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## **Economic Development Through Halal Tourism**

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### **Abstract**

Tourism is a potential sector in the world. The increasing number of tourist destinations and investments has encouraged this sector to become a major factor in foreign exchange earnings, employment, and business and infrastructure development. At present, halal tourism (halal tourism) is becoming a world trend. This is in line with the increase in the number of Muslim tourists from year to year. This article will review the concept of halal tourism, potential, and halal tourism as an alternative to economic development.

*Keywords: halal tourism, potential, economic development.*

### **Introduction**

Tourism is a potential sector in the world. The increasing number of tourist destinations and investments has encouraged this sector to become a major factor in foreign exchange earnings, employment, and business and infrastructure development. In addition, tourism is also one of the sectors with the largest and fastest growth compared to other sectors.

Sharia tourism is currently becoming a world trend, tourists are certainly interested in new concepts. The term sharia which is usually synonymous with financial institutions is slowly starting to spread to lifestyle, one of which is the tourism sector. This momentum attracts the attention of tourism actors involved in it, including local governments that continue to improve to develop sharia tourism products so that tourists are interested in visiting the preparation of facilities and infrastructure in accordance with sharia regulations.

At present, Indonesia has been included in the category of the 5 Best Halal Travel Destinations, with the country's foreign exchange income reaching USD 13 billion, which contributes to the GDP of USD

57.9 billion<sup>1</sup>. In this case, there has been an increase in Middle Eastern tourist arrivals, by 32 percent in 2016. In 2020, the tourism sector is projected to be the biggest contributor to the country's foreign exchange earnings.

This article will explain the concept of halal tourism which is becoming a global trend and potential for halal tourism in Indonesia. what is the strategy of developing halal tourism by the Indonesian government and the relationship of halal tourism as an alternative to economic development.

### **Methodology**

This study uses qualitative methods with descriptive nature by gathering information from various sources both print and electronic media about what explains the concept of halal tourism in Indonesia, potential and tourism as instruments of economic development.

### **Halal Tourism Concept**

The Global Muslim Travel Index as an institution that focuses on developing halal tourism in the world explains that halal tourism is tourism that is run in accordance with Islamic principles with the aim of providing friendly facilities and services for Muslim tourists<sup>2</sup>.

The Islamic Conference Organization (OIC) provides a definition of halal tourism, the terminology used by OIC is Islamic Tourism, namely Islam and tourism based on Al-Qur'an 29:20 which encourages people to travel on earth to take lessons from Allah's creation and take mercy - His. Islamic Tourism is defined as a tourist trip aimed at providing tourist services and facilities for Muslim tourists in accordance with Islamic rules. The terms used in addition to Islamic Tourism, namely Halal Tourism, Syariah Tourism, Muslim-Friendly Tourism<sup>3</sup>.

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<sup>1</sup> World Tourism Organization (UNWTO), *UNWTO Tourism Highlights, 2016 Edition* (World Tourism Organization (UNWTO), 2016).

<sup>2</sup> Alwafi Ridho Subarkah, "Potensi dan Prospek Wisata Halal Dalam Meningkatkan Ekonomi Daerah (Studi Kasus: Nusa Tenggara Barat)," *Jurnal Sospol* 4, no. 2 (2018): 24.

<sup>3</sup> Ibid.

The concept of sharia tourism can also be interpreted as a tourism activity based on worship and da'wah when Muslim tourists can travel and worship the creation of Allah SWT (reflect on nature) while carrying out obligatory prayers five times in one day and all this is facilitated well and away from everything prohibited by him<sup>4</sup>.

Halal tourism arises from the needs of Muslim tourists in accordance with Islamic teachings in accordance with the Koran and Hadith. Thus, the concept of halal tourism is the actualization of the Islamic concept of halal and haram values to be the main benchmark. This means that all aspects of tourism activities cannot be separated from halal certification which must be a reference for every tourism actor<sup>5</sup>.

In its history, tourism in the Islamic tradition began with the emergence of Islam itself as a universal religion, that is when it was introduced to the concept of ziyarah which means visiting literally. As a result, the ziyarah culture was born with various forms of Islamic social institutions guided by ethics and law. Furthermore, the concept of dhiyah was born, namely visitation visits where ethics and manners regulate social relations between guests (dhaif) and host (mudhif). The concept of ziyarah has undergone various forms of development<sup>6</sup>.

DSN-MUI Fatwa Number 08/DSN-MUI/X/2016, as a guideline for implementing tourism based on sharia principles in Indonesia, explains that Islamic or halal tourism must be based on two general principles that have been established, namely: a) avoid polytheism, immorality, obedience, tadzir / israf, and breaking God's command; b) creating benefits and benefits both materially and spiritually<sup>7</sup>.

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<sup>4</sup> Kurniawan Gilang Widagdyo, "Analisis Pasar Pariwisata Halal Indonesia," *The Journal of Tauhidinomics* 1, no. 1 (2015): 8.

<sup>5</sup> Eka Dewi Satriana and Hayuun Durrotul Faridah, "Wisata Halal: Perkembangan, Peluang, Dan Tantangan," *Journal of Halal Product and Research* 1, no. 2 (December 26, 2018): 32.

<sup>6</sup> Fahadil Amin Al Hasan, "Penyelenggaraan Parawisata Halal di Indonesia (Analisis Fatwa DSN-MUI tentang Pedoman Penyelenggaraan Pariwisata Berdasarkan Prinsip Syariah)," *Al-Ahkam* 2 (2017): 20.

<sup>7</sup> "Fatwa DSN MUI No: 108/DSN-MUI/X/2016 Tentang Pedoman Penyelenggaraan Pariwisata Berdasarkan Prinsip Syariah," *Dewan Syariah Nasional MUI* (n.d.).

These principles are references in implementing halal tourism that must be maintained so that all related activities are worthy of worship. These two principles do not only apply to tourism activities, but all activities are carried out by a Muslim.

### **Halal Tourism Potential in Indonesia**

The Muslim population is expected to increase from year to year. This increase is higher than other religious populations (Pew Research Center, 2017). It is estimated that the Muslim population between 2015 and 2060 increased by 70 percent, while the world population increased by 32 percent or the total world population in 2060 by 9.6 billion people. It also shows that Muslim tourists will continue to increase. By 2020, Muslim tourists are expected to increase by 30 percent and increase spending by up to 200 billion USD<sup>8</sup>.

Based on the results of research conducted by the Pew Research Center, a research institution involved in demographic research, analysis of media content, and social science research, in 2015 Indonesia was ranked first in the largest Muslim religion with a total of 219,960,000 people, or about 87.1% of Indonesia's total population, and in 2060 the Muslim population in Indonesia is estimated to reach 253,450,000 or about 86.1% of Indonesia's total population.

Not only as a country with a majority Muslim population, but Indonesia is also thumbs up by the world because it is able to carry out democracy and dialogue between religious communities well. Indonesia is one of the countries that have the power of the tourism sector, but data from the Ministry of Tourism states that in 2017 foreign exchange from the tourism sector reached IDR 200 trillion. The contribution to GDP has only reached 5 percent. One of the efforts of the Ministry of Tourism is to increase the number of domestic and foreign tourists through 10 Indonesian tourist destinations in 2018. The ten tourist attractions are<sup>9</sup>:

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<sup>8</sup> Satriana and Faridah, "HALAL TOURISM."

<sup>9</sup> "Masterplan Ekonomi Syariah Indonesia 2019-2024 Hasil Kajian Analisis Ekonomi Syariah Di Indonesia" (Kementerian Perencanaan Pembangunan Nasional/Badan Perencanaan Pembangunan Nasional, Cetakan Pertama 2018).

1. Toba Lake, North Sumatra
2. Tanjung Kelayang Beach, Bangka Belitung
3. Tanjung Lesung Beach, Banten
4. Seribu Island, DKI Jakarta
5. Borobudur Temple Tourism Park, Central Java
6. Bromo Tengger National Park, East Java
7. Mandalika Special Economic Zone, Lombok, NTB
8. Labuhan Bajo, NTT
9. Morotai Island, Halmahera, North Sumatra
10. Wakatobi National Park, Southeast Sulawesi

In addition to leading tourism programs, Indonesia actually has great potential, namely halal-based tourism.

### **Indonesian Halal Tourism Development Strategy**

The Indonesian government in the 2019-2024 sharia economic master plan has established several halal tourism development strategies, namely<sup>10</sup>:

- a. Prepare integrated halal tour packages in each of the leading regions.

Each region has its own advantages in attracting tourists, including aspects of natural and cultural wealth. The cultural character and habits of the people become important aspects that are quite calculated in attracting tourists. To optimize tourism branding that can target market share widely, it is necessary to build halal tour packages with the integration of nature, culture and shopping centers supported by good infrastructure in the leading tourist destinations for halal tourism.

- b. Bring halal tourism through social media and exhibitions

In the current era of industrial revolution 4.0, social media can be an effective and fast means to strengthen halal tourism branding. Therefore, special work units at the central and regional levels are

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<sup>10</sup> Ibid.

needed to promote halal tourism through social media to gain a level of awareness that competes with other tourist destinations.

- c. Formulate and ratify the law on halal tourism.

The implementation of halal tourism will receive greater attention if it has received a mandate from the central government. But the condition is not so. There is no highest legal parent that regulates the implementation of halal tourism in Indonesia, even though in some regions there are local regulations related to halal tourism.

A new breakthrough is needed in the process of formulating and ratifying halal tourism laws to realize Indonesia's ideals of being the best center for halal tourism in the world.

### **Tourism as an Alternative to Economic Development**

Tourism is a potential sector in the world. The increasing number of tourism destinations and investments has driven this sector to become a major factor in foreign exchange earnings, employment, and business and infrastructure development. In addition, tourism is also one of the sectors with the largest and fastest growth compared to other sectors<sup>11</sup>. The World Travel & Tourism Council report 2018 states that the tourism sector has a positive contribution to the global economy.

Tourism and the economy have a strong relationship because the development of tourism in an area is very possible for economic development in the area. The relationship between the two is complementary, the economy will grow if it is sustained by the development of increasingly advanced tourism, especially for businesses around tourist destinations, both small, medium and large businesses. According to Cooper (2005) the economic model of tourism has three related elements, namely: 1) consumers, in this case, are tourists; 2) circulating currency as an element in economic transactions; 3) the existence of goods and services from the economic sector.

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<sup>11</sup> World Tourism Organization (UNWTO), ed., *UNWTO Tourism Highlights, 2014 Edition* (World Tourism Organization (UNWTO), 2014).

The results of research conducted by LPEM FEB UI show sectors that have an important role in Indonesian finance that is understood by multipliers of effects (multiple effects) in Indonesia. The multiplier effect generates all tourist expenditure, allocates investment, issues government expenditures resulting in additional output, added value, income, and increases labor force in Indonesia<sup>12</sup>.

The interesting hypothesis proposed by Muhammad Afdi Nizar about the relationship between tourism and economics is causality, namely: a) economic growth supported by tourism, economic growth The interesting hypothesis proposed by Muhammad Afdi Nizar about the relationship between tourism and economics is causality, namely: a) economic growth is supported by tourism, so economic growth is influenced by tourism development (the hypothesis of tourism-led economic growth); b) tourism is supported by the economy, so tourism development is influenced by economic growth (the tourism hypothesis is driven by the economy); c) both (economy and tourism) have mutual benefits and are reciprocal causal hypotheses. Then, Nizar argues that there are two things that build a relationship between tourism and the economy, namely: 1) tourism has an impact on the economy because it can create employment, affect income, balance of payments, foreign exchange income from several things, such as tourist expenditure, tourism development, imports and export of goods and others; 2) tourism can be a stimulus effect for certain products and can form a community that is expected to move the regional economy in a positive direction by creating new jobs and increasing income for the region<sup>13</sup>.

From the results of research conducted by Fitriatun Ramadhany and Ahmad Ajib Ridlwan about the implications of Islamic tourism on increasing income and welfare of the community it can be concluded that the implications of the existence of sharia tourism have implications for both the increase in people's income and the above average income and

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<sup>12</sup> "Laporan Akhir Kajian Awal Dampak Sektor Pariwisata Terhadap Perekonomian Indonesia" (Lembaga Penyelidikan Ekonomi dan Masyarakat - Fakultas Ekonomi dan Bisnis Universitas Indonesia (LPEM-FEBUI), 2018).

<sup>13</sup> Muhammad Afdi Nizar, "Pengaruh Pariwisata Terhadap Pertumbuhan Ekonomi Di Indonesia," *Jurnal Kepariwisata Indonesia* 6, no. 2 (2011): 195–211.



expenditure. said the community has prospered because the community is able to fulfill their needs.

### **Conclusion**

Halal tourism has great potential and can be used as an alternative to economic development, at present, Indonesia has several leading tourist destinations that can continue to be developed, but need to be reminded that halal tourism is not only for Muslim tourists, non-Muslims can also enjoy products, facilities halal tourism, and services.

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