

CAN A NEW ORGANIZATION MITIGATE CONFLICTS AMONG MULTIPLE INSTITUTIONS MANAGING A WORLD HERITAGE SITE?

CASE OF BOROBUDUR TOURISM AUTHORITY BOARD

Nurul Hasmy Mallalahi^{1*}, Kyohei Yamada²

¹Directorate of Special Interest Tourism
Ministry of Tourism and Creative Economy
Sapta Pesona Building, Medan Merdeka Barat Street No.17-19, Gambir, Central Jakarta,
Special Capital Region of Jakarta 10110
Indonesia
nurul.hasmy@gmail.com

²Graduate School of International Relations
International University of Japan
Kokusaicho, Minamiuonuma, Niigata 949-7277
Japan

Received: 18 July 2022. Approved: 10 September 2022. Published: 28 November 2022

Abstract

This paper examines whether and to what extent a newly established public organization can facilitate coordination among existing organizations in a world heritage site by focusing on the Borobudur Tourism Authority Board (BOB). It was established in 2017 by the Indonesian government to reduce conflicts among the multiple organizations managing Borobudur World Heritage Site and to provide one-stop services in the area. The paper investigates how effective this newly created organization has been in achieving these goals by utilizing in-depth interviews of public officials and a survey of tourism service providers in the Borobudur area. Major findings include: (1) business conditions as perceived by service providers somewhat improved after the establishment of BOB; (2) however, existing authorities managing the Borobudur area bypass BOB as a coordinator; and (3) a result, conflicts among organizations involved in the Borobudur area remain.

Keywords: *Borobudur, coordination, organizational conflict, World Heritage Site*

INTRODUCTION

Is a newly established organization able to coordinate between multiple stakeholders managing a World Heritage Site as intended, mitigate the coordination problem among stakeholders, and improve the overall performance of the tourism sector in the area? This paper seeks to answer these questions by focusing on the Borobudur Tourism Authority Board (BOB), established in 2017 to coordinate three institutions managing the Borobudur World Heritage Site (Borobudur WHS hereafter). In 1991, the largest Buddhist temple, Borobudur Temple, built in the 8th, was the World Heritage Site (WHS) (UNESCO, 2012), including Pawon Temple and Mendut Temple (The area refers to Borobudur Temple Compounds).

Borobudur temple is in Magelang Regency, Central Java Province, Indonesia. In 1992, by Presidential Decree No.1, the government of Indonesia assigned three different institutions to manage the Borobudur WHS: (1) Borobudur Heritage Conservation Institute (BHCI) in Zone 1 (a radius of 100–300 meters from the temple), (2) a state-owned company called “PT. Taman Wisata Candi Borobudur, Prambanan dan Ratu Boko” (PT. TWC) in Zone 2 (with a radius of up to 2.5 kilometers), and the Local Government of Magelang District in Zone 3 (beyond 2.5 kilometers from the temple). Figure 1 shows the locations of the temples and zoning.

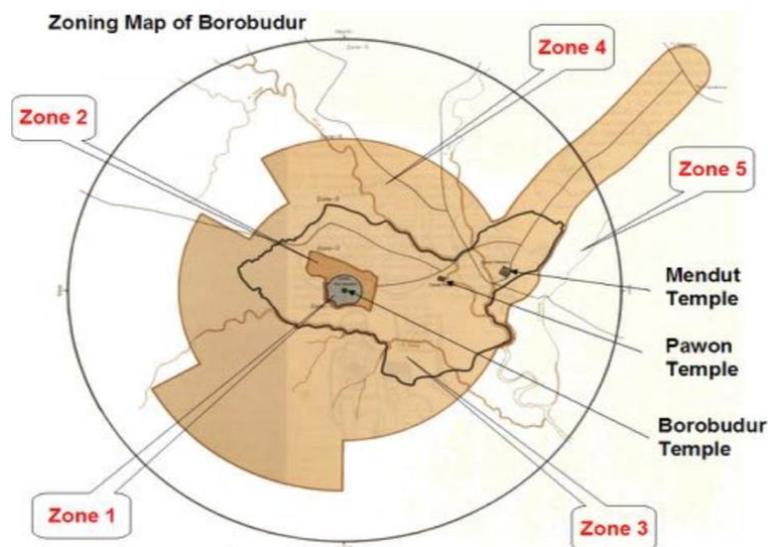


Figure 1. Zoning Map of Borobudur Compound
Source: JICA Study Team, 1979

Since then, two state-owned companies and a district government have managed the Borobudur area, each having its authority and responsibilities. Anecdotal evidence suggests the lack of coordination between these three entities. Prior research also points out conflict among the three institutions over resources (e.g., which institution should be entitled to collect entry fees for the temple) and inefficient and unintegrated management of the Borobudur WHS (Horwath, 2017; Kausar, 2010; Susilo & Suroso, 2014).

To resolve the lack of coordination among institutions managing Borobudur WHS, in 2017 the Indonesian government established the Borobudur Tourism Authority Board (BOB). BOB's primary duty is to overcome conflicts between three institutions managing the Borobudur WHS. The government sought to simplify the bureaucratic procedures with the introduction of one-stop services and use the BOB as a benchmark for other tourism sites in Indonesia that face similar problems (i.e., lack of coordination and conflicts among multiple institutions managing the site).

However, since the establishment of the BOB, there has been no scholarly work evaluating whether and to what extent the BOB has successfully mitigated and resolved conflicts among the institutions and improved the overall performance of the tourism sector in Borobudur WHS. To our knowledge, our paper is the first study to evaluate the consequences of establishing the BOB. Using information from (1) interviews of managers of the three existing organizations as well as the BOB and (2) a survey of tourism service providers, we assess whether the BOB has been able to function as intended.

Management in Borobudur

Built in the Syailendra Dynasty in the 8th Century, the Borobudur temple has been traditionally considered by the local people as the "Mountain of the Bodhisattva's 10 Developmental Phases." The name "Borobudur" itself is derived from the Sanskrit "vihara" (pronounced in Javanese as "biara" or "boro"), which means "sanctuary", and "bidur" or "budur", which means "located on the hill" (Kwee, 2013). Internationally, Borobudur is known as the largest Buddhist temple with 15.129 m² in size located in Borobudur Village, Magelang Regency, Central Java. The temple is covered with thousands of relief panels, balustrades, and hundreds of Buddhist statues and, as reported in Table 1, attracts as many as 4.000.000–6.000.000 visitors annually.

Table 1. The Number of Visitors to the Borobudur Area

No	Year	International Tourists	Domestic Tourists	Total
1.	2014	301.909	3.606.021	3.907.930
2.	2015	253.258	3.902.502	4.155.760
3.	2016	302.979	4.223.671	4.526.650
4.	2017	337.515	5.064.569	5.402.084
5.	2018	258.673	5.977.422	6.336.095

Source: The Local Government of Magelang District, 2019

Borobudur was initially a Buddhist temple used for pilgrimage and performing Buddhist prayers, especially on Vesak day. In short, the temple itself was considered an offering to the Holy Being in the Buddhist tradition, the Buddha. In 1991, Borobudur temple compounds, including Pawon Temple and Mendut Temple, were designated as a World Heritage Site (UNESCO, 2012).

In 1992, the government assigned three different institutions to manage Borobudur: Borobudur Heritage Conservation Institute (BHCI), PT. Taman Wisata Candi Borobudur, Prambanan dan Ratu Boko (PT. TWC), and the Local Government of Magelang District (Presidential Decree Number 1/1992 concerning Tourism Park Management of Borobudur and Prambanan Temple and Its Environment Control, 1992).

The Borobudur Heritage Conservation Institute (BHCI) is under the Ministry of Education and Culture and has the authority over Zone 1: World Heritage Property Boundary with a radius of 100–300 meters from the temple. BHCI was founded in 1991 to preserve the Borobudur Temple itself. It carries out the temple's ongoing preservation, observes the temple's conditions, and manages research as needed (Ekarini, 2017; Horwath, 2017; Kausar, 2010; Ministry of Culture and Tourism Republic Indonesia, 2010). Since 2012, BHCI has been serving as a center of conservation and restoration of cultural heritage throughout Indonesia. According to the Regulation of the Minister of Education and Culture No. 29/2015, BHCI's purview has expanded to the conservation and preservation of the Borobudur Heritage Areas, which include Borobudur Temple, Mendut Temple, and Pawon Temple (Ekarini, 2017; Horwath, 2017; Kausar, 2010; Ministry of Culture and Tourism Republic Indonesia, 2010).

PT. Taman Wisata Candi Borobudur, Prambanan dan Ratu Boko (PT. TWC) is a state-owned company established in 1980 and entrusted to promote tourism in Borobudur, Prambanan, and Ratu Boko Temples, including their surroundings and other cultural heritage sites (Ekarini, 2017; Horwath, 2017; Kausar, 2010). This state-owned company is responsible to the Ministry of State-Owned Enterprises and provides financial reports to the Ministry of Finance. According to the Presidential Decree in 1992, PT. TWC is in charge of the World Heritage Buffer Zone Boundary of the Borobudur Temple Compound (up to 2,5 km). This area consists of museums, vendor stalls, eateries, cultural performance areas, and parking areas.

Importantly, PT. TWC has the right to collect revenues from entrance fees. Initially, based on the joint decree of the Minister of Education and Culture and the Minister of the Home Affairs in 1979, the Conservation fund obtained from the admission tickets had to be shared with the State Treasury (the Central Government; 30%) and Regional Funds (Regional Government, 40%). However, since the Presidential Decree No. 1 of 1992, the revenue from admission tickets is entirely managed by PT. TWC has the privilege to set the entry fees and receives all the revenues (Ministry of Culture and Tourism Republic Indonesia, 2010).

The Local Government of Magelang District. Based on zoning by Presidential Decree No. 1 of 1992, the supporting zone of Borobudur, which is more than 2,5 km away from the site, is managed by the Local Government of Magelang District, especially its Department of Tourism, Youth, and Sports. The two other temples under Borobudur Temple Compounds, namely Pawon Temple and Mendut Temple, are also situated in this area. The Local Government of Magelang District is under the Ministry of Home Affairs and is in charge of all matters related to tourism and economic development, including administering and regulating restaurants, guest houses, shops, residential areas, and farming areas.

Table 2 shows the management and business mapping in Borobudur WHS according to the regulations established in the area from time to time.

Table 2. Management and Business Mapping in Borobudur Area

Zone	Distance from the Temple and Areas	JICA, 1979	The Presidential Regulation No. 1/1992	The Presidential Regulation No. 58/2004	Management
1	200 m (44,8 ha)	Sanctuary Zone	Temple Preservation	Sub Preservation I	BHCI under the Ministry of Education and Culture
2	500 m (42,3 ha)	Archaeological Park Zone	Recreation Park, Museums		PT. TWC under the Ministry of State Own Enterprises
3	2 km (932 ha)	Land-use Regulated Zone (Parking Area, Candi Pawon and Candi Mendut, Eateries and Shops)	Agriculture, Residential Area, and Local Economy (including homestays)		Local Government
4	5 km (2.600 ha)	Historical Scenery Preservation Zone (Local Houses, Hotels, and Business Areas)	Not mentioned	Sub Preservation II	Local Government
5	10 km (7.850 ha)	National Archaeological Park Zone (Local Houses Business areas)	Not mentioned	Not mentioned	Local Government

Source: Ministry of Culture and Tourism Republic of Indonesia, 2010

Both the UNESCO World Heritage Committee and the Government of Indonesia have expressed concerns about the lack of coordination across the three existing institutions in Borobudur. Studies in some developed and developing countries have also shown that a single organization typically manages World Heritage sites, and those which have multiple organizations often result in conflicts, inefficiencies, and unintegrated management (Du Cros et al., 2005; Dormaels, 2016; Garrod & Fyall, 2000; Kausar, 2009; Kausar et al., 2011; Susilo & Suroso, 2014; Wilson & Boyle, 2006).

A study by World Bank finds that PT. TWC is more business-oriented, while the local government's main interest is to extract revenues from the tourism sector (Horwath, 2017). On the other hand, BHCI is a conservation agency and is more concerned with the possible adverse consequences of having many visitors for the temple's conservation. There is a lack of common visions and transparent coordination mechanisms between these organizations to preserve and promote Borobudur. As Ho and Mc Kercher (2004) and D'Mello et al (2016) argue, when multiple organizations with different interests manage the same destination area, they perform separate duties without communication and coordination. Therefore, conflicts between organizations often exist in the tourism development process, and as a result, services delivered to tourists could be negatively affected.

The Indonesian government established a new organization called Borobudur Tourism Authority Board (BOB) in 2017 to smoothen coordination among the three existing institutions to address this issue. Through the establishment of the BOB, the government expects to mitigate conflicts between existing organizations managing

Borobudur. Figure 2 illustrates the relationship between the BOB and other organizations and ministries.

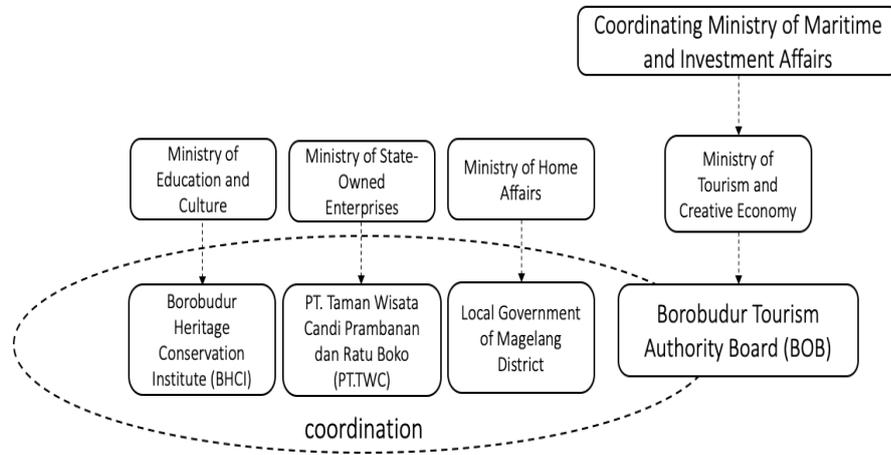


Figure 2. The Relationship between BOB and other Organizations and Ministries
Source: Author's Illustration, 2022

BOB is expected to overcome the institutional conflict between official managements in Borobudur, lessen complicated bureaucracy with a one-stop service, and improve tourism performance in Borobudur. However, all of the three official managements are under different authorities (as shown in figure 2). Also, according to Presidential Regulation No. 46/2017, the BOB's authoritative area includes the National Tourism Destination of Borobudur (Yogyakarta and surrounding areas), National Tourism Destination of Solo (Sangiran and surrounding areas), and National Tourism Destination of Semarang (Karimun Jawa and its surroundings).

Besides its primary function as a coordinating organization, BOB also has an authoritative role – BOB is granted authority over at least 300 hectares of production forest in Purworejo Regency, Central Java Province. This forest area is located between Sedayu Village of Loanon District, and Benowo Village of Bener District and is managed by a state-owned company called the State-Forest Enterprises. BOB works together with State-Forest Enterprises to develop the forest into a “Culture and Adventure Eco Resort” (Borobudur Tourism Authority Board, 2017). This partnership develops camp areas, communal areas around Klesem waterfalls, tourist information centers, garbage management facilities, and drainage channels (Borobudur Tourism Authority Board, 2017).

Previous studies on Borobudur WHS have shown a lack of a common vision and clear coordination mechanism between the three conservation and promotion organizations managing the Borobudur area (BHCI, PT. TWC, and the Local Government of Magelang District). Kausar (2009) proposes that a single authority or collective management with one leader might enable management to be more successful. Kausar et al. (2011) find that Borobudur and Angkor Watt (Cambodia) have the same problems of the unbalanced distribution of tourism outcomes for the local community, inadequate engagement between tourism and the rural economy, and the lack of positive impacts of the tourism sector on

residents welfare. Their suggestion for Borobudur is to have a single authority to manage the recreation park and other buffer zones that will improve coordination and collaboration between the organizations managing the area. Furthermore, the most recently published article about Borobudur by Susilo and Suroso (2014) examines the management model of the Borobudur to eliminate conflict regarding Borobudur distribution revenue between the three institutions. They find that the management of Borobudur WHS lacks coordination and points out the need for single management.

BOB is indeed expected to serve as a network leader to coordinate between three different organizations to manage Borobudur WHS. A network is defined as a collaborative relationship between three or more organizational groups to achieve common goals, such as providing services, addressing problems, and sending information (Kenis & Provan, 2009; Provan & Lemaire, 2012; Saz-Carranza & Ospina, 2011). A tourism network is defined by Ramayah et al. (2011) as “a set of formal, co-operative relationships between appropriate organizational types and configurations, stimulating inter-organizational learning and knowledge exchange and a sense of community and the collective common purpose that may result in qualitative and/or quantitative benefits of business activity, and/or community nature relative to building profitable and sustainable tourism destinations” (p. 413-414). Given the prior research emphasizing the lack of coordination, we expect the establishment of the BOB as a network leader to improve the coordination of the organizations in the Borobudur area as well as the overall performance of the tourism sector there.

METHODOLOGY

Information for this research comes from interviews and surveys conducted between November 2019 and February 2020. The selection of respondents is based on the network in Borobudur WHS, as shown in figure 3 below.

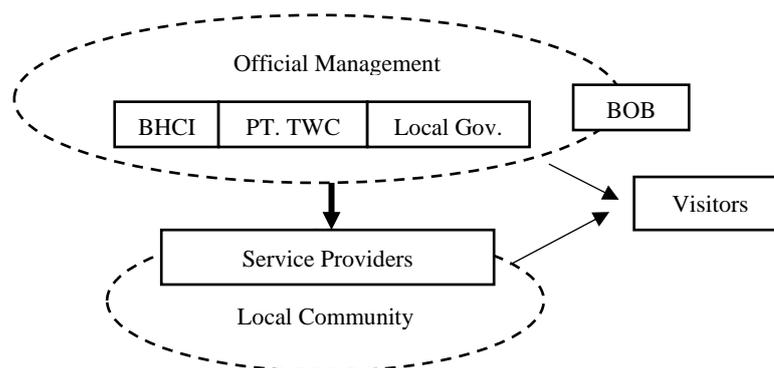


Figure 3. Network Exists in Borobudur WHS
Source: Author’s Illustration, 2022

Face-to-face interviews of managers of the four organizations (BHCI, PT. TWC, The Local Government of Magelang District, and BOB) were conducted in November and December 2019. The first author of this paper conducted interviews with BOB and the local

government officials, while a local collaborator interviewed BHCI and PT. TWC's officials. The interviews were conducted in the Bahasa Indonesia, the national language of Indonesia, and the responses reported below were translated into English by the authors. These interviews were intended to comprehend managers understanding of their job responsibilities, their perception of the collaboration among organizations in Borobudur, and their opinions of the BOB, particularly concerning the BOB's ability to reduce inter-organizational conflicts in Borobudur and to enhance tourism development in the Borobudur area. Therefore, those who were in managerial positions were purposively selected. The list of interviewees is reported in Table 3.

Table 3. List of Interviewers

No	Date of Interview	Institutions	Position
1	November 14, 2019	PT. TWC	Marketing Director
2	November 14, 2019	BHCI	Head of Conservation Section
3	December 18, 2019	Local Government of Magelang District	Head of Destination and Tourism Industry
4	December 23, 2019	BOB	Head of Accessibility and Infrastructure Division
5	December 23, 2019	BOB	Director of Tourism and Institutional Tourist Industry

Source: Author's Interview Result, 2022

This study also uses responses from the survey of tourism service providers, those who work in the Borobudur area as guides, shop owners and salespersons, restaurant owners, and waiters/waitresses. The selection of these respondents is based on the understanding that they are local people/who have been living in the area for quite some time and frequently interacted with the management of Borobudur daily (compared to the local community who do not work around the site).

The survey was conducted from December 2019 to February 2020 to assess whether there has been any improvement in the tourism sector in the last three years. Specifically, the survey asked respondents about the business and environmental conditions of the Borobudur area as well as their perceptions of the BOB and other public entities managing Borobudur. Since the BOB was established in 2017 and the survey was conducted from December 2019 to February 2020, asking about the changes over the last three years would give us some information on whether and how the Borobudur area and tourism sector changed, as perceived by the respondents, after the establishment of the BOB. For this survey, two local collaborators were hired to distribute paper-based questionnaires in Bahasa Indonesia to tourism service providers. We were able to contact 100 service providers and received responses from 80. The characteristics of the respondents are summarized in Table 4.

Table 4. Demographic Profile of Tourism Service Providers Respondents

Variables	Observations	Percentage
Age		
18-25	15	18,75
26-35	23	28,75
36-45	10	12,5
46-55	20	25
56-65	11	13,75
>66	1	1,25
Gender		
Female	40	50
Male	40	50
Education		
Elementary School	6	7,5
Junior High School	7	8,75
Senior High School	41	51,25
Undergraduate Degree	17	21,25
Other	9	11,25
Length of work		
Less than 1 year	9	11,25
1-2 years	14	17,5
3-4 years	16	20
5 years or more	41	51,25

Note: The respondents are tourism providers. The number of observations is 80

Source: Author's Survey Result, 2022

FINDINGS AND DISCUSSION

Findings from surveys and interviews to evaluate whether and to what extent the BOB improved the overall performance of the tourism sector in Borobudur WHS and has successfully mitigated and resolved conflicts among the institutions.

Does BOB's Presence Improve Tourism Service in Borobudur?

Findings from the survey and interviews are reported below. First, we asked tourism service providers whether the number of visitors in the entire Borobudur area, the number of customers in the respondent's business (e.g., restaurant), and the sales of their business increased, decreased, or remained the same in the last three years. As presented in Table 5, the majority of the respondents perceive that the number of visitors and business conditions in Borobudur have increased and improved after the establishment of BOB. An increase in sales is also reported. Therefore, business conditions, as perceived by the respondents, have improved to some degree.

Table 5. Perception of Business Conditions

Questions	Increase	Same	Decrease	Total
The respondent's perception of the number of visitors in the entire area	46 (80,70)	2 (3,51)	9 (15,79)	57 (100)
Number of customers in the respondent's business	35 (62,50)	12 (21,43)	9 (16,07)	56 (100)
The respondent's sales	33 (58,93)	14 (25,00)	9 (16,07)	56 (100)

Note: The respondents are tourism providers. Only those respondents who have been involved in the tourism sector for more than three years are included in the table

Source: Authors's Survey Result, 2022

Second, we asked about perceived changes in the environment of the Borobudur area. Results are reported in Figure 4 and suggest that for some items, deterioration is reported. For example, the majority (63%) reported that traffic congestion and noise increased, and 39% also reported the quality of air decreased.

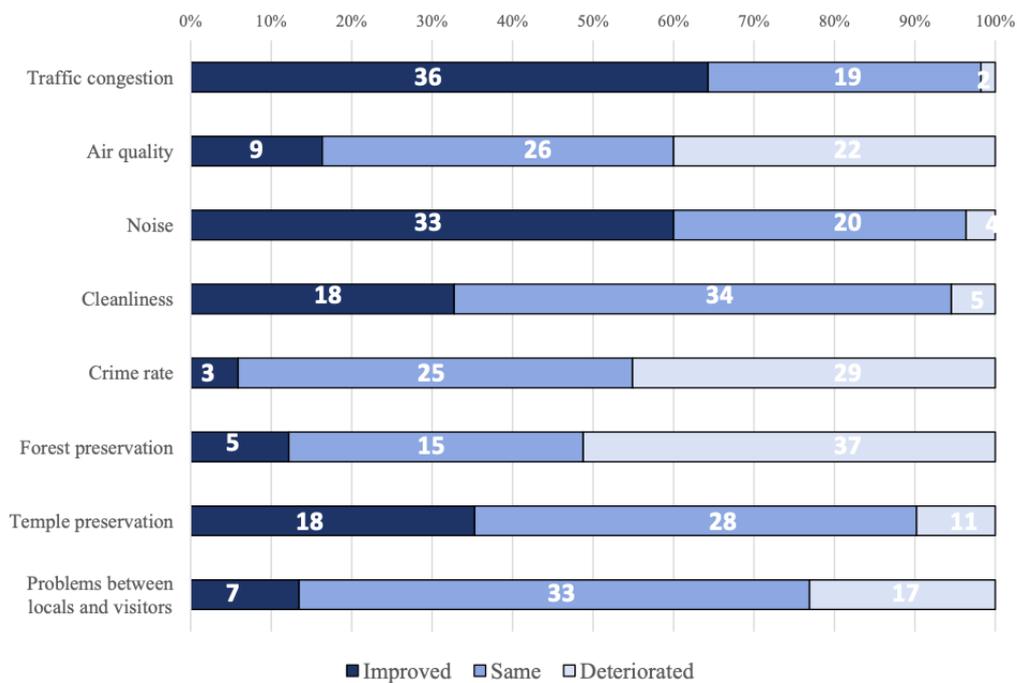


Figure 4. Environmental Condition in Borobudur Area

Note: The respondents are tourism providers. The number of observations is 57; only those respondents who have been working in the area for 4 or more years are included in the analysis

Source: Author's Survey Result, 2022

Third, we asked tourism service providers how influential they think the organizations managing the Borobudur area. As Figure 5 shown, the respondents have an impression that PT. TWC plays the most significant role in Borobudur's tourism: 36% and 24% say PT. TWC is very influential and moderately influential, respectively. Meanwhile, the respondents do not perceive the BOB to be influential. 26% and 14% say the BOB is not influential at all and slightly influential. Another interesting point is that 50% of the respondents reported that they do not even know the BOB.

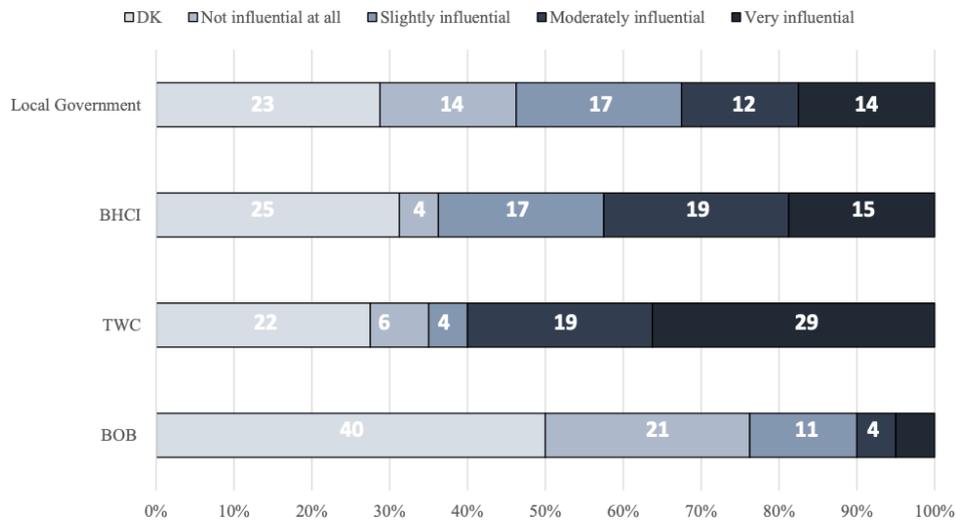


Figure 5. Perceived Influence of the Actors in Borobudur
 Note: The respondents are tourism providers. The number of observations is 80
 Source: Author’s Survey Result, 2022

Does BOB Resolve Multi-management Conflict in Borobudur?

How do the managers of PT. TWC, BHCI, and The Local Government of Magelang District perceive the BOB? According to the interviews, they believe that BOB focuses more on developing tourist attractions in Purworejo. Only after three years of BOB’s establishment, the Local Government realizes that BOB has a goal to develop tourism in the Borobudur surroundings. An informant stated: “Yesterday in a press conference organized by BOB, I learned that BOB is not a state-owned company, but a body to embrace the community in tourism development” (The Local Government of Magelang District respondent, 2019).

Furthermore, despite the BOB’s expected role in mitigating conflicts, there are still conflicts between the institutions, mainly between PT. TWC and the Local Government of Magelang District. Conflicts occur mainly because of PT. TWC monopolizes the revenues from ticket admissions; Rp 40.000,00 is charged per person (approximately 3 US dollars per person), and PT. TWC does not share the revenues with the other institutions. The Local Government argues that they should get a portion of the income, considering the greater authority they have assumed due to decentralization and their responsibility for the economic development of the district. In the interviews, an informant from the Local Government stated:

“We do not get a share [from tickets], but if there are a strike or other problems, people will run to us. All the areas are under the local government’s authority, but we do not get revenue. We told the president [of Indonesia], and he was shocked that we only get the parking fees. Now we want that not to happen again (The Local Government of Magelang District respondent, 2019)”.

The legal issue is another important matter in Borobudur WHS management. Presidential Regulation No. 58/2014 about Spatial Planning of Borobudur Area and its Vicinity, which regulates zoning of Borobudur, is believed by the respondents as a duplication of the previous Presidential Decree in 1992. The only difference is that the regulation replaces the term “zone” with “sub-preservation”. However, there is a new regulation – Presidential Regulation No. 46/2017 – which states that BOB was established to optimize planning, development, and control in the Borobudur tourism area; therefore, Presidential Regulation No. 46/2017 complements Presidential Regulation No. 58/2014. However, Presidential Regulation No. 46/2017 is not well-known among the four institutions and is thus being ignored on the ground.

Related to the above point, we find that the other institutions indeed bypass BOB’s function as a leader or coordinator in the Borobudur WHS area. Since all three organizations are under different authorities, they think that BOB as a coordinator does not have the power to execute programs mandated by the President. They believe that BOB’s existence only lengthens the bureaucratic procedure and that their organizations can operate without the presence of BOB. BHCI, PT. TWC and the Local Government of Magelang District tend to ignore the new regulations, either intentionally or without being aware of them, and rely on Presidential Decree No.1/1992 that gives them authority in Borobudur zones; furthermore, they receive no penalty for their non-compliance. Here are some statements given by managers regarding their behaviors toward BOB:

“We are under the Ministry of Education and Culture, while BOB is under the Ministry of Tourism. BOB is not our manager; although they have to coordinate, they have their area in Purworejo; we will listen if there is a cross-ministerial instruction... BOB is a coordinator in Borobudur, Jogja, Sangiran-Solo, Dieng, Karimun Jawa, and the Old City of Semarang area. However, their focus is in Purworejo, where they build a 300 hectares land area. (BHCI respondent, 2019)”.

“Because we have separate management authority, from my understanding, BOB manages the broader region in Purworejo. PT. TWC itself is a coordinator of Joglosemar [Jogjakarta, Solo, Semarang] development. It is the mandate of a state-owned company...As a coordinator, BOB has no power. I was a bit confused as it could not execute [their program], while the most important thing today is the speed to execute the program. [For example] when the president gave an assignment, he would monitor the progress in three months, so it would be difficult to do coordination. What is important now is whose [organization] can get the job done. BOB’s existence only lengthens the coordination [path], while PT. TWC is fast in execution. (PT. TWC respondent, 2019)”.

“In each forum, I always invite the tourism actors, and when there is BOB personnel, the tourism actors always ask. I told BOB, please explain because the others want to know whether BOB is an additional player that is bothering or what, but the answer never satisfies (Local Government of Magelang respondent, 2019).”

Lastly, PT. TWC is perceived as the most dominant organization in the Borobudur WHS area. Regarding the role of PT. TWC in the area, BHCI, and the Local Government informants have similar opinions:

“BHCI manages the maintenance, while PT. TWC has tourism activities, ticketing, and tourism management. We [BHCI and PT. TWC] help each other because our zones are next to each other... However, Borobudur was monitored in 2003 and 2007 because of its uncontrolled development. Visitors report the inconvenience when exiting the Borobudur temple because of the unmanaged street sellers, and this issue is always asked to us [BHCI] by UNESCO even though it is under the PT. TWC’s authority. UNESCO always asks us for things that happen in Borobudur. (BHCI respondent, 2019)”.

“Whatever the reason, we do not get the share [of profits from ticket sales], even though it [if local government getting the share] will prosper the local people with a multiplier effect... The simplest solution would be to give us some share because we know that PT. TWC has a lot of money. I think BHCI also have the same opinion even though they [BHCI] already have revenues from their Corporate Social Responsibilities. (Local Government of Magelang District respondent, 2019)”.

PT. TWC’s interviewee perceives that PT. TWC, not BOB, is the more suitable body to coordinate other organizations for the development of Borobudur tourism.

“It will be hard for BOB to coordinate as they do not do business [they do not have commercial function]. I think in the end, what is most important is to bring tourists... and if we talk about the dynamics of the Borobudur area, PT. TWC is the most complete actor. We commercialize, we also have a cultural mission, and we are in the tourism cluster. The target [to develop tourism] is ours because we have a commercialization mission and what we sell is heritage, so we have to make sure that we emphasize the heritage side. Will we become the coordinator? I cannot answer. But what we have done so far is that we are the mediator and the executor. We control how to execute [program]. (PT. TWC respondent, 2019)”.

Furthermore, PT. TWC’s manager wants BOB to change its name and not use the term “authority” and focus instead on developing tourism attractions in Purworejo – if they do so PT. TWC is willing to cooperate with them for the development of Borobudur WHS.

“The word Borobudur in BOB is somewhat confusing. Sometimes people run to BOB when they should go to PT. TWC, because the words “Borobudur Authority” are misinterpreted. If I can give a suggestion, BOB should change its name... I think we do not need to separate the works; I can cooperate with BOB in the development of cultural attractions. We need to build destination branding, and since BOB is in charge of the Purworejo area, in the future we can exchange our expertise. (PT. TWC respondent, 2019)”.

BOB's Responses to the Condition

How does the BOB perceive the current condition in Borobudur and its roles in mitigating conflicts? The BOB is mandated with both coordinative and authoritative functions. However, in practice, it focuses more on the authoritative role, that is, to develop the land in Purworejo. As received from the interview, the main reason behind this tendency is that BOB's operational budget had been low; therefore, they focus more on the activity that allows them to gain revenues. This condition is reinforced by the fact that some of its managers are from the private sector. BOB is indeed internally diverse concerning career backgrounds; BOB's managers are either retirees from the public sector or former private-sector employees, while their rank-and-file staff members are fresh graduates and internship workers. Managers tend to seek profits, and the employees do not seem to share the company's vision.

“So far, BOB has not been going well because the board is from the private sector. Therefore, in these two years, we only pursue authority, and coordinating functions have been abandoned. Their mindsets are to seek profit, which is different from bureaucrats. (BOB respondent, 2019)”

Another explanation for the malfunction of BOB's coordinative function is that BOB (especially the managers) does not want to be involved in the conflict between the three existing institutions that had been operating for years, before the BOB's establishment. Furthermore, Law No.23/2014 on regional authority inhibits BOB – an organization established by the central government – from interfering with the local authority.

“Our job is to coordinate as a system integrator. We internally discuss a lot about what is complained about by local communities in the area, but PT. TWC and BHCI are long-time entities that have had their path and compromise mechanisms for years. So, we wish to develop another destination. (BOB respondents, 14 November 2019)”

Discussion

The Indonesian government established Borobudur Tourism Authority Board (BOB) as a leader to network the partnerships of three institutions in Borobudur: BHCI, PT. TWC, and the Local Government of Magelang district. This newly established institution is supposed to reduce coordination problems caused by the multiple organizations managing Borobudur and develop tourism in the Borobudur area, especially by improving service performance. This research evaluated the consequences of BOB's establishment – whether this organization has been successful or not. Data collected in this study shows that even though tourism service providers perceive that business conditions improved in Borobudur, BOB has not been able to successfully overcome the institutional conflicts between official managements in Borobudur and reduce the complicated bureaucracy.

As stated earlier, BOB has two functions, namely the authoritative function and the coordinative function. Other organizations in Borobudur (PT. TWC, BHCI, and The

Local Government of Magelang District) knew that BOB has a coordinative role; however, since all of them are under different authorities, they think that BOB as a coordinator does not have the power to be involved in their management. Moreover, there is Law No.23/2014 about the Local Government Authority, which BOB has to respect; because of this, BOB has to allow the local government and other existing organizations to serve as the dominant actors in regional development. Thus, it is difficult to conclude that BOB has been successful in mitigating conflicts or facilitating coordination; our results suggest that the overlapping regulation and the lack of support from all the organizations – which in part is due to their lack of awareness of BOB's roles – make it difficult for BOB to function as a coordinating body as initially planned.

Finally, it is still unclear whether the existence of BOB is beneficial for other organizations. In the interview, informants from the three institutions claimed that BOB only lengthens the bureaucratic procedure, and they jump to the conclusion that their organizations can function without the presence of BOB. However, the survey shows that after the establishment of BOB, service performance in Borobudur has improved. The causal impact of the improvement as a result of BOB's establishment cannot be examined because the counterfactual situation in which BOB does not exist today cannot be observed; our research design does not allow us to overcome this limitation. However, the information gathered implies that BOB's presence has not come with substantial deterioration in service performance.

CONCLUSION

Overall, this study indicates the following conclusion. (1) Despite the establishment of the BOB, there are still conflicts among organizations managing Borobudur; (2) managers of organizations in Borobudur are not fully aware of the responsibilities of the BOB; (3) PT. TWC is perceived by many to be the most dominant organization in the Borobudur area, and; (4) the BOB encounters difficulties in performing its primary function of making coordination to overcome conflicts between the existing institutions, which induces the BOB to avoid existing disputes and focus instead on profit-generating activities. Therefore, it contradicts the suggestion by some researchers that collective management with one leader should be effective for mitigating conflicts and improving the management of a tourism destination. Opposite to the author's current finding, BOB is not a collaborative agency that consists of all parties (as suggested by the previous studies), instead, it is a new organization with unclear authorities and seems to operate in a geographical area not closely related to the daily management of Borobudur WHS.

For the BOB to be able to manage conflicts and function as expected; thus, the other organizations in the Borobudur area must be willing to cooperate with the BOB. Even with the appropriate organizational structure, sufficient human resources, and formal authority, if the other organizations continue to ignore the BOB's coordinative role (without any consequence for such non-compliance), it seems difficult for the BOB to play its functions. Despite the limitations, we do not mean to claim that the establishment of BOB would continue to have a disappointing impact on improving the development of

Borobudur tourism in the future. As of the time of data collection (November 2019 to February 2020), BOB only has been operating for three years. Enough time might not have passed for this organization to start functioning as designed. For example, those employees who had previously been in the private sector focus more on profit-seeking activities and tend to downplay the coordinative function of the BOB. In the future, with the replacement of staff members and managers, the emphasis may shift.

Another approach that can be considered is by forming BOB from all three official institutions, which will require the abolishment of PT. TWC authority over the area and the subsuming of some management functions of BHCI and the local government. By doing so, BOB would be able to complete control over the Borobudur area. This is because with the merging of employees from all three organizations, will be easier for them to collaborate since they know each other very well and understand the core issues in the Borobudur area. Whatever that is, further research is required to explore the possibility of improving BOB's performance.

We conclude by discussing several limitations of this paper. First, this study relies primarily on subjective perceptions by employee tourism service providers in the Borobudur WHS. Objective data – such as statistical data on the current conditions and the services, including the number of business customers, crime rate, and quality of air – would supplement subjective measures.

Second, the involvement of the local community in managing Borobudur (for example, toward Destination Management Organization) and visitors' perceptions have not been researched in this paper. Studies that exist from the perspectives of those two subjects might help to examine holistically whether the improvement in service performance is observed after the establishment of the BOB. While visitors might not care about the organizational details of the management in the destination, they are presumably strongly affected by the quality of the services when visiting the area; meanwhile, the local community receives the domino effect from the site's development managed by the officials.

Finally, more case studies should be conducted to better understand how network modes of coordination can work well to improve the tourism sector. This paper offered an example of a world heritage site in a developing country. The success of coordinative organizations like BOB may depend on various factors such as the level of economic development (e.g., a lower level may raise the stake from tourism, raise tensions, and make coordination more difficult) and the complexity of intergovernmental relations (e.g., the more complex, the more actors, and the more difficult of coordination).

REFERENCES

- Borobudur Tourism Authority Board. (2017). *Proposal Teknis Perubahan Status Produksi Terbatas Dan Hutan Produksi Menjadi Area Penggunaan Area Penggunaan Lain Badan Pelaksana Otorita Borobudur*.
- Du Cros, H., Bauer, T., Lo, C., & Rui, S. (2005). Cultural Heritage Assets in China as Sustainable Tourism Products: Case Studies of the Hutongs and the Huanghua Section of the Great Wall. *Journal of Sustainable Tourism*, 13(2), 171–194. <http://dx.doi.org/10.1080/09669580508668484>

- D’Mello, C., Chang, L., Subhash, K. B., Kamat, K., Zimmermann, F. M., & Weiermair, K. (2016). Comparison of Multi-Stakeholder Perception of Tourism Sustainability in Goa. *International Journal of Hospitality & Tourism Systems*, 9(2), 1-13.
- Dormaels, M. (2016). Participatory Management of an Urban World Heritage Site: The Table de Concertation du Vieux-Québec. *Journal of Cultural Heritage Management and Sustainable Development*, 6(1), 14-33. <https://doi.org/10.1108/JCHMSD-11-2014-0038>
- Ekarini, F.D. (2017). The Landscape of Borobudur Temple Compounds and Its Environment. *Journal of World Heritage Studies, Special*, 24–29. <http://whc.unesco.org/en/list/592>
- Garrod, B., & Fyall, A. (2000). Managing Heritage Tourism. *Annals of Tourism Research*, 27(3), 682–708. [https://doi.org/10.1016/S0160-7383\(99\)00094-8](https://doi.org/10.1016/S0160-7383(99)00094-8)
- Ho, P., & McKercher, B. (2004). Managing Heritage Resources as Tourism Products. *Asia Pacific Journal of Tourism Research*, 9(3), 255–266. <http://dx.doi.org/10.1080/1094166042000290655>
- Horwath, H. T. L. (2017). *Borobudur-Yogyakarta-Prambanan Baseline Supply and Demand, Market Demand Forecasts, and Investment Needs*. http://bpiw.pu.go.id/uploads/20170302_Borobudur_Market_and_Demand_Assessment.pdf
- Kausar, D. R. (2009). *Rethinking the Role of World Heritage Sites in Development: Cases of Cultural Sites in Indonesia and Cambodia* [Doctoral Dissertation, Nagoya University]. http://www2.gsid.nagoya-u.ac.jp/blog/anda/files/2009/06/26_devi.pdf
- Kausar, D. R. K. (2010). *Socio-Economic Impacts of Tourism on a World Heritage Site: Case Study of Rural Borobudur, Indonesia* [Doctoral Dissertation, Nagoya University]. <https://ci.nii.ac.jp/d/link/500001221980>
- Kausar, D. R., Nishikawa, Y., & Nishimura, Y. (2011). How Could Management of Borobudur World Heritage Site be Enhanced for Improving Tourism Impact for the Community?: A Preliminary Comparison with Angkor World Heritage Site. In *Forum of International Development Studies*, 40, 31–42. <https://doi.org/10.18999/forids.40.31>
- Kenis, P., & Provan, K. G. (2009). Towards an Exogenous Theory of Public Network Performance. *Public Administration*, 87(3), 440–456. <https://doi.org/10.1111/j.1467-9299.2009.01775.x>
- Kwee, M. G. (2013). The Borobudur: A Psychology of Loving-Kindness Carved in Stone. *The Journal of International Association of Buddhist Universities (JIABU)*, 6(1), 1–28. <https://so06.tci-thaijo.org/index.php/Jiabu/article/view/217816>
- Ministry of Culture and Tourism Republic Indonesia. (2010). *Model Akhir Lembaga Pengelolaan Terpadu Warisan Budaya Dunia Candi Borobudur*.
- Presidential Decree Number 1/1992 Concerning Tourism Park Management of Borobudur and Prambanan Temple and Its Environment Control. Pub. L. No. 1, Lembaran Negara No. 1 (1992).
- Provan, K. G., & Lemaire, R. H. (2012). Core Concepts and Key Ideas for Understanding Public Sector Organizational Networks: Using Research to Inform Scholarship and Practice. *Public Administration Review*, 72(5), 638–48. <http://dx.doi.org/10.2307/41687977>
- Ramayah, T., Lee, J. W. C., & In, J. B. C. (2011). Network Collaboration and Performance in the Tourism Sector. *Service Business*, 5(4): 411–428. <https://doi.org/10.1007/s11628-011-0120-z>
- Saz-Carranza, A., & Ospina, S. M. (2011). The Behavioral Dimension of Governing Interorganizational Goal-Directed Networks—Managing the Unity-Diversity Tension. *Journal of Public Administration Research and Theory*, 21(2), 327–365. <https://doi.org/10.1093/jopart/muq050>
- Susilo, Y.S., & Suroso, A. (2014). Integrated Management of Borobudur World Heritage Site: A Conflict Resolution Effort. *Asia-Pacific Management and Business Application*, 3(2), 116–134. <https://doi.org/10.21776/ub.apmba.2014.003.02.4>
- UNESCO. (2012). *Borobudur Temple Compounds*. <https://whc.unesco.org/en/list/592/documents/>
- Wilson, L., & Boyle, E. (2006). Interorganisational Collaboration at UK World Heritage Sites. *Leadership and Organization Development Journal*, 27(6), 501–523. <http://dx.doi.org/10.1108/01437730610687773>