Paradigm Of New Institutional Administrations in The Governance and Institutionalization of Marine Tourism in Payangan, Indonesia

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Abstracts: Marine tourism management is not just a matter of governance per se, institutional factors also seem to have an influence, especially in traditional marine tourism management, such as in Payangan. To understand the relationship between governance and institutions in marine tourism management in Payangan, this study aims to analyze the problems in governance and institutions in Payangan, as well as to develop a conceptual model design. The method used in this research is a qualitative method with the Soft System Methodology (SSM) approach as a systemic approach to solve complex governance and institutional problems in Payangan through a series of stages. The research results indicate that the dominant problem situation in Payangan is not in its governance, but rather in its institutions, particularly in accommodating the values of the local community that have long been neglected, as they are monopolized by certain small community groups and elements of the Sumberejo Village Government who are only seeking economic gain. The monopolies of certain parties have caused the governance and institutionalization of marine tourism in Payangan to not function properly, requiring a new conceptual model of governance and institutions based on the construction of reality, social networks, and path-dependent development within the realm of the science of administration, or New Institutional Administrations (NIA), as a development and critique of the first-level institution or embeddedness proposed by Williamson, which has economic dimensions or New Institutional Economics (NIE).

Keywords: Governance, Institution, and Marine Tourism.

1. INTRODUCTION

The researcher's interest in the governance and institution of marine tourism is based on the reason that the development of marine tourism is one of the government's ways to boost the economy and promote equal development. The high enthusiasm of visitors to travel to the beach has made the tourism sector rapidly grow in many countries [1][2]. This is because the beach offers various natural beauties and interesting activities, such as swimming, surfing, or simply relaxing on the beach [3]. In addition, with easier access to transportation and the development of social media, tourists are increasingly interested in exploring various stunning beaches [4][5][6].

According to the World Tourism Organization (UNWTO), in 2019, about 30% of all international tourists visited coastal tourism destinations. Meanwhile, according to a report from The Organization for Economic Co-operation and Development (OECD) in 2021, there has been a significant increase in tourist visits to the coastal tourism sector, especially in Asian and Pacific countries, such as Indonesia [7][8].

Tourists' interest in marine tourism in Indonesia, according to OECD [9], is due to several factors, including: First, biodiversity underwater: Indonesia is an archipelago consisting of thousands of islands with incredibly rich and beautiful underwater biodiversity [10]. Second, extraordinary natural beauty: Besides underwater biodiversity, Indonesia also has beautiful beaches with stunning scenery [11][12]. Third, unique culture: Apart from its beautiful nature, Indonesia also has a very unique and interesting culture to explore [13][14]. Fourth, hospitality: Tourists from all over the world are often impressed with the hospitality and warm welcome they receive in Indonesia [15]. Indonesians are known to be very friendly and open to tourists, making them feel comfortable and always wanting to come back to Indonesia. Fifth, affordable prices: The cost of tourism in Indonesia tends to be more affordable compared to other countries in the Southeast Asian region. This makes Indonesia the right choice for tourists who want to vacation with a limited budget [7][16].

Despite some advantages that attract tourists, there are several weaknesses that make the development of Indonesia's marine tourism slow according to OECD. These weaknesses include: First, lack of accessibility: Some marine tourism locations in Indonesia are difficult to reach due to their distance or poor management connectivity. Second, security issues: Some marine tourism locations in Indonesia are less secure or vulnerable to disasters and social conflicts. Third, cleanliness and health: Some marine tourism locations in Indonesia are not well-maintained
in terms of cleanliness and health, especially in crowded places. Fourth, lack of promotion: Many marine tourism destinations in Indonesia are not well-known due to the weak promotion carried out by managers or the government. Fifth, high cost: The cost of travel, accommodation, food, and activities around marine tourism locations in Indonesia is quite expensive for some tourists, especially for those with limited budgets [17][4].

The reality of these weaknesses in the management of marine tourism in Indonesia has resulted in a decrease in tourist interest in visiting for the first or subsequent times, as seen in Payangan for example. The phenomenon of weaknesses in Payangan does not seem to be solely due to poor governance, as is generally the case in marine tourism destinations [18][19]. There is another factor, namely institutional issues that are not yet ready to accept the reality that Payangan is currently a marine tourism destination, resulting in the domination or monopoly of a small group and village government officials who disregard the interests of the local community in general [11][20][21].

The neglect of the local community results in social conflicts, as they feel that the existence of the tourist destination only benefits the oligarchy and does not significantly contribute to their well-being or development. In fact, the presence of the destination is seen by some members of the community as damaging to social cohesion in Payangan, as some people are beginning to shift their social norms towards an economic focus, exploiting natural resources and cultural assets for their own individual and group interests.

2. LITERATURE REVIEW: INSTITUTIONALIZATION IN THE PUBLIC SECTOR

Public administration has undergone transformations into many models, as suggested by [22]. According to [22], there are five familiar models of public administration in the eyes of researchers: a) Classic bureaucracy model, b) Neo-classical bureaucracy model, c) Institutional model, d) Human relations model, and e) Public choice model.

Regarding institutional models, stated that this model emphasizes social justice to ensure public rights can function properly, through the enforcement of formal and informal values as its instruments [6][8]. The enforcement of social justice through these formal and informal values, according to [23], is part of the functioning of networks in the public realm.

According to [24], there are three main elements of governance, namely: 1) Power: Governance is about the use of power and authority in decision-making and policy implementation. 2) Institutions: Governance is also related to institutions that determine how power is used and regulate the relationship between the government and society. 3) Procedures: Governance also includes procedures used to make and evaluate decisions and policies, as well as ensure accountability and transparency in policy implementation. [24] also emphasizes the importance of good governance in creating conditions for economic progress, social development, and political stability. He also highlights that good governance depends on the quality of leadership and integrity of political leaders and their institutions [25][26][1].

Meanwhile, according to [27], having good institutions will encourage transactions to be conducted effectively and efficiently, thereby reducing transaction costs by improving access and quality of information, as well as promoting the enforcement of rules. Therefore, the role of institutions according to [27][28][4] is to reduce uncertainty by forming a stable structure of social interactions, as represented by the existing institutional levels. The existing institutional levels in the midst of the public, according to [27][29], are divided into four levels, as follows.
Based on the institutional levels diagram above, it can be explained as follows.

1. The first level is social theory or social level, which consists of informal rules such as norms, customs, habits, traditions, religion, and so on. These rules develop in society from generation to generation. Religion plays a major role at this level. Institutions at this level undergo slow changes (which can take centuries or even millennia).

2. The second level refers to the economics of property rights or positive political theory, which is an institutional environment consisting of formal rules such as constitutional, laws, and property rights. The design of instruments at this level includes the executive, legislative, legal institutions, and government bureaucracy. Formal rules align with informal rules. Institutions at this level take around 10 to 100 years to undergo changes.

3. The third level is transaction cost economics, where the function of law enforcement systems is placed to define contracts and their enforcement, which cannot be separated from transaction costs, i.e., costs required from searching for information, making contracts, and monitoring contracts. Transaction costs will be efficient if information is perfect and formal and informal rules are well enforced. Institutions at this level take around 1 to 10 years to undergo changes.

4. The fourth level is neoclassical economics or agency theory which is related to the management of natural and human resources. Neoclassical analysis operates at this level. The government is the relationship between the power owner (principal) and representative (agent). The relationship between constituents and the legislature, the relationship between the legislature and the executive, and the relationship between the executive and third parties. The relationship will run efficiently if there is an incentive system (reward and punishment). This principal-agent relationship describes the allocation of resources and work. Institutions at this level require continuous time to undergo changes.

Institutions are said to be optimal if transaction costs are low, there is certainty of the rules of the game, and an equal relationship between principal and agent exists. Furthermore, institutions can also be considered optimal based on their ability to invest skills and knowledge in order to achieve cost efficiency and increase productivity. Therefore, good institutions must have clear, widely known, logical and rational rules that are widely accepted, predictable, reliable, properly formulated, and properly implemented. In relation to the research location, the
institutional level in Payangan appears to still be at the first level, emphasizing norms, customs, habits, and traditions in its management.

3. RESEARCH METHODS

The method used in this research is a qualitative method with Soft System Methodology (SSM) approach as a systemic approach to problem-solving [20][30]. Regarding the systemic approach to problem-solving in Payangan on aspects of governance and institutional using 6 (six) stages of SSM, as follows.

1. Problem Situation Considered Problematic: In this first stage, the collection of data and information related to the existing problem situation is carried out according to the structure and processes that occur in the activities at the research location, in accordance with the phenomenon being studied;
2. Problem Situation Expressed: In this stage, the researcher structures the problem situation faced by each marine tourism site by referring to the data and information related to the processes that occur. In other words, the problem situation that has been gathered in the first stage can be classified into several main points of the issue;
3. Root Definition of Relevant Purposeful Activity Systems: In this stage, it is the step of defining the problem in order to provide a more detailed understanding of the problem situation that has been crystallized by the researcher. In SSM, the CATWOE tool is used to define the problem, which consists of Customer, Actors, Transformation Process, Worldview, Owner, and Environmental Constraints.
4. Conceptual Model of the Systems Named in the Root Definition: The conceptual model is a change in thinking process from what has been described in the second stage, which is the root definition. This conceptual model is formed using the formal system concept perspective which explains the real problems faced and the efforts to solve the problem situation by utilizing the framework of system thinking.
5. Comparison of Model and Real World: This stage is carried out to compare the issues present in the field (real world) with the system thinking offered so as to be able to provide solutions to the existing problems [20]. Next, the researcher compares the conceptual model with the problem situation present in the field, and
6. Systematically Desirable; Culturally Feasible: This stage is about defining and selecting options to achieve the ideal condition. If it is necessary to change the existing system, then the changes that can be made by each marine tourism destination need to be identified.

The importance of SSM in this research is its ability to help researchers understand the complexity of the system holistically. The SSM approach also helps researchers integrate perspectives and experiences from various stakeholders in a system, so as to generate a more complete and comprehensive understanding of the relationship between governance and institutions in marine tourism management in Payangan.

4. RESEARCH FINDINGS AND DISCUSSION

In line with the research objective of analyzing problem situations in governance and institutional issues in Payangan, as well as developing a conceptual model design, the research findings and discussion were conducted through six stages, starting from the problem situation considered problematic, problem situation expressed, root definition of relevant purposeful activity systems, conceptual model of the systems named in the root definition, comparison of model and real world, and systematically desirable; culturally feasible [20][31]. The following are the six stages of SSM used in the research findings and discussion.

4.1. Problem Situation Considered Problematic

In this first stage, the researcher collects data and information related to the problem situation in accordance with the structure and process that occur in the activities at the research location, in line with the phenomenon of marine tourism governance and institutions in Payangan. Based on the problem situation which refers to field issues, it is structured in the following diagram.
4.2. Problem Situation Expressed

The "Problem Situation Expressed" is a process of structuring the problem situation with reference to Figure 2. The structuring of the problem situation in Payangan encompasses various complexities, including the complexity of service-related issues, the complexity of infrastructure availability, the complexity of limited participation, the complexity of minimal contributions from external parties, the complexity of weak internal coordination in managing Payangan tourism, and the complexity of insufficient coordination between Payangan management and external stakeholders.

Based on the crystallization of problem situations outlined above, there are 24 (twenty-four) problem situations related to governance and institutional issues in Payangan, which crystallize into 6 (six) problem crystallizations: First, the complexity of service-related issues in Payangan. Second, the complexity of infrastructure availability issues in Payangan. Third, the complexity of limited stakeholder participation in Payangan. Fourth, the complexity of Payangan’s minimal contributions to external parties. Fifth, the complexity of weak internal coordination among Payangan Tourism managers. Sixth, the complexity of inadequate coordination between Payangan management and external stakeholders.

These six crystallizations guide researchers to construct them in the form of a rich picture as follows.
Figure 3 is A rich picture of Payangan Tourism

Source: Data processed by the researcher (2023).

4.3. Root Definition of Relevant Purposeful

Activity Systems At this stage, it is the problem definition phase in order to provide a more detailed understanding of the problem situation that has been crystallized by the researcher. In SSM, CATWOE (Customer, Actors, Transformation Process, Worldview, Owner, Environmental Constraints) tool is used to define the problem [20][32].

Based on the second stage, there are two main issues, namely governance problems and institutional problems. The complexity of marine tourism governance problems in Payangan using the CATWOE analysis is as follows.
Table 2. Complexity of Marine Tourism Governance Problems in Payangan

| Table 3 Root definitions of governance and institutional issues in Payangan |

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<th>Nu</th>
<th>Problem</th>
<th>Root Definitions</th>
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<tbody>
<tr>
<td>1.</td>
<td>Governance</td>
<td>Sustainable marine tourism governance (P) is a governance process that benefits all stakeholders involved, including local communities, government, private sector, and the ecosystem or environment (Q) by considering cultural, economic, and environmental aspects as an inseparable unit (R).</td>
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<tr>
<td>2.</td>
<td>Institutional</td>
<td>Marine tourism institution is a system that facilitates (P) marine tourism activities while considering the environmental and social impacts generated, as well as optimizing economic benefits for the local community (Q) by considering cultural, economic, and environmental aspects as an inseparable unit (R).</td>
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Source: Data processed by the researcher (2023).

The two Root Definitions above serve as the basic framework used in developing the conceptual model in this research, as depicted in the fourth stage or the conceptual model of the systems named in the root definition.

4.4. Conceptual Model of The Systems Named in the Root Definition

A conceptual model is a thinking process that has been described in the third stage, namely root definition. This model is formed using the system concept perspective which explains the real problems experienced, as well as efforts to solve the problem situation by utilizing the framework of system thinking [20][33].
The concept of first-level institutions or embeddedness is an institutional concept proposed by Williamson [27], stating that institutions in a broader context need to be integrated with a larger social, political, and economic environment, so that these institutions can contribute internally and externally in a more significant manner.

However, in order to strengthen the management of marine tourism in Payangan, which is more dominant in terms of its institutional aspects than its governance, integrating social and political environments needs to be operationalized in several stages as follows: *First*, the construction of reality according to [5][34] refers to how organizations respond to the social reality around them. The construction of reality is influenced by the values, norms, and policies within the organization. [22][35] argues that every organization has a unique construction of reality, which reflects their perspective and understanding of the social reality they face. This construction of reality plays an important role, at least as researchers see in Payangan, in shaping the behavior and policies adopted by organizations in interacting with their surrounding environment. The construction of reality in the institutional perspective in Payangan can be divided into three main elements, namely: (1) Problem recognition: Organizations must be able to recognize and understand the problems or challenges they face in their environment. Problem recognition is based on the organization's perception and interpretation of the information they receive from their surroundings, and this seems not to be fully understood by the management of Payangan, resulting in complex problems as seen in Figure 2, which are very complex and interconnected, both in formal and informal value dimensions. (2) Alternative assessment: Organizations need to evaluate and choose available alternative actions to respond to the very complex problems in Figure 2. Alternative assessment is based on the norms, values, and policies within the Payangan management organization. (3) The organization chooses the action that is most in line with their construction of reality. The selection of actions is based on the policies taken by the organization's leaders and reflects the values and norms within the organization, each of which emphasizes embeddedness or institutional perspective referring to how institutions are closely related to the social and economic context surrounding them.

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*Second*, social networks in governance refer to the relationships that are formed between various actors within a government or governance system [21]. These actors can include the government, local communities, the private sector, and other interest groups that interact and communicate in the governance of Payangan. Social networks in the perspective of governance in Payangan represent the distribution of power and resources within a system that is expected to benefit many parties. [36][37] emphasizes that social networks are not only about formal relationships between these actors but also include informal relationships that can influence the dynamics of public policy. Therefore, it is important for managers and other actors to understand and manage social networks well in order to achieve the desired goals in the existing governance of Payangan. Third, path-dependent development according to [24][16] has three dimensions that are closely related to institutions, namely: (1) Institutional lock-in refers to the situation where institutions are dependent on past choices, making it difficult to change the direction of policies taken, as is currently happening in Payangan. An example is when the existing groups in Payangan feel that they
benefit economically and socially from the existence of Payangan, making it difficult to change the system even though it has been proven to be ineffective in implementing sustainable marine tourism governance. (b) Institutional layering refers to the accumulation of institutions in Payangan that leads to chaos or overlap in institutional structures. This occurs because there are new policies that do not take into account existing institutions or ignore their influence. (c) Institutional drift refers to the gradual and unplanned changes in institutions, as is currently happening in Payangan with the dominance of many groups that are only oriented towards group and economic interests.

Figure 5 Shows the conceptual model of governance as institutional support at the first-level institution in Payangan

Source: Data processed by the researcher (2023).

Based on the three dimensions that affect governance and institutional management of marine tourism in Payangan described above, there is a need for a well-planned institutional framework and awareness from all parties to achieve a common goal in the development of sustainable marine tourism within the framework of construction of reality, social network, and path-dependent development.

4.5. Comparison of Model and Real World

This stage compares the problems in the real world with the system thinking offered by the researchers through a conceptual model, so as to create a comprehensive solution [20][38][36]. The following presents a comparison between the conceptual model and the current real-world problem situation.

Table 5: Matrix comparison between conceptual models and definitions of governance and institutional complexity issues in Payangan Tourism
To improve the first-level institutions that place governance as a support for the institution, several things are emphasized: Firstly, a comprehensive focus on the construction of reality, social networks, and path-dependent development in Payangan by making governance, including services and facilities, as its support.

4.6. Systematically Desirable; Culturally Feasible

This stage involves defining and selecting options to achieve the ideal condition by refining the existing system in Payangan with emphasis on the construction of reality, social networks, and path-dependent development. Integrating the construction of reality, social networks, and path-dependent development is expected to assist managers in understanding how stakeholders in Payangan perceive tourism and its management together in the future.

Social construction needs to be done together since other stakeholders have different views on tourists, the environment, and the economic benefits of tourism management. This understanding can affect how they plan and manage tourism. Social networks also play an important role in tourism management in Payangan. Social networks can assist in obtaining support, resources, and information needed for effective tourism management. Social networks can consist of local communities, tourists, tourism service providers, and other parties involved in tourism management in Payangan. Interactions between these groups can influence how tourism management in Payangan develops. Path-dependent development can also affect tourism management in Payangan.

Path-dependent development refers to a situation where past policies and actions influence future development paths. In the context of tourism management in Payangan, past policies and actions such as tourism policies adopted by local governments or agreements with investors can affect how Payangan is managed in the future.

5. THEORETICAL IMPLICATIONS

Theoretical implications are the logical consequences that researchers draw from research findings. The theoretical implication in this study is the researcher's criticism of Williamson [27] opinion on the dominant institution perspective in economics or New Institutional Economics (NIE) which states that institutions play an important role in shaping incentives and behavior in economic governance. Institutions can create incentives for innovation, investment, and business development, or conversely, create barriers to economic activity. To understand the perspectives of governance and institutions equally and simultaneously requires the contribution of Administrative
Science, so the perspective is no longer NIE, but New Institutional Administrations (NIA) because it uses a governance approach [36][3][10].

The strong role of governance in this study results in findings or differentiation from Williamson's opinion as follows.

### Table 6 Differentiation of NIE and NIA as research findings

<table>
<thead>
<tr>
<th>No.</th>
<th>New Institutional Economics</th>
<th>New Institutional Administrations</th>
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<tbody>
<tr>
<td>1.</td>
<td>Providing Structure and Stability to the Economic System: Institutions provide a framework that can help maintain stability and sustainability of the economic system.</td>
<td>Providing structure and stability to governance systems: Institutions provide a framework that can help maintain the stability and sustainability of governance systems as the implementation of a good network.</td>
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<tr>
<td>2.</td>
<td>Reducing Uncertainty: Institutions help reduce uncertainty in the economic system by providing guidance on how individuals should behave.</td>
<td>Reducing uncertainty: To reduce uncertainty in the field of Administrative Sciences, by providing guidance on how stakeholders can play their roles and contribute to shared governance or networks.</td>
</tr>
<tr>
<td>3.</td>
<td>Facilitating Cooperation: Institutions can facilitate cooperation among individuals within an economic system, by providing necessary incentives and sanctions to encourage mutually beneficial collaboration.</td>
<td>Facilitating cooperation: Institutions can facilitate cooperation effectively when there is a system driven by a governance perspective, so that all parties play a role and are accountable.</td>
</tr>
<tr>
<td>4.</td>
<td>Assisting in Overcoming Collective Action Problems: Institutions can help in overcoming collective action problems, where individuals need to cooperate to achieve a common goal.</td>
<td>Helping to address collective action problems: Institutions can help address problems collectively when there is collaboration linked by a governance perspective.</td>
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</table>

Source: Elaboration of Williamson’s (2000) institutional levels and research findings (2023).

### CONCLUSION

Based on the research and discussion, it can be concluded that the predominant problem situation in Payangan is in its institutional aspect, compared to its governance aspect, because it lacks accommodation of local community values, and there is a monopoly by certain groups of local communities and village government officials in managing Payangan tourism for economic gain. The lack of accommodation of local community values and the monopoly of a few parties in managing Payangan tourism requires the development of a new conceptual model of governance and institutions that relies on the construction of reality, social networks, and path-dependent development in the field of Administrative Sciences or New Institutional Administrations (NIA), as both a development and critique of the first-level institutions or embeddedness proposed by Williamson [27], which is dimensioned in the field of Economics or New Institutional Economics (NIE), because it places governance as the cause of management failure within an institution.

### REFERENCES


