STRATEGY PRIORITIZATION FOR SUSTAINABLE TOURISM IN BALI, INDONESIA: FOCUSING ON LOCAL AGRICULTURAL PRODUCTS ANALYTICAL HIERARCHY PROCESS (AHP) APPROACH

I Gusti Ayu Oka Suryawardani and Agung Suryawan Wiranatha
Udayana University
Jalan P.B. Sudirman, Denpasar, Bali, Indonesia
Corresponding author: s3_pariwisata@unud.ac.id

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ABSTRACT

The role of local agricultural products to support sustainable tourism in Bali is really important. This study was undertaken to ascertain the priority strategy that need to be implemented based on the criteria of sustainable tourism through optimizing the use of local agricultural products to reduce tourism leakage in order to be able to support sustainable tourism in Bali. Analytical Hierarchy Process (AHP) was undertaken which is a method to solve a complex situation which is not structured into several components in a hierarchical arrangement, by giving the subjective value of the relative importance of each variable, and specify which variable has the highest priority in order to affect the outcome of the situation. The study was conducted to analyze the priority strategy based on eight experts' opinion which was conducted in Bali Province during the period of July up to October 2014. Seven criteria were constructed based on the basic concept of sustainable tourism namely economically viable, socially and culturally acceptable and environmentally friendly and eight alternative strategies were formed. The results show that the most important strategy was to develop agriculture, livestock, fisheries and handicrafts. The following recommended strategy was to optimize the potential of local product, and to empower the community.

Key words: leakage, linkage, community

INTRODUCTION

Tourism is one of the fastest growing industries in the world in terms of generating incomes, foreign exchange earnings and creating job opportunities. It has been predicted by the World Tourism Organization that 1.6 billion people will be travelling internationally by the year 2020 and spending more than US$ 2 trillion annually or US$ 5 billion everyday (Theobald 2005). This potential growth result in rapidly expanding development of destinations. As more governments recognize the important role of tourism, governments rapidly develop their tourism potential to meet demand of tourists. Tourism in the rural areas of developing countries is also rapidly expanding and is often a primary means of income in these areas. However, high levels of leakage dramatically reduce the economic impact of tourism (Lacher and Nepal 2010). In general, tourism leakage is the part of tourist expenditure which occurs when the industry imports both products and services for support. It occurs when tourists demand standards of equipment, food, and other products that cannot be supplied by the host country (UNEP 2010).

This condition has also happened in the development of tourism in Bali. Even though tourism has brought about development for Bali's economy for many years, the economic impacts of tourism development have not been fully beneficial for the Balinese community. Tourism leakage

limits the positive impact of tourist expenditure on a destination (Bull 1991; Lundberg et al. 1991). The import leakage from tourism in Bali was estimated to be about 40% for international standard hotels, based on the Nusa Dua Project in 1977 (Rodenburg 1980).

Tourism leakage occurred on four types of accommodation in Bali. The results by micro analysis (industrial level) were as follows: (i) leakage of 4,5 star-rated chain hotels was 51.0%, (ii) leakage of 4,5 star-rated non-chain hotels was 22.7%, (iii) leakage of 1,2,3 star-rated hotels was 12.0%, and (iv) leakage of non star-rated hotels was 8.8%. Meanwhile, calculation of tourism leakage based on macro analysis by using Social Accounting Matrix (SAM) shows that: (i) leakage of 4 and 5 star-rated chain hotels was 55.3% (ii) leakage of 4 and 5 star-rated non-chain hotels was 7.1%, (iii) leakage of 1,2and3 star-rated hotels was 15.7%, (iv) leakage of non-star rated hotels was 2.0%, and (v) average leakage of all types of hotels was 19.5% (Suryawardani, 2014). The main sources of tourism leakage on accommodation in Bali are imported beverages and foods, online booking fees, management fees and profit transfer to overseas (Suryawardani 2014). Wiranatha and Suryawardani (2014) proposed some strategies to minimize tourism leakage in Bali, namely: (i) optimization of the potential of local products; (ii) development of agriculture, livestock, fisheries and handicraft industry; (iii) empower communities; (iv) reduce the use of imported products for tourists; (v) urge government to develop and implement supporting policies in order to minimize leakage; (vi) establishment of international trade policy that reduces import and increases export of local products; (vii) establishment of policy on restriction of foreign investment on accommodation sector in Bali; and (viii) facilitation of public-private partnership on investment in tourism. However, among these strategies, the identification of the priority strategy that needs to be implemented, has not been undertaken so far.

This study was therefore undertaken to ascertain the priority strategy that needs to be implemented based on the criteria of sustainable tourism - economically viable, socially and culturally acceptable and environmentally friendly - through optimizing the use of local agricultural products to reduce tourism leakage in order to be able to support sustainable tourism in Bali.

LITERATURE REVIEW

Sustainable tourism approach in tourism development

Sustainable tourism includes three main aspects, namely: sustainability, education and local participation. The aspect of sustainability should cover four dimensions, namely economically viable, environmentally friendly, socially responsible and culturally acceptable. Economical viability refers to a level of economic gain from the activity sufficient either to cover the cost any special measures taken to cater for the tourist and to mitigate the effects of tourist's presence or to offer an income appropriate to the inconvenience caused to the local community visited-without violating any other conditions-or both. Environmentally friendly measures avoid or minimize the enviromental impact of tourist activities. Social responsibility is the ability of the community to absorb input, such as extra people, for short or long periods of time, and to continue functioning either without the creation of social disharmony as a result of these inputs or by adapting its functions and relationships, so that the disharmony created can be alleviated or mitigated. Cultural acceptability is the ability of people to retain or adapt elements of their culture which distinguish them from other people. Cultural impacts are easily seen over the long term and are therefore more difficult to measure, although the cultural subversion of many local communities are well documented (Moffat 1993 in Wiranatha, 2001).

In regards with tourism development, all of those dimensions should be coherent each other, to ensure quality, continuity and balance between the needs of tourism, protection of the environment and prosperity for the local community. The economic benefits of tourism should be beneficial not only for the companies concerned but also for the local communities as the host. The business entity

coordinates stakeholders' interests, instead of maximizing shareholder (owner) profit, in order to achieve quality, continuity and balance. Good qualityinvolves providing a quality experience for the visitor, while improving the quality of life of the host communities and protecting the environment. Continuity ensures the supply of the natural resources and the continuity of the culture of the host community with satisfying experiences for visitors. Sustainable tourism balances the needs of tourism industry, the natural environment and the local communities. Sustainable tourism emphasizes mutual goals and cooperation among visitors, host communities and destination, in contrast to more traditional approaches to tourism which emphasize their diverse and conflicting needs (UNWTO, 2010).

Challenges of local agricultural products in sustainable tourism

The tourism industry involves linkages between stakeholders within destinations. The expansion of local linkages represents the increase of usage of other sectors at the destination which stimulates the economy as a whole and creates synergy effects between different sectors of the economy. The concept of local linkages has been defined generally as the mechanisms through businesses built with residents in their local economy (Pattullo 1996). The linkage between tourism and the local agricultural sector benefits from each other's activities (Ashley *et al*. 2002). In many destinations, local linkages failed due to numerous challenges that confront the tourism industry, such aspoor infrastructure, product development and management, marketing, linkages within local economy, institutional and technical capabilities, and skilled personnel (Mitchell 2006). Hotel-generated importations in many resorts were due to the lack of ability of the local economy to meet, among others, the hotel demands (Driscoll 2005; Momsen 1973; Meyer 2007).

Demand for local foodstuffs can be influenced by characteristics of hotels, maturity of the tourism industry, types of tourists, promotion of local foods, food safety, training and nationality of chefs, seasonality of tourism, informal nature of smallholder suppliers (Torres and Skillicorn, 2004). Large size and high class hotels owned and/or managed by foreigners are less likely to source their food items locally; compared to the smaller and lower class hotels owned by locals (Belisle 1983). (Meyer 2010; McBain 2007). Similarly, mass tourism requires bulk supplies of foods which are more likely to be sourced through imports. Moreover, enclave tourism has the least contribution to local economy as compared to the rest of travel modes as most establishments offering the former kind of tours tend to import more (Anderson et al. 2009); Anderson 2010). Some tourists are conservative with the types of foods that they are familiar with (Pattullo 1996; Torres and Skillicorn 2004). In order to create linkages between tourism and local suppliers of local agricultural products, foods must be produced in a safe, sanitary and healthy environment that ensures high quality food product. This adds to the barriers that constrain the creation of linkages between the tourism industry's demand for foods and local agricultural production (Ashley et al. 2006; Pattullo 1996). On the other hand, in ecotourism, culture and community tourism, the tourists are more likely to use locally produced food stuffs as part of their experience (McBain 2007). Tourist's food consumption and preference do not necessarily represent a significant obstacle to promote linkages between the local agricultural sector and the tourism industry (Torres 2002). The more tourism industry matures with a high number of tourism arrivals, the more likely to import food. This viewpoint is more applicable in small islands that lack adequate land resources and capacity to feed both locals and visitors.

Tourism leakage tends to be highest when the local destination economy is weak and lack quantity and quality of inputs for the tourism industry (Hemmati and Koehler 2008; Meyer 2007; Torres 2003). A prevailing trend in many developing countries depends heavily on imports. Hence, optimizing the use of local agricultural products gives more benefits for local people (Bull 1991).

Although it is argued that the tourism industry is well positioned to create high direct, indirect and induced economic impact, several authors have reported that multiplier effects of tourism are

often considerably less than expected due to high investment costs and leads to a high dependency on foreign capital, skill, and management personnel, as well as import (Pavaskar 1987). Import content and the size of the tourism multipliers were inversely related, countries with high leakage rate tend to end up with small multipliers and relatively insignificant effects from tourist spending (Karagiannis 2004). First, small economies, in particular small island developing states, tend to rely strongly on imports, because they do not have the capacity to produce the goods and services that are required to meet the demands of the industry. Larger states, on the other hand, that do not often face these resource constraints can develop stronger inter-sector linkages between tourism and the rest of the domestic economy. Second, many developing countries do not have well-developed domestic industries and need to develop stronger inter-sector linkages within the economy.

Leaks out of the destination economy depend in large part on how the tourist receipts are re-spent within the economy (Lundberg *et al*., 1991). The more receipts re-spent within the local economy, so that the smaller the leakage and the higher the multiplier. Rapid tourism development in developing country is often accompanied by a drastic rise in leakage (Unluonen et al. 2011). This can be minimized through promotion of local ownership, encouraging greater joint ownership between local and international investors and strengthening inter-sector linkages as it would play a key strategic role in reducing economic leakage since increase in linkages could reduce import content by substituting foreign imports of goods and services with locally-produced supplies (Torres 2003).Prospects for strengthening linkages by reducing tourism leakages, will depend on the capacity to overcome a number of structural challenges namely low total factor productivity, high tariff dispersion and trade costs, weak investment locally, weak public institutions and inefficient governance structures (Hemmati and Koehler, 2008). This results in relatively higher production costs, and creates a disincentive to use locally produced goods and services in national tourism sectors. High tariff dispersion and trade costs affects the supply of goods and services. All of these factors have operated to limit growth or cause decline of agricultural, manufacturing and financial services sectors. At the same time, these factors have not encouraged the development of service sectors of great potential such as the creative industries, performing arts and crafts. On the assumption that such structural challenges can be addressed, the issues of leakages and linkages could be resolved by the development of a tourism-based full-service economy. Improved linkages can be realized through strategies for strengthening the current tourism value chain, as well as through the addition of new services, technologies, and public-private partnerships and investments (Pattullo 1996).

Expanding the competitiveness services sector beyond tourism is a way to draw in the strengths of tourism industry while creating more sustainable economic growth (Andriotis 2002). Promotion of agro-tourism linkages is one of the potential strategies. Tourism-specialized agriculture must be able to produce quality highly-valued commodities (Cai et al. 2006) as well as regional handicraft producers and artisans. An appropriate environment to promote private sector participation, through public sector investment in infrastructure and human resources and an effective and efficient regulatory policy framework is critical to achieve these benefits

Analytical Hierarchy Process (AHP)

AHP is a method to solve a complex situation which is not structured into several components in a hierarchical arrangement, by giving the subjective value of the relative importance of each variable, and specify which variable has the highest priority in order to affect the outcome of the situation (Saaty 2005). AHP aims to analyze all alternatives in an effective decision making process by selecting the best alternative which have been undertaken through structuring of problems, determination of alternatives and values, requirement of preferences with respect to time, and specifications for the risk. It seeks to have a functional hierarchy with the main input of human perception, thus complex and unstructured problems can be solved into groups and is constructed to form a hierarchy (Saaty 2005; Eriyatno 2012; Eriyatno and Larasati 2013). In this research, AHP is

undertaken to choose the priority of strategies to optimize the use of local agricultural products to minimize tourism leakage in order to support sustainable tourism in Bali. Expert choices are used to systematically analyze and as a consideration in evaluating a complex decision in order to organize estimation and intuition into a logic form.

Basic Principles of AHP

To make a decision in an organised way to generate priorities, Saaty (2008) suggests to decompose the decision into the following steps:

a. Define the problem and determine the kind of knowledge sought.
b. Structure the decision hierarchy from the top with the goal of the decision, then the objectives from a broad perspective, through the intermediate levels (criteria on which subsequent elements depend) to the lowest level (which usually is a set of the alternatives).
c. Construct a set of pairwise comparison matrices. Each element in an upper level is used to compare the elements in the level immediately below with respect to it.
d. Use the priorities obtained from the comparisons to weigh the priorities in the level immediately below. Do this for every element. Then for each element in the level below add its weighed values and obtain its overall or global priority. Continue this process of weighing and adding until the final priorities of the alternatives in the bottom most level are obtained (Saaty 2008).

METHODOLOGY

Respondents

A survey was undertaken in Bali Province from July to October 2014. Information used in this method was gained from respondents' opinion, as the main purpose of AHP is to have a functional hierarchy with the main input of human perception. Respondents in this research were experts who understood linkages between tourism and agriculture. There was no requirement regarding the number of experts involved in this model (Hendry 2013; Saaty 2005) as long as they have knowledge and in-depth understanding. Eight respondents were chosen as they were experts, namely: government official (1), tourism stakeholder (1), community leader (1), and academia (5). To limit bias as the expert size was too small, some efforts were undertaken, *ie*., (1) Respondents were chosen carefully for their good understanding of the topic of the research, (2) Comprehensive and structured questionnaires were designed carefully, (3) Respondents were assisted by giving clear explanation for every question to contol consistency of the answer and (4) in-depth interview was undertaken to get knowledge and experience of the experts.

Data analysis

AHP computer program was undertaken to choose the priority of strategy to optimize the use of local agricultural products in order to support sustainable tourism in Bali.

Structural Hierarchy

In AHP analysis, a structural hierarchy was constructed based on criteria and alternative strategies. The criteria was based on the concept of sustainable tourism (Table 1). Alternative strategies were developed based on the work of Wiranatha and Suryawardani (2014) (Table 2). The structural hierarchy is shown in Figure 1.

Table 1. Criteria of model of selection of priority strategy on the role of local agricultural products to support sustainable tourism in Bali

Criteria	Remarks
A	Community Based Tourism
B	Increase Provincial Income
C	Import Substitution
D	Foreign Tourist Interests
E	Availability (quantity, quality and continuity).
F	Socially and culturally acceptable
G	Environmentally friendly

Table 2. Alternative strategies for model of selection of priority strategy on the role of local agricultural products to support sustainable tourism in Bali

Alternative	Remarks
A	To optimize the potential of local products
B	To develop agriculture, livestock, fisheries and handicraft
C	To empower the community
D	To empower the community leaders
E	To empower the community organizations
F	To develop policy in reducing import and increase export of local products
G	To restrict new accommodation development in order to prevent agricultural land use change.
H	To facilitate public-private partnership investment

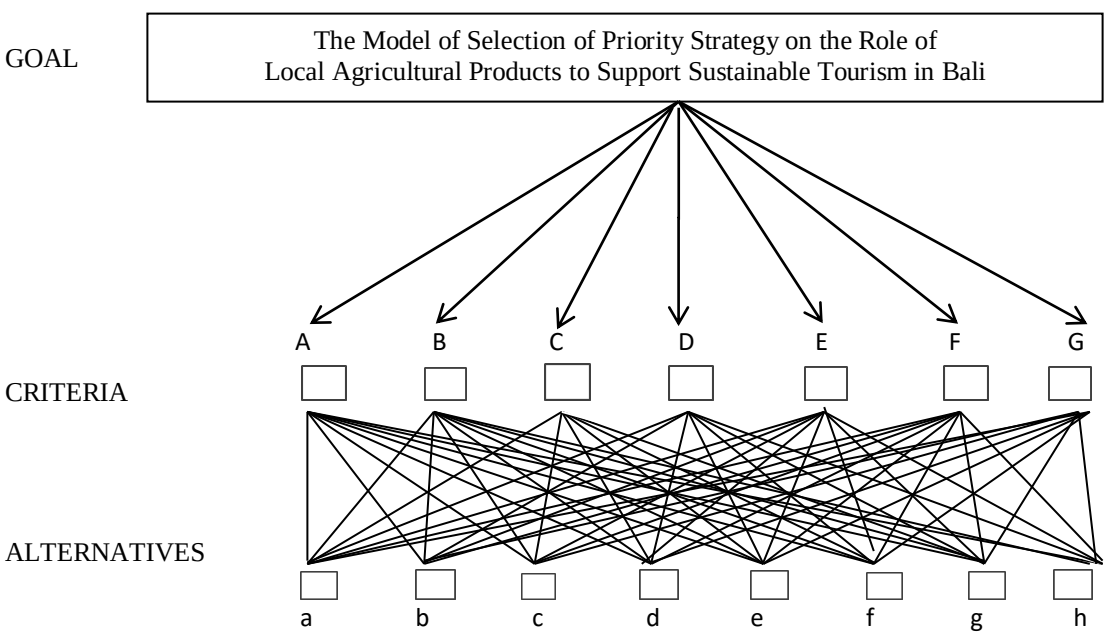

Fig. 1. Structural hierarchy model of priority strategy on the role of local agricultural products to support sustainable tourism in Bali.

Community (C) is the whole local people in destination, community leader (D) are the leaders who are in charge of managing destination and community organization, (E) are varieties of local organization. In Bali, there are a lot of traditional organizations which are in charge of

managing the tourism industry developed by the local Balinese community, such as the traditional water supply organization called "subak", as well as farmer groups, buyers groups, security groups, etc which are managed traditionally based on the collaboration group systems which is very famous in Bali.

Comparative Judgment

Comparative judgment was undertaken based on experts' judgment about the relative importance of two elements at a certain level in relation to element at the top level. This assessment is the core of AHP and it affects the order of priority of its elements. Assessment indicates the scale of interest which result in assessment in numeric scale. The seven criteria were compared based on the intensity of interest and were constructed to become a pairwise matrix which result in a priority scale when it was combined. Pairwise Matrix allows different criteria of the different alternatives to be considered. This makes a powerful technique to analyze each criteria and between single criteria for assessing alternatives. Priority determination in this research was assessed based on the intensity of the value (Saaty 2005). Preference scale of 1 to 9 was used in this research, where 1 indicates the lowest interest rate (equal importance) and scale 9 shows the highest level of importance, and ½, etc. indicate intensity of the value is reversed (Table 3).

Table 3. Intensity scale of importance of criteria and alternatives

Intensity of the Value	Remarks
1	Both of elements are equally important
3	One element is slightly important than the other element
5	One element is more important than the other element
7	One element is clearly more important than the other element
9	One element is absolutely more important than the other element
2,4,6,8	Values between the two values have considerations of adjacent
½, 1/3.etc.	Intensity of the value is reversed

Logical Consistency

The eigenvector is calculated, showing a list of the relative weights, importance or value of the factors which are relevant to the problem. The final stage is to calculate a Consistency Ratio (CR) to measure how consistent the judgments have been relative to large samples of purely random judgments. Acceptable level of inconsistency is under 10%. If the value of the consistency ratio (CR) is ≤ 0.1 (10%), the comparison of preferences is consistent and vice versa. If it is not consistent, then there are two options, namely: (i) repeat the comparison preference; or (ii) do auto correction process (Eriyatno and Larasati 2013).

RESULTS AND DISCUSSION

Important criteria of the role of local agricultural products

Based on the AHP, the results of the expert survey showed that "community based tourism" was the priority criteria which means that development of tourism should give economic benefits for Balinese community. The second criteria was "increase in provincial income of Bali Province" reflecting a need to increase economic benefits for the local community, thereby contributing to increased income (Fig. 2).

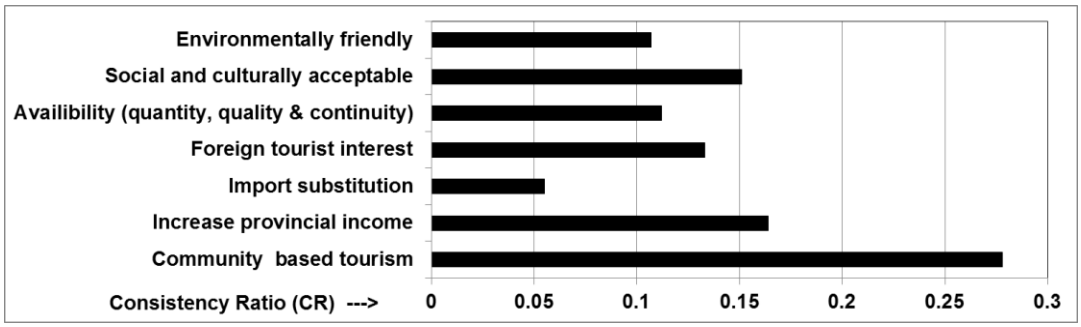

Fig. 2. Priority criteria of the role of local agricultural products to support sustainable tourism

Priority strategies for the role of local agricultural products to support sustainable tourism in Bali

Priority Strategy based on the Criteria Community Based Tourism

Priority strategy based on the criteria "Community Based Tourism" shows that the most important strategy was to empower the community, followed by to optimize the potential of local product and to develop agriculture, fisheries and handicraft. Inconsistency ratio was 0.04 (under 0.1), indicating that the comparison of preferences were consistent (Fig. 3).

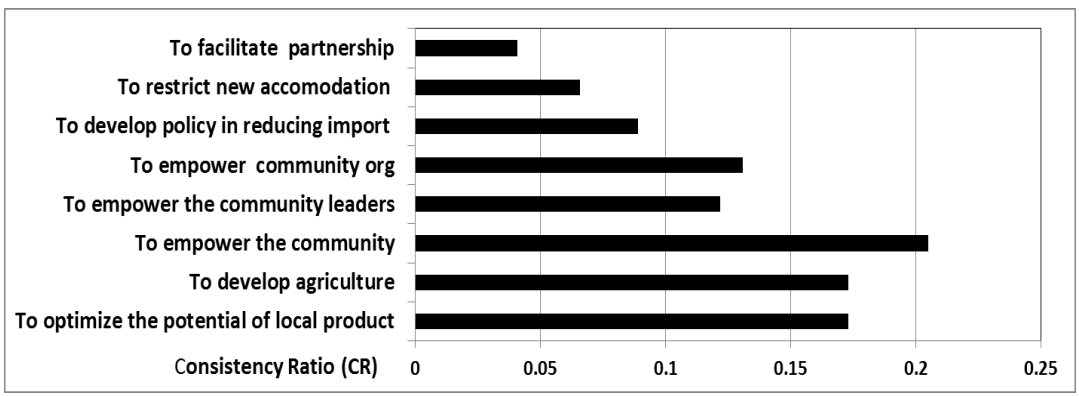

Fig. 3. Priority strategy based on the community based tourism criteria

Priority Strategy based on the Criteria Increase Provincial Income

The priority strategy based on the criteria "Increase Provincial Income" was to optimize the potential of local products, followed by to develop agriculture, livestock, fisheries and handicraft and to develop policy in reducing import and increase export of local product. Inconsistency ratio was 0.02 (under 0.1), indicating that the comparison of preferences were consistent (Fig. 4).

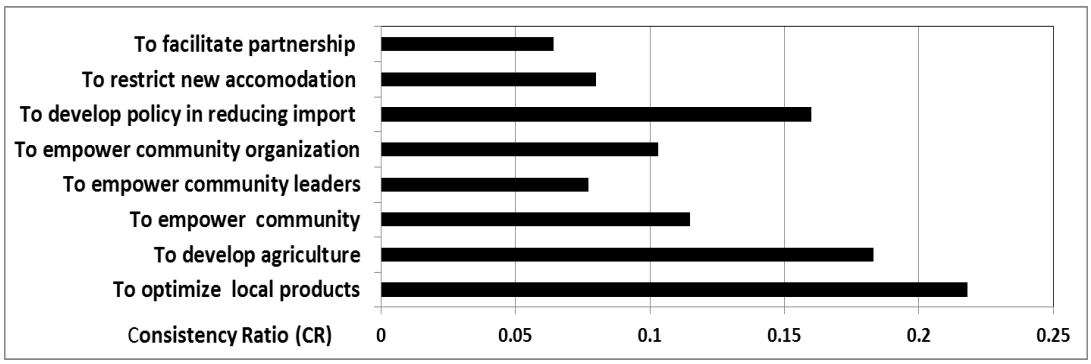

Fig. 4. Priority strategy based on the increase provincial income criteria

Priority Strategy based on the Criteria Import Substitution

The priority strategy based on the criteria of "Import Substitution" was to develop agriculture, livestock, fisheries and handicraft, followed by to develop policy in reducing import and increase export of local product and to optimize the potential of local product (Fig. 5).

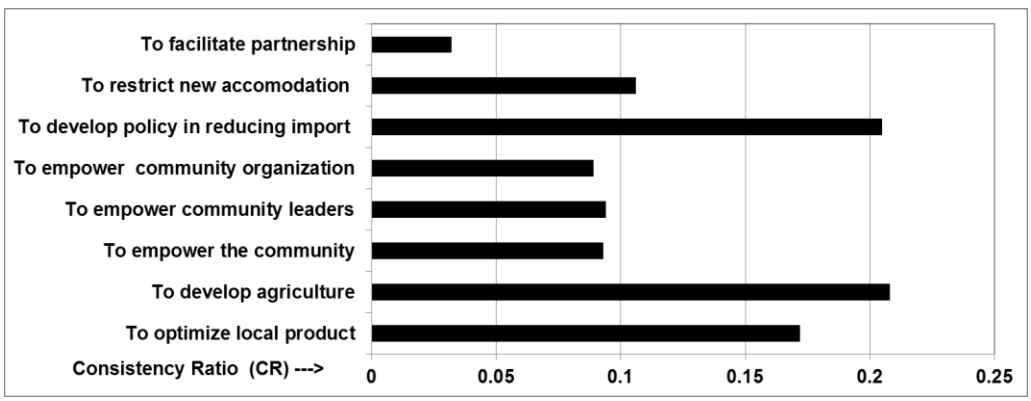

Fig. 5. Priority strategy based on the import substitution criteria

Priority Strategy based on the Criteria Foreign Tourist Interests

The priority strategy based on the criteria of "Foreign Tourist Interests" was to develop agriculture, livestock, fisheries and handicraft, followed by to optimize the potential of local product, and to empower the community organization (Fig. 6).

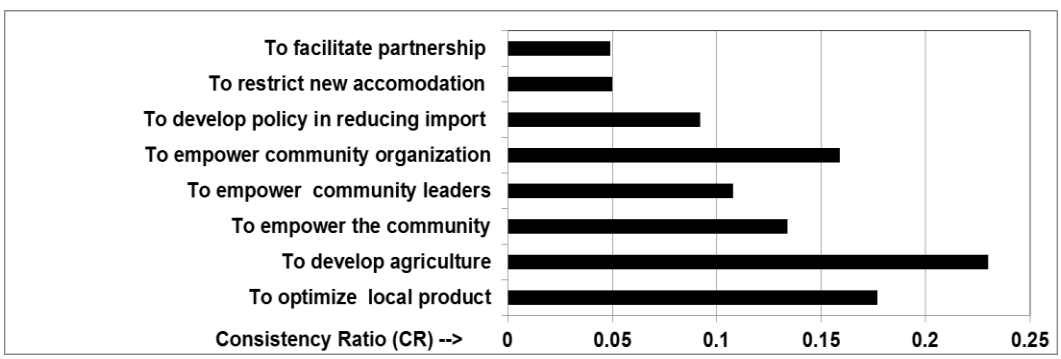

Fig. 6. Priority strategy based on the foreign tourist interest criteria

Priority Strategy based on the Criteria Availability (Quantity, Quality and Continuity)

The priority strategy based on the criteria of "Availability (Quantity, Quality and Continuity)" was to develop agriculture, livestock, fisheries and handicraft, followed by to optimize the potential of local product and to empower the community organization (Fig. 7).

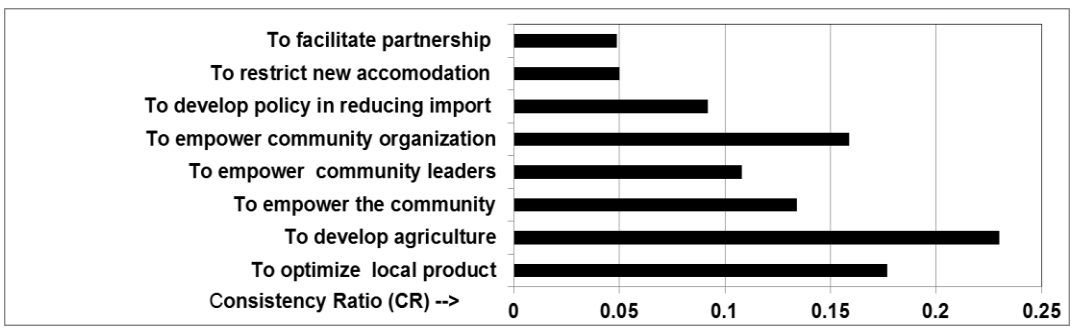

Fig. 7. Priority strategy based on the availability (quantity, quality and continuity) criteria

Priority Strategy based on the Criteria Socially and Culturally Acceptable

The priority strategy based on the criteria of "Socially and Culturally Acceptable was to empower the community leaders, followed by to empower the community and to empower the community organization (Fig. 8).

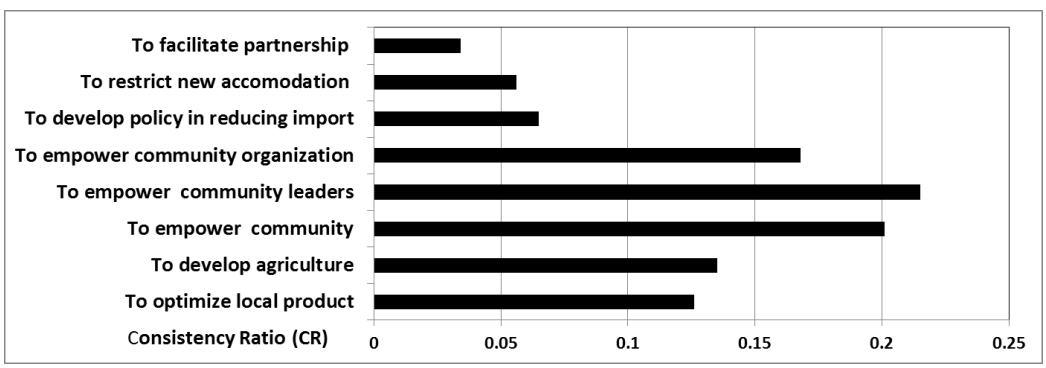

Fig. 8. Priority strategy based on the socially and culturally acceptable criteria.

Priority Strategy based on the Criteria Environmentally Friendly

The priority strategy based on the criteria of "Environmentally Friendly" shows that the most important strategy was to empower the community, followed by to restrict new accommodation development in order to prevent agricultural land use change and to develop agriculture, livestock, fisheries and handicraft. Inconsistency ratio was 0.03 (under 0.1), indicated that the comparison of preferences were consistent (Fig. 9).

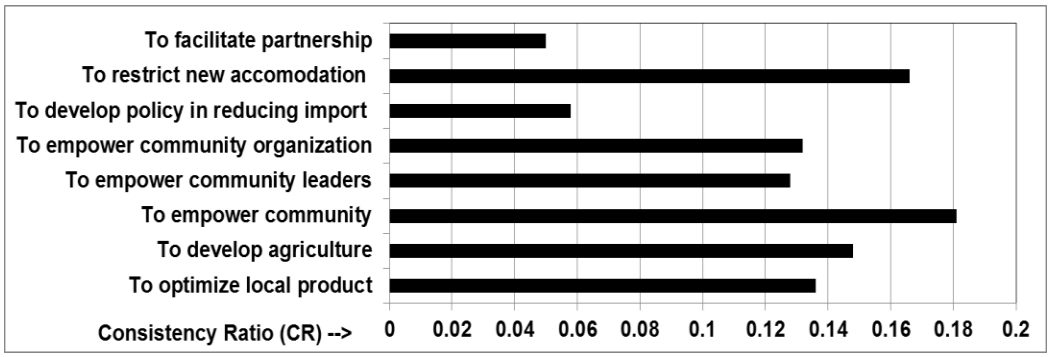

Fig. 9. Priority strategy based on the environmentally friendly criteria.

Priority Strategy based on Combined Criteria

The priority strategy based on combined criteria shows that the most important strategy was to develop agriculture, livestock, fisheries and handicraft, followed by to optimize the potential of local product and to empower the community (Fig. 10).

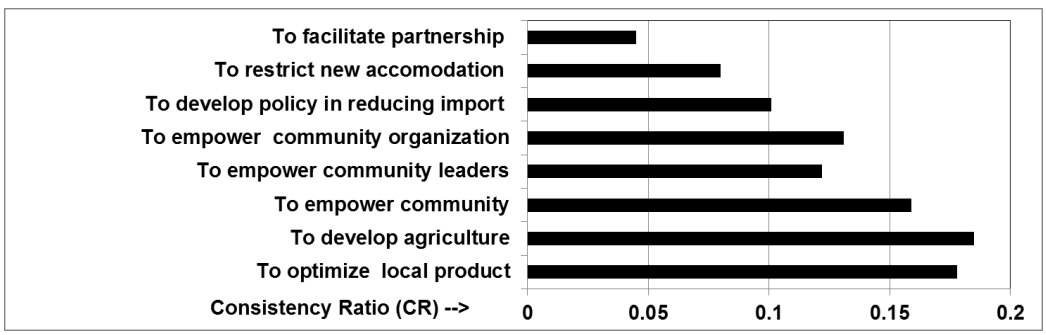

Fig. 10. Priority strategy based on combined criteria.

The criteria of logical consistency requirements in all of the priority strategies were consistent. These indicate that the comparison of preferences are consistent and that the selected experts as respondents was correct. As the main purpose of AHP is to have a functional hierarchy with the main input of human perception, the selected experts proved to have the ability in understanding the situation faced by the tourism industry in Bali, especially in terms of linkages between tourism and agriculture, as well as have comprehensive understanding in comparative judgment related to the role of local agricultural products to support sustainable tourism in Bali.

DISCUSSION

The model shows that the first important priority strategy is to develop agriculture, livestock, fisheries and handicraft. The second priority strategy is to optimize the potential of local product, and the third priority strategy is to empower the community. The priority strategy that is to develop agriculture, livestock, fisheries and handicraft appears mostly in all of the criteria developed in this research. These indicate that agriculture plays a crucial role in supporting development of tourism, thus links between agriculture and tourism are significant. The strategy to optimize the potential of local product also appears in all of the criteria developed in this research. These indicate that optimalization of the use of local agriculture products will increase linkage between agricultural and tourism sectors.

These findings are consistent with the study by Ashley *et al*. (2002) who found that linkage between tourism and the local agricultural sector will benefit both sectors. The tourism benefits will also be more useful if the tourism industry offers local produce to the visitors. Conversely, availability of local agricultural products, livestock and fisheries need market for the local agricultural produce. As agricultural products are perishable and bulky, this situastion needs efficient delivery. The tourism industry is the solution to accomodate abundant agricultural produce. However, in many destinations, local produce do not meet the requirements of the tourism industry, linkages between agriculture and tourism industry have failed due to numerous challenges faced by local agricultural industry such as quality, quantity and continuity of the local produce. The tourism industry in developing countries is hampered by poor product development and management, poor linkages within the local economy, poor infrastructure, poor institutional and technical capabilities, and skilled personnel (Momsen 1973; Mitchell 2006). These conditions indicate the inability of the local agricultural produce to meet hotel demands. The importation of agricultural products can not be avoided as hotels and restaurants require high quality products (Driscoll 2005).

The strategy to empower the community appears in nearly all of the criterias developed in this research. The development of agriculture in Bali has been critically discussed by stakeholders, including the local government of Bali, central government of Indonesia, tourism industry, agricultural industry, Balinese community as well as academics. However, the rapid development of the tourism sector can not be followed by development of agriculture in Bali. Efforts in agricultural and livestock developments have been made, as Bali has the potential to produce agricultural products to satisfy visitors' needs in terms of both quality and quantity. Development of agriculture must be without degradation of farmland fertility and environmental impacts, which may result from intensive horticulture and animal husbandry.

Among the identified strategies, the priority strategy that needs to be implemented, has not been undertaken so far. The sequence of priority strategies which need to be developed is (i) to develop agriculture, livestock, fisheries and handicraft industry, (ii) to optimize the potential of local and (iii) to empower the local community.

Limitation

By applying AHP in this research, various prioritizations have been produced as alternative strategies to minimize tourism leakage in order to support sustainable tourism in Bali. The selection process of chosen criterias can be quite difficult to understand. All criteria must be fully exposed and accounted for at the beginning of the selection process. In addition, choosing respondents as experts who undertand the situation in order to avoid inconsistent point of view, belief and knowledge is difficult. However, attention must be given to the Consistency Ratio (CR) which indicates the consistency of the experts' judgement.

CONCLUSION

The role of local agricultural products to support sustainable tourism in Bali is really important. The model shows that the most important strategy was to develop agriculture, livestock, fisheries and handicrafts, followed by optimization of the potential of local products, and lastly community empowerment. Strengthening inter-sector linkages reduces economic leakage of tourism, since increased linkages could reduce importation through substitution of foreign imports of goods and services with locally-produced supplies. All stakeholders play an important role to strengthen the quality, continuity and consistency of the local products. All stakeholders need to create good coordination and communication among hoteliers, local community, local Government of Bali and Central Government of Indonesia, in order to gain competitiveness of local agricultural products.

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