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## Communicating the potency of tourism: Study case of Wisata Bahari Lamongan

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**Abstract** *This study aimed to determine the negotiation model and system of tourism partnership between the local government and the private sector to develop the "Wisata Bahari Lamongan" (WBL). This research used the qualitative method and negotiation theory part of public diplomacy. This research found that the negotiation and collaboration system used was the Public-Private partnership model with a built/operate/transfer (BOT) system. The private sector was allowed to build tourism facilities according to specified specifications. Then, the facility was built and operated by a private party for 25 years. After the period ended, Wisata Bahari Lamongan ownership was transferred to the local government.*

**Keywords:** *negotiation; tourism; wisata bahari lamongan*

### INTRODUCTION

This research was formulated based on the ability of the local government to synergise with the private sectors' potential. The private sector has made a significant contribution to society under the government's direction (Warshawsky, 2016). There are three underlying reasons why the government established a partnership with the private sector: 1) political reasons, to represent a democratic government,

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2) limited available resources from the government, and 3) to reduce disparity (Godwin, 2001). Therefore, the government need a partnership with the private sector to carry out infrastructure development and public service.

The primary reason for public-private partnership in infrastructure development is administrative issues, both in financial and management (Biygautane et al., 2019). For the private sector, such partnership establishes the corporation's market holds and benefit other ongoing projects. Meanwhile, for the government, a partnership with the private sector enables sustainable development and minimise financial troubles (Sučić, 2013).

However, there are government partnerships with the private sector. Partnership sustainability is vital because it affects the government's policy in providing public services. The definition of public-private partnership is when "private parties participate in or provide support for, the provision of infrastructure, and a Public-Private Partnership (PPP) project results in a contract for a private entity to deliver public infrastructure-based services" (Grimsey & Lewis, 2004).

Public-private partnership (PPP) is a partnership between the government (public sector) with the private sector which can provide quality public services, facility, and infrastructure. The provision of infrastructure is expected to support social and economic activity in an area or country. Infrastructure is categorised into two groups: economic infrastructure, such as market, recreational facilities, transportation, and utility networks (water, waste, electricity), in other words, the infrastructure that is essential for economic activity. Meanwhile, some examples of social infrastructure are schools, hospitals, and libraries. Most of the public-private partnerships conducted were related the economic infrastructure, such as building recreational activities, roads, and utility networks, because of the limited government funding and resources (Yescombe, 2007).

Recreational facilities development using PPP model has several advantages: increasing effectivity, integrating public and private sector with the society, fighting injustice, reforming services to be more responsive to the public, achieving a more flexible policy, building local capacity, and as a mean of control from the public and stakeholder (Rohmad et al., 2016).

The recreational sector has the potential to promote the local economy by expanding the workforce, as well as increasing the number of tourists and local income. The development of tourism facilities by using the PPP as a form of government collaboration with the private sector is expected to be beneficial for local government revenue (Ni'mah, 2018). Several benefits include being a potential development tool, generating economic growth and diversification, reducing poverty, and creating reciprocal links with other production and service provider

sectors. Shows that each region has a variety of tourism potential that can be explored and developed to meet the needs of the community for

entertainment facilities, family recreation, and providing employment opportunities for communities around the tourist sites (Christie et al., 2014). Cooperation policy in the tourism sector consists of several stages to produce a good partnership. The stages begin with tourism planning, followed by a participatory process of policymaking, then informal meetings between the government and the private sector through debates and discussions, and finally disseminating information in the media (Ansell & Gash, 2008).

The concept of PPP (Public-Private Partnership) arises over the long debate in public administration theory. The governance approach to the old paradigm changed the role of government to governance. In the old state administration theory, the phrase 'public administration' is used to describe the management of public affairs and the term 'public' in the phrase public administration is defined as the state (government) (Frederickson, 1999; Henry & Henry, 2018). The term public, which is interpreted as state or government diminish the meaning of the term public administration. Frederickson interpreted the meaning of the public as a pre-governmental concept that had broad meaning and included matters outside the government. The public is reflected in various ways, such as social life, religious institutions, social and customary activities, etc. However, the government or state is one of the primary forms of public manifestation (Frederickson, 1999).

The term 'public' is of particular concern in the development of public administration theory. The debate about the term 'public' led to an attempt to break down the old paradigm, which is considered unable to solve public problems. The emergence of the new public management Paradigm is expected to be able to help solve Public problems based on a combination of managerialism concepts (Hood, 1991), market-based public administration (Rosenbloom, 2013), and the concept of reinventing government (D. Osborne & Gaebler, 1992).

The new public management emphasise four things, namely a) emphasising the importance of the public sector being treated as a productive business sector, b) minimising the scope of public sector tasks, c) emphasising excellent results as an embodiment of the flow of human relations, and d) performance-oriented public service, which is a model that incorporates private sector management ideas into public sector management (Rosenberg Hansen & Ferlie, 2016).

Still, others took the centre point by concentrating on what needed to be regulated. Public Relations theory assumed that "standardising is to provide incentives by passing special preconditions for the work that needs to be done"; along these lines, substances were generally versatile whenever they were systematised based on specific procedure values (Chen, 2009). Chen (2009) agreed that government communication and management practices would become very inflexible if existing methods and techniques were organised; however, quality and culture could and should be organised.



Criticism for the New Public Management paradigm emerged because the perspective of cooperative relations between organisations has not received strong attention unless the important role of the network between the government and other organisations that emphasises the formation of strategic alliances as a new form of coordination was observed. The government requires institutionalisation and attention to organisational communication functions. Therefore, public administrators should place greater emphasis on the responsibility of serving and empowering citizens through the management of public organisations and public policies. The change in orientation about the position of citizens is a value that needs to be highlighted. Besides, the role of the government also gave rise to a new perspective on public administration called the new public service that positions citizens as the essential factor in the construction of public institutions based on integrity and responsiveness (Denhardt & Denhardt, 2000).

The debate about the paradigm of public administration culminated in Osborne's criticism. According to him, that was not a paradigm because it failed to grasp the complex reality of public services and public management, especially in the 21st century (S. P. Osborne, 2006). The presence of a paradigm called New Public Governance (NPG) confirms that the problem of management and complex public services must be resolved by an approach for partnership between sectors and cooperation with other parties. Five concepts influence the NPG paradigm. The first concept is Socio-political governance (Kooiman, 1993), second is Public policy governance (Stoker, 1998), third is Administrative governance (Freeman, 1997), fourth is Contract governance (Kettl, 2009) dan and fifth is network governance (Provan & Kenis, 2008).

Governments around the world are faced with the challenges of transformation and the need to re-create a good governance system. This is needed to provide efficient and cost-effective services, as well as information and knowledge through information and communication technology. Development of information and communication technologies are catalysed and lead to e-government (electronic government) to establish a partnership in a transparent and accountable manner (Fang, 2002). Communication is needed by public organisations (government) to collaborate with private organisations in the development of tourism by designing and using e-government and in other forms.

This study attempted to examine the form of the partnership carried out between the government and the private sector in the development of tourism infrastructure using the PPP approach. This research is essential because of the contribution given to the collaboration model carried out by the government and the private sector concerns budget and administrative efficiency. Actually, there have been many studies on the PPP model in public-private cooperation

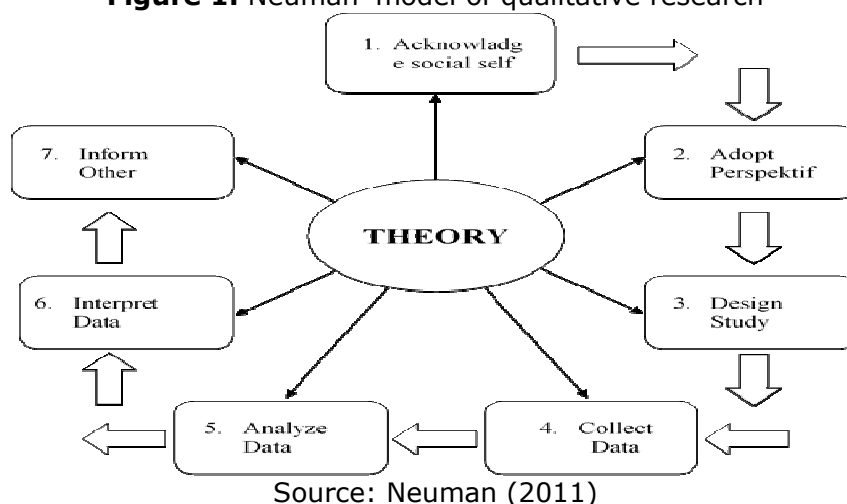
in China, America, India. Therefore, this article was expected to be able to add to the study of the PPP model in tourism policy in Indonesia and enrich studies on governance communication approaches in the tourism sector.

The government partnered with the private sector in the provision of road and airport infrastructure (Hueskes et al., 2017; Väililä, 2020) with the PPP approach. It is seen as helping the government in cost efficiency in providing public infrastructure. However, what is expected from the PPP concept is not only budget efficiency, but more importantly is the sustainability of the collaboration between the government and the private sector (Xiong et al., 2020). The PPP approach is also implemented into health policy in collaboration with health facilities development in order to provide maximum services to the community (Khetrapal et al., 2019). A study of the PPP approach in the tourism sector was also carried out by (Ni'mah, 2018; Sučić, 2013) showed that the partnership of the government and the private sector in tourism management could improve the economy of the community. However, some studies on the PPP (Public-Private Partnership) approach have not provided a detailed description of some of the models in the PPP approach. On the other hand, this study could illustrate the concept of partnership between the government and the private sector in the development of marine tourism with the BOT (Build Operate Transfer) model.

## METHODOLOGY

This research employed the qualitative approach. Qualitative research is a type of research that constructs reality and understands occurring phenomena (Neuman, 2003). This research was necessary because the results of this study were expected to be able to comprehensively assess the phenomena that occur directly or indirectly in the partnership between the Lamongan Regency with the private sector. The Neuman qualitative research approach was carried out in the following stages:

**Figure 1.** Neuman' model of qualitative research



Seven steps must be taken in the qualitative research process. The first step is identifying the core of the problem. In this study, the core problem was how the form and system of cooperation between the Lamongan district government and the private sector PT. Bunga Wangsa Sejati were conducted. The second step is to adopt a research perspective. This study adopted the Interpretive Social Science (ISS) approach with a constructionist orientation. The third step is conducting a research design. The design of this study was the qualitative approach. The fourth step was collecting research data through interviews, observations, documents, and FGDs. It was followed by the fifth step, which was analysing research data by data reduction, data presentation, and verification (concluding). Then, the sixth step was to interpret the research data. The seventh step was to present the results of the study.

Data analysis techniques used in this study included data reduction, data presentation and interpretation, and concluding (Miles & Huberman, 1994). Data reduction was the analysis stage that included sorting, focusing attention, simplifying, abstracting, and transforming raw data obtained from observing field notes, as well as translating and translating from spoken language into written language. Presentation of data and interpretation were part of the analysis to compile information that enabled drawing conclusions and taking action. Presentation of this data was the preparation of narrative texts in the form of unity, order, patterns, explanations, cause and effect, and proportions. Then, concluding was the final step in the data analysis process.

This research was conducted in Wisata Bahari Lamongan tourism facilities located in Paciran Village, Paciran District, Lamongan Regency, East Java Province, Indonesia. This research was conducted from December 2018 until September 2019 (10 months) by collecting data through interviews, documents and FGDs. The source of this research was obtained from seven informants who included the Lamongan Regent, Lamongan Regency Regional Houses of People's Representatives, Lamongan Regency Tourism and Culture Office, Lamongan Regency Legal Department, Lamongan Regional Income and Revenue Agency, Paciran village chief, and PT. Bunga Wangsa Sejati.

## **RESULTS AND DISCUSSION**

Cooperation in developing the tourism sector is considered necessary for the government because tourism is one of the mainstay sectors of the region and the country. The contribution of the tourism sector in the economy can be seen from statistical data on the growth of the building sector, accommodation, and data on labour (Ni'mah, 2018). Cooperation policy is part of developments in governance that have shifted from the concept of government to governance. The era of globalisation is marked by the development of communication technologies that affect governance in Indonesia. Indeed, the

government is currently starting to utilise communication technology following the changing times. The utilisation of communication

technology is expected to create better governance (good governance). Good governance is a tool for creating a stable, responsible, as well as practical and efficient state administration by maintaining a harmonious interaction between state, private sector and community domains.

A partnership between the government, private sector, and the community is a component of the governance concept in which the three components interact with each other and carry out their respective functions (Frederickson, 1999). The government institution functions to create a conducive political and legal environment because, in addition to acting as a regulator, the government also acts as a facilitator that enables the community to play an active role independently as a social-economic actor. On the other hand, the private sector functions to create budget and employment convenience (Hueskes et al., 2017). Whereas the community directly or indirectly plays a positive role in social, economic and political interactions, including inviting groups in the community to participate in economic, social and political activities. In the implementation of Wisata Bahari Lamongan development, the Government of Lamongan Regency created Local Regulations to provide some guidance for the implementation of development and PT. Bunga Wangsa Sejati, as a private party provided financial support to build tourism facilities and infrastructure.

Cooperation between local governments and the private sector must start with a legal agreement (Ni'mah, 2018). In the development and management of the Wisata Bahari Lamongan, the government of the Lamongan Regency entered into a partnership agreement with the private sector. In the provisions stipulated by the government, the private sector must have the ability to manage tourism objects by fulfilling legal requirements, both formal and material, which are determined by the Lamongan Regency local government through Local Regulations. Meanwhile, PT. Bunga Wangsa Sejati is a private party trusted by the Lamongan Regency local government to manage and develop the Wisata Bahari Lamongan. Both parties, namely the Lamongan district government and PT. Bunga Wangsa Sejati, agreed to several agreements as quoted in the Cooperation Agreement number: 010/SPJ- JTP/I/2004: "The parties have agreed that the management of the Wisata Bahari area as referred to in item 2 is carried out by a company that has been formed by the parties, hereinafter referred to as the company."

The existence of a partnership agreement stipulated rights and obligations to each party on the development and management of the Wisata Bahari Lamongan. The rights and obligations of the local government and PT. Bunga Wangsa Sejati as the private sector included:

**Table 2.** Rights and obligation of local government dan private party

Stakeholder	Rights and Obligation
Lamongan Regency local government	<p>Provide and create local regulations that contain cooperation in the development and development of Wisata Bahari Lamongan.</p> <p>The regional government must agree that the management of the Maritime Tourism area is carried out by a company that has been formed by the parties, namely PT. Bunga Wangsa Sejati.</p>
PT. Bunga Wangsa Sejati	<p>Maintain marine tourism areas and facilities and infrastructure, including receiving building document details (as of build drawings) which include site plans, architectural drawings, installation construction drawings and calculations, and drawings of other equipment, specifications and infrastructure drawings. Moreover, supporting facilities for buildings from second parties both gradually and thoroughly to be managed accordingly.</p> <p>Make a tax contribution to the authority or the first party amounted to of Rp. 20,000,000.00) per month or Rp. 240,000,000.00 (two hundred forty million rupiahs) per year, in the fourth year after the operation of this marine tourism area and, will be reviewed every 5 (five) years.</p> <p>Transfer the marine tourism area and infrastructure facilities to the first party no later than 3 (three) months after the management agreement (operated) ends. This includes submitting detailed building documents (as build drawings) including site plans, architectural drawings, construction installation drawings and other drawings, specifications and drawings of infrastructure and supporting facilities of the marine tourism building.</p> <p>Accept facilities from parties in carrying out the contents of the agreement.</p> <p>Receive technical, managerial and administrative assistance from the second party so that the management of the marine tourism area is proceeding accordingly.</p> <p>Given priority for the option to extend the management of this marine tourism area includes the first right of refusal that is valid for three months after the end of the management of this tourism area.</p>

Source: Data Process by Author (2020)

The partnership agreement between the Lamongan Regency local government and PT. Bunga Wangsa Sejati employed the concept of public-private partnership by forming an executor organisation in cooperation between the Lamongan Regency local government and PT. Bunga Wangsa Sejati. The executor organisation referred to as a commercial (private) company, as stated in the partnership agreement between the Lamongan Regency local government and PT. Bunga Wangsa Sejati.

### **PPP (Public-Private Partnership) and BOT (Build, Operate, Transfer) Model**

PPP is defined as a partnership between the government and the private sector in the provision of funds, facilities, and public infrastructure. PPP is a partnership in which there is a sharing of investment, risk, responsibility, and reward between the government and the private sector. The partnership is not built on uniformed rules and patterns of responsibility but usually varies depending on the project. Infrastructure development is expected to support the social and economic activities of an area (Yescombe, 2007). According to Yescombe, there were several models of partnership in the PPP concept (Table 3).

The development of Wisata Bahari Lamongan through a partnership between the Government of Lamongan Regency and PT. Bunga Wangsa Sejati used a public-private partnership approach with the BOT (built, operate, transfer) model. In this model, PT. Bunga Wangsa Sejati as a private party was allowed to build public service facilities according to specifications determined by the Lamongan Regency local government. The private sector then operated the facilities within a specified period in accordance with a mutually agreed decision. After the agreement expires, ownership of the facility is transferred from the private sector to the public. In practice, the private sector also provided funds to build the facilities. Thus, the period granted to operate the facility must enable the private party to obtain profits from their investments. Of course, it must also consider the application of a reasonable tariff for the services produced.

**Table 3.** PPP Model

Partnership model in PPP (Public-Private Partnership)	Explanation
BOT (Build, Operate, and Transfer) Model	The BOT model is a form of partnership between the government and the private sector in which the private sector builds a facility under specific agreements with the government, operates for a certain period based on a contract, and then transfers ownership of the facility to the government. In many cases, the private sector always provides part of or all the development funds. Therefore, the contract period must be suited to the calculation in return investment. At the end of the contract, the government can assess operational responsibilities, extend the contract with the same party or find a new private party as a partner to operate or maintain the facility.
BTO (Build, Transfer, and Operate) Model	The BTO model is quite similar to BOT. The difference lies in the time of return or delivery of the facility. In the BOT model, the private party transfer the facility after owning managing it for a certain period, while in the BTO model, the private party transfer the facility to the government after the construction project is completed.
BOO (Build, Own, and Operate) Model	BOO is a form of partnership between the government and the private sector in which private contractors build and operate facilities without having to return ownership to the government. In other words, the government gives up its rights and responsibilities for public infrastructure to private partners to finance, build, own and operate a public infrastructure indefinitely. BOO transactions can be tax-exempt if the tax office requirements are met.
BBO (Buy, Build, and Operate) Model	BBO is a form of asset sales which includes the process of rehabilitation and development of existing facilities. The government sells assets to the private sector, and then the private develop the facilities needed to generate profits with a profitable mechanism.
BDO (Build, Develop, Operate) Model	BDO is a form of partnership in which the private sector leases or buys public infrastructure from the government, develops it, complements it, then operates the facility based on a contract within a specific time frame. During the contract, the private sector can restore the existing infrastructure and operate it following the contract agreement. This type of partnership is not a form of privatisation but is a concession because the public sector receives and pays for private services to build and operate facilities. However, the government and the community also continue to control the final responsibility for the delivery of services.

Source: (Yescombe, 2007)



The BOT (Build Operate Transfer) model is a form of development project financing in which the contractor must provide the project funding and oversee the procurement of materials, equipment, and other services needed for project completion. However, the contractor is given the right to operate and take economic benefits in exchange for all production costs for a specific time (Hueskes et al., 2017).

Hueskes suggested that the main difference between BOT and other project funding was the concession issue, namely the concession between the project owner and the project implementer. This concession contract gives the contractor the right to build and operate the project and make profits within a specified period. At the end of the agreed concession period, the project is returned to the government. In general, a concession contract contains several things. The first is a clear statement of exclusive concession rights that the project owner must give exclusive rights in the concession contract. Second, explanations of project scope, including requirements from the concession operator, and the length of the concession. Determination of the concession period must consider how long it takes for the operator to regain all investments and production costs, the prospect of supply of funds, and the prospective users. Third, a commitment of government support because most BOTs held between the government and the private sector required various kinds of assistance from the government. The possible assistance must be clearly stated: the type, the guarantor, the rules and regulations, exceptions, or other forms of assistance that can only be given by the government.

Some concession points in the partnership contract between the Lamongan Regency local government and PT. Bunga Wangsa Sejati can be said to have detailed the rights and obligations of each party written in the partnership agreement regarding the development, development and management of the Wisata Bahari Lamongan. Agreements (concessions) made by Lamongan Regency local government with private parties were accommodated in the partnership agreement Number. 010/SPJ-JTP/I/2004.

From the illustrations of the BOT agreement above, it can be concluded that in the BOT agreement, there are three stages of action. The three stages are project development actions carried out by the investor, operating a building project which is the investor's rights and obligation; the transfer of the project from the investor to the government at the end of the agreed concession period.

Development of the Wisata Bahari Lamongan area was carried out with the BOT Model agreed upon by the two parties. The agreement stated that the local government acted as the land provider and PT. Bunga Wangsa Sejati acted as developer and manager of the land. Furthermore, PT. Bunga Wangsa Sejati was given 25 years to develop

and manage Wisata Bahari Lamongan according to the partnership agreement.

Partnership implementation was outlined in the Memorandum of Understanding (MoU) because it is a legal product in countries that adopt a conventional law system. The MoU facilitated the parties in formulating critical points regarding the framework of partnership formulated comprehensively in an agreement. To avoid future disputes, BOT agreements are usually made legally in the presence of the authorised official.

PPP (Public-Private Partnership) using the BOT model has various advantages and disadvantages that must be considered by all parties. Hamzah et al. (2014) synthesised some of the advantages and disadvantages of the BOT partnership model:

**Table 4.** Advantages and Disadvantages of BOT Models

Advantages	Disadvantages
Can help the construction of a property (facility) without spending funds other than the assets owned. Can reduce investment costs to build facilities because the land is already available.	The value of facilities that have been built decreases after the end of the management period (worn, outdated). Requires substantial capital base.
During the management period, the public gets an income (royalty) without taking the risk. Can increase profits if the refund can be accelerated Possibility to use the land for other business The management period may be longer than the stipulated period without the owner knowing	The risk is quite high because the management period is quite long

Source: Hamzah et al. (2014)

In detail, the benefits gained by the Lamongan Regency local government from the BOT model in the development of Wisata Bahari Lamongan were: 1) landowners, in this case, the local government did not incur costs, 2) when the BOT agreement expires the Regional Government will own buildings and facilities attached to the building, 3) it reduced the Regency Regional Budgets and regional loans, 4) enabled the local government to provide excellent services for the community with new facilities and infrastructure, 5) opened new opportunities for the community, 6) gave local government the authority to oversee and control the project, and 6) encouraged the acceleration of equitable development and efforts to meet the needs of infrastructure.

Tourism development is inseparable from the role of the government as a policymaker. Strategic and systematic policies can

develop the tourism sector in the region. The local government has made various attempts to develop the tourism sector, which can potentially contribute to local revenue. However, government policies in

the development of tourism are often constrained by funding problems because of the potential costs to develop tourism potential in the area. One of the ways undertaken by the government to develop its tourism potential is partnerships with the private sector. The partnership process is considered beneficial for government spending. For the government, partnerships help to improve the quality of government. Meanwhile, through partnerships, the private sector can increase profits. For the public, partnerships promote better quality services (Godwin, 2001).

**Table 5.** Lamongan Regency Revenue from Wisata Bahari Lamongan

Year	Revenue
2013	IDR 11.000.000.000
2014	IDR 13.000.000.000
2015	IDR 15.000.000.000
2016	IDR 17.000.000.000
2017	IDR 19.000.000.000
2018	IDR 21.000.000.000

Source: Data Processes by Author (2020)

Revenue of the Lamongan Regency in 2018 was 21 billion rupiahs. Data in table 5 revealed that revenues of Wisata Bahari Lamongan increase and benefit the local governments. Consensus on income inclusion varies every year as regulated in the Local Regulation No. 010/SPJ-JTP/I/ 2004. The increase of the local government revenues depended on the revenue of Wisata Bahari Lamongan.

The PPP Model embodies a governance paradigm that involves partnerships between actors, namely the government, the private sector, and the community. The governance paradigm allows governance to move towards good governance. Good governance is a prominent central issue in the management of public administration today. The intensive demands from by the community for the government in carrying out good governance is linear with increasing level of public knowledge and education. Institutions of governance include three domains, namely the state, the private sector, and the society (community), which interact with each other and has respective functions (Peters, 1998).

In practice, the three pillars have their respective functions. According to Peters, these functions are: the government creates stable political, economic and social conditions; makes effective and fair rules; provides effective and accountable public services; as well as upholds human rights. Meanwhile, the private sector runs the industry, creates jobs, provides incentives for employees, improves employee living standards, maintains the environment, complies with regulations, transfers knowledge and technology to the community, and provides credit for the development of small and micro-enterprises. Meanwhile,

the community protects people's rights, influences public policies,  
conducts government checks and balances, oversees misuse of

government authority, develops human resources, and communicates with community members.

The pillars involved in the development of the Wisata Bahari Lamongan partnership involved the Lamongan Regency local government, the private sector (PT. Bunga Wangsa Sejati), and the community of Paciran village. These three pillars worked together to realise synergies in the development and management of tourism areas. In carrying out its functions, partnership actors had their respective roles.

Some of the reasons for the involvement of Bunga Wangsa Sejati in the development of the Wisata Bahari Lamongan area were: first, as an alternative to solving the problem of limited resources owned by the government - it is to be noted that the government budget in the development of the tourism sector was quite limited, while community demands for this sector were increasing; secondly, the involvement or participation of the private sector in tourism development partnerships showed the increasing role of the private sector; the third is the involvement of the private sector promoted transparency and quality.

The involvement of the private sector as an alternative to solving the problem of local government's limited resources was the most crucial reason in the partnership between the Lamongan Regency government and the private sector. This can be seen from the fact that the Regency Regional Budgets (APBD) before 2004 from the tourism sector was very low. It caused a lack of development, lack of facilities and infrastructure, as well as poor management in the tourism sector. The lack of funds in the development of tourism has prompted the local government to partner with the private sector in the development of tourist areas in Lamongan Regency. In such a partnership, the private sector was expected to invest their capital in minimising funding issues in regional government.

Considering the economic bargaining power that corporations have when they invest in countries with a weaker economy (Mogensen, 2017). Many corporations have learned from past failures, democratic-minded governments do not want to enforce unpopular projects, and public resistance can be costly for corporations. As a logical consequence, if transnational corporations want long-term investments to succeed in such countries, then they must ensure acceptance from the public, this is where a corporate public diplomacy approach becomes useful. The public outreach may include negotiations and collaboration directly with the public in host

countries, typically through civil society. Such activities are aspects of corporate diplomacy in line with other activities, including negotiations with governments, business representatives and international organisations (Mogensen, 2017). Public diplomacy refers to "communication-based activities of states and state-sanctioned actors aimed at non-state groups in other countries with the expectation of achieving foreign policy goals and objectives"(Dodd & Collins, 2017).

Negotiations In the partnership to develop Wisata Bahari Lamongan, private actors (corporate) acted as investors that provide capital to develop Wisata Bahari Lamongan. The local government contributed the land, while the private sector yielded the capital to build this tourist area— partnership agreement between PT. Bunga Wangsa True with the Lamongan district government stated that the private sector provided the capital of 55 billion rupiahs to develop the Wisata Bahari Lamongan Area. A capital of that size can be appropriately managed by the private sector in the development of the tourist area. Meanwhile, from its investment shares, the private sector owned 55% shares and the local government 45% shares.

In addition, the private sector also operated and managed the facilities in Wisata Bahari Lamongan, which exhibited BOT (Build, Operate, and Transfer) partnership model. It was stated in the agreement that for 25 years, the private sector must manage tourism until the agreement is renewed or returned to the local government. In that period of time, the private sector must also deposit a sum of money every year to the local government. At the beginning of construction in 2004, the private sector paid 4 billion to the local government. After that, the deposit increased every year. In 2019, the deposit reached 20 billion rupiahs.

As a party providing funds for the development and management of the tourism area, the private sector (PT. Bunga Wangsa Sejati) had specific purposes. The purpose was to gain profit. The Lamongan Regency local government must consider these goals by providing a limitation in regulation. If there are no clear regulatory boundaries, a monopoly and privatisation may occur, which is a massive loss for the regional government and a considerable advantage for the private sector.

In addition, the government also has authority over the law enforcement process by performing its function as a regulator that can make a maximum decision against other actors. In this case, the Lamongan district government also functioned as a law enforcer who guaranteed that the private actor, PT. Bunga Wangsa Sejati, comply with existing formal rules and coordinate the ongoing process and negotiation. Finally, all the actors involved were expected to be able to carry out mutually beneficial partnerships and produce maximum benefits.

## **CONCLUSION**

The type of partnership in the development of Wisata Bahari Lamongan was PPP (Public-Private Partnership) while the partnership model conducted by the Lamongan Regency local government and the private sector, PT. Bunga Wangsa Sejati was the BOT (Build, Operate, Transfer) model. According to this model, the private sector was allowed



to develop public service facilities according to the specifications specified by the public party.

The private sector then operated the facilities within a specific period under a mutually agreed decision. Then, the period expires; the ownership of the facility is transferred from the private sector to the public. The private party's ownership of Wisata Bahari Lamongan would end 25 years after the agreement was made. Furthermore, the benefits generated from this partnership model were: the government could minimise the budget in the development of the tourism sector and could increase local revenue.

This study had limitations. It did not study community participation in tourism policy according to PPP perspective. Actually, the form of partnership in the governance paradigm gives equal opportunities for the three actors, namely government, private sector, and the community. However, the current research did not review and discuss the partnership in the PPP approach from the community's perspectives. The author hoped that in the future, there would be a study of community participation in the PPP partnership model.

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