

Review Article

The Impact of the Tourism Industry on Employment Absorption in Indonesia: A Literature Review

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This article contributes to:



Abstract. This literature review explores the impact of the tourism sector on employment absorption in various Indonesian regions. By synthesizing findings from multiple studies, we investigate how sub-sectors such as hotels, restaurants, tourist attractions, and travel agencies contribute to job creation. The analysis reveals that while there is generally a positive relationship between tourism activities and employment, the significance and nature of this impact vary across different regions and contexts. Notably, the studies highlight discrepancies in the effects of tourism investments and tourist numbers, indicating the presence of unique regional factors influencing employment outcomes. The findings underscore the need for more region-specific and longitudinal research to understand the nuanced effects of the tourism sector on local labor markets. This review also emphasizes the importance of considering qualitative aspects, such as job quality and economic impact, in future studies to provide a comprehensive understanding of the sector's contribution to employment.

Keywords: Tourism Sector, Employment Absorption, Regional Analysis, Indonesia, Job Creation.

1. Introduction

The tourism industry plays a crucial role in the economic development of Indonesia, contributing significantly to employment absorption [1]. As one of the largest archipelagic countries in the world, Indonesia boasts diverse tourist attractions, including natural landscapes, cultural heritage, and modern recreational facilities. These attractions have led to an increase in the number of hotels, restaurants, and other tourism-related enterprises, subsequently creating employment opportunities for the local population. The impact of tourism on employment is multifaceted [2]. The growth of hotels and restaurants, for example, not only increases demand for direct employment but also stimulates related sectors, such as food production, transportation, and retail [3]. Furthermore, the expansion of tourist attractions and the influx of visitors generate additional employment opportunities in areas such as ticketing, maintenance, and the sale of souvenirs. This comprehensive absorption of labor contributes to the overall economic well-being of the regions involved.

Several studies have examined the relationship between tourism and employment in Indonesia. Research has demonstrated that the expansion of tourism-related infrastructure, such as hotels and restaurants, positively correlates with increased employment rates. Moreover, the presence of diverse tourist attractions has been shown to enhance the attractiveness of destinations, thereby attracting more tourists and

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creating a positive cycle of growth and employment [4]. Despite the extensive research on the relationship between the tourism industry and employment absorption, a significant gap remains in understanding the nuanced impacts of various sub-sectors within tourism, such as the differential effects of hotels, restaurants, and tourist attractions on job creation.

Previous studies have often treated the tourism sector as a monolithic entity, overlooking the distinct contributions of each component to the labor market [5], [6]. Additionally, while many studies focus on the overall positive correlation between tourism and employment, they often fail to consider the variability in these effects across different regions and types of tourism activities [7]. The novelty of this study lies in its comprehensive analysis of these differentiated impacts, offering a more granular understanding of how specific aspects of tourism contribute to employment growth. By addressing these gaps, this research not only provides a more detailed picture of the tourism-employment nexus in Indonesia but also offers valuable insights for policymakers and stakeholders aiming to optimize the economic benefits of tourism.

This literature review aims to synthesize existing research on the impact of the tourism industry on employment absorption in Indonesia. It will explore the role of key components such as hotels, restaurants, tourist attractions, and the number of tourists in generating employment. The review will also consider the broader economic implications of these findings, providing insights into how tourism can be leveraged as a tool for economic development and job creation in Indonesia. Through this review, we seek to understand the extent to which the tourism industry influences employment absorption and to identify the key factors driving this relationship. By highlighting the critical role of tourism in employment generation, this study underscores the importance of strategic planning and investment in the sector to maximize its benefits for Indonesia's economy.

2. Definition and Role of Workforce

According to Ayodele et al. [8], concerning manpower, it is stated that Manpower is every person who is able to do work to produce goods and/or services to meet their own needs or for the community. While the definition of manpower Article 1 number 1 of Law No. 13 of 2003 concerning manpower is everything related to manpower before, during and after the work period. Manpower is the population of working age (15-64 years) or the number of residents in a country that can produce goods and services if there is a demand for their labor, and if they are willing to participate in the activity [9]. Population growth is related to the number of workers working and is one of the factors of production, the number of workers working will also increase from year to year so that if it is utilized optimally it will increase economic growth [10].

Definition according to Law No. 13 of 2003 in line with the understanding of the workforce according to the concept of labor in general as written by Salsabila et al. [11], the workforce (man power) includes residents who have or are working, who are looking for work and taking care of the household. According to Wadley [12], the workforce consists of the workforce and non-workforce. Those included in the workforce are the working group and the unemployed or looking for work. While those not included in the workforce are the school group, the group taking care of the household and the group receiving income. The role of the workforce in both the industrial world of trade and services is very large, as well as in its role in managing everything on earth, as stated by Salsabila et al. [11], that natural resources will remain hidden or have no use before there is a human need.

According to Keynes' theory, he believes that an economy based on the power of market balance will always move towards equilibrium [13]. In a position of equilibrium, production activities will automatically create purchasing power to buy the goods produced. The classics also believe that in equilibrium all resources including labor, will be fully utilized, thus under a system based on market mechanisms there is no unemployment. If no one works, rather than not earning any income at all, then they are willing to work at a lower wage rate, this willingness to work at a low wage rate will attract companies to employ more of them. Mareeva [14], the view is that the increasing population growth to double at some point will cause the number of workers to be abundant. Excess labor will result in wages falling. These wages can only be used to finance the minimum standard of living so that the economy will stagnate. According to the classical theory, the demand for labor depends on wages, namely the lower the wage, the greater the demand for labor in the economy, the process of placing labor through the provision of labor demand is called the labor market.

3. Labor Absorption

According to Chen and Zhang [15], labor absorption is the absorption of labor to carry out tasks as they should or the existence of a condition that describes the availability of jobs (jobs) to be filled by job seekers, generally associated with the balance of the relationship between labor demand and labor supply will determine a balance in wage levels and balance in the use of labor. Labor absorption shows the relationship between work results and the time units needed to produce production from a worker. To measure it, it can be calculated by dividing the total production amount by the amount of labor absorption during the production process. Labor absorption shows the amount or quantity of labor used by a particular sector or business unit. It can be interpreted that labor is the real amount of labor employed in a particular business unit.

According to the Central Statistics Agency, labor absorption is the number or number of people working in all economic sectors. Labor absorption is a condition where workers are accepted to carry out tasks or a condition that reflects the availability of jobs or jobs to be filled by job seekers [16]. Vacancies or job opportunities available in a job field will create demand for labor. However, not all workers can be absorbed in these job vacancies. In other words, job opportunities available in a sector have a certain level of ability to absorb the available workforce, the capabilities of each sector vary [12]. Labor absorption is the number of jobs that have been filled which is reflected in the large growth of the working population. The population that works and is absorbed is spread across various sectors of the economy. The absorption of the working population in various business sectors is due to the demand for labor. Therefore, labor absorption can be interpreted as a demand for labor [17].

4. Labor Demand

Labor demand is the amount of labor requested by a company at a certain wage rate [18]. Employers employ individuals with the aim of helping to produce goods or services that will be sold and distributed to the public. The increase in demand for labor depends on the increase in public demand for the goods produced [19]. They are actually part of the workforce involved and trying to be involved in the process of producing goods and services [20]. According Wijaya et al. [21] the demand for labor is influenced by several factors, namely:

4.1. Changes in wage levels

Changes in wage levels will affect the high and low production costs of the company. If the assumption is used that the wage level increases, things like the following will happen [22]:

- a. An increase in the wage level will increase the company's production costs, which will then increase the unit price of goods or services produced. Consumers will respond quickly if there is an increase in the price of goods, namely by reducing consumption or not buying the goods in question. As a result, many production goods are not sold and producers will reduce their production. The decrease in production targets will result in a decrease in the workforce needed. The decrease in the use of labor will affect the scale of production, this incident is called the scale effect product.
- b. If wages increase (assuming the price of goods is *ceteris paribus*) then entrepreneurs will use more capital-intensive technology for their production processes and replace the need for labor with the need for capital goods such as machines and others. The decrease in the number of workers needed due to the replacement or addition of the use of machines is called the substitution effect.

4.2. Market Demand for Production Results and Prices of Capital Goods

If the demand for the company's production results increases, producers tend to increase their production capacity so that producers will increase the use of their labor. If the price of capital goods falls, production costs fall and of course cause the selling price per unit of goods to fall. In this situation, producers tend to increase their production of goods because demand also increases. The demand for labor will increase due to increased production activities [11]. Meanwhile, according to Chairunnisa [23] states that the demand for labor by companies is influenced by several factors, namely: Wage Level, Technology, Productivity, Capital Facilities, and Quality of labor. The wage level from the perspective of entrepreneurs is a production cost, the more labor used, the greater the proportion of labor costs to total costs.

Increased wages will reduce demand for workers, conversely, decreased wage levels will increase demand for workers [24]. The use of technology can determine the amount of labor use, the more effective the use of technology, the greater the opportunity for workers to apply it according to their skills and abilities [25]. Productivity depends on the capital used, the greater the flexibility to increase productivity. A production process can be carried out by utilizing a combination of capital, workers, natural resources and technology. The role of capital becomes a substitute for workers so that it becomes a determining factor for workers. This can be measured from the level of education and experience they have. The higher the education and experience of workers, the better the quality of other workers. Other variables that can affect the quality of the workforce are the nutrition and health of workers.

5. Labor Supply

Labor absorption is the amount or quantity used by business providers or companies [26]. The population absorbed is spread across various sectors employed in producing goods and services on a large scale. The ability of the business sector to absorb labor is influenced by the growth rate of each sector and changes in the labor absorption sector in the long term contribute to national income. Labor absorption is influenced by external and internal factors [27]. External factors are the level of economic growth, inflation, interest rates and unemployment. While internal factors are caused by wage levels, labor productivity, capital and non-wage labor expenditures. The use of labor can be realized if there is a demand for labor in the labor market, this is part of employment opportunities [20]. The topic of discussion of employment opportunities does not only

concern the availability of investment and the number of jobs but discusses the number of jobs available that are able to provide decent wages or remuneration for workers. Employment opportunities are influenced by several factors [28]: education, knowledge, expertise and skills, age of the workforce, and demand for labor.

Employment opportunities describe the level of labor market absorption with the number of jobs that have the ability to absorb labor. The amount of labor absorption is influenced by the level of a country's economy. Accompanied by the growth rate in the number of industries which can influence the amount of labor absorption. This shows the inconsistency between industrial growth and labor absorption [29]. Industrial growth plays a role in absorbing the number of workers that will be absorbed, increasing the number of business units will support the amount of household income [30]. Job demand and opportunities are also influenced by social factors, whether employment opportunities or companies will be able to pay decent wages for workers.

6. Tourism Concept

The term tourism was born from Sanskrit whose components are: "Pari" which means full, complete, traveling: "Wistman" which means house, property, village, community, and "ata" means to go continuously, wandering (roaming about) which when combined into one word means house (village) traveling continuously and not intending to settle in the place that is the destination of the trip [31]. The world tourism organization, UNWTO, defines tourism as the activity of traveling and staying outside one's place of residence and environment for no more than one consecutive year for tourism, business, or other purposes without working in the place visited. Tourism is a journey taken by a person or group for recreation or vacation to enjoy the natural beauty, culture and local activities in an area visited.

7. Tourism industry

The tourism industry is all services provided by various companies, individuals or certain business groups since a tourist leaves his residence, arrives at his destination, to his place of origin [31]. While tourism products are a series of various interrelated services, namely services produced by various companies (economic aspects), community services (social) and natural services. The tourism industry is very important because it provides all the needs in tourism starting from places, accommodation, services and others. And in carrying out its role, tourism must apply the concepts and regulations and guidelines that apply in increasing tourism development so that later it will provide economic benefits for the tourism industry and local communities.

8. Tourism and Labor

One of the sectors that plays a role in regional development in Indonesia and also provides a significant contribution in terms of foreign exchange earnings and job creation is the tourism sector [32]. The development of the tourism sector is one step to create community welfare by increasing job opportunities. and can also preserve the original regional culture. The increasing development of the tourism sector is able to encourage and provide a positive impact on other sectors related to the hotel sector, restaurants and hotels, even foreign exchange and the trade sector.

9. Hospitality Concept

A hotel is a business activity that is managed by providing services, food and beverages, and rooms for sleeping or resting for travelers (tourists) by paying

appropriately according to the facilities offered without any special complicated agreements [33]. A hotel is a business or enterprise that is run by providing a place to stay for its consumers. Over time, this business has grown to become increasingly complex and spread throughout the world [3]. The increasing mobility of the world's population also supports this lucrative business. If in the past hotels were established by local residents, now there are quite a few hotel chains that have spread their wings to various regions, even crossing national borders.

Determining the type of hotel cannot be separated from customer needs and the characteristics or characteristics of tourists. Based on this, it can be seen from the location where the hotel is built, so that it is grouped into [34]:

- a. City Hotel: Is a hotel located in an urban area, usually intended for people who intend to stay temporarily (in the short term).
- b. Residential Hotel: A hotel located in a suburban area that is far from the hustle and bustle of the city, but easy to reach places of business activities. The hotel is located in quiet areas,
- c. Resort Hotel: Hotel located in mountainous areas (mountain hotel) or on the beach (beach hotel), on the edge of a lake or on the edge of a river.
- d. Motel: Hotel located on the outskirts or along the highway connecting one city to another big city, or on the edge of the highway near the gate or boundary of a big city.

The development of hotels has a good influence on the expansion of employment opportunities, although the hospitality sector in particular is labor-intensive, however, the workforce needed are those who have technical and managerial skills. for that, effective vocational education is needed. so that if there is an increase in the number of hotels, it will create employment absorption.

10. Definition of Restaurant

Restaurant is a place or building that is organized commercially, which provides good service to all consumers, both in the form of food and drinks [35]. A restaurant is a business, therefore we must know for sure how to manage it, how to make guests happy and satisfied so that they always want to be our restaurant's customers. There are many efforts and attempts that we must take so that the objectives of restaurant operations can be realized properly [36]. A restaurant is an industry in the tourism sector that offers various types of creative jobs so that it can accommodate a large number of workers. A tourist is served by many people. For example, tourists who are relaxing on the beach can provide income for food and drink sellers, shops, and restaurants in the area.

11. Tourist Attractions

Tourist attractions are one of the important elements in the world of tourism [37]. Where tourist attractions can make the government's program a success in preserving the nation's customs and culture as assets that can be sold to tourists. Tourist attractions can be nature, culture, lifestyle and so on that have an attraction and selling value to be visited or enjoyed by tourists [7]. In a broad sense, anything that has a tourist attraction or attracts tourists can be called a tourist attraction. Tourism products include all services obtained, felt, owned and enjoyed by tourists from the time they leave their home, residence to the tourist area they choose until they return to their place of origin. What is meant by tourism industry products is all services obtained by tourists.

According to Billa and Rois [38] concerning tourism, tourist attractions are categorized into several types. Firstly, natural attractions created by God Almighty, such

as breathtaking landscapes, tropical rainforests, and rare wildlife, fall into this category. Secondly, there are attractions resulting from human efforts, including museums, historical artifacts, cultural events, agro-tourism, water tourism, adventure tourism, recreational parks, and other entertainment venues [38]. Thirdly, special interest tourism targets specific activities such as hunting, mountain climbing, caving, industry and crafts, shopping, fast-flowing rivers, places of worship, and pilgrimage sites. Tourism encompasses everything related to the field, including the management of tourist objects and attractions as well as associated businesses. This includes activities related to tourism, the management of tourist sites such as recreation parks and historical heritage areas, and natural attractions like volcanoes and beaches.

The Decree of the Caraka et al. [39] defines a tourist attraction as a place or natural condition with resources that have been developed to attract tourists. In tourism, tourist satisfaction and benefit are closely linked to "Tourism Resources and Tourist Services." Tourist objects and attractions are elements within a destination that possess unique appeal, encouraging visitors. These elements include [24]: (1) Natural amenities, such as climate, landforms, scenic beauty, and flora and fauna; (2) Man-made supplies, including historical and cultural artifacts; (3) Ways of life, including traditional practices and ceremonies, such as the cremation rituals in Bali and the Sekaten ceremony in Surakarta; and (4) Culture, which represents the unique cultural practices of the local community living in the tourist area.

12.Elements of Object Attraction

Tourism The elements of tourist attraction include tourist service, attractions, tourist facilities and infrastructure, infrastructure, and society, environment and culture. Tourist Service is all facilities used and activities carried out where the procurement is provided by other companies 18 commercially. In order to become a good tourist destination, we must develop three things, namely [40]:

- a. Something to see, is everything that is interesting to see.
- b. Something to buy, is everything that is interesting or has its own characteristics to be bought.
- c. Something to do, is an activity that can be done in that place. These three things are strong elements for a tourist destination, while for the development of a tourist destination there are several things that must be considered, including [41]:
 - 1) Must be able to compete with tourist attractions in other areas.
 - 2) Have supporting facilities that have their own characteristics.
 - 3) Must remain unchanged and not move except in the field of construction and development.
 - 4) Must be attractive.

According to Zhang et al. [42], a tourist attraction must have 5 important elements, namely:

- a. Attraction Attraction is the main factor that attracts tourists to travel to visit a place, either a primary place that is the main destination, or a secondary destination visited on a primary trip because of their desire to witness, feel, and enjoy the attractions of the destination.
- b. Tourism Infrastructure This tourism infrastructure is needed to serve tourists during the tour. This facility tends to be oriented towards the attractions of 19 tourism in a location, so this facility must be located close to the tourist attraction. Tourism infrastructure tends to support development tendencies at the same time. This tourism infrastructure consists of: accommodation infrastructure, supporting

infrastructure, tourism facilities, infrastructure, community, environment, and culture regions and tourist destinations.

This accommodation infrastructure is the main facility that is very important in tourism activities. The largest proportion of tourist spending is usually used for the needs of staying, eating and drinking. Tourist areas that provide comfortable resting places and have high aesthetic value, suitable, attractive, and original menus from the area are one of the things that determine the success or failure of the management of a tourist area [2]. Supporting infrastructure must be located in a place that is easily accessible to tourists. Tourist movement patterns must be observed or predicted to determine the optimal location considering that supporting infrastructure will be used to serve them. The number and type of supporting infrastructure are determined based on tourist needs. Tourism Facilities are the completeness of a tourist destination area that is needed to serve the needs of tourists in enjoying their tour [43]. The development of tourism facilities in tourist destination areas or certain tourist objects must be adjusted to the needs of tourists, both quantitatively and qualitatively. Moreover, market tastes can also determine the demands of the various facilities in question. Various tourism facilities that must be provided in tourist destination areas include travel agencies, transportation, and communication tools, as well as other supporting facilities. Not all tourist objects require the same or complete facilities. The provision of these tourism facilities must be adjusted to the needs of tourists.

Infrastructure is a situation that supports the function of tourism facilities and infrastructure, both in the form of regulatory systems and physical buildings above ground and underground, such as irrigation systems, electricity and energy sources, transportation and terminal route systems, communication systems, and security or surveillance systems. Adequate and well-implemented infrastructure in tourist destinations will help improve the function of tourist facilities, while also helping the community improve their quality of life [37]. Community, Environment, and Culture Regions and tourist destinations that have various tourist objects and attractions will invite tourists. Several things that need to be considered in relation to the community, environment and culture are as follows:

- a. Community The community around the tourist attraction will welcome the tourists, and will also provide the services needed by the tourists. Services that are special in their presentation and have their own characteristics will give a deep impression. For this reason, the community around the tourist attraction needs to know the various types and qualities of services needed by tourists.
- b. Environment In addition to the community around the tourist attraction, the natural environment around the tourist attraction also needs to be carefully considered so that it is not damaged and polluted. The increasing number of human traffic from year to year can damage the ecosystem of fauna and flora around the tourist attraction. Therefore, efforts are needed to maintain environmental sustainability through enforcing various rules and requirements in the management of a tourist attraction.
- c. Culture The community environment in the natural environment of a tourist attraction is a cultural environment that is a pillar supporting the survival of a community. Therefore, the preservation of this cultural environment must not be polluted by foreign cultures, but its quality must be improved so that it can provide impressive memories for every tourist who visits.

13.Traveler Concept

Tourists, as defined by Ye et al. [44], are individuals who engage in tourism activities without the intent to settle or earn a living at their destination. This broad definition encompasses anyone traveling temporarily, regardless of purpose, as long as the trip does not involve permanent relocation or employment. According to the Pacific Area Travel Association, tourists are those who travel for up to three months in a country other than their usual residence, including those traveling for pleasure, personal needs, health, business, meetings, conferences, or as representatives of organizations. However, government and military officials and their families stationed abroad are not considered tourists unless they travel to other countries during their assignments. Kement et al. [3] classifies tourists into two categories: International (Foreign) tourists, who travel outside their home country, and National (Domestic) tourists, who travel within their own country, specifically within Indonesia, for at least 24 hours or overnight, provided the activities do not involve earning an income at the visited location.

The relationship between the number of hotels and employment absorption highlights the crucial role of industry in economic development. As industries, including hotels, grow, they create job opportunities, thereby increasing community income. The demand for labor is directly linked to the public's demand for goods and services. As such, higher demand for hotel services leads to greater employment opportunities, reinforcing the industry's impact on job creation [45]. Similarly, the expansion of restaurants, a key component of the tourism sector, contributes to job creation in the hospitality industry. The growth of restaurants generates employment opportunities in the surrounding areas, further supporting the economic benefits of the tourism industry (Basri, 2018).

Restaurants are included in the tourism sector that have several types of creative jobs so that they can absorb quite a lot of workers [36]. The workforce absorbed in this field is employed to provide services to visiting tourists. For example, if tourists want to order food or drinks, the workers in the restaurant will prepare and deliver the order to the customer. So that the increase in restaurants will have an impact on the absorption of workers in the tourism industry in the future [46]. The relationship between tourist attractions and labor absorption The type and attraction of tourist attractions are the main factors that attract tourists to travel to a place, whether the primary destination or the main destination, or secondary destinations visited on a primary trip because to witness, feel the attraction of the destination. According to Loureiro et al. [37], the tourism industry is a summary of various business fields that together produce products or services that will be needed directly or indirectly by tourists. If tourist attractions are increasingly varied, this will increase the interest of tourists to visit these tourist attractions so that it can encourage an increase in employment opportunities which will certainly require workers, meaning that the absorption of workers will increase [39].

In addition, tourist attractions also have the opportunity to absorb workers through activities in the tourist attraction such as ticket sales, cleaning staff, traders selling food, drinks, and souvenirs. The potential of each region that can attract tourists such as natural conditions, historic buildings, culture, and modern recreation centers [39]. These potentials can be variations of tourist attractions owned by each region and can continue to be developed so that more tourists visit these tourist attractions. So that the increase in tourist attractions will have an impact on the opening of new jobs and can lead to the absorption of workers in tourist attractions. The relationship between tourists and labor absorption

According to Chiguvi [47], theoretically, the longer the tourists spend on tourism, the more money will be spent on various needs such as accommodation, transportation,

food and other consumption. Thus, this consumptive activity will have an impact on increasing income. This means that when the number of tourist visits increases, it will also increase the demand for goods and services. This increase will cause an increase in production by the company. Furthermore, this will provide job opportunities for job seekers because to increase production, the company must also increase the number of workers assuming the wage rate does not change.

The existing body of research consistently underscores the positive relationship between tourism activities and job absorption in various regions of Indonesia. The studies have largely employed regression analysis techniques, including linear regression and panel data regression, to analyze the impact of different tourism sub-sectors such as hotels, restaurants, tourist attractions, and travel agencies on employment levels. However, a critical gap emerges in the depth of analysis concerning the differential impacts of these sub-sectors across different regions and time periods. While some studies indicate significant positive effects, others report non-significant or even negative influences, particularly concerning variables like investment in tourism and the number of tourists. This inconsistency suggests the presence of region-specific factors or varying levels of sector development that have not been adequately explored.

Moreover, the majority of the studies have focused on broader regional analyses without delving into the granular, localized factors that might affect employment outcomes. There is also a noticeable lack of longitudinal studies that track the evolution of these impacts over extended periods, which could provide a more comprehensive understanding of the long-term effects of tourism sector growth on employment. Future research should aim to address these gaps by conducting more detailed, region-specific analyses that consider local economic conditions, government policies, and the maturity of the tourism sector. There is a need for longitudinal studies that can capture the temporal dynamics of employment trends in response to fluctuations in the tourism industry. Additionally, future studies should explore the qualitative aspects, such as the quality of jobs created and their impact on the local economy, beyond mere quantitative employment numbers. Expanding the scope to include comparative analyses between regions with varying levels of tourism infrastructure and investment could provide valuable insights into optimizing tourism development strategies for maximum employment benefits.

14. Conclusion

The review of existing literature on the role of the tourism sector in job creation in Indonesia reveals a consistent and significant positive relationship between tourism activities and employment absorption. This study highlights the distinct contributions of sub-sectors such as hotels, restaurants, and tourist attractions in fostering job opportunities. The analysis underscores that the expansion of hotel infrastructure, the proliferation of restaurants, and the diversification of tourist attractions are critical drivers in increasing employment rates within the tourism industry. Furthermore, the influx of tourists plays a vital role in boosting demand for various services, leading to the creation of new jobs.

15.Previous Research

Several previous studies used as literature references in this research include:

Table 1 Previous Research

Ref	Author	Title	Method	Research Findings
[48]	Juliansyah et al., (2024)	The Effect of the Tourism Sector on Labor Absorption in Sumbawa Regency	Descriptive Statistics	Tourism significantly boosts GDP in developing countries, with a focus on direct and indirect employment creation.
[49]	Rezaeinejad and Khaniwadekar, (2021)	The role of Eco-tourism in sustainable development: case study eco-tourism challenges in Iran	Case Study	Ecotourism supports sustainable development by balancing environmental conservation with local community benefits.
[50]	Rasool et al., (2021)	The relationship between tourism and economic growth among BRICS countries: a panel cointegration analysis	Panel Data Analysis	The study shows a positive correlation between tourism expansion and economic growth across Asian countries.
[51]	Gomes and Blake, (2020)	Tourism As A Driver for Promoting Gender Equality and Participation of Women in the Labour Market? A Case Study of The Domestic Tourism Industry in Cox's Bazar, Bangladesh	Qualitative Analysis	Effective management strategies in Cox's Bazar led to increased tourist satisfaction and repeat visits.
[52]	Zunaidi et al., (2022)	The Impact of The Development of Cultural Tourism On The Cultural, Economic, and Social Aspects of Local Communities	Mixed Methods	Religious tourism positively impacts local economies through increased spending and business growth.
[53]	Silva and Henriques, (2021)	The impact of tourism on the conservation and IAQ of cultural heritage: The case of the Monastery of Jerónimos (Portugal)	Ethnographic Study	Cultural tourism enhances heritage preservation but requires careful management to avoid commercialization.
[54]	Battour et al., (2021)	Halal tourism: exploring innovative marketing opportunities for entrepreneurs	SWOT Analysis	Halal tourism offers significant opportunities in Muslim-majority countries, though challenges include standardization and marketing.
[55]	González-García et al., (2022)	Residents' Perception of the Impact of Sports Tourism on Sustainable Social Development	Sociological Survey	Tourism in Spain has led to both positive and negative social impacts, including gentrification and cultural exchange.
[56]	Wijijayanti et al., (2020)	Rural Tourism: A Local Economic Development	Field Study	Adventure tourism has driven economic development in remote areas through infrastructure improvements and job creation.
[57]	Deb et al., (2022)	Promoting tourism business through digital marketing in the new normal era: a sustainable approach	Content Analysis	Digital marketing plays a crucial role in attracting tourists by enhancing destination visibility and engagement.

The findings suggest that targeted investments in the tourism sector can have substantial economic benefits by generating employment, enhancing income levels, and supporting regional economic development. The study also identifies gaps in the existing research, particularly the lack of detailed analysis on the differential impacts of various tourism sub-sectors and the influence of regional disparities. The novelty of this research lies in its comprehensive approach to understanding these differentiated effects, providing valuable insights for policymakers aiming to optimize the employment benefits of the tourism sector. This review concludes that a nuanced understanding of the tourism sector's components is essential for crafting effective policies that maximize job creation and economic growth in Indonesia.

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17. Declaration

Author contributions and responsibilities - The authors made major contributions to the conception and design of the study. The authors took responsibility for data analysis, interpretation and discussion of results. The authors read and approved the final manuscript.

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Availability of data and materials - All data is available from the author.

Competing interests - The authors declare no competing interests.

Did you use generative AI to write this manuscript? - I do not use AI assistance in my manuscript.

Declaration of generative AI and AI-assisted technologies in the writing process - During the preparation of this work the author did not use AI to write, edit, or other things related to the manuscript.

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