

# Analysis of the influence of tourism development on Community Welfare in South Nias District, North Sumatra, Indonesia

Berkat Dedikasi Zalukhu<sup>1</sup>, Sirojuzilam<sup>1\*</sup>, Erika Revida<sup>1</sup>, Agus Purwoko<sup>1</sup>

<sup>1</sup>Department of Regional Planning, Postgraduate Schools, University Sumatera Utara, Indonesia

## ARTICLE INFO

## ABSTRACT

Received: 29 Dec 2024

Revised: 12 Feb 2025

Accepted: 27 Feb 2025

**Introduction:** Tourism is widely recognized as a catalyst for regional development and community empowerment, particularly in areas with high tourism potential.

**Objectives:** This study analyzes the influence of tourism development on community welfare in South Nias Regency, North Sumatra Province, Indonesia.

**Methods:** The research aims to assess the extent to which tourism development contributes to improving local community well-being. As tourism has become a regional development priority, efforts to promote tourism in South Nias are expected to generate increased regional income and employment opportunities.

**Results:** The region's rich cultural and natural attractions have drawn a growing number of tourists, presenting substantial potential for economic and social upliftment. This research employs a descriptive quantitative method, using surveys and interviews to collect primary data. The findings reveal that tourism development has a statistically significant and positive impact on community welfare, primarily through increased local revenue and job creation in the tourism sector. However, the study also highlights the need to consider environmental sustainability.

**Conclusions:** Strategic policies are essential to ensure that tourism development proceeds in a manner that is both sustainable and beneficial for all stakeholders.

**Keywords:** Community welfare, tourism development, South Nias, sustainable tourism.

## INTRODUCTION

Tourism is widely recognized as a strategic sector with significant potential to enhance societal well-being and stimulate regional economic growth. In many developing regions, tourism serves not only as a catalyst for infrastructure development and job creation but also as a driver of cultural preservation and environmental awareness (Grandcourt, 2020). South Nias Regency, located in the province of North Sumatra, Indonesia, is an area endowed with diverse natural attractions, rich cultural heritage, and valuable historical sites. These assets provide a strong foundation for the development of outdoor and cultural tourism. However, the tourism potential in South Nias has not yet been fully optimized to improve public welfare and foster inclusive economic development.

Sustainable and well-planned tourism development can generate wide-ranging positive impacts on local communities. Beyond increasing income levels, tourism contributes to employment opportunities, enhances quality of life, and stimulates regional revenues through increased local government income (Ashley & Roe, 2001; Mihalič, 2000). Therefore, analyzing the influence of tourism development on community welfare is a critical area of study, particularly in regions with untapped tourism potential such as South Nias.

The benefits of tourism development encompass economic, social, and cultural dimensions. When properly managed, tourism can serve as a powerful tool for poverty alleviation and community empowerment. Conversely, poorly managed tourism development can lead to a variety of negative impacts, including environmental degradation, cultural commodification, and social displacement (Hall, 2008; Tosun, 2000). Thus, a comprehensive and systematic approach is required, one that begins with a thorough assessment of the supporting resources and tourism assets.

These resources include natural assets, cultural heritage, and human capital, which collectively shape the competitiveness and sustainability of tourism destinations (Khairunnisa, 2019).

In the context of North Sumatra, including the Nias Archipelago, tourism development has been identified as a strategic priority capable of stimulating regional economic development. Particularly in South Nias, the expansion of tourism has created opportunities for employment, supported the growth of related sectors, and contributed to the enhancement of local economic resilience. The physical manifestations of tourism development, such as the construction of hotels, homestays, restaurants, and transportation infrastructure, further indicate progress in regional transformation.

In addition to economic benefits, tourism development in South Nias also fosters socio-cultural change, encourages community engagement, and promotes regional identity through local festivals and cultural performances. However, to ensure long-term sustainability and maximize the positive outcomes of tourism, it is necessary to align development efforts with strategic planning frameworks. This includes the formal adoption and acceleration of the regional tourism development master plan (*rencana induk pengembangan pariwisata daerah/ RIPPDA*) for South Nias Regency, which provides a roadmap for coordinated, inclusive, and sustainable tourism growth.

This study focuses on analyzing the role of local government strategies in managing tourism potential to enhance community welfare, particularly in the context of decentralization and regional autonomy. Decentralized governance is expected to empower local authorities in designing and implementing tourism policies that are contextually relevant and community-oriented (Rondinelli, 1981). Therefore, this research aims to evaluate how tourism resources in South Nias are managed and how such management contributes to improving public well-being.

Moreover, human resource development is recognized as a critical factor in the success of tourism initiatives. The quality of human capital, including skills, education, and awareness, plays an essential role in tourism service delivery and community participation (Sharpley, 2000). Alongside effective promotion strategies and the provision of tourism-related infrastructure and facilities, investment in human development is indispensable for realizing the full potential of the tourism sector. Hence, the overall objective of this research is to examine how tourism development in South Nias can be leveraged as a means of enhancing community well-being, through an integrated approach that incorporates socio-economic, cultural, and human capital dimensions.

## **METHODS**

This study employed a quantitative approach and was conducted in South Nias Regency, North Sumatra Province. The research focused on analyzing the influence of tourism development on community well-being within the region. The selection of South Nias as the research location was based on its significant potential for tourism development. A total sample of 516 respondents was selected from a population of 2,682 individuals. Data analysis methods included normality testing, multicollinearity testing, heteroscedasticity testing, and statistical hypothesis testing to ensure the validity and reliability of the findings.

## **RESULTS**

One of the main areas targeted for tourism development in South Nias Regency is the “EGG” tourism zone, which includes Bay In, Lagundri, and Sorake. This area has been undergoing structured development since 2016 and covers approximately 20 hectares. The zone focuses on coastal and surf-based tourism, renowned for its wave quality that attracts surfers from various parts of the world. Indicators of tourism development in South Nias can be observed through the increasing number of tourist visits up to 2017, which demonstrates a positive trend. This growth is attributed to intensive efforts in tourism area management and promotion, including cultural exhibitions and local festivals that highlight unique attractions and showcase the region’s distinctive cultural identity. The direct influence of tourism development variables, identified as X1, X2, X3, and X4, on the tourism area variable (Z) is presented in Table 1, offering empirical evidence of the impact of tourism initiatives in the region.

**Table 1.** T-Statistics of path coefficients for the influence of tourism development and tourist area on public welfare

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistic ( O/STDEV )
Tourist area → public welfare	0.533	0.535	0.041	13.142
Tourism development → tourist area	0.891	0.890	0.016	56.373
Tourism development → public welfare	0.470	0.468	0.041	11.448

As shown in Table 1, the results demonstrate that tourism development has a positive and statistically significant effect on both the development of tourist areas and public welfare. The findings indicate that initiatives aimed at enhancing tourism infrastructure, services, and accessibility significantly contribute to the economic development of tourism areas. This economic growth is reflected in improved living standards and increased opportunities for the local population. Additionally, the tourist area variable also shows a significant and positive influence on public welfare. This suggests that the existence and improvement of tourism areas support the community's well-being by providing employment, stimulating local businesses, and encouraging sustainable development practices. The direct influence of specific dimensions of tourism development, represented by variables X1, X2, X3, and X4, on the tourist area variable Z is analyzed in Table 2. These dimensions include key factors such as infrastructure development, tourism service quality, community participation, and promotional activities, all of which contribute to the overall success and sustainability of tourism in the region.

**Table 2.** Results of hypothesis testing on the direct influence of tourism development variables (X) on the development of tourist areas (Z)

Parameter	T-statistic	T-table	P-value	Conclusion
X1 → Z	1.016	1.96	0.310	not significant
X2 → Z	1.404	1.96	0.161	not significant
X3 → Z	7.273	1.96	0.000	Significant
X4 → Z	5.433	1.96	0.000	significant

Table 2 presents the results of the hypothesis testing on the direct influence of tourism development variables (X1, X2, X3, and X4) on tourist area development (Z). The statistical analysis indicates that the variable X1 (Infrastructure Development) has a t-value of 1.016 with a corresponding p-value of 0.310, which exceeds the significance threshold of 0.05. Similarly, X2 (Tourism Services) yields a t-value of 1.404 with the same p-value of 0.310. Both results suggest that the direct effects of X1 and X2 on Z are statistically insignificant. Conversely, the variable X3 (Community Participation) demonstrates a statistically significant influence on Z, with a t-value of 7.273 and a p-value of 0.000 ( $< 0.05$ ). The variable X4 (Tourism Promotion) also exhibits a significant impact, with a t-value of 5.433 and a p-value of 0.000. These values exceed the critical t-value of 1.96, indicating a high level of statistical significance. The analysis reveals that while infrastructure development and tourism services do not exert a significant direct effect on the development of tourist areas, community participation and tourism promotion play a critical role in driving tourism area growth within the studied region.

## DISCUSSION

This study investigates the impact of tourism development on the potential of tourism areas in South Nias Regency, focusing on the “EGG” tourism zone, which includes the coastal areas of Bay In, Lagundri, and Sorake. This area, particularly renowned for its world-class surf spots, has been a primary target for tourism development since 2016. With approximately 20 hectares allocated for development, the zone has seen a consistent increase in tourist visits, highlighting a positive growth trend in the region's tourism sector. This growth can be attributed to systematic efforts in tourism management, infrastructure development, and local promotion strategies, including cultural exhibitions and festivals that showcase the region's unique attractions and cultural identity.

As demonstrated by the results in Table 1, tourism development has a statistically significant and positive effect on both the development of tourist areas and public welfare. The findings indicate that improvements in tourism infrastructure, services, and accessibility contribute substantially to the economic development of the tourism areas. These improvements, in turn, enhance local living standards by increasing job opportunities, fostering local businesses, and creating avenues for sustainable development (Damanik & Weber, 2006; Tosun, 2000). Moreover, the development of tourist areas plays a vital role in enhancing public welfare by providing employment opportunities, boosting local commerce, and encouraging practices that align with sustainable growth (Mihalič, 2000).

The empirical evidence presented in Table 2 provides a deeper insight into the specific dimensions of tourism development and their direct influence on the development of tourism areas. Among the four tourism development variables (X1: Infrastructure Development, X2: Tourism Services, X3: Community Participation, X4: Tourism Promotion), the results reveal that only community participation (X3) and tourism promotion (X4) exert a significant positive impact on tourism area development (Z), as evidenced by t-values of 7.273 and 5.433, respectively, both with p-values of 0.000, indicating a high level of statistical significance.

On the other hand, infrastructure development (X1) and tourism services (X2) did not show a statistically significant effect on tourism area development, as their respective p-values (0.310) exceed the conventional threshold of 0.05 (Hair et al., 2010). This finding suggests that while infrastructure and services are essential for supporting tourism, they may not be the primary drivers of tourism development in this context. Instead, factors such as community participation and tourism promotion play a more critical role in attracting tourists and driving the growth of tourism areas. This aligns with previous studies by Pike (2004) and Buhalis (2000), which emphasize the importance of local engagement and strategic marketing efforts in fostering sustainable tourism development (Buhalis, 2000; Pike, 2007).

The significance of community participation (X3) and tourism promotion (X4) can be understood in light of the broader literature on sustainable tourism development. Community participation is often recognized as a crucial factor for ensuring the long-term success of tourism initiatives, as it fosters local ownership, ensures the preservation of cultural heritage, and promotes environmental sustainability (Gursoy et al., 2010). Tourism promotion, on the other hand, is vital for creating awareness and attracting tourists to the region, especially in the competitive global tourism market (Crouch, 2005). Together, these two factors underscore the importance of integrating local stakeholders and effectively promoting the region's tourism offerings to enhance the overall development of the area.

The results of this study also highlight some key challenges and opportunities for tourism development in South Nias. While the region has made significant progress in tourism management and promotion, there are still opportunities for improvement, particularly in the areas of infrastructure development and tourism services. As suggested by recent studies on tourism in emerging destinations (Tosun, 2000), the lack of well-developed infrastructure and insufficient tourism services can hinder the growth of tourism, limiting the region's potential to fully capitalize on its attractions. Furthermore, addressing these gaps could lead to more sustainable tourism development, ensuring that economic benefits are maximized while minimizing negative environmental and social impacts (Bramwell & Lane, 2003). Tourism development in South Nias has a positive and significant impact on both the tourism sector and public welfare. The results indicate that while infrastructure and tourism services are important, community participation and effective tourism promotion are key drivers of tourism area development. To fully unlock the region's tourism potential, it is essential to enhance these aspects while addressing infrastructure gaps and ensuring the sustainable management of tourism resources.

## REFERENCES

- [1] Ashley, C., & Roe, D. (2001). *Pro-poor tourism strategies: Making tourism work for the poor: A review of experience*.
- [2] Bramwell, B., & Lane, B. (2003). *Tourism collaboration and partnerships: Politics, practice and sustainability* (Vol. 2). Channel View Publications.
- [3] Buhalis, D. (2000). Marketing the competitive destination of the future. *Tourism Management*, 21(1), 97–116.

- [4] Crouch, G. (2005). Destination branding: creating the unique destination proposition. *Tourism Recreation Research*, 30(1), 112–113.
- [5] Damanik, J., & Weber, H. F. (2006). *Perencanaan ekowisata: Dari teori ke aplikasi*.
- [6] Grandcourt, M.-A. E. (2020). The role of the United Nations World Tourism Organization (UNWTO) in tourism and sustainable development in Africa. In *Routledge handbook of tourism in Africa* (pp. 131–138). Routledge.
- [7] Gursoy, D., Chi, C. G., & Dyer, P. (2010). Locals' attitudes toward mass and alternative tourism: The case of Sunshine Coast, Australia. *Journal of Travel Research*, 49(3), 381–394.
- [8] Hall, C. M. (2008). *Tourism planning: Policies, processes and relationships*. Pearson education.
- [9] Khairunnisa, H. (2019). Pengembangan Pariwisata Berbasis Masyarakat di Blue Lagoon, Sleman, Yogyakarta. *Islamic Management and Empowerment Journal: IMEJ*, 1(2), 205–216.
- [10] Mihalič, T. (2000). Environmental management of a tourist destination: A factor of tourism competitiveness. *Tourism Management*, 21(1), 65–78.
- [11] Pike, S. (2007). *Destination marketing organisations*. Routledge.
- [12] Rondinelli, D. A. (1981). Government decentralization in comparative perspective: theory and practice in developing countries. *International Review of Administrative Sciences*, 47(2), 133–145.
- [13] Sharpley, R. (2000). Tourism and sustainable development: Exploring the theoretical divide. *Journal of Sustainable Tourism*, 8(1), 1–19.
- [14] Tosun, C. (2000). Limits to community participation in the tourism development process in developing countries. *Tourism Management*, 21(6), 613–633.