

Indonesia-Malaysia Tourism Relations from the Perspective of Foreign Policy

Tulus Warsito^a, Ali Maksum^b, Surwandono^c, Ratih Herningtyas^d,
^{a,b,c,d}Universitas Muhammadiyah Yogyakarta, Email: tulusw@umy.ac.id

As neighbouring countries, Indonesia and Malaysia's diplomatic relations fluctuate from time to time. Despite this, there are many experiences that show the close relationship between the two nations. Geographical proximity and cultural similarity allow for tourism to flourish. The tourism sector in Malaysia generates the third highest source of income. Of the 25 million recorded number of foreign tourist visits of per year, three million are tourists from Indonesia. Contrastingly, two million Malaysian tourists visit Indonesia per year. This article examines whether bilateral tensions, especially pertaining to Sipadan-Ligitan, Ambalat, and Pendet Dance cases, affected the tourism sectors. This research found that there is no relationship between politics and tourism sectors as catalyst for peace during the tense bilateral relations between Indonesia and Malaysia.

Key words: *Tourism, Foreign Policy, Indonesia-Malaysia.*

Introduction

Over the past two decades, tourism growth has been accelerating rapidly. Travel and tourism including transportation, hotels, restaurants, recreation and tourist travel services have become the world's largest industries and job creators. Throughout the world, this industry is estimated to contribute US\$3.8 trillion to world gross products, with 262 million jobs in 1997 and growing to US\$7.1 trillion with 383 million jobs in 2007. A study by the World Travel and Tourism Council states that tourism grew twice as fast as the world gross product with tourism listed as the third-largest export category (Jusuf, 1997; World Tourism Organization, 2018).

The growth of world tourism is strongly influenced by two factors. Firstly, by external factors that are not directly related to the tourism industry but affect tourism demand. One such example was the Gulf Crisis which was local but proved capable of disturbing global political stability. Indirectly, the absence of global political stability dropped tourism demand dramatically because tourists felt it unsafe to travel. The second factor is market power; namely demand, supply and distribution of products and tourism services. From the two categories above, it can be concluded that the main factors significantly influencing international tourism are the global economy and politics. Subsequently, adverse conditions affect the security and safety of travellers. It is clear then that a stable economy and political environment are seen as the fundamental factors for tourism growth (Parikesit & Trisnadi, 1997; Cholik, 2017).

The Asia Pacific is the fastest-growing region in the world, measured by the number of foreign tourist visits, economic activities, investments and jobs. Within this region, Southeast Asia has the most potential for tourism development and where Indonesia is in a favourable position. Fortunately, Indonesia attracts neighbouring tourists, especially from Malaysia and Singapore. Malaysian tourists visit because of history and geographical proximity, ease of entry, currency strength and low travel costs; all making Indonesia a cheap tourist destination (Deparsenibud, 1999; Antara & Prameswari, 2018). Nevertheless, diplomatic tensions such as the Ambalat dispute, nationalist sentiments and identity issues significantly shape Indo-Malaysian tourist relations. Given this, it is important to examine how the development of Indo-Malaysian relations, in the context of tourism, greatly impact on the national economy.

Conceptual Framework and Methodology

Conceptually, human interaction is fundamental catalyst for peacebuilding. Although negative perceptions are dominant during conflict, intensive interaction and communication among people is obviously critical to generating peace (Bramsen & Poder, 2018). In this context, contact between foreign visitors and local people could break the stereotype and even omit prejudice. Furthermore, this situation becomes a great opportunity to overcome the conflict and to boost positive perceptions among the people (Sönmez & Apostolopoulos, 2000). In the case of China-Taiwan relations, for instance, the tourism sectors reduced tensions and created a peaceful situation especially among Chinese and Taiwanese (Farmaki, 2017; Qianqian, 2017). Clearly, tourism is greatly important in creating peace during bilateral conflicts and tensions. Nevertheless, the relationship between tourism and conflict resolution arguably depends on the economic status of the country as either a low-income or high-income nation (Pratt & Liu, 2015). This qualitative analysis used secondary data concerning the Indo-Malaysian tourist industries amid bilateral political issues between the two countries. This article uses a set of data provided by the government as well as related tourism agency reports. Most of them were obtained through online access.

Results and Discussions

Diplomatic relations between Indonesia and Malaysia is largely one of mutual respect, especially in light of the ASEAN framework of cooperation. However, one conflict stands out as significantly affecting bilateral relations between the two countries; namely Konfrontasi against Malaysia. This conflict came about because of a misunderstanding of Soekarno politics (Purnama, 2015). The post-Suharto era was characterised by tensions around borders and cultural issues, namely the Ligitan-Sipadan, Ambalat and Pendet Dance cultural disputes (Maksum, 2017). In general, relations have been good with the exception of tension caused by media provocation. In this context, tourist sectors are rarely discussed in bilateral relations studies. Therefore, we will explore the impact of bilateral relations and their tensions, especially in relation to tourism. The discussion focuses on three specific cases, namely Sipadan-Ligitan, Ambalat and Pendet Dance.

Indonesia's Tourism Policy vis-à-vis Malaysia

Since the late 1960s, Indonesia's tourism policy has followed the political transformation from President Sukarno to President Suharto. The Indonesian economy increased slightly once Suharto assumed power in 1967 and was accompanied by a massive capital influx through direct foreign investment in Indonesia (Wihardja & Negara, 2015). Since then, foreign tourists visiting Indonesia gradually increased year by year. Bali, the preferred destination for foreigners, became a pilot project for Indonesian tourism development. The positive trend of foreign visitors to Bali made the Indonesian government begin to seriously consider tourism as a potential national income generator. The sudden increase of foreign visitors to Indonesia, especially Bali, reached 86,000 in 1969 and compelled Jakarta to create a strategy under the national development agenda (Yamashita, 2009). In the same year, Suharto's government issued Presidential Instruction No. 9/1969 on the Guidance for Supervision of National Tourism Development followed by Indonesian Law No. 27/1972 on Bali Tourism Development Corporation (BTDC). The two regulations clearly determined to enhance tourism development in Indonesia, especially in Bali as a pilot project (Kriswanto, 2015).

In terms of promotions and programs, the Indonesian government, through the Ministry of Tourism, set about to promote and attract foreign tourists. From 1970 to 1980, Indonesia launched at least three worldwide marketing campaigns under the tagline "Indonesia, there is more to it than Bali," "Indonesia, Bali and Beyond" and "Indonesia, Bali plus Nine." The program was part of a national development plan called *Rencana Pembangunan Lima Tahun ke III* (REPELITA III) or Indonesia's Third Five-Year Development Plan (1979-1984). In 1980, Indonesia joined the World Tourism Market (WTM) for the first time. The program was also followed by the issue of Indonesian Law No. 9/1990 on Tourism as well as



Presidential Decision No. 60/1992 on the Decade to Visit Indonesia. In 1991, the previous marketing campaign changed to a more marketable tagline called “Visit Indonesia Year (VIY).” Since then, the Indonesian government has offered different themes to attract tourists, such as Year of the Environment (1993), Year of Women in Development and Youth and Sports (1994). In 2011, the tagline “Visit Indonesia” changed to “Wonderful Indonesia.” The inauguration of “Wonderful Indonesia” obviously represented a serious milestone in Indonesian tourism. In addition, “Wonderful Indonesia” successfully boosted tourism branding internationally (Claristy & Trisnohandoko , 2016).

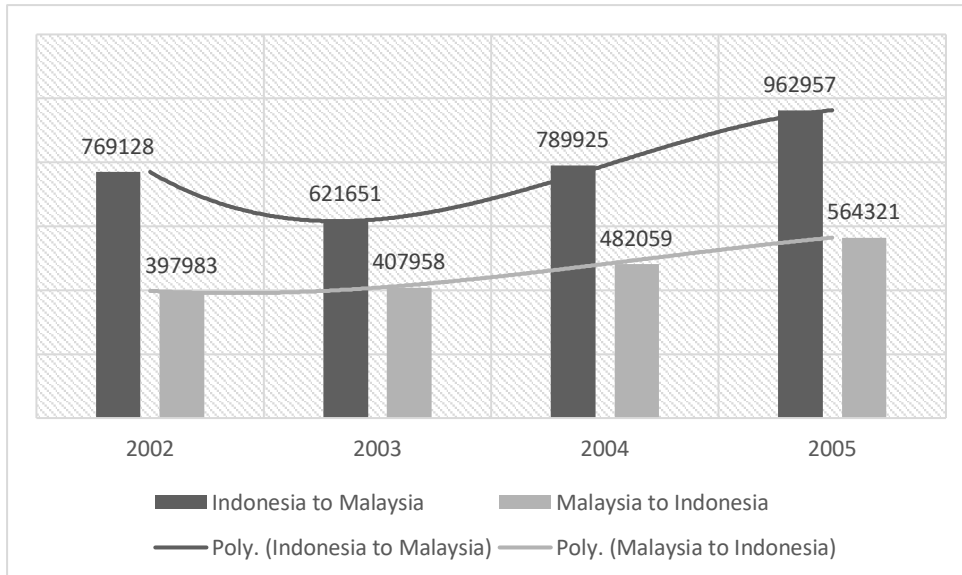
Comparatively, Malaysian tourism development tended to be slower because of its national economic orientation. At that time, Malaysia was a relatively unknown tourist destination and did not consider tourism as a source of national income. Instead, the Malaysian economy relied on petroleum, rubber, tin and palm oil as primary sources of national income. As a result, tourism development in Malaysia attracted little government attention. However, in 1992 the Malaysian government considered tourism as a potential for generating income in order to foster national economic development. In 1992, under its five-year Malaysian Plans (MPs), the government set out an ambitious program to enhance tourism development called the National Tourism Policy (NTP). This was followed by the National Ecotourism Plan (NEP) in 1996 and, in 2010, launched a comprehensive policy, namely the Malaysian Tourism Transformation Programme (MTTP) (Mosbah & Mohamed Saleh, 2014). Using the tagline “Malaysia Truly Asia” significantly enhanced the tourism sector and was seen as more successful than that of Indonesia. Malaysia became known as ‘blue’ and ‘green’ tourism (Nanthakumar, Subramaniam, & Kogid, 2012), while Indonesia struggled with tourism branding to attract more foreign tourists amid many challenges such as disasters (Rindrasih, 2015) and terrorism threats (Benge & Neef, 2018).

Indonesia-Malaysia Tourism Relations during Sipadan-Ligitan Issue

During the Sipadan-Ligitan dispute, both countries were at political loggerheads at an elite level. This is because of the ‘victory’ of the Malaysian government over the status of the Sipadan-Ligitan Islands in the Sulawesi Sea. The victory was by the International Court of Justice in the Netherlands in December 2002. Generally, the Indonesian government accepted the decision, yet it faced public pressure and domestic political struggles ahead of the 2004 general election (Maksum, 2015; Adegbite, 2017). In the post Sipadan-Ligitan dispute, both countries faced further tensions, notably around the treatment of migrant Indonesian maids by Malaysian employers. The Indo-Malaysian relations began to warm just only two years after Sipadan-Ligitan issue. In late 2004 and early 2005, both countries were involved in a serious tension during Ambalat and concerned rights over the disputed area close to the Sipadan-Ligitan Islands. Subsequently, between late 2002 and early 2005 a significant

fluctuating trend of tourist visits both in Indonesia and Malaysia were apparent. Figure 1 below shows the trend of tourists visiting of both nations.

Figure 1. Number of Tourist Visit in the post Sipadan-Ligitan Dispute 2002-2005.



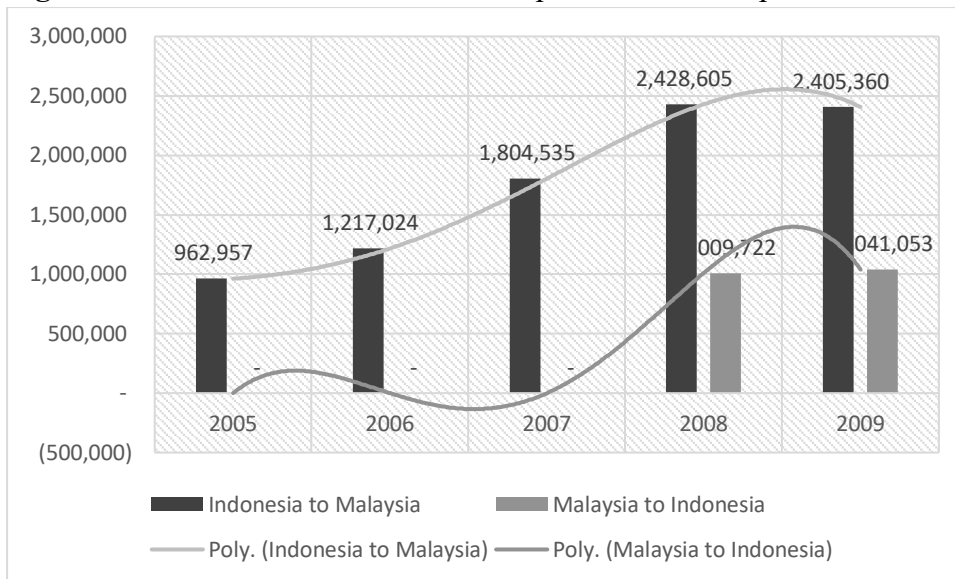
Source: data combined from Badan Pusat Statistik (2018) and Tourism Malaysia (2019)

Indonesia-Malaysia Tourism Relations during Ambalat Issue

Indo-Malaysian tourism relations were suddenly disrupted following the Ambalat dispute. The tension escalated due to the involvement of military forces of both parties in the disputed area. In addition, protests across Indonesia condemned Malaysia's claim against the Ambalat territory. In Indonesia, protests were supplemented by anarchical actions conducted by national political actors and sympathisers. They wanted to voluntarily 'attack' Malaysia in order to defend Indonesian sovereignty. This situation worsened due to media provocation, especially in Indonesia, amid the controversial policy of President Yudhoyono to increase oil prices. In Malaysia, the situation was different due to Kuala Lumpur controlling the media and, subsequently, not provoking public views of Indonesian behaviour (Maksum, 2017). These particular circumstances, theoretically, affected the tourism sector in both countries. To some extent, tourists contemplate the political atmosphere when planning a trip, yet on another level, they do not care about political issues and prefer to have a leisure journey regardless of the relationship.

Figure 2 below shows the impact of political issues on the Indonesian and Malaysian tourism sector the Ambalat case.

Figure 2. Number of Tourist Visit in the post Ambalat Dispute 2005-2009.

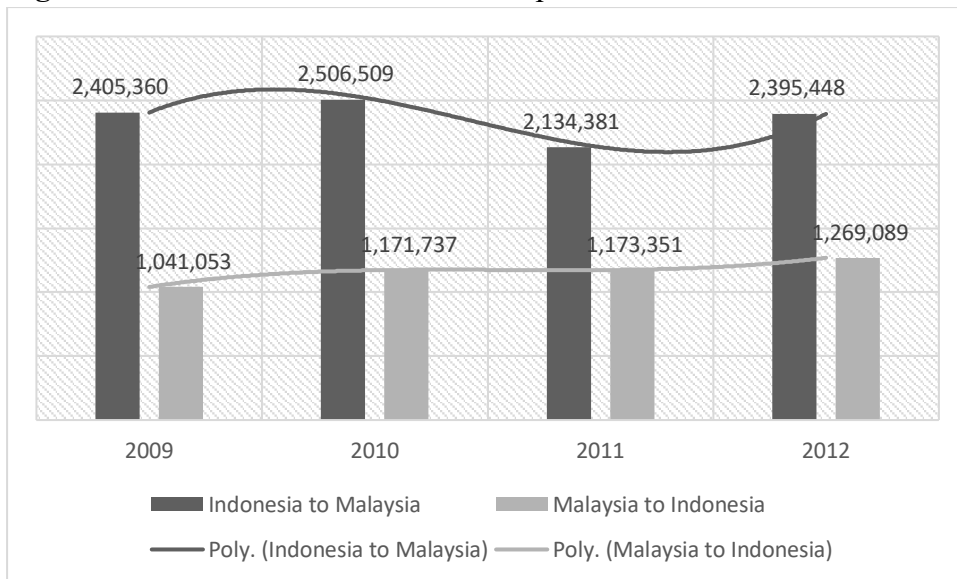


Source: data combined from Badan Pusat Statistik (2018) and Tourism Malaysia (2019)

Indonesia-Malaysia Tourism Relations during Pendet Dance Issue 2009-2012

The Pendet Dance dispute emerged in 2009 in the middle an Indonesian Presidential Election. At that time, three presidential candidates competed for the presidency, which proved to be greatly complex and dynamic. The candidates were (i) Susilo Bambang Yudhoyono-Budiono as the incumbent, (ii) Megawati-Prabowo, a political rival to Yudhoyono and, (iii) Jusuf Kalla-Wiranto, who was a running mate and vice president to Yudhoyono in the 2004 election. This scenario triggered the Pendet Dance claim ahead of the national Supreme Court and Election Commission announcement of the 2009 presidential winner. The election campaign heightened tensions between the two countries and was fuelled by a provocative media, both online and print. Malaysia issued a travel warning for citizens wanting to visit Indonesia as well as advising Malaysian nationals in Indonesia to avoid ‘dangerous’ areas, especially in Jakarta (Maksum & Bustami, 2014). Despite this, the tourism sectors were not troubled by this situation. Two years after the Pendet Dance dispute, the number of visitors changed little and was not significant owing to the trend in the following year. Figure 3 below presents the data:

Figure 3. Number of Tourist Visit in the post Pendet Dance Issue 2009-2012



Source: data combined from Badan Pusat Statistik (2018) and Tourism Malaysia (2019)

Conclusion

In the context of tourism relations, both countries enjoy so-called geographical proximity and a current ASEAN visa-free policy. The Indonesian government was seen to be more aggressive in terms of tourism promotion due to Malaysia being perceived as a competitor that had already gained advantages. Malaysia benefited from an influx of foreigners, especially migrant workers who indirectly contributes to the increase of tourist numbers. Nevertheless, the political tension between both countries during the Sipadan-Ligitan, Ambalat and Pendet Dance disputes impacted the tourism sector. Statistical evidence reveals that tourists were not deterred by political issues concerning Indo-Malaysian relations. Yet, in this context, people did not care about politics when planned and took vacations. Evidently, the trend in tourism relations between Indonesia and Malaysia aligns with the theory that there is no relationship between tourism and politics/peace building process particularly in the low income countries.

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