



TOURISM PRACTITIONERS' CAPABILITIES IN COPING WITH HOUSEHOLD ECONOMIC CRISIS POST LOMBOK EARTHQUAKE, AUGUST 5, 2018, ANALYZED THROUGH SOCIO-ECONOMIC FACTORS

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ABSTRACT

Earthquake is one of natural-induced crisis which could cause catastrophes, destructions and loss towards tourism industry and its practitioners. In fact, Lombok earthquake with 7.0 SR (Scala Richter) on August 5, 2018 triggered a huge loss for the inhabitants of North Lombok Regency. As tourism as one of main economic sectors in this region, this catastrophe was inevitably experienced by the people earning the living in the tourism sector. The disaster resulted in the fatalities of hundreds of people and destructions of thousands of the buildings lead to the significantly decreasing number of visitors visiting the tourism destinations in this region. Consequently, this automatically resulted in the decline in the income of tourism industries forcing them to manage the financial condition during the crisis by firing non-permanent workers and cutting the working hours as well as the wages of permanent workers. As part of affected people, the local inhabitants working in the tourism industry with the salary cut off need to find the shortcut and the way out to cope with the economic crisis within their household sphere in order to meet their families' daily needs. This qualitative research reveals that socio-economic backgrounds of the informants closely influence their ability to cope with the crisis.

Keywords : *household income, recovery, crisis coping, crisis management, socio-economic factors, earthquake*

INTRODUCTION

The significant advantage of tourism sector towards the economic development in the world and its recognition as a fast growing sector is undeniable. Indeed, the contribution of the sector to the provision of job opportunities and foreign exchange earnings to many developed and developing countries could not be neglected (Goodwin 2008, Donaldson 2007, Ashley 2002). This abundant economic advantage has benefitted many developed and even developing countries with approximately 9,814,000 vacancies or 8,4 % of the total world's vacancy in 2014, according to WTTC (2015). This commendable economic benefit will certainly result in development of the country in many aspects.

This promising economic benefit of tourism sector seems to attract many developing countries including Indonesia as well as its provinces and regions with tourism potentials.

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North Lombok, one of the regions in West Nusa Tenggara Province with several interesting natural attractions has been developing its tourism sector. The effort of local government seems to yield in commendable advantages in which the tourism industry has been expanded to be one of the main economic sectors in the region. Indeed, tourism sector has granted the biggest contribution for Regional Income of the region with 60% of the total income. The abundant income was generated through the expansion of the industry to 308 restaurants, 257 budget-hotels, 6 star-hotels and 24 travel agents (Department of Culture and Tourism NTB, 2018). This expansion also leads to the surge in the number of tourist visiting the tourism destinations in this region with around 2,600 – 3,000 visitors per day, according to an official of North Lombok Government (2018). This sector automatically contributes to the provision of job vacancies for the locals and increased income per

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capita. Consequently it could not be denied that tourism sector has contributed to poverty reduction in this region. Indeed, according to Central Bureau of Statistic of North Lombok (2018), the percentage of the number of people under poverty line dwindled from 34.14% in 2015 to 32.06% in 2017.

However, despite this development, tourism sector activities regarded as the prominent industry in this region have to be temporarily terminated due to the crisis caused by the 7 SR earthquake break on August 5, 2018. The crisis resulted in fatality of hundreds of people, as well as the destructions of thousands of buildings in the region. According to the data of BNPB (2018), the death toll reached 404 people, 829 people were injured, 178, 122 were displaced, and around 24,000 buildings were damaged. This condition certainly has a considerable impact on the economic activities of the people in tourism sector as well as overall economic condition of the region.

As many of local inhabitants working as tourism practitioners depending on tourism sector as their main livelihood, this crisis would inexorably influence their economic conditions especially their household income. This is due to the significant decrease in the number of tourist accessing their services and products. Consequently, the practitioners need to have strategic instruments to cope with the crisis in order to minimize the risks of economic crisis in order to enable them fulfilling their daily needs.

Socio-economic factors of the community such as education level, type of work, location of residence, networking, the knowledge on information and technology have influences on their recovery ability towards household incomes. Socio-economic factors would shape the behaviour and mind-set of the community which affects their ability to find other alternative economic sources. As the people of North Lombok have diverse backgrounds, with heterogeneous level of education and social status, the research on the communities' potentials in seeking alternative livelihoods outside of their main livelihoods is needed.

Creativity and capability in seeking another alternative income is essential for every element of society in the recovery period of post-disaster or during economic crisis conditions. These potentials could be viewed through socio-economic factors enhancing their ability to think creatively. Therefore, this research was implemented to reveal the capabilities of tourism practitioners (workers or SMEs owners) in crisis coping to recover their households' income analyzed through socio-economic factors.

LITERATURE REVIEW

The proliferation of the word “crisis” has been a buzz word and was used in various spheres, including in tourism sector. According to Glaesser (2016) in his book “*Crisis management in the tourism industry*”, the crisis is defined as a shock and extraordinary event disrupting the orderly operations of the tourism industries requiring immediate decision and efforts to settle the problems and risks. He also defines the term “crisis management” as the planned processes, strategies as well as the solutions or measures in crisis prevention and coping. The two important key words that should be taken into account in crisis management are crisis prevention and crisis coping. As this research underlined post –crisis situation, crisis coping phase of tourism practitioners including the implementation of instrument to minimize the risks of the crisis and to recover from the crisis would be analysed through the socio-economic factors point of view.

Diagram 1. Crisis Management Phases

Crisis prevention						Crisis coping	
Risk management						Risk management	
Crisis precautions				Crisis avoidance		Limitation of consequences	Recovery
Analysis	Evaluation/ Planning	Protection/ Implementation	Training	Early warning	Adjustment	Employment of instruments	

Source: *Crisis Management in the Tourism Industry Book (Dirk Glaesser 2016)*

The socio-economic approach is defined by several scholars as an approach observing social aspects that greatly influence the economic conditions of certain people (Barrett, 2006, Bénabou 1996; Hoff and Sen 2005). According to Barrett (2006) this socio-economic looks at the



aspect of the community that are closely related to the social conditions of each individual such as ethnicity, gender, occupation, residence location, wealth status, and other dimensions. In addition, socio-economic can be seen from the organization where individuals being involved in which could influence their economic conditions such as income, productivity, knowledge on information and technology and patterns of their expenditure (Barret 2006).

On the other hand, some experts conclude 8 socio-economic factors affecting the condition of an individual both their social and economic conditions, namely education level, type of work, income level, household condition, place of residence, wealth ownership, positions in the organization and the economic activities (Astrawan, 2014; Ali, 2009; Gilarso, 2004). The factors are relevant with the theory presented by some experts above. However, the factor related to the knowledge on current information and technology has not been included although this factor is essential as it is relevant to the current situation. Therefore, based on several theories above, we conclude several factors that are considered relevant to this study encompassing:

- a. Educational level factor
- b. Previous work type
- c. The average income level in their previous work before the earthquake occurred
- d. The condition of the household (status in the household, household condition, number of family members in the household).
- e. Location of residence (urban or remote areas that lack good access and infrastructure)
- f. Wealth ownership (inheritance, savings, investment, property ownership, land ownership, and other assets)
- g. Position in the organization (positions in paid work or positions in community organizations / community leaders etc., the influences in society)
- h. Networking / friendship network that can support their economic activities

- i. Exposure to the information and technological knowledge that supports the communities' economic activities.

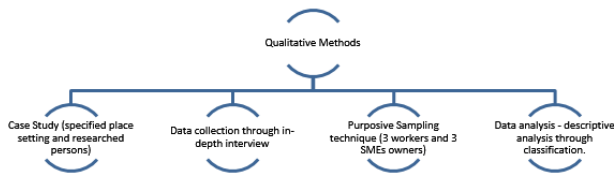
METHODOLOGY

This study was conducted in qualitative manner with deeper exploration on the capability of tourism practitioners in coping with crisis in order to continue their lives after 7-SR earthquake. The research was carried out through a case study approach in a certain setting of place, North Lombok regency and certain informants as research subjects. The decision to adopt a case study strategy was based on the desire of researchers to obtain more in-depth information about certain phenomena within certain boundaries through various data sources and data collection strategies to enhance credibility and validity of research findings (Baxter and Jack 2008, Stake 1995).

This research was conducted in Tanjung Sub-district, North Lombok, which was determined through two main indicators, namely the indicator of the area where most of the tourism practitioners live, and the indicator of the impacted area. Regarding the research subject, it was determined through purposive sampling technique. According to Mack et al. (2005), purposive sampling means selecting participants based on the relevant criteria needed to answer the research questions and in this case the subjects are 6 people consisting of 3 workers in the tourism industry and 3 SMEs (Small Medium Enterprises) owners in tourism areas.

The primary data collection was carried out through in-depth interview with open-ended questions referring to 9 socio-economic factors. The secondary data was taken through literature review on academic literature, newspapers, and other related documents. The data was then recorded and analysed through qualitative data analysis methods in which the results were classified into several classifications related to the 9 socio-economic factors.

Diagram 2. Research Methodology



RESEARCH RESULTS

The research result shows there have been the declines in the level of incomes of all the informants during post-crisis, ranging from 30 – 60 % of the total monthly income and the informants are capable in coping with the crisis although there have been some limitations confronted. Overall, the socio-economic, in fact, greatly influence the informants’ abilities to cope with the crisis especially in household income recovery effort. The factors are, indeed, interrelated and supporting each other. When one or two factors are missing, the individuals seem to be more susceptible to the risks of the crisis as this condition lessens their ability to deal with the crisis.

Here are the results classified into two categories of tourism practitioners analysed into nine social aspects:

No	Socio-Economic Factors	Workers Category	SMEs Owners Category
1.	Level of Education	Higher level of education (High School) and mastering other skills (electricity installation and electronic reparation skills)	Lower educational level (Primary education) without having other skills except business related soft skills (knowledge in market etc)
2.	Job Type	<ul style="list-style-type: none"> The type of jobs required time commitment Limited time flexibility to seek another alternative income source. (More susceptible) 	<ul style="list-style-type: none"> They are the manager of their time Higher time flexibility to gain more income. (Less susceptible)
3.	Average income per-month	Average monthly income is lower and static with limited amount to save and to invest (more susceptible)	Higher and fluctuating average income per month with unlimited amount to save and invest (Less susceptible)
4.	Family Size	Most of them are the head of the family and have dependents to be fed (more susceptible)	<ul style="list-style-type: none"> One of them does not have dependent to be fed (less prone) Two of them are the head of the family and have dependents to be fed (more susceptible)

5.	Settlement Location	Urban settlement location (Less susceptible)	Urban settlement location (Less susceptible)
6.	Wealth ownership	Do not have savings and investment. Financial management is highly needed (More prone)	Two of them have savings and investment. More advance financial management is needed (Less prone)
7.	Position in organisation or community	No important position in organization or community (More prone)	No important position in organization or community (More prone)
8.	Networking	Networking: family, relatives, neighbors, and working colleagues. More extensive networking is recommended.	Networking: family, relatives, neighbors, and loyal customers. More extensive networking is recommended.
9.	Knowledge on IT	Little exposure and knowledge to more advance IT. More extensive knowledge is recommended.	No exposure and knowledge to more advance IT. The IT related knowledge is needed.

DISCUSSION

The education seems as an essential factor influencing the informants’ ability in crisis coping. As it is viewed in the table above, three informants from the category of workers have higher level of education compared to SMEs (Small Medium Enterprises) owners. Education, indeed, shapes the critical thinking and ability to solve the problem through various ways. The education also contributes to the ability to quickly absorb and learn new skill. In fact, this enables the workers to acquire one or more different skills used as a medium to seek for another alternative economic source. Unlike the first category, SMEs owners could only use their business skill to recover their household income instead of finding another alternative economic source through different skill.

When it is viewed from the type of work, both categories of workers and SMEs owners have potential risks and advantages. Although the workers have fixed salary and career path, the risk of being fired and the salary cut off during the crisis are the main risks experienced by the workers. In fact, this was also experienced by the three informants from the category of workers, experiencing a drastic decrease in the amount of income in the range of 30-60%. The risk of a decrease in income was also experienced by the SMEs owners above. However, the workers appear to have limited free time to look for other income outside their working time in the industry while SMEs owners are the manager for their own times, so they have greater opportunities to get higher income.



Regarding the average income, tourism industries' workers have static and fixed income with limitations to increase income per month. Consequently, if the income is not properly managed or channelled into productive things, tourism industries' workers appear to be very vulnerable to economic crises especially in household financial sphere. This is quite different from the condition of SMEs owners with fluctuating income and a greater opportunity to increase income per month. However, the business owners also need to have good management skills to avoid losses and bankruptcy. Thus, financial management skills are also very important for business owners to develop their business.

The family size factor is one of the essential factors affecting the ability of individuals in crisis coping. The higher the number of family members, the more vulnerable the family will be to the economic crisis. Similarly, in the case of 6 informants from both categories, 5 out of the 6 informants are the household heads with dependants which could be categorized as more susceptible individuals compared to those without dependants.

The influence of the residence location should be taken into account towards the ability of the informants to deal with the crisis. The marginalized location of residence with limited access to infrastructure such as roads, internet access and transportation would negatively influence the people's ability in facing the crises. For the case of the 6 informants, the location of their residences are in the main urban settlement in the region with supporting access to their ability to deal with crises especially in seeking the alternative economic sources. Their conditions might be different, when they reside in the marginalized locations with various limitations in terms of access.

The wealth ownership including savings, investments, land and property ownership as well as the inheritance is another key factor affecting the peoples' ability in crisis coping. In fact, three informants from the category of workers do not possess inheritance in the form of property,

ownership of land and other assets (investment or savings). So they do not have a reserved fund in the form of savings and investment to start a business as an alternative economic source. This group is very vulnerable to poverty and inability to deal with crises, especially when they experience salary cut off and firing by the companies. Consequently, the group needs to have knowledge on financial management especially related to savings and investment as a reserved fund.

The role in the organisation or community as well as the networking could also enhance people's capacity to recover the household income. The important role would enable them to make decision, to have voices within organizational sphere and to improve their networks with important people in the community or organization. However, all the six informants do not possess key role in the community with no power in decision making. So, it could be contended that the six informants are considered to be more vulnerable than those who have a position in policy making.

The final factor essential for crisis coping ability is the knowledge on updated information and technology. The six informants could be classified as group of people with lack information and technology. This is especially for the three SMEs owners interviewed without knowledge on how to operate a smart phone, internet access, computer usage, social media and other e-marketing channels. The age factor and low literacy level referring to their education level seem to be important factors influencing their low level of technological literacy. Thus, efforts to increase their level of technological literacy could be commendable way to increase their business promotional efforts through e-marketing channels. Similarly, for informants with categories of workers, the increasing access to information and technology could improve their skills and enable them to seek alternative economic sources through social media such as YouTube, Facebook, Instagram and other related channels.



CONCLUSION AND SUGGESTIONS

Based on the research result and discussion, the six informants both categories experience a drastic decrease in the amount of income after the earthquake in the range of 30-60%. However, each category found alternative way of income restoration through their skills. The essential issues that need to be addressed are their limited knowledge in updated information and technology, and the financial management. Consequently, the ability of crisis coping of the two groups are closely influenced by socio-economic factors that are related and supporting one another. Indeed, the level of education alone without being supported by other socio-economic factors, may not necessarily affect the level of ability of tourism practitioners in facing a crisis in order to recover the household income.

The results of this study could provide an overview for other communities in tourism areas that are prone to earthquakes or crises caused by nature to plan a better strategy to overcome crises that have a substantial impact on their economic conditions. In addition, the result could be a basis for local government to find out the real situation of their communities and their ability to face a crisis. Thus, the government could also make policies for planning or strategies in overcoming crises on a macro level by looking at the conditions or challenges of the community faced in a micro scale

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