THE ROLE OF GOVERNMENT POLICY IS SHAPING F1 CIRCUIT DEVELOPMENT AND PUBLIC WELFARE IN BINTAN ISLAND INDONESIA

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ABSTRACT

Objective: The objective of this study is to investigate the role of government policy in shaping tourism development and public welfare in Bintan Islands Indonesia, with an emphasis of mediating role tourism development of F1 circuit in Bintan.

Methods: This research employed the PLS Structural Equation Modeling method to analyze the quantitative data gathered by means Likert scale questionnaires.

Results and Discussion: The findings shows that government policy, public participation, and local potential has a positive and significant role in shaping tourism development and public welfare. There is no direct role between government policy and public welfare. In addition, the mediating role of tourism development was found to be significant, able to mediate the relationship between government policy, public participation, local potential and public welfare.

Research Implications: Managerial implication inculde improving policy, increase inclution of public participation, cultivate local potential to improve tourism development and public welfare.

Originality/Value: This study contributes to the understanding of the complex dynamics in the work of managing government and offer insight for government in improving tourism development and public welfare. Recommendation involve to increase strategic policies of the government, incluision of public participation, support cultivation of local potential, and stimulate the development of tourism by support the F1 circuit development which eventually benefitted public welfare.

Keywords: Government Policy, Public Participation, Local Potential, Tourism Development, Public Welfare.

O PAPEL DA POLÍTICA GOVERNAMENTAL ESTÁ MOLDANDO O DESENVOLVIMENTO DO CIRCUITO F1 E BEM-ESTAR PÚBLICO NA ILHA BINTAN INDONÉSIA

RESUMO

Objetivo: O objetivo deste estudo é investigar o papel da política governamental na formação do desenvolvimento do turismo e do bem-estar público nas Ilhas Bintan, Indonésia, com ênfase no papel mediador do desenvolvimento do turismo do circuito de F1 em Bintan.

Método: Esta pesquisa empregou o método PLS Structural Equation Modeling para analisar os dados quantitativos coletados por meio de questionários em escala Likert.

Resultados e Discussão: As conclusões mostram que a política governamental, a participação pública e o potencial local têm um papel positivo e significativo na definição do desenvolvimento do turismo e do bem-estar público. Não existe um papel direto entre a política governamental e o bem-estar público. Além disso, constatou-se que o papel mediador do desenvolvimento do turismo é significativo, capaz de mediar a relação entre a política governamental, a participação pública, o potencial local e o bem-estar público.

Implicações da Pesquisa: Managerial implication inculde improving policy, increase inclution of public participation, cultivate local potential to improve tourism development and public welfare.
The Role of Government Policy is Shaping F1 Circuit Development and Public Welfare in Bintan Island Indonesia

Originalidade/Valor: Este estudo contribui para a compreensão da dinâmica complexa no trabalho de gestão do governo e oferece informações para o governo na melhoria do desenvolvimento do turismo e do bem-estar público. A recomendação envolve aumentar as políticas estratégicas do governo, incluir a participação pública, apoiar o cultivo do potencial local e estimular o desenvolvimento do turismo apoiando o desenvolvimento do circuito de F1 que eventualmente beneficiou o bem-estar público.


EL PAPEL DE LA POLÍTICA GUBERNAMENTAL ESTÁ DANDO FORMA AL DESARROLLO DEL CIRCUITO F1 Y BIENESTAR PÚBLICO EN LA ISLA DE BINTAN INDONESIA

RESUMEN

Objetivo: El objetivo de este estudio es investigar el papel de la política gubernamental en la configuración del desarrollo turístico y el bienestar público en las islas Bintan de Indonesia, con énfasis en el papel mediador en el desarrollo turístico del circuito de F1 en Bintan.

Método: Esta investigación empleó el método de modelado de ecuaciones estructurales PLS para analizar los datos cuantitativos recopilados mediante cuestionarios de escala Likert.

Resultados y Discusión: Los hallazgos muestran que la política gubernamental, la participación pública y el potencial local tienen un papel positivo y significativo en la configuración del desarrollo turístico y el bienestar público. No existe un papel directo entre la política gubernamental y el bienestar público. Además, se encontró que el papel mediador del desarrollo turístico es significativo, capaz de mediar en la relación entre la política gubernamental, la participación pública, el potencial local y el bienestar público.

Implicaciones de la investigación: Las implicaciones gerenciales incluyen mejorar las políticas, aumentar la inclusión de la participación pública, cultivar el potencial local para mejorar el desarrollo turístico y el bienestar público.

Originalidad/Valor: Este estudio contribuye a la comprensión de la compleja dinámica en el trabajo de gestión del gobierno y ofrece información para que el gobierno mejore el desarrollo turístico y el bienestar público. La recomendación implica aumentar las políticas estratégicas del gobierno, incluir la participación pública, apoyar el cultivo del potencial local y estimular el desarrollo del turismo apoyando el desarrollo del circuito de F1 que eventualmente benefició el bienestar público.

Palabras clave: Política Gubernamental, Participación Pública, Potencial Local, Desarrollo Turístico, Bienestar Público.

1 INTRODUCTION

The existence of prosperous society is one of the achievements of successful development of every government (Syahputra, 2023). Welfare in general does not only refer to the level of economic well-being alone, but also involves all aspects of life or the social environment (Hafsari & Seftiani, 2022). Basically, achieving public welfare can be done by implementing changes in life for the better through development. Some of the factors that affect public welfare are the policy of the government, public participation and also local potential.
Welfare and quality human resources determine the level of development success (Campbell & Jovchelovitch, 2000). Low quality resources will hinder a person's ability to build communication, thus becoming an obstacle in supporting development (Musheke & Phiri, 2021). However, the direct effect of government policy, public participation and local potential is not fully understood. Therefore, this study aims to see how the government policy, public participation, local potential can affect public welfare and whether tourist development acts a mediator in this relationship.

The COVID-19 pandemic acted as a precursor that increase the percentage of poor people (Suryahadi et al., 2020), Riau Islands province included and it significantly impacting the public welfare there. A study by (Pandey et al., 2020) revealed a surge in internet usage globally, with young people at the forefront. Bintan, particularly, has an increase of poor people during covid (Lamidi, 2022). Government needs to step up and make necessary changes in their policy to develop their region and increase public welfare. Previously, government policy is only in maintaining and or repairing the available infrastructure, developing certain productive sector and optimizing the region potential, in resources both human and natural resources (Saleh et al., 2020). Tourism is one particular aspect that need to be focused on. Indonesia plans to have a new circuit specifically for holding F1 car racing. The new circuit is the Bintan International Circuit which is located in Lagoi, Bintan Regency, Riau Islands Province. The Bintan International Circuit is projected to become the first international circuit on the island of Sumatra. The Bintan region is known to have very high tourism potential, so it is very important to develop it to increase economic value. The advantage of this new circuit is that it has a design that is integrated with tourist resorts and is close to the ocean and islands. Even so, there are still shortcomings, such as the location of the circuit which is not considered strategic and the infrastructure is not yet complete. If the construction of the circuit is complete, this will make Indonesia have the potential to become the third Southeast Asian country to host an F1 event. With the construction of this circuit, investors are increasingly interested in investing their capital by opening new resorts and hotels in the Bintan area. It is hoped that the Bintan International Circuit will have a major impact on people's welfare and involved the communities in various economic activities.

The development of the F1 circuit in Bintan need to involves community participation, (Karim et al., 2023) states the importance of this, as well as the study by (Hakim et al., 2023) where the support of the local government and surrounding communities in the realization of the project in Bintan island. The problem currently occurring is that with so much tourism potential, Bintan is seen as not being able to become a tourism destination area that has a
sustainable concept. The current trend in tourism development is more economically oriented, where economic profits are more concerned than environmental preservation. Another problem that Bintan is currently facing is that the western region of Bintan Island is an area that has the potential for various tourist attractions. Bintan is known for its historical sites, beautiful beaches, amazing fauna as well as abundant Chinese temples and seafood restaurants (Oktaviana et al., 2021). Even though there are development of resort, it is important to notes that geographically, the Island of Bintan in Riau Islands is neighbour with the country, Singapore. This attributed (Arintoko et al., 2020; Lamnadi, 2018). It is hoped that sustainable tourism development in Bintan can maintain natural and cultural resources and provide economic benefits (Kedang & Soesilo, 2021).

Several past studies have looked into how tourism growth affects the connection between government policies and public well-being. (Sharpley, 2002) and (Agustina et al., 2019) discovered that supportive policies positively impact public well-being. (Megawati et al., 2023) found that tourism growth directly influences public well-being but didn't explore how it mediates the relationship between government policies and well-being. (De Matteis et al., 2022) noted a link between supportive government policies and development but didn't delve into the direct impact on public well-being. Lastly, (Pranita et al., 2022) identified tourism growth as a mediator between government policies and public well-being, albeit focusing on only one aspect of those policies.

While previous research has delved into the links between government policy, public involvement, tourism growth, and public well-being, there are still gaps in our understanding. Past studies haven't thoroughly explored how tourism development mediates the relationship between government policy and public welfare. This study aims to bridge that gap by investigating how tourism development mediates the connection between government policy, public involvement, local resources, and public well-being. Its goal is to uncover whether tourism development acts as a mediator between government policy, public involvement, and public welfare. By doing so, the study hopes to shed light on how government policies impact public welfare and how tourism development can influence this dynamic. Ultimately, this research aims to offer valuable insights for governmental bodies seeking to enhance public welfare by managing policies, engaging the public, leveraging local resources, and fostering tourism development.
2 THEORETICAL REFERENCE

This section try to look on theoretical reference to answer the challenges given in the previous section like active community participation is needed (Setokoe & Ramukumba, 2019), coupled with a good governance system (Megawati et al., 2023) with available local potential support (Rasoolimanesh et al., 2017) so that the goals of sustainable tourism development can be achieved (Jones et al., 2017). Thus, public welfare is achieved (Megawati et al., 2023).

2.1 EFFECT OF GOVERNMENT POLICY

In order to answer these challenges, active community participation is needed, coupled with a good governance system so that the goals of sustainable tourism development can be achieved (Dadvar-Khani, 2012; Rasoolimanesh et al., 2017; Tong et al., 2024).

The government is the main actor in the political process of tourism development (Nunkoo, 2015). The government controls the industry through ministries, other agencies, legislation, and funding initiatives (Kuipers et al., 2021). Current governments typically try to balance the priorities of the economy, the environment, and local residents to gain political support with the goal of tourism development (Megawati et al., 2023). Previous studies look on the importance of governement policy on development of the region. Hence, government policy is look as a way to drive public welfrare as as evidence in the study in South Asian countries by (Rahman et al., 2023), in Nigeria (Adegboyo et al., 2021), and East Java Indonesia (Solihin et al., 2021).

H1: Governent policy effect on tourism development
H4: Government policy effect on public welfare

2.2 EFFECT OF PUBLIC PARTICIPATION

Public participation is essential in the involvement of the public in tourism development according to (Zaenuri, 2023). Previous study suggest in development of tourism, local community participation is in suggest per study on Egypt (Eladway et al., 2020). In the context of developing tourist destinations in a particular area, local governments play a greater role, the community also plays an important role in the development of tourism. Participation is defined as an active process, the initiative taken by someone where they are able to provide effective control . Community participation which is often ignored is the beginning of failure in tourism
development (Reindrawati, 2023).

H2: Public participation effect on tourism development
H5: Public participation effect on public welfare

2.3 EFFECT OF LOCAL POTENTIAL

The effect of local potential on tourism development and public welfare can be substantial and multifaceted. Local potential refers to the inherent resources, attributes and capabilities within a community that can be leveraged to support tourism development (Asitik, 2023; Astawa & Sudibia, 2021). These may include natural attractions, cultural heritage, human capital, infrastructure, and community engagement. When effectively harnessed, local potential can serve as the foundation for sustainable tourism initiatives, attracting visitors, generating economic opportunities, and enhancing the overall experience (Purnamasari et al., 2023). Local potential serves as a critical asset for tourism development contributing to destination attractiveness, economic growth and community well-being (Purnamasari et al., 2023).

H3: Local potential effect on tourism development
H6: Local potential effect on public welfare

2.4 EFFECT OF TOURISM DEVELOPMENT

Encouraging tourism in rural areas aims to foster income-generating opportunities and bring modernization to these regions (Maleki et al., 2014). With rural agrarian economies facing declining employment rates and decreasing incomes (Batyk, 2011; Sharpley, 2002), there's been a concerted effort to focus on tourism development by rural authorities. The goal is to rejuvenate the socioeconomic well-being of these areas and, in turn, enhance prosperity within the local community (Sharpley, 2002). Nevertheless, there has been continued discussion regarding the actual tourism role in rural communities. The manifestation of benefits from evidence has frequently been delayed, and when it does, (Moscardo, 2014) sees it tends to favor certain groups within the community. (Harun et al., 2012) further stressed the uncertainty surrounding tourism benefits. They highlight the restricted income prospects from tourism initiatives and the absence of substantial engagement of local communities because of limitations in knowledge, expertise, and resources. Moreover, the sector frequently depends significantly on external assistance for prologed durations. Nonetheless, there are instances in
previous studies that sees tourism development effect on public welfare, and its role to mediate different factor on public welfare (et al., 201; Nasution et al., 2021; SUMARMI et al., 2020).

H7: Tourism development effect public welfare
H8: Tourism development mediates government policy and public welfare
H9: Tourism development mediates public participation policy and public welfare
H10: Tourism development mediates local potential and public welfare

3 METHODOLOGY

To achieve the objective of the study, we chose a descriptive quantitative method to assess the impact of tourism development on the interaction among government policy, public involvement, and local potential in shaping public well-being. We conducted a quantitative survey to gather primary data from respondents, and then employed structural equation modeling (SEM) for data analysis. Our sample comprised 97 participants from the Bintan and Batam Islands in Indonesia. We chose this region due to its renowned tourism, including resorts and culinary attractions, along with the ongoing development of the F1 circuit in Bintan Islands, necessitating a robust strategy to enhance public welfare.

We collected data using a questionnaire featuring a five-point Likert Scale basically from 1 (strongly disagree) to 5 (strongly agree) in measuring all variables. The questionnaire was distributed to primary respondents online through Google Forms. Following data collection, we utilized SmartPLS (SEM) for data analysis. This system integrates various components into a cohesive model (Hair et al., 2014). Through this research, we aim to gain a better perspective on how tourism development mediates the impact of government policy, public involvement, and local potential on public welfare.

4 RESULT AND DISCUSSION

Tabel 1

<table>
<thead>
<tr>
<th>Validity &amp; Reliability Construct</th>
<th>CA</th>
<th>rho_A</th>
<th>CR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop</td>
<td>0.897</td>
<td>0.906</td>
<td>0.915</td>
<td>0.521</td>
</tr>
<tr>
<td>Participation</td>
<td>0.824</td>
<td>0.833</td>
<td>0.869</td>
<td>0.526</td>
</tr>
<tr>
<td>Policy</td>
<td>0.900</td>
<td>0.911</td>
<td>0.923</td>
<td>0.633</td>
</tr>
<tr>
<td>Potential</td>
<td>0.876</td>
<td>0.878</td>
<td>0.910</td>
<td>0.669</td>
</tr>
<tr>
<td>Welfare</td>
<td>0.854</td>
<td>0.858</td>
<td>0.896</td>
<td>0.634</td>
</tr>
</tbody>
</table>

Source: SmartPLS 3, 2024
The Role of Government Policy is Shaping F1 Circuit Development and Public Welfare in Bintan Island, Indonesia

The construct reliability in this study was assessed through composite reliability, Cronbach's alpha, and AVE. A variable is considered reliable when both CR and CA exceed 0.7 and AVE surpasses 0.5. As shown Table 1, each indicator exceeds the recommended minimum, with all values exceed 0.7. Therefore, it can be concluded that all constructs in the study demonstrate high reliability.

Tabel 2
Fornell-Larcker Criterion

<table>
<thead>
<tr>
<th></th>
<th>Develop</th>
<th>Participation</th>
<th>Policy</th>
<th>Potential</th>
<th>Welfare</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop</td>
<td>0.722</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Participation</td>
<td>0.548</td>
<td>0.725</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Policy</td>
<td>0.564</td>
<td>0.558</td>
<td>0.795</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Potential</td>
<td>0.497</td>
<td>0.527</td>
<td>0.436</td>
<td>0.818</td>
<td></td>
</tr>
<tr>
<td>Welfare</td>
<td>0.745</td>
<td>0.588</td>
<td>0.514</td>
<td>0.562</td>
<td>0.796</td>
</tr>
</tbody>
</table>

Source: SmartPLS 3, 2024

As per Fornell-Larcker Criterion test, it's apparent that the square root of AVE exceeds that of all other variables. This suggest that all indicators and variables employed in this study satisfy the Fornell-Larcker Criteria for ensuring good discriminant validity.

Tabel 3
Direct Effect

<table>
<thead>
<tr>
<th></th>
<th>β</th>
<th>T-Values</th>
<th>P-Values</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Welfare</td>
<td>0.537</td>
<td>7.196</td>
<td>0.000</td>
<td>Support*</td>
</tr>
<tr>
<td>Participation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Develop</td>
<td>0.246</td>
<td>1.988</td>
<td>0.047</td>
<td>Support**</td>
</tr>
<tr>
<td>Participation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Welfare</td>
<td>0.178</td>
<td>2.215</td>
<td>0.027</td>
<td>Support**</td>
</tr>
<tr>
<td>Policy</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Develop</td>
<td>0.329</td>
<td>3.002</td>
<td>0.003</td>
<td>Support*</td>
</tr>
<tr>
<td>Policy</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Welfare</td>
<td>0.030</td>
<td>0.381</td>
<td>0.704</td>
<td>Not Support</td>
</tr>
<tr>
<td>Potential</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Develop</td>
<td>0.224</td>
<td>2.120</td>
<td>0.034</td>
<td>Support**</td>
</tr>
<tr>
<td>Potential</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Welfare</td>
<td>0.188</td>
<td>2.281</td>
<td>0.023</td>
<td>Support**</td>
</tr>
</tbody>
</table>

Source: SmartPLS 3, 2024.

The findings in Table 3 validate most of the hypotheses put forth in the study. For the first (H1), second (H2), and third (H3) hypotheses, the results indicate that the variables significantly influence tourism development. Specifically, government policy (β= 0.329, p-value 0.003), public participation (β= 0.246, p-value 0.047), and local potential (β= 0.224, p-
value 0.034) have significant impacts at both the 1% (*) and 5% (**) levels of significance. Results for the fifth (H5) and sixth (H6) hypotheses also demonstrate that the variables notably affect public welfare, with public participation ($\beta = 0.178$, p-value 0.027) and local potential ($\beta = 0.188$, p-value 0.023) showing significant impacts. However, H4 did not yield significant results as the p-value did not meet the established standard. Conversely, findings regarding the seventh hypothesis (H7) indicate that tourism development has a positive and significant influence on public welfare ($\beta = 0.537$, p-value 0.000).

**Tabel 4**

*Indirect Effect*

<table>
<thead>
<tr>
<th>Path</th>
<th>T-Values</th>
<th>P-Values</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation -&gt; Develop -&gt; Welfare</td>
<td>0.132</td>
<td>2.002</td>
<td>0.046</td>
</tr>
<tr>
<td>Policy -&gt; Develop -&gt; Welfare</td>
<td>0.176</td>
<td>2.548</td>
<td>0.011</td>
</tr>
<tr>
<td>Potential -&gt; Develop -&gt; Welfare</td>
<td>0.120</td>
<td>1.947</td>
<td>0.052</td>
</tr>
</tbody>
</table>

Source: SmartPLS 3, 2024.

The result in table 4 confirms all of the study’s hypotheses. Regarding the eight hypothesis (H8), ninth hypothesis (H9), and tenth hypothesis (H10) findings demonstrate that the variables significantly impacts public welfare with tourism development as mediating variable, namely government policy ($\beta = 0.176$, p-value 0.011), public participation ($\beta = 0.132$, p-value 0.046) and local potential ($\beta = 0.120$, p-value 0.052) at 1% (*) and 5% (**). The figure 1 below shows that most indicators for variables with loading factors more than 0.70, indicating a high standard of validity and path coefficient for each variable is depicted in the diagram below:
Subsequent to hypothesis testing, to evaluate how the latent construct are related, the structural model also known as the deep model is tested. $R^2$ and $Q^2$ are tests in this model. $R^2$ shows the strength of the correlation. This also shows the strength of the research model.

**Table 5**

<table>
<thead>
<tr>
<th>Variable</th>
<th>$R^2$</th>
<th>$R^2$ Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop</td>
<td>0.431</td>
<td>0.413</td>
</tr>
<tr>
<td>Welfare</td>
<td>0.626</td>
<td>0.609</td>
</tr>
</tbody>
</table>

Source: SmartPLS 3, 2024.

Table 5 shows the $R^2$ value for the tourism development variable of 0.431, which shows an influence of 43.1% and for the public welfare variable of 0.626 which shows an influence of 62.6%. The internal model test is carried out by looking at the $Q^2$ box, which is a goodness of fit model test ($Q^2$). The $Q^2$ box value exceeds zero, which indicates that the model has predictive relevance value. Conversely, a $Q^2$ box value below zero indicates that the model has a lower predictive relevance value. The $Q^2$ calculation is as follows:

$$Q^2 = 1 - [(1-R_{12}) (1-R_{22})] = (1 - [(1-0.431) (1-0.626)]) = 0.787 \tag{1}$$
Based on the above calculations, the Q2 value = 0.787 and is close to the value of 1, which indicates that the model may have relevant predictive value. These results also show that 78.7% of the data can be explained by the model, while the other 21.3% can be caused by errors or other variables that are not in the model.

5 DISCUSSION

In this study, we delve into how government policies, public engagement, local resources, tourism growth, and public well-being are interrelated, with a spotlight on how tourism development acts as a mediator.

Our findings offer valuable insights that enhance our grasp of the intricate dynamics involved in governmental operations. Specifically, we discovered that government policies have a notable impact on the development of tourism. This finding is consistent with theories of Social Welfare Function that underline in welfare economics and focuses on how government policies and interventions impact the overall well-being of the society as a whole (Pollak, 1979; Yuan, 2015). This theory supports the idea that elements such as utilitarianism, pareto efficiency, income redistribution, public good provision, market failures and externalities can contribute positively to public welfare. Policymakers can design and implement policies that promote the common good, address societal needs and enhance the overall welfare of citizens. These results support the general view in this area and strengthen the existing theoretical basis, confirming that a government policy can create favorable tourism development (Abdelfattah et al., 2023). However, this study shows that government policy has no significant influence in shaping public welfare. These results differ from previous studies that said supportive government policy will increase public welfare (Husnah et al., 2023; Moslehpour et al., 2023). Nevertheless, tourism development able to mediates the effect of government policy on public welfare (Liang & Li, 2023).

For the second variable, aspects of the public participation such as informed decision making, transparency and accountability, social cohesion and trust, as well as social justice, and conflict resolution is essential for supporting tourism development and public welfare (Mulia, 2019; Zaenuri, 2023). By fostering transparent and accountable governance processes that empower trust, and drive positive social change. This finding is consistent with theories of Social Capital Theory that posits those public builds social networks and relationships among citizens, government and other stakeholder (Swanson et al., 2020; Thomas & Gupta, 2021). These networks enable collaboration, information sharing, and problem-solving, ultimately
contributing to public welfare (Mulia, 2019). Therefore, policymakers and governing management can leverage public participation as a powerful tool for promoting inclusive, transparent, and effective at enhances the well-being of all citizens (Mulia, 2019).

This study also corroborates the positive relationship between third variable, Local potential and tourism development and also public welfare. This finding shows that local potential has a significant effect on tourism development and public welfare. Local potential when cultivated able to increase tourism development and also increase public welfare (Astawa & Sudibia, 2021; Purnamasari et al., 2023). In this context, local potential acts as a supporting factor that motivates government to develop their tourism and welfare of the people. This is in line with Community Capitals Framework which asserts that the interrelatedness of various forms of capital within a community and their collective impact on community development and well-being (Asitik, 2023). By embracing asset-based approach to community development and mobilizing forms of capital, communities can harness their inherent strengths to promote inclusive, sustainable, and resilient development that enhances the well-being of all residents (Butler et al., 2024).

By acknowledging the pivotal role of tourism development bridging government policies, and public welfare, policymakers have the opportunity to embrace a comprehensive approach to fostering sustainable tourism, exemplified in the case of the F1 circuit. This approach ensures enduring advantages for both tourists and host communities. By considering public participation and local potential, governments should acknowledge the potential of tourism and align policies accordingly, aiming to achieve broader socio-economic objectives like reducing poverty, fostering job creation, and enhancing community development. Moreover, governments can prioritize investments in tourism infrastructure, including transportation, accommodation, and attractions, to bolster sustainable tourism development in the F1 circuit on Bintan Island. Such initiatives have the potential to spur economic growth, generate employment opportunities, and elevate living standards within local communities.

6 CONCLUSION

In this study, we investigate the intricate connections among government policies, community engagement, local resources, tourism growth, and public well-being. Our findings offer crucial insights. Firstly, we found that government policies positively influence tourism development. This underscores the significance of policymakers crafting and implementing policies that prioritize the greater good, meet societal demands, and bolster tourism growth.
Next, the findings suggest that the government policy only affects tourism development, but has no direct impact on public welfare. Nevertheless, tourism development able to mediates the effect of government policy on public welfare. government policy can create favorable tourism development. Policymakers can adopt a holistic approach to promoting sustainable tourism which in this case is F1 circuit that generates lasting benefits for both tourists and host communities. Furthermore, our findings offer valuable insights. We discovered that public participation positively influences tourism development, underscoring the significance of community engagement in fostering social connections among citizens, government, and other stakeholders. Moreover, our research indicates that public participation not only impacts tourism development but also directly affects public welfare. Embracing an asset-based approach to community development and leveraging various forms of capital can empower communities to utilize their inherent strengths, promoting inclusive, sustainable, and resilient development that enhances the well-being of all residents. Additionally, our results shed light on the positive impact of local potential on tourism development. This highlights the importance of nurturing local resources to bolster tourism growth. Similarly, we found that public participation not only influences tourism development but also directly impacts public welfare. By adopting an asset-based approach to community development and mobilizing different forms of capital, communities can harness their inherent strengths to foster inclusive, sustainable, and resilient development, ultimately enhancing the well-being of residents.

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The Role of Government Policy is Shaping F1 Circuit Development and Public Welfare in Bintan Island Indonesia


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