase the potential of north Sulawesi economic zone in *Likupang*, and the role of the Indonesian embassy to the Philippines in Manila to assist north Sulawesi effort.

### Chapter 5

### CONCLUSION

Contains only answers from the results of the discussion or interpretation carried out and must be by the research objectives proposed in Chapter 1: Introduction.