

CHAPTER I

INTRODUCTION

A. Background

The Coronavirus has become a global outbreak in a short time. At the end of April 2020, at least 3.5 million people from 210 countries in the world were infected and independently isolated. This outbreak also caused at least 250 thousand residents who die in hospitals in Asia, America, Europe, Australia, Africa, and Antarctica (Junaedi & Salistia, 2020). Pandemic Covid-19, obviously as no border entity, also attacked developing countries like Indonesia and Thailand. World Health Organization (WHO) said that the spread of the Coronavirus in developing countries has a case of at least 100 thousand cases every day.

The Expert of Pandemic argues that the case reported by developing countries is higher than the report received. Although the number of cases continues to grow, governments in developing countries do not have other choices but loosen various borders. If they do not take action, economic destruction will occur (DUNIA, 2020). Based on reports from WHO, Thailand confirmed its first case on January 13, 2020 (Tunggal et al., 2021). Based on Suwanchai Wattanayingcharoen, The Director of the Department of Control of Infectious Diseases in Thailand confirmed, since January 2020, 42 people have been affected by Coronavirus, 30 of them have recovered and were allowed to go home, and 11 more people were still under treatment at the Hospital. Health Field Officers have now been allowed to order infected or allegedly exposed to the Coronavirus to quarantine and undergo treatment. The authority was also authorized to order public places and areas that risked the crowd to be closed to prevent the spread of the Coronavirus (Sekarwati, 2020). The increasing infected Covid-19 cases, based on the Thai Government, took a policy by social distancing, running online systems for education and offices. Further, the government also imposed a national emergency status valid from March 26 until April 30. This policy forced the Thai Government to close the border and entrance access from outside Thailand, prohibit activities that invite crowds, prohibit domestic trips, and close non-essential shops; even the Thai Government enforced the policy that at night, residents need to stay at home from 22.00 to 04.00 (Mulyasari, 2020).

On the other hand, Indonesia confirmed its first case on March 2, which was announced directly by President Jokowi (Permana, 2020). Since then, the Indonesian government has taken the same policy carried out by all countries, namely Lockdown their country, and conducts a policy of large-scale social restrictions (PSBB) to anticipate and break the chain of the spread of the Coronavirus (Gitiyarko, 2020). During 2020, the world was filled with Pandemic Covid-19; cases throughout the world continued to grow every day and spread widely instantly. The impact of this pandemic is extraordinary; one aspect that is very experiencing destruction due to Pandemic Covid-19 is economical. The economy is one of the most important aspects of a country; economic aspects are also one aspect used as a race how much the country's strength is. The threat of recession and even depression caused by Covid-19 was in sight (Putra, 2020).

This research discusses economic sectors that are affected by this pandemic, particularly the tourism sector. We know that Indonesia and Thailand are countries in Southeast Asia that are highly in demand by foreign tourists, especially Thailand. Based on data, Bangkok is in the first ranking in Southeast Asia, the most popular tourism destination, and Bali ranks 4th as one of the tourist destinations (Kusnandar, 2019). As leading countries in Southeast Asian for its tourism sector, both Thailand and Indonesia bring significant innovation towards the development of tourism sector. Indonesia and Thailand lead distinctive and unique attribute that contributes to each countries tourism economic (Rungsuwannarat et al., 2015). Because of this Pandemic, it requires the countries in the world to follow the warning from WHO, namely the world must deactivate the activities that are not very important so that causing the income of countries that depend on tourism very worse.

Based on data, in 2019, approximately 39 million people came to Thailand, which Thailand produced US \$ 60 billion, equivalent to 900 trillion Rupiah. Indirectly tourism contributed about a fifth of Thailand's national income and tourism is the main driver of Thai growth that accounts for 11-12% of gross domestic products. Based on data, the sector of tourism looks very beneficial for the government and the Thai community so that the country is dubbed the "Thai Teflon". Thai economic growth has decreased for the first time since 2014. Corona virus is very hard to attack the Thailand tourism sector and trade. As quoted from Bangkok Post, on Monday (8/5/2020), Thailand's economic growth was minus 1.8% in

the first quarter of 2020 compared to the same period in 2019. The National Economic and Social Development Council (NESDC) reported that the economy growth of Thailand minus up to 3.9% in the first quarter of 2020. The economy in Thailand was very dependent on the tourism and trade sectors. Official data shows the number of tourists that come to Thailand was dropped by 74.6 percent in March 2020 compared to March 2019 (Setiawan, 2020). Even some businessmen estimate, Thailand losses due to trillion and also resulted in more than 10 million people being unemployed. It also makes Thailand loses more than 1.3 trillion Baht or equivalent to Rp. 596 trillion (Suhartono, 2020).

Similar to Thailand, Indonesia also felt the impact of this pandemic in the tourism sector. Based on data from BPS (2021), there was a very significant decline in tourists in Indonesia, both local tourists and foreign tourists. The total visit of foreign tourists to Indonesia in 2020 was 4.02 million visits. If we compare it with 2019, the number of tourists experiences a decline of up to 75 percent. Based on data, there are 5 countries that have visited Indonesia by 2020, namely Timor Leste, Singapore, Malaysia, Australia, and China. Meanwhile, Deputy for Destination and Infrastructure Development of the Ministry of Tourism and Creative Economy on the Travel.detik.com page explained that the number of local tourists decreased by 61 percent compared to 2019. The decline in the number of tourists was certainly very influential on the conditions of the Indonesian economy because again the tourism sector played an important role In increasing state revenue, foreign exchange, and employment. This pandemic threatens 13 million Indonesian workers and 32.5 million workers who are indirectly related to tourism. State foreign exchange revenue from the tourism sector has decreased. According to the Minister of Tourism and Creative Economy, Sandiaga Uno in Republica.co.id, the projection of state foreign exchange revises from tourism in 2020 between 4-7 billion US dollars. Before the Pandemic, Indonesia targets that 2020 will receive foreign exchange from tourism reaching 19-21 billion US dollars. When compared with 2019, the decline that occurred was quite significant because Indonesia in 2019 received foreign exchange from tourism reached 20 billion US dollars (anonim, 2021). Quoted from TEMPO.CO, the Indonesian Chamber of Commerce and Industry (Kadin) noted that until the end of 2020, Indonesia's losses in the tourism sector were caused by pandemic and with a large-scale social recipient policy of Rp. 10 trillion. Deputy General Chairperson of the Kadin in the field of International Relations, Shinta Kamdani also said

that the loss was compiled by a considerable contraction of the national gross domestic product in the second and third quarter of 2020 (Hidayat, 2021).

Based on the explanation above, Indonesia and Thailand thrive the same condition to enhance the national economic by strengthening the tourism sector within a pandemic situation. Further, this research will elaborate the strategy used by Indonesia and Thailand government in re-strengthening the tourism sector. The case study of two country from southeast asia which is Indonesia and Thailand, as the largest tourism industry in the region, provides a broader picture of how Southeast Asia overcoming the impact of global pandemic towards tourism industry.

B. Research Question

Based on the above background, this research aims to answer the following question: What are the Indonesian and Thailand strategies in overcoming the impact of the global Covid-19 outbreak on tourism sector?

C. Theoretical Framework

The researcher uses “Rational Choice Theory” and concept of “Sustainable Tourism” as a theoretical framework to help answer the Research Question.

1. Rational Choice Theory

Rational Choice Theory is in action that is fundamentally ‘rational’ in character and that people calculate the likely costs and benefits of any action before deciding what to do. rational choice theory is the assumption that complex social phenomena can be explained in terms of the elementary individual actions of which they are composed (Browning et al., 2000, pp. 126–127). As followed economic situation preserved to give pattern of possibility to make a profit and able to predict human behavioural (Scoot, 2000). It is followed by pandemic situation that Indonesia and Thailand Government try to understand their society pattern with output as stated before is Lockdown strategic. Further, rational Choice Theory also describes the correlation between economic situation and social pattern, whereas determined the decision-making process.

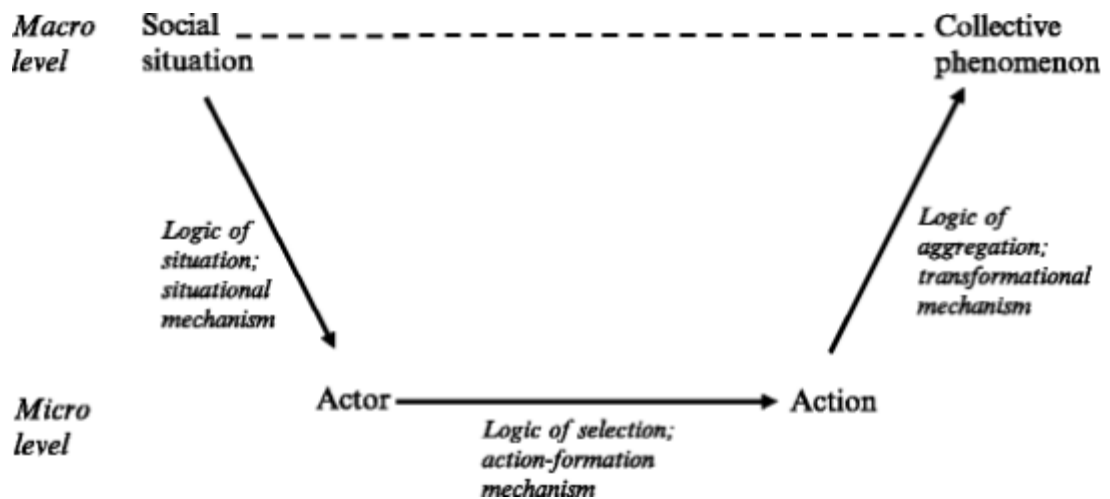


Figure 1 Rational Choice Diagram by Liebe and Preisendorfer

Picture above also describe regarding Rational choice theory (RCT) as a research paradigm based on methodological individualism. Collective phenomena are explained by assumptions about the behaviour of (subjectively) rational individual or corporate actors (Liebe & Preisendörfer, 2010). Based on diagram above, it is categorised into: macro level and micro level; At the macro level, it will conduct the process of analysis on a broader picture that is the social situation believed to be able to directly show collective phenomena or in this case in the decision-making process. While at the micro level, it will analyse in detail and pay attention to elements such as past-action and actors involved.

There are criteria in defining rational choice theory, namely (Coleman, 1992, p. 11);

1. The set of phenomena to be explained by the theory is the behaviour of social system
2. The transition between the level of social system and the level of behaviour of individual actors

2. Sustainable Tourism

Tourism is an activity that involves social, cultural, and economic sectors which involve social movement within a country they used to work and live in. These people called visitors and tourism have strong tied with their movement activity(*Glossary of Tourism Terms / UNWTO*, n.d.). Tourism sector becomes the effective way to introducing culture and gives a lot of advantages to social, economic, and political for a country to develop as

catalyst. Therefore, it continuously improved the involvement of tourism activities that lead to several damages such as environmental issues and socio-culture patterns that have to be concern on. Further, the global pandemic situation worsening the tourism sector especially developing countries that depend on that sector who start loosen visitors in many tourist spots. Tourism also plays a big role on strengthening the macroeconomics, which tourism gives complex phenomenon and needs multidisciplinary approach that elaborated through Leiper Model below (As & Model, n.d.).

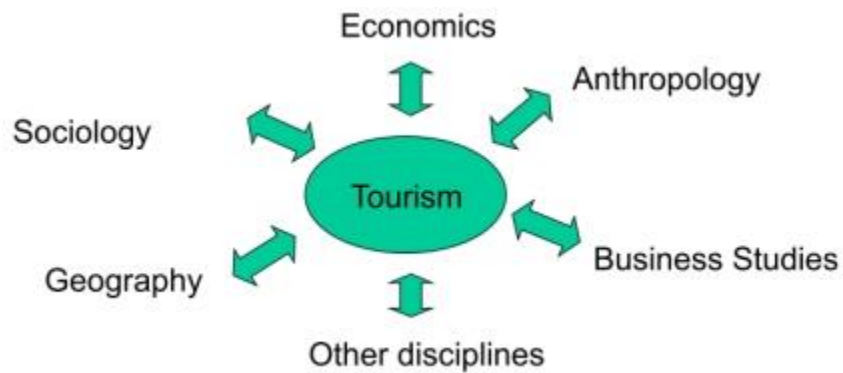


Figure 2 Sustainable Tourism Element Map (As & Model, n.d.)

Understanding all the after effect and society pattern depends on tourism sector, sustainable tourism starts to take place to describe the latest situation not only regarding the environment issue.

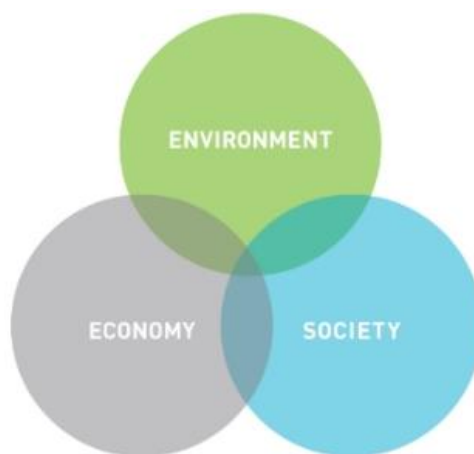


Figure 3 3 Bottom Line of Sustainable Tourism Map (Ramsden, 2010)

Sustainable means the action to ensure and keep the resources enough for the future. Being sustainable is described as the concern for social equity and economic development. Further, Sustainable Tourism holds onto three pillars, such as; Environment, economy and society drawn above (Ramsden, 2010). Environmental integration between resources and human consumption is well-handled. Economy sustainability talks about the global human community ability to maintain and access the required resources, financial, and others to meet their needs. Therefore, the human integrity can create balance by ensuring personal, labour, and cultural rights are respected and all are people protected. Sustainable tourism also means to minimise the cost and maximise the benefit of tourism for natural environment and local communities also could reduce the poverty, while contributing to conservation and the well-being of the community (Costas et al., 2003) which it shows the integration between 3 pillars that already explain by diagram.

The set phenomenon in this article is pandemic situation that brings the comparison between post-pandemic and before pandemic situation that will be explained more in chapter 2. With this kind of comparison, the development of strategy in Indonesia and Thailand is apparent. Tourism economic pays attention on structure and organisation of the markets, tourism policies and plantings, and issues related to international tourism.

The researcher believes Indonesia and Thailand make economic recovery strategy plans during pandemics using the rational choice theory approach described by the government. James S. Coleman dan Thomas J. Fararo in a work published with the title “Rational Choice Theory: Advocacy and Critique” (Scoot, 2000) Indonesia and Thailand will focus on developing the Sustainable Tourism Strategy (Yamin, 2021) and Tourism Business Strategy (Pongsakornrungrsilp et al., 2021) (As & Model, n.d.) which will be explained further in the next chapters.

D. Argument

This research argues that Indonesian and Thailand strategies in recovering the national economy through the tourism sector following the global Covid-19 pandemic are:

1. Both countries utilize Tourism Crisis and Disaster Management as a tool to predict and to prepare for any possible threat for the tourism sector. This strategy can enhance the process of recovery on tourism industry in the long run.
2. Both in Indonesia and Thailand adopted sustainable tourism strategies using three bottom lines include sustainable tourism destination, sustainable tourism observatory, sustainable tourism certificate, sustainable tourism industry, and sustainable tourism marketing and management.

E. Research Purposes

The Writer conduct this research to;

1. Understand the difference economic stages in global pandemic situation between Indonesia and Thailand
2. Understand the national economic recovery strategy, there are;
 - a. The sustainable tourism
 - b. Tourism Business Strategy.

F. Research Scope

In arranging this paper, the writer limits the range of the research since the first cases on march 2020 until 2021. This range of research based on the significant decrease of economic development in first tri-semester and turning point in the beginning of 2020 as since latest policy existed by Indonesia and Thailand.

G. Research Methodology

1. Data Research Methods

In explaining and looking for data on this research, the write used qualitative method. Qualitative method shows the data obtained through library research. Through this method, the data obtained is valid data through books, journals, magazines, newspapers, and the other official document. The writers also obtained data from the electronic library platform, which support the research process.

2. Method of Analysts Data

In analysing the data used in this research, the writer used technical inductions analysis, because the explanatory unit is higher than the analysis unit. So that, the data will be converted into generalisations.

H. Writing System

Chapter I is an introductory chapter that contains the background of the problem, problem formulation, theoretical framework, hypothesis, research methods, research objectives, research reach, and system of research

Chapter II the development of economic recovery policy of tourism sector in Indonesia and Thailand

Chapter III is a closer look into application of sustainable tourism strategy including three bottom line aspect and observe the crisis management as the vital tool to support tourism sector recovery

Chapter IV is a conclusion chapter which include the effectiveness of recovery policy in both country