CHAPTER I
INTRODUCTION

In the current era of globalization, tourism is the largest and strongest industry. Tourismis one of the sectors that influence the development of the tourism industry which is developed with the aim of increasing the pace of national development. Tourism is a form of effort to attract tourists to come and enjoy the tourist attractions in the area (Fattianur, 2018). For this reason, it is necessary for the government of each country toalways try to improve the resilience, policies, and development of tourism to develop the people's economy and achieve strategic matters (Hakim, 2010). Thailand, a country with a majority Buddhist population, is actively developing its tourism and realizes thattourism is a good potential owned by certain countries.

Based on data from the World Travel and Tourism Council (WTTC), around 9.2% of Thailand's GDP, or THBI 292.5 billion was obtained through tourism, and travel continued to increase to 11% in 2016. Thailand is predicted to become the 10th fastest-growing economy in the next decade. The tourism and travel sector also contributes to employment and job creation for local residents, where there are around 6.5% of employment occurs in this tourism sector. The absorption of local labor is also supported by an increase in visitor exports by 19.2% or equivalent to THB 1891 billion in 2016 (Council, 2017).

The success of Thai tourism cannot be separated from the efforts made by the Thai government. Aligned and sustainable policies and commitments between each government agency, policymakers, to the roots of the community, are a combination that works together to achieve success in tourism development. In the seriousness of the Thai government to develop their tourism potential, Thailand uses various strategies from within (internal Thailand territory) to involve cooperation between countries (Thailand's external territory).

The promotion of natural beauty, culinary specialties of the local community, religious tourism, cultural and historical diversity, and the hospitality of its residents became the main outline that was disseminated. The religious, cultured image with a lengthy historical background and openness and tolerance wrapped in the tagline Amazing Thailand is the mainstay of the white elephant country in order to attract tourists from various countries.

With all the uniqueness of the culture in Thailand that has been successfully introduced to foreign countries, not a few tourists are interested in the country that has never been colonized. Muslim tourists are no exception, although Thailand is a country with a Buddhist majority. Adherents of Buddhist culture in Thailand reached 93.6%, Islam 4.9%, Christianity 1.2%, and 0.2% adhered to local beliefs. While the dominant ethnicity includes the Thai ethnicity which reaches 95.9%, the rest are Burmese ethnicity at 2%, and the others comprise the rest 2.1%.

However, the composition of Thai society which is the majority ethnic Thai and adheres to Buddhism does not hinder the intention of Muslim tourists to make Thailand a tourist target. This can be seen from the increasing number of international Muslim tourists visiting Thailand. These Muslims even visit Thailand more than Indonesia, which is a country with the largest Muslim majority in the world and also has a diversity of culture, culinary and natural beauty that is not inferior to the neighbouring country.

Data shows that in 2018 Muslim tourist visits to Indonesia were around 2.8 million (Kominfo, 2019). While Thailand in the same year received the number of Muslim tourist arrivals as much as 3.7 million (Khidhir, 2019). Furthermore, Thailand can become a country with very high tourist visits, even the highest in ASEAN. Tourist visits to Thailand reached 39.7 million visitors in 2019, compared to Indonesia which was only 16 million (ASEAN, 2019). This data clearly shows how big the influence of tourism is in the country. Until 2018, it was recorded that the contribution of tourism to Thailand's GDP reached 12.3% (BangkokBank, 2019)

In a serious effort to attract tourists, the Thai government has made equal and inclusive policies and prepared public services and facilities that are easily accessible and friendly to international visitors. With various considerations, the Thai government is mature enough to see the potential of Muslim tourists. From the geographical location of Thailand, the potential for Muslim tourists is very qualified because this country has neighbours who predominantly adhere to Islam, such as Indonesia, Malaysia, and Brunei in the South; Thailand is close to Middle Eastern countries.

According to the Pew Research Centre, the Muslim population reached 1.6 billion in 2010 or about 23.4 percent of the total population globally. The number is expected to increase to 2.2 billion by 2030 or about 26.4% of the global population. Thus, Islam became one of the largest religions in the world that had very strong social and political power. In the era of rising middle-class Muslims, borderless nations and social media today, of course, with that large population, Muslims need a variety of

tourist destinations that support their comfort in visiting. This goes along with the increasing demand for halal products and services, as well as demographic changes in Muslim societies, has led to new opportunities to develop and expand the provision of access for tourists.

Halal Tourism has recently become famous and popular among the public and is now growing and developing rapidly in the tourism industry. In other words, Halal Tourism is distinctive in its inherent value. Actors or visitors are not only those who believe in Islam, the destination does not have to be a place that is sanctified or required in religious worship. However, what is emphasized here is the provision of facilities and needs that are in accordance with Islamic Sharia. This starts from the provision of halal food, places of worship and so on (Samori, Salleh, & Khalid, 2016). Halal Tourism emerged and became inseparable from the rapid growth of Muslims globally which prompted changes in demand and destinations. The growth of Muslim tourists is a new segment in the tourism sector, which will affect the global tourism industry.

In recent years, awareness and adoption of faith-based practices by Muslim tourists has also grown. In a recent survey published in the Muslim Travel Shopping Index (MTSI) 2015, more than 80% of respondents mentioned that having halal food options in a travel destination is very important when choosing a travel destination. Muslim tourists' desire to explore new experiences and destinations, coupled with the increasing awareness of faith-based needs, is now driving global demand for tourism products and services that cater to the needs of Muslims.

The development of Halal Tourism is not only carried out by countries with a majority Muslim population, but Thailand as a country with a small Muslim population decided to develop a tourism concept that is friendly to Muslim tourists as a form of tourism differentiation and market expansion. This is done by Thailand to meet the needs of Muslim tourists in accordance with their values and beliefs and looking at the Muslim market globally and regionally, Thailand wants to take this opportunity to get a niche of the growing Muslim market. It is noted that Thailand is able to become one of the countries that ranks highest as a non-OKI country that is successful in developing the concept of Halal Tourism.

With the increasing interest of every country in Muslim Tourism, this also turned out to be one of the strategies made by the Thai government to be able to sector its tourism. The development of halal tourism in Thailand certainly did not appear in

sudden, but started with a long process until it finally gave rise to Muslim-friendly tourism preferences.

On the other hand, one of the regions in Thailand, namely Southern Thailand, is known as an area with the largest population of Muslim believers in Thailand. This makes it easier for tourists who visit the Southern Thailand area to find Halal tourism or destination options. Therefore, in this study, the author will explain how the impact of Muslim tourism on the Southern Thailand region, especially in terms of Muslim economic development in Southern Thailand.

A. Research Problem

Based on the background that has been presented, the author can draw the following problem formulation:

"How is the impact of Halal Tourism Strategy on economic development in the Southern Thailand region?"

B. Theoretical Framework
1. Halal Tourism Development Strategy

Tourism development strategies are steps or plans taken to explore and develop the tourism potential that exists in an area. The way that is done can be in the form of making improvements to existing infrastructure both physically and non-physically, so as to improve the welfare of the community around the tourist destination (Yoeti, 1999).

In developing tourism in an area, it should not be done carelessly but must have targets and goals to be achieved where later what is expected from the development of a tourism strategy for a tourism area can be fulfilled as expected. There are several conditions that are usually used to achieve the tourism strategy that you want to aim for, namely (Kaikara, 2020):

a. The area has a distinctive feature of both the tourist attraction and the experience offered. Basically, the development of tourism potential in an area relies on what a tourist is looking for, which is usually in the form of natural resources, the experience of an area's atmosphere, cultural tourism and also man-made attractions.

b. The existence of facilities and other supporting facilities that help tourists feel comfortable and interested in the area. Various kinds of facilities and facilities are needed by a tourist while in the area such as lodging, restaurants, tourist destinations, transportation and public facilities. The above facilities are usually

shown to support the creation of a sense of comfort, safety, and convenience, to visitors in the tourism area.

c. Availability of places to buy souvenirs or shop. Although in general, souvenir shopping facilities are not a facility that is often considered, this facility has an impact on actors or providers of the tourism sector in the area. The goal is to later increase the domestic economy in the tourism area.

In the process of developing a tourism strategy, of course, it is not only done by one party but usually a tourism strategy must be able to include various stakeholders such as the community around the tourism area, the government, and also the private sector. Each stakeholder has its own role: the community acts as the front guard in receiving tourists; the government acts as a maker of regulations and regulations in the tourism area, and; the three private parties as investors who work well with the community or government will play an important role in tourism development in the area.

In making a tourism strategy, of course, the developer has a goal for the tourism area. Usually, this goal is closely related to the economy and welfare of the community in the tourism area. Therefore, in making a tourism strategy, it will have an impact on increasing the domestic economy and also increasing the welfare of the community in the tourism area. For example, an area that initially did not have a tourism development strategy did not have places such as tourist destinations, lodging, and public facilities that were well provided. Usually, it does not affect the increase in the economic sector and the welfare of the community. In contrast to areas that have a good tourism development strategy usually have more adequate facilities and offer comfort totourists.

From some of the explanations above, it can be concluded that the strategy formulated systematically by the Thai Government and used as a directed and long-term orientated steps in achieving the country's goals. The strategy forms a pattern of decision-making in realising the country's vision. The decisions taken will be used as guidelines in realising the progress of the institution with the strategies carried out.

One of the tourism strategies that is currently developing is halal tourism. Explained by Andriani et al in 2015 that Halal Tourism developed in a World Halal Tourism Summit (WHTS) held in Abu Dhabi, United Arab Emirates. Halal Tourism explained at the event Halal Tourism is divided into 2 types of Tourism, namely, Islamic Tourism and Halal Lifestyle or better known as Halal Travel. Islamic Tourism can be

explained as one of the travel tours that is closely related to understanding the history and knowledge of Islam in the region. Meanwhile, Halal Travel or Halal lifestyle is more inclined to tourist areas that support or provide various kinds of facilities for Muslim tourists who come to the tourist area (Surur, 2020).

From the perspective of the Tourism sector, Halal Tourism is one of the complementary products of Conventional Tourism. Halal Tourism is considered as the development of Tourism which is basically integrated with local wisdom and Islamic values in collaboration with the uniqueness and authenticity of culture as an attraction. Halal tourism has a broader range of meanings in which the target market is not only Muslim tourists but also non-Halal tourism is in great demand due to the characteristics and products or services offered by its universal nature. This Halal Tourism has to do with the needs of tourists related to Islamic law. Halal Tourism is explained by Story in 2011 in his work entitled Sriviboone & Komolsevin that Halal Tourism is tourism management that complies with religious law with the aim of responding to the needs of Muslims which includes services that can be offered in the tourist area such as accommodation, transportation, restaurants, recreation and entertainment, which are Islamic principles. Halal Tourism and Islamic Tourism are two different tourism products. Islamic Tourism is a type of tourism that exists as a result of individual preferences to travel to get the pleasure of Allah SWT while Halal Tourism focuses on tourism activities that provide products and services that comply with Islamic rules and principles (Prof. Dr. H. Muhammad Djakfar, 2017).

1. **Tourism Development Strategy**

   From the tourism development strategy, the concept of Halal Tourism was formed by the Thai government which became one of the efforts in the vision of increasing Muslim tourist visits. The Thai government understands that the growth of Muslims is increasingly showing its significance, encouraging the tourism sector to continue to innovate. So that Halal Tourism is present in order to take this golden opportunity. By considering that the distinctive thing about the development of halal tourism is that the destination is not always related to worship activities. Along with the growth of a fairly well-off middle-class consumer and the increasing degree of interconnectivity, has made travelling an integral part of everyday life. Such conditions have also gradually changed Muslim tourism preferences from traditional destinations such as Mecca and Medina to well-known halal holiday

destinations and resorts (L. Stephenson, 2013). The development of Halal Tourism for Thailand is the right thing in achieving this vision.

2. **Local Economic Development**

Local Economic Development or known as LED is a process of intertwining several stakeholders, namely the community, government, private sector, and producers to be able to optimise human resources and local natural resources or called Endogenous Development to be able to create economic growth and employment opportunities from a region. In the development of LED, there are several activities, such as regional business and economic development, empowerment of producers or communities, a vehicle for community participation, transparency, poverty alleviation, accountability, and regional cooperation, which is cross-sectoral in nature.

Local Economic Development is one of the efforts in optimising local resources where there is a lot of intervention from various stakeholders such as businesses, government, and local communities who usually work together with civil society communities for economic development in a region. LED itself is the development and management of resources by the government or community groups where they will usually collaborate with the private sector to increase local economic activities in accordance with the economic zones set by both parties. Endogenous development policies are the basis and characteristics of local economic development. These policies usually utilise local potential such as human, physical and institutional resources. Local Economic Development theory usually uses the utilisation of local resource potential, creation of employment opportunities for local people, business sustainability, and improvement of the local economy.

Even Local Economic Development policies are recognised by the World Bank. The World Bank says that LED allows local governments, the private sector, non-profit organisations and local communities to work together to improve the local economy (Bambang, 2014). LED itself focuses on improving the competitiveness of sustainable economic growth, job creation, and inclusive growth. Local Economic Development is said to encompass a variety of disciplines such as marketing, economics, and physical planning, while the government has a function in providing infrastructure and providing policies that facilitate the development of Local Economic Development.

Explained by Coffey and Polase in Blair, the basic process of developing Local Economic Development is divided into 4, namely (Ida Rahayu Widowati, 2013):

a. Local entrepreneurship is emerging and showing growth.

b. Companies - Local companies experience growth or take off.

c. Firms - Firms begin to expand beyond the region.

d. The formation of a local economy based on local activities and initiatives and the comparative advantages of these local economic activities.

In the development of Local Economic Development, it is necessary to realise a partnership between each stakeholder, which is usually referred to as a local economic development partnership. This partnership is very important because each stakeholder has a limited role, one of which is the government. The lack of development funds requires contributions from the private sector and the community. Partnerships can also be used as a process to reduce the dominance of one stakeholder or sector.

Local Economic Development activities usually focus on public investment for areas that have superior commodities whose programmes can offer in terms of production or services. The development of Local Economic Development is based on 4 components of the development paradigm, namely:

1. Equality and equity to gain access to resources that are basic rights of citizens.

2. Productivity usually refers to systematic efforts aimed at increasing economic activity.

3. Empowerment usually refers to building the capacity of the community so that the community will have the independence, autonomy, and authority to carry out its economic development independently.

4. Next is the Development Strategy in managing and maintaining development capital such as human, physical, environmental, and financial so that it can be utilised for the welfare of the people.

C. Research Hypothesis

The hypotheses for the study are:

1. This Halal Tourism Strategy has an impact on the economic sector. human resources, and also development in Southern Thailand.

2. This Halal Tourism Strategy has a good impact on government, community, and private sector relations.

D. Research Method

In this research, the methods used by the author are as follows:

1. **Type Of Research**

   The approach used in this research is a qualitative approach. Qualitative research is an approach to exploring and understanding meaning by a number of individuals or groups of people who are considered to come from social and humanitarian problems. So qualitative research aims to describe or explain things as they are, so as to provide a clear picture of the situations that occur as they are. The reason for using this method is because researchers want to gain in-depth knowledge about the strategies that the Thai Government uses in attracting Muslim tourists as well as knowing the political dynamics and geopolitical impact of these strategies with Muslim-majority areas in Southern Thailand.

   While the type of research used is descriptive. In International Relations Research Methods, descriptive is a type of research that describes and explains phenomena, symptoms, events, or events that occur today. It is intended that in this study, researchers can describe a symptom, event, event that occurs at the present time. In this case, the researcher will describe what kind of strategies the Thai Government has carried out and how these strategies have a political impact on Muslim-majority areas in Southern Thailand.

2. **Type Of Data**

   The type of data used in this research is secondary data. Secondary data refers to primary data, or data obtained from people who are not present at the scene, but they receive information by interviewing witnesses or by reading primary documents. The author also explores various sources of literature to find data that can be used as a basis for arguing the subject matter of this research. So, the main data sources in this research are data obtained from books, journals and official websites that are relevant and accountable.

3. **Data Collection Techniques**

   The data collection technique used by the author of this research is using library research which is focused on library data and then analysed to get a good result.

4. Data Analysis

Data analysis was carried out with the data obtained from this research arrangedsystematically and logically, then analysed descriptively qualitatively.

E. Scope of Research

This research will focus on the discussion of the area that will be described in the research. Meanwhile, the reach of this research is the region of Southern Thailand, Thailand. However, it does not rule out the possibility that it will slightly discuss aboutneighbouring countries such as Indonesia and Malaysia which have a connection regarding the discussion to support this research.

F. Systematic of Writing

In order to make writing easier, the systematic writing in this thesis is divided into 3 interconnected parts, namely:

CHAPTER I: Introduction

This section consists of the background of the problem, problem formulation, theoretical framework, hypothesis, research method, research scope, and writing systematics.

CHAPTER II: Discussion

This section contains a detailed explanation of Thailand's Muslim-Friendly Tourism and its Impact on Muslim Economic Development in Southern Thailand.

CHAPTER III: Conclusion

This section is a closing that contains a reflection of the entire research and answers the problem formulation with the findings obtained in the discussion.