

Local Empowerment, Global Attraction: Sustainable Strategies for Rural Tourism Development in Indonesia Through Village-Owned Enterprise

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ABSTRAK

Keberlanjutan pariwisata pedesaan sangat penting bagi Indonesia untuk mencapai keseimbangan antara pertumbuhan ekonomi dan tanggung jawab lingkungan serta sosial. Ini merupakan tantangan besar untuk menerapkan pariwisata pedesaan berbasis masyarakat melalui revitalisasi badan usaha milik desa, sebagai strategi kunci dalam praktik pembangunan ekonomi pedesaan yang menyelaraskan nilai alam dan ekonomi. Makalah ini menyajikan studi kasus BUMDES Sukamakmur di Desa Sirnajaya, Jawa Barat, yang menyoroti sumber daya alam dan pertaniannya, termasuk perkebunan kopi yang dapat dikembangkan potensinya. Penelitian ini bertujuan mengkaji peran lembaga pedesaan dalam mengembangkan model pariwisata pedesaan yang berkelanjutan menggunakan strategi rantai nilai dan jaringan. Pendekatan kualitatif dengan studi kasus tunggal dilakukan, yang melibatkan focus group discussion di antara pemangku kepentingan utama. Temuan penelitian menyarankan sebuah model jaringan untuk memberdayakan lembaga masyarakat seperti badan usaha milik desa dalam menjaga keberlanjutan pembangunan pariwisata pedesaan. Model ini merupakan panduan bagi praktisi dalam pengembangan pariwisata pedesaan yang berkelanjutan, baik di desa-desa lain di Indonesia maupun negara lain yang menghadapi tantangan serupa. Penelitian ini berkontribusi pada pemahaman peran lembaga pedesaan dan praktik terbaiknya dalam mencapai dan menjaga keberlanjutan pembangunan pariwisata pedesaan, serta mengidentifikasi strategi pariwisata yang efektif.

ABSTRACT

Promoting rural tourism is crucial for Indonesia as it seeks to balance economic growth with environmental sustainability and social responsibility. However, revitalizing community-owned enterprises to develop community-based rural tourism presents a considerable challenge. This key strategy for rural economic development aims to align the value of natural resources with economic benefits. This paper explores a case study of BUMDES Sukamakmur located in Sirnajaya Village, West Java, with an emphasis on its natural and agricultural assets. The village features several resources, including a coffee plantation, which offers opportunities for economic development. The study seeks to analyze how rural institutions contribute to the establishment of a sustainable rural tourism model through the implementation of value-chain and network strategies. A qualitative approach with a single case study was conducted, involving focus group discussions among key stakeholders. A network model is proposed to support rural tourism development through empowering local community institutions, such as village-owned enterprises. The model guides sustainable rural tourism development in other Indonesian villages or countries facing similar challenges. This research contributes to understanding the role of rural institutions and their best practices in achieving and sustaining rural tourism development while identifying effective tourism strategies.

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INTRODUCTION

This paper analyzes the growth of rural tourism in Indonesia. It also highlights the potential for utilizing the unique assets found in villages. The motivation behind the research stems from two primary factors. Firstly, there is a distinct absence of studies focusing on the development practices of rural tourism in Africa, Asia, and Latin America (Ruiz-Real et al., 2022). This void in research can be attributed to the complex interplay of political and religious issues in these regions. Secondly, rural tourism has significantly influenced Indonesia's economic development. Antlöv (2003) notes that the focus on rural area development has become particularly significant since the political reformation 1998.

Dolezal and Novelli (2022) has shown that the rural community plays a vital role in promoting rural tourism and has been the focus of significant studies regarding their involvement in this sector (also found in Bello et al., 2017). Their engagement in rural tourism development offers two important advantages. It secures the long-term sustainability of tourism infrastructure and stimulates economic growth in rural communities.

The Indonesian government has recognised the importance of village-owned enterprises for social and economic growth in rural areas (Juni et al., 2021). However, their potential often remains untapped. This is mainly due to limited organisational capacity and ineffective management practices. The main aim of this research is to emphasise the importance of community involvement in a village-owned business. This approach seeks to enhance rural economic development through tourism. It is expected that the village government will dedicate funds from the village budget to support various programs and initiatives (Arifin et al., 2020). BUMDES Sukamakmur, located in Sirnajaya Village in West Java, is a model for village-owned enterprises. It effectively uses natural resources and agricultural products to promote rural tourism, especially around the popular Situ Rawa Gede Lake. The village covers an area of 15.29 km² and features a variety of landscapes, including residential areas, rice fields, and plantations. Rice and coffee are the primary agricultural products grown here.

This research project centered around Sirnajaya Village aims to delve into two pivotal questions regarding the role of village-owned enterprises in managing rural tourism. Firstly, we explore how these enterprises play a significant role in developing rural tourism and how they embrace and implement the tourism value-chain approach to enhance its growth (RQ1). Secondly, we endeavour to understand the specific model for developing rural tourism in Sirnajaya Village and outline the key factors the village-owned enterprise should consider within this development framework (RQ2).

This study explores how to strategically manage the value chain and network strategy to support rural tourism development in Sirnajaya Village. It emphasises a community-based tourism approach centered on the tourism value chain. The goal is to enhance BUMDES Sukamakmur as a thriving business institution. Additionally, it aims to encourage greater participation from the local community in the village-owned enterprise.

Literature Review

The following section offers a concise overview of the literature on rural tourism development, network strategy, the tourism value chain, the village-owned enterprise as a crucial strategic institution, and frame of thinking. Subsequently, the third section outlines the methodology, which provides insight into the research framework, instrumentation, data collection and analysis. In the fourth section, the results and

discussion of the findings are presented and examined to address the research questions. Finally, the concluding section summarises the key points and discusses their implications.

The majority of the literature on rural tourism practices has concentrated on developed countries (Gartner, 2004; Park et al., 2012; Yachin & Ioannides, 2020). Rural tourism in developing countries involves various elements. These include the natural environment, agricultural practices, and the cultural heritage of local communities. Additionally, it highlights the traditional lifestyles and culinary customs of the area. The built environment and notable heritage sites also play a significant role in rural tourism (Dolezal & Novelli, 2022; Moswete & Thapa, 2015; Warouw et al., 2023).

Zakaria (2024) and especially in Bramwell (1994) highlights the unique characteristics of rural tourism and emphasises the significant influence of society and the rural economy on its supply. Ismanto et al. (2023) underscores the pivotal role of community-based ecotourism in the development of rural economies (see also in Moswete & Thapa, 2015). Community-based tourism entails active involvement and engagement of community members, with further details provided in Table 1.

Table 1.
Key Features of Community-Based Tourism

Dimension	Description
Economic	The community creates jobs, generates income, and provides a means of livelihood for its residents.
Social	Contributing to enhanced quality of life, boosting local pride, and supporting community organizations.
Cultural	Promoting celebrating different cultures, fostering meaningful interactions between diverse groups, and nurturing strong cultural connections.
Environment	Anticipation for understanding the environment's carrying capacity, implementing effective waste management practices, and promoting awareness of the importance of conservation.
Politics	Facilitating the engagement of local community members, strengthening their ability to negotiate, and safeguarding their entitlement to resources within the area.

Source: Sakata and Prideaux (2013), Okazaki (2008)

The study by Sakata and Prideaux (2013) examined various factors that affect the outcomes of community-based tourism, determining whether such initiatives succeed or fail. One key finding was the significant impact of power dynamics between external stakeholders and local communities. This highlights the critical importance of meaningful involvement from community members (Rustanto et al., 2024).

The research also introduced a bottom-up approach. In this model, community members take the initiative to lead local mechanisms. They do this without depending on external financial support. This method shows potential for creating small-scale tourism projects in remote areas. The findings also suggest that traditional strategic management practices, which assume a static environment, may no longer hold relevance given these conditions. Furthermore, they delved into a detailed comparison of network strategy and traditional strategic management.

Network Strategy

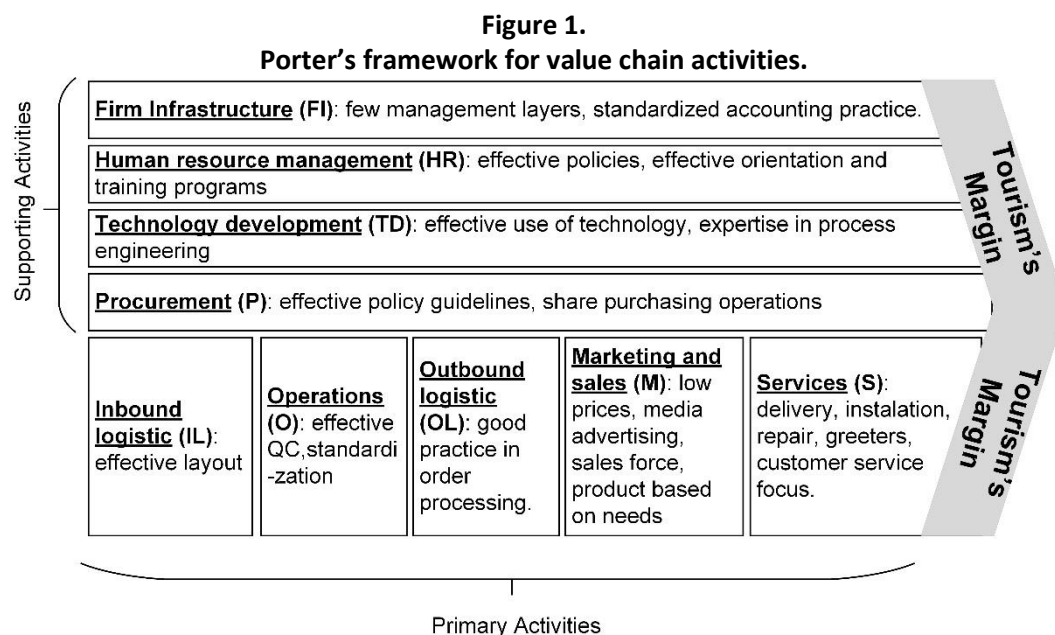
In their analysis, Tikkanen and Halinen (2003) explored strategic management from three different perspectives: traditional, competence-based, and the network approach. They emphasized that network-oriented strategies are shaped by open environmental conditions. This requires organizations to establish unique relationships and adapt to their surroundings.

Organisations must develop a highly relevant and adaptable system to thrive in the complex and dynamic business environment. They often operate with limited resources and must establish networks to access needed resources. Creating a network can offer a quick and adaptable approach to address the uncertainties and challenges of the ever-changing business landscape (Stoddart et al., 2020). A network is formed by established relationships between actors, including individuals, groups, or organizations.

Koch and Windsperger (2017) have articulated two compelling reasons why networking capabilities have captured considerable attention in the digital economy (also in Owen-Smith et al., 2015; Sawir et al., 2023). First, they allow for the seamless sharing of mutual resources, achieved through complex information channels, status signals, and social influence. Second, network strategies combine elements of market-based and resource-based approaches, which helps organizations gain a competitive advantage (Martinez & Aldrich, 2011). These strategies are crucial for developing rural tourism, as they are deeply connected to the tourism value chain concept.

Tourism Value Chain

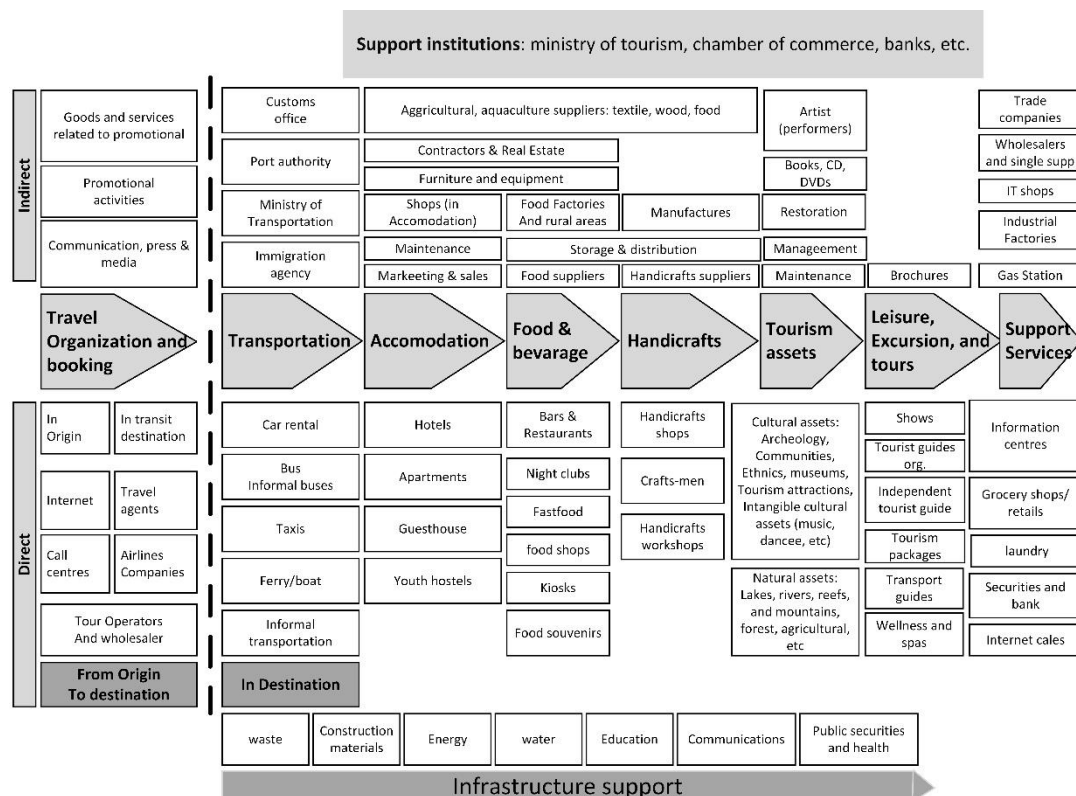
In their discussion, Sutomo et al. (2022) examined the specifics of the tourism value chain related to rural tourism development and planning. They highlighted four distinct types of logic connected to the tourism value chain: supply logic, destination logic, global value chain logic, and tourism global value chain logic. Figure 1 illustrates Porter's value chain model, offering a clear visual representation of these concepts.



Source: Porter (1986, p. 21)

Porter's value chain model, illustrated in Figure 1, consists of primary and supportive activities that create value for tourism. The primary activities directly enhance tourism value, while supportive activities improve the efficiency of these primary functions. The tourism margin, which represents the difference between costs and value generated, is a key aspect of this model. The United Nations World Tourism Organization (UNWTO) has expanded on this framework by developing a specific value chain for the tourism sector, as shown in Figure 2. This approach highlights the importance of both categories of activities in driving value within the tourism industry.

Figure 2.
Activities and processes involved in the tourism value chain



Source: Miličević (2021)

Figure 2 shows two distinct sets of activities. The "inbound" activities are on the right side. These include all the services provided by organizations within the tourism industry. Examples are transportation, accommodation, food and beverage services, handicrafts, and cultural or heritage buildings. Additionally, they include services specific to tourism. Conversely, the "outbound" activities are illustrated on the left side. These activities relate to the organization's own functions and booking services.

Village-Owned Enterprise

The analysis suggests that the lack of effective collaboration among stakeholders, notably between external entities and the local community, is a significant contributing factor to the struggles of community-based tourism (Ismanto et al., 2023). This results in minimal community participation in rural tourism development, ultimately leading to a lack of sustainability.

A village-owned enterprise is a type of business organization that relies heavily on community involvement. These enterprises often include participation from the village government, with members serving as commissioners. This collaborative approach strengthens the connection between the business and the local community (Arifin et al., 2020; Juni et al., 2021; Watts et al., 2019). Improving a village-owned enterprise's resource management is essential for its empowerment. This improvement requires driving community engagement and fully utilizing information communication technology (ICT). To achieve these goals, extensive capacity building for both the board of directors and the staff is important. Additionally, there should be a strong emphasis on organizational development, management skills, and workforce training.

Kania et al. (2021) emphasizes the vital role of village-owned enterprises in propelling rural economic development in Indonesia. The Indonesian Government, particularly the Ministry of Villages, Development of Disadvantaged Regions, and Transmigration, acknowledges the significance of village-owned enterprises in fostering rural development and economic growth (see also in Juni et al., 2021). To boost their competitiveness and drive economic progress, the ministry actively promotes the establishment and growth of village-owned enterprises by village governments. Leveraging the pentahelix collaboration model, multiple sectors, including higher education, business and technology, and the community itself, collaborate with village governments to invigorate the rural economy through village-owned enterprises.

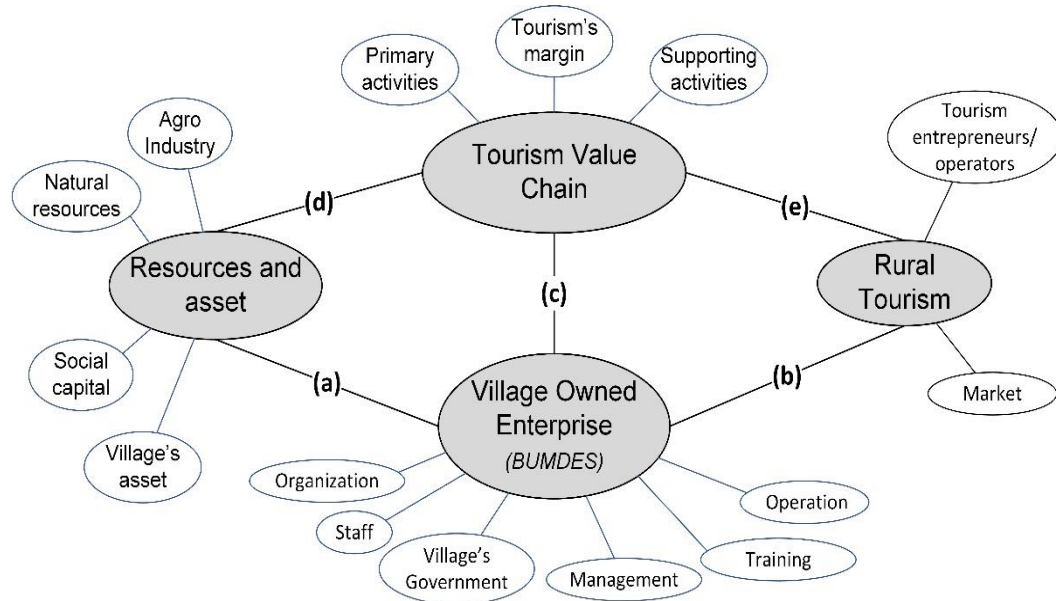
Framework of thinking

The Aquino framework introduced a comprehensive model for sustainable community development within the tourism sector, which has laid the groundwork for this study (Aquino et al., 2018). Building upon this foundation, the framework has been customised to underscore the vital role of local community engagement and institutions in driving tourism development. It highlights key components such as regional institutions, the tourism value chain, community resources, and village assets.

The framework illustrated in Figure 3 consists of four key components: village-owned enterprise, resources and assets, tourism value chains, and rural tourism development. The primary objective of the village-owned enterprise is to stimulate economic growth through activities related to rural tourism. Figure 3 outlines the key components of rural tourism development. At its core is the village-owned enterprise, which plays a crucial role in managing all village resources. This includes overseeing operations, staff, and training programs.

The resources and assets involved consist of several elements. These include community assets, agro-industry, social capital, natural resources, cultural assets, and various other village resources. Together, these elements contribute to the advancement of rural tourism through a tourism value-chain approach.

Figure 3.
A conceptual approach to rural tourism development framed around the tourism value chain.



Source: modified from Aquino et al. (2018)

In Figure 3, point (a) emphasises the village-owned enterprise as a key organisation handling village resources and assets for rural tourism. Collaboration with training providers and supporting ancillary industries is essential for sustainable development. Point (b) refers to using all available resources and assets to turn a village into a tourist destination. This encompasses the potential of the community, cultural assets, and various village resources. Agricultural products play a key role in this transformation. Additionally, related industries such as food, beverages, and handicrafts are essential. Together, they contribute to ensuring long-term sustainability for the village.

Rural tourism involves various industries that manage tourist sites, programs, and stakeholders, either directly or indirectly. Point (c) highlights the ability of village-owned enterprises to apply the tourism value-chain approach effectively. Point (d) relates to the resources and assets available within the village that contribute to the tourism value chain. Finally, point (e) illustrates the results achieved through the rural tourism value chain.

The framework presents the village-owned enterprise as a key player in promoting tourism development within the community. It leverages local assets and resources to enhance its offerings. By collaborating closely with the village administration, the enterprise focuses on attracting more tourists. Its strategy includes improving the supply chain and making the destination more appealing to visitors.

This research offers three important contributions to promoting village-owned enterprises as vital rural institutions for revitalizing tourism development in these areas. Firstly, it comprehensively analyses how village-owned enterprises function as strategic institutions.

These enterprises engage local communities and play a crucial role in driving economic development at the village level.

Secondly, the study highlights the significant role that village-owned enterprises play in rural tourism development. These local businesses not only provide essential services and attractions that draw visitors, but they also stimulate the local economy by creating jobs and fostering entrepreneurial opportunities within the community. Thirdly, it presents a strategic model designed for village tourism development. This model emphasizes active community involvement and positions village-owned enterprises as the main catalyst for success.

RESEARCH METHODS

The study uses a qualitative method and a case study to explore and clarify the economic impact of village-owned businesses in enhancing the supply chain in rural tourism development. In recent years, qualitative methods have become more popular in research on value chains and rural tourism development. Through the case study of BUMDES Sukamakmur, the qualitative approach provides an investigative method that produces more extensive and detailed results. A structured approach guided the exploratory qualitative method.

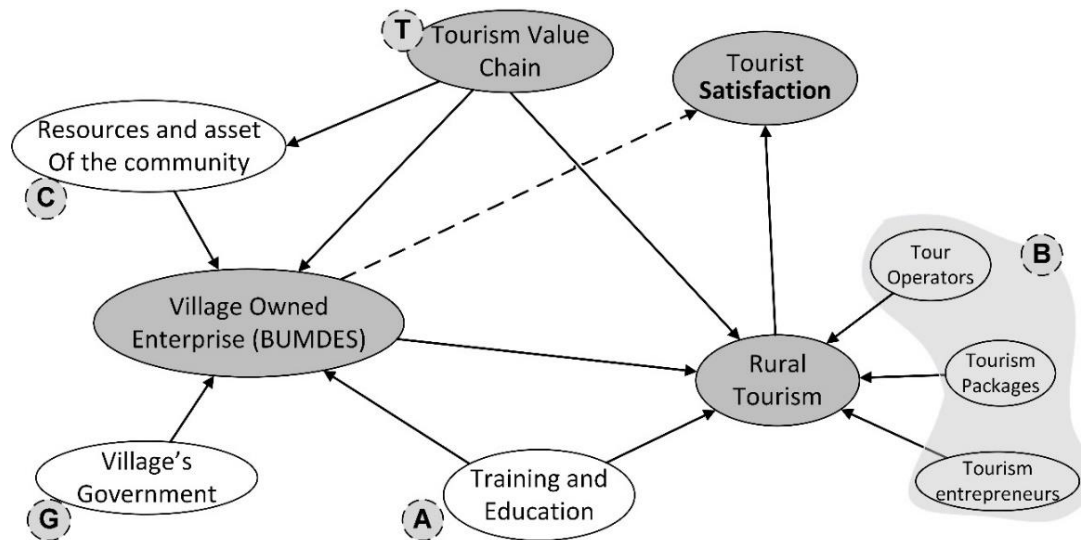
Research Framework

The research was done by following the chronological steps: firstly, the pre-research phase contains initial community engagement, literature review and background study, and development of research framework. The initial community engagement was conducted with a discussion with the head of the Sirnajaya village and BUMDES Sukamakmur regarding the village's potency, vision and mission, community involvement, BUMDES structure, activities, and performance. A literature review was done to dig for some notions and insight for developing a background study and research framework. Secondly, the data collection phase includes focus group discussions, capacity-building workshops, benchmarking study visits, and stakeholder interviews. Thirdly, the data analysis and reporting phase includes transcriptions and coding interviews, drafting research reports, and dissemination planning.

To conduct this research, a framework was customised to fit the specific context of developing community-based tourism in Sirnajaya Village using a tourism value-chain approach. This research explores a network approach in the tourism value chain to promote sustainability in the development of rural tourism in Sirnajaya Village. A comprehensive research framework is formulated by combining the conceptual framework in Figure 3 with the tourism value chain presented in Figure 2. This fusion ensures that the strategic role of BUMDES Sukamakmur in rural tourism development corresponds with the essential elements of the tourism value chain, culminating in Figure 4.

Figure 4.

Research Framework which illustrates the interconnected roles of various sectors in the study, including A=academic sector, B=business sector, G=government sector (village level), C=community, and T=media and technology



Source: author's integration of Figure 2 and Figure 3.

The model displayed in Figure 4 integrates the notion of tourism margin, which illustrates the importance of tourist satisfaction in developing rural tourism. Furthermore, it introduces two additional essential concepts: the tourism value chain and training and education. The Penta helix model encompasses both technological and academic elements. In this framework, the media and technology sectors are integrated into the tourism value chain. This integration highlights the significant role these sectors play in promoting the development of rural tourism.

Table 2.

Indicators Related to Community-Based Ecotourism within the Tourism Value Chain Framework

Area or Context	Indicators
Economic and business	Creating income through economic activities, job creation, various business models, participation in rural tourism, and enhancing managerial and organizational skills, marketing strategies, and financial resources.
Social and cultural	Fostering a vibrant and cohesive community involves some aspects, including quality of life, local pride, development of organisation, participation in community activities, income sharing, willingness to collaborate and share resources, appreciation of diversification, cultural bonding, and encouragement of cultural exchange.
Technological	Readiness to embrace technology, extent of technology utilisation, ability and proficiency in adopting ICT, and similar factors
Environmental	Waste disposal, understanding the importance of preserving resources;
Political	Encouraging local residents to get involved in the activities of the local government, boosting the community's negotiating ability, raising awareness about the community's entitlement to resources in the region, and more.

Area or Context	Indicators
Inbound logistic	involvement in activities related to bringing tourists into rural destinations, including tourist information, tourist guides, coordination with suppliers
Operational	Involvement in activities for delivering tourism products and services, including service/product quality level, environment sustainability, safety and security.
Outbound Logistic	Participation in activities to distribute tourism products and services includes distribution channels, accessibility, transportation, promotion, and collaboration with local businesses.
Marketing and sales	Involvement in activities promoting and selling tourism products and services includes awareness, online presence, customer inquiries, and satisfaction.
Services	Involvement in activities for delivering tourism experience, including quality, staff competence, personalization and customization, and timeliness
Firm infrastructure	Involvement in activities to support systems and structures that enable the effective functioning of tourism businesses, including organizational structure, financial structure, human resources, and strategic planning.
Human resource management	Involvement in activities in managing human resources, such as workforce planning, recruitment and selection, and training
Technology development	It involves applying and integrating various technological tools and solutions to support different aspects of tourism activities, such as digital marketing, online booking, the Internet, social media, and online training.
Procurement	This includes acquiring the necessary resources, goods, and services to support tourism activities and operations. It also includes key issues such as forming partnerships and collaborations with local sources, finding eco-friendly product suppliers, and managing risk.

Source: Compiled from initial community assessment through semi-structured interviews and focus group discussions and modified from Aquino et al. (2018); Sakata and Prideaux (2013)

Research Instrumentation

A background study equipped with initial community engagement sets the primary focus of the research, which is understanding the contextual factors, the process of actions or events, and the underlying causal relationship associated with rural tourism development in the village. These aspects were observed, recorded, and analyzed to gain deeper insights into the research subjects' experiences.

These context themes in this study emerged from the data collected through semi-structured interviews and focus group discussions. While preliminary indicators were used to guide the initial stages of data collection, these were continually refined and validated as more data was collected. This iterative approach ensured that the themes remained grounded in the participants' descriptions and experiences, adhering to the principles of grounded theory.

The interview occurred in five main areas of the context's themes being investigated: economic and business, social and cultural, technical, environmental, and political. This included both primary and supporting activities, as shown in Figure 1. Several indicators were established for each area, detailed in Table 2.

Participant Selection Process and Data Collection

Specific criteria guided the selection of participants for this study, aiming to ensure diverse and relevant perspectives on rural tourism development. Participants were chosen based on their roles within the community, experience with tourism initiatives, and ability to provide insights into BUMDES Sukamakmur's operations. Key criteria included:

- i. **Role in Community:** participants included the village chief, BUMDES head, site manager of Situ Rawa Gede Lake, representatives from local farmers' groups, community leaders, and members of POKDARWIS (Kelompok Sadar Wisata).
- ii. **Experience with Tourism:** selected individuals had direct involvement in tourism-related activities, ensuring that their insights were grounded in practical experience.
- iii. **Diversity of Perspectives:** efforts were made to include voices from various stakeholder groups to capture a holistic view of rural tourism dynamics.

The selection process involved initial outreach to community leaders who assisted in identifying suitable candidates. Informed consent was obtained from all participants before their involvement in interviews and discussions.

The research program and field observations were conducted from February 2019 to February 2020. This includes focus group discussions, capacity-building workshops, and benchmarking study visits to other tourism villages. Two focus group discussions were held in October 2019 and February 2020, and they concluded with a study visit following the last FGD in February. Data was collected through structured and semi-structured interviews during the focus group discussion and the study visit.

Structured and semi-structured interviews were conducted with six primary stakeholders from the organization. This group includes the village chief, the leader of the village-owned enterprises (BUMDES), the manager of the Rawa Gede Site, a local farmers' representative, a member of the community leadership, and a collective of villagers involved in rural tourism activities referred to as POKDARWIS (short for "Kelompok Sadar Wisata" in Indonesian). This group consists of residents partaking in various daily activities associated with rural tourism, such as trading, site management, parking operation, entrepreneurship, farming, handicraft production, and BUMDES personnel.

In addition to semi-structured interviews, we carried out comprehensive interviews, performed a benchmarking study visit, made observations, participated in informal discussions, and analyzed secondary documents.

Table 2 outlines the themes and indicators, complementing the research framework shown in Figure 4 and the tourism value-chain model in Figure 2. Due to the limited education and tourism experience of POKDARWIS members, the interviewer adjusted the interview questions. This modification was necessary because some interviewees struggled to understand or misinterpret the original questions.

Using a semi-structured interview format allowed the interviewer to gather perspectives from both members and villagers. This approach acknowledged their current understanding of tourism development. It also provided an opportunity to collect diverse opinions and experiences, including those from key stakeholders. Additionally, this process helped identify the community's criteria for evaluating the rural tourism project.

The results were also enhanced through on-site observations and discussions with merchants, farmers, and other pertinent parties. Additionally, supplementary materials, including local

tourism strategies, village resource assessments, and statistical data, were reviewed to collect relevant details about village advancement.

Eight key individuals from the community were interviewed: the village head, BUMDES leader, POKDARWIS leader, site manager, leader of the coffee farmer community, general community leader, trader/entrepreneur community leader, and tour operator community leader. These interviews took place during a full-day focus group discussion and incorporated both Bahasa and the local Sundanese language.

The sessions were recorded and transcribed using a combination of handwritten notes and tape recordings. This approach ensured that the participants' insights and perspectives were accurately captured for further analysis.

Data Analysis

The following procedure was used to analyze the data: first, the category was identified, then codes and their meanings were assigned, and finally, inferences were made (Saldaña, 2021). Themes were coded based on all transcribed dialogues, photos, and discussions. Inductive reasoning was applied to make inferences by using a narrative approach to analyze the coded themes. The findings were organized according to the established theme and the Penta Helix model. A summary of the informants' perspectives is provided in Appendix 1.

The data was analyzed using thematic analysis and a Penta Helix approach, which involves collaboration among five key stakeholders: academia, business, government, community, and media technology. Four primary themes emerged from this analysis, as shown in Figure 4. The overview for each sector is as follows: the academic sector (A) focuses on offering training and education to BUMDES and village government officials. The business sector (B) consists of tour operators, tourism entrepreneurs, and the market. The government sector (G) plays a crucial role in the development of BUMDES as a village business unit. The community sector (C) includes the village's resources and assets, emphasizing the importance of social capital. The media technology sector (T) pertains to media and technology providers involved in the tourism value chain. This collaboration among these sectors enhances the overall effectiveness of promoting local tourism and community development.

Validity and Trustworthiness of the Research

Several actions were employed to maintain the validity of the research, namely data triangulation, data quality checks, researcher reflexivity and transparency, ethical aspect checking, transcriptions and coding interview checks, and discussion of limitations. It is crucial to develop the trustworthiness of this qualitative case study research. We aim to fulfil the trustworthiness of our findings and provide a robust qualitative case study on the role of BUMDES Sukamakmur in rural tourism development in Sirnajaya Village.

Data triangulation was employed by combining data from semi-structured interviews with six primary stakeholders, focus group discussions involving community members, and observations of rural tourism activities. This multi-method approach helped validate the findings and ensure they were consistent across different data sources.

Data quality checks, including transcriptions and codes, are thoroughly checked for accuracy. This involves multiple checks by other researchers to ensure consistency. The researcher's reflexivity and transparency were reflected in the researcher's biases and assumptions that might influence the data collection and analysis. This includes self-awareness in mitigating potential biases and ensuring the findings are as objective as possible. This involves returning

the preliminary findings to participants to validate the themes and interpretations derived from the data. Sharing these initial findings with participants to ensure their perspectives were accurately represented. Ethical aspect checking assures that the authority approves the case study research to follow the standard guide for involving participants.

RESULTS AND DISCUSSIONS

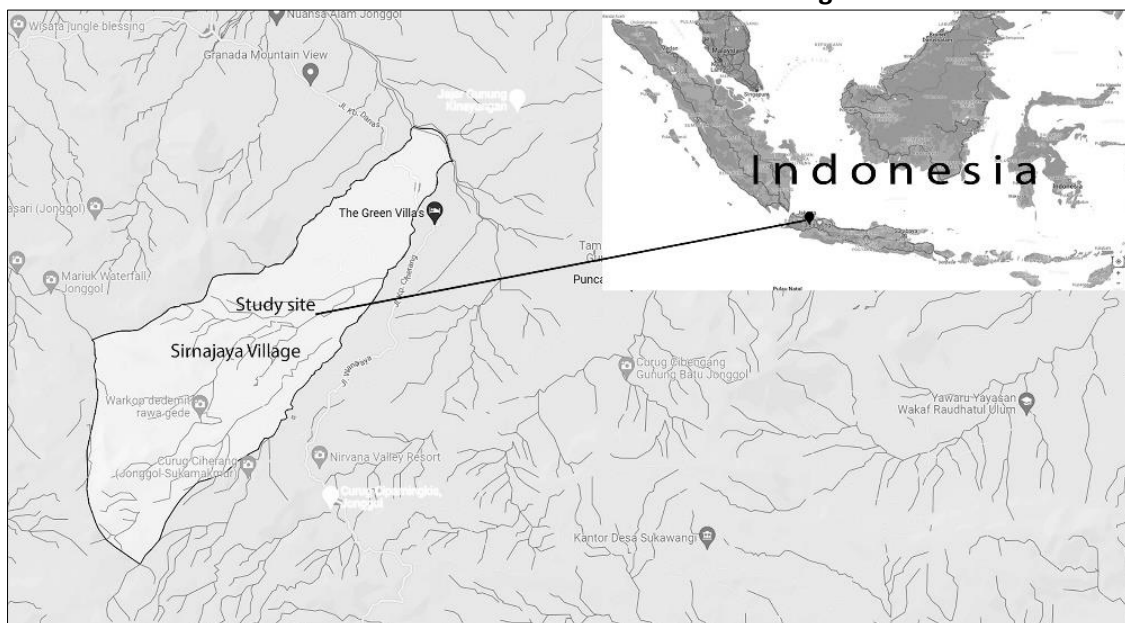
Rural tourism is essential in Indonesia, substantially contributing to the local and national economies. The strategic advancement of rural tourism and active engagement of the local community heavily relies on implementing a value chain approach. Village-owned enterprises are vital in enhancing the rural tourism value chain, ensuring its ongoing development and long-term sustainability. The analysis is based on the informant's perspective of Appendix 1 and the research framework in Figure 4.

Case Study in Context

BUMDES Sukamakmur is a village-owned enterprise in Sirnajaya Village, West Java Province, Indonesia. It capitalizes on natural resources and agricultural goods to enhance rural tourism. A significant attraction is Situ Rawa Gede, a beautiful lake that draws domestic tourists from across Indonesia. The village in Sukamakmur District, Bogor Regency, spans 15.29 km² and features diverse landscapes, including settlements, rice fields, plantations, and mountains (Figure 5). Key agricultural commodities are rice and coffee, complemented by Situ Rawa Gede, a renowned tourist attraction.

Figure 5.

The study site, Sirnajaya Village, is in West Java, Indonesia. It encompasses Situ Rawa Gede, a notable natural attraction within the village



Source: Google map (2024)

Sirnajaya Village, in Sukamakmur District, Bogor Regency, West Java, boasts well-developed infrastructure, including road networks and electricity. It is renowned for its expansive Robusta coffee plantations (2.38 km², 357 tons of green beans) and Situ Rawa Gede, a popular natural tourist spot offering water activities, picturesque landscapes, and local crafts. The village has

vast tourism potential, including camping, water sports, and culinary experiences centered around its speciality coffee.

Strengthening Local Economies: A Case Study of BUMDES in Sukamakmur Sirnajaya Village

This study is grounded in the model depicted in Figure 4, focusing on a case analysis of BUMDES Sukamakmur located in Sirnajaya Village. The partnership consists of ASTRA International Inc., a leading private corporation in Indonesia, Parahyangan Catholic University, a distinguished institution of higher education, a provider from the technology sector, and the local community. The objective is to enable BUMDES Sukamakmur to efficiently manage rural tourism.

The government of Sirnajaya Village has entrusted BUMDES Sukamakmur (hereinafter referred to as BUMDES) with overseeing the management of all village resources for economic development. It has been operating since March 2017 and received its initial funding from Sirnajaya Village in 2018. Figure 6 depicts BUMDES's role and scope.

In Figure 6, BUMDES Sukamakmur promotes rural tourism using community assets and resources. They oversee the coffee plantation in the village and the enchanting Situ Rawa Gede (Lake Rawa Gede), which is a favoured tourist spot. The coffee produced locally adds to the allure of Sirnajaya Village as a destination for rural tourism. BUMDES successfully combines these advantages to enhance the village's reputation in the tourism sector.

Figure 6.
Role of BUMDES in the Advancement of Rural Tourism in Sirnajaya Village



Source: direct observations in 2019

Table 3.
Main Components of the Tourism Value Chain in Sirnajaya Village

Aspect	Actor	Role
Inbound logistic	- Agro-producers	- Providers of raw materials, including food and other goods.
	- Coffee bean producers	- Raw material supplier.
	- Producers	- Final or semi-finished product supplier.
	- Tourist guide	- Providing services for tourists.
Operational	- Village-owned enterprise	- Providing the rural tourism site.
	- Village government	- Creating rural tourism programs or activities.
	- Community and youth	

Aspect	Actor	Role
Outbound logistic	- Coffee or food shops - Accommodation and transportation businesses	- Actively in economic rural tourism. - Providing coffee and food. - Providing accommodation and its services; providing transportation and its services.
Marketing and sales	- Village-owned enterprise Accommodation and transportation businesses	- Executing marketing activities and selling. - Providing accommodation and transportation in the village.
Services	- Village-owned enterprise - Accommodation and transportation businesses	- Providing services for visitors/tourists. - Providing accommodation and transportation in the village.

Source: Field observations and focus group discussions conducted with BUMDES staff between September 2019 and February 2020.

Activities in the Tourism Value Chain

This part introduces a tourism value-chain framework aimed at enhancing the Rawa Gede coffee agritourism region in Sirnajaya Village. The value chain components are based on Figures 1 and 2 and then presented in Tables 3 and 4. The tables are defined based on a separate focus group discussion, followed by direct field observations to identify and outline the various components of the tourism value chain.

During the focus group discussions with the informants, various key actors were involved and through field observations, including agricultural raw material producers, specifically coffee bean and vegetable producers, the BUMDES, the local community, youth, business actors such as entrepreneurs, and other relevant stakeholders. Table 3 provides comprehensive details for each aspect of the tourism value chain, highlighting the roles and contributions of these key actors.

RQ1: How does a village-owned enterprise play a significant role in managing rural tourism, and how does it adopt and apply the tourism value-chain approach to develop rural tourism?

How does village-owned enterprise play a significant role in managing rural tourism?

Table 4.
Supporting activities

Aspect	Actor	Role
Firm infrastructure	BUMDES Tour Operator Entrepreneurs	Activities concerning expenses and resources linked to overall administration, financial and accounting matters, protection and security of IT systems, and other operational responsibilities.
Human resource management	BUMDES Tour Operator Entrepreneurs University	Actions involving hiring, educating, advancing, and rewarding various staff members, as well as enhancing the proficiency of employees
Technology development	BUMDES Tour Operator Entrepreneurs Tech Provider	Costs associated with products, improving processes, designing equipment, developing computer software, creating telecommunications systems, enhancing

Aspect	Actor	Role
Procurement	BUMDES	database capabilities, and building computer-based support systems.
	Tour Operator	Activities associated with acquiring resources include procuring inputs used in the organisation's value chain.
	Entrepreneurs	
	Tech Provider	

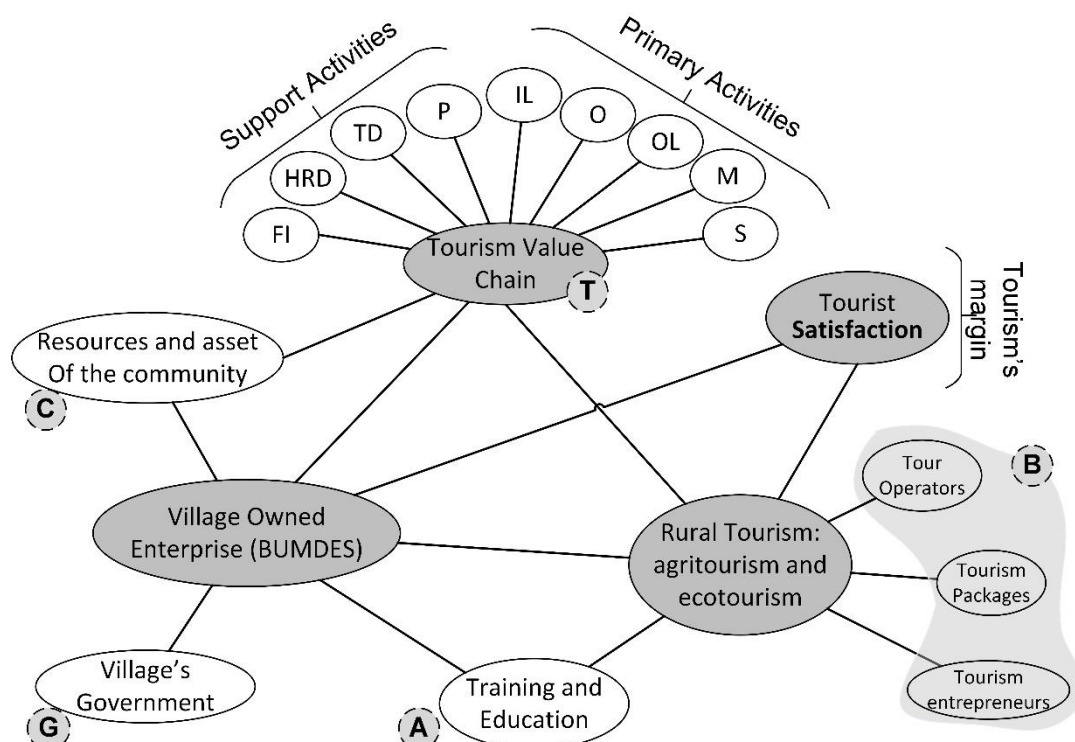
Source: in-depth interview and observations

BUMDES Sukamakmur plays a crucial role in fostering community-oriented tourism and strengthening various community groups engaged in rural tourism endeavours. The agricultural community is tasked with cultivating raw materials like coffee beans, fruits, and vegetables. After this, the production community transforms these raw materials into finished products, while the merchant community oversees the sales of these agricultural items to consumers.

BUMDES facilitates the empowerment of these community groups, invigorating and enhancing the rural economy through their involvement in tourism activities.

Furthermore, BUMDES plays a vital role in managing tourist sites to ensure that visitors have a memorable experience, which in turn attracts more tourists. Providing exceptional rural tourism services is essential for BUMDES, as initial interactions and positive impressions have a significant impact on the rural tourism sector. Additionally, you can refer to Table 4 for supplementary activities related to the tourism value chain model, which aims to promote Situ Rawa Gede and coffee tourism in Sirnajaya Village.

Figure 7.
Value-chain framework for the development of Rawa Gede coffee agritourism and ecotourism.



Source: direct observation in Sirnajaya Village in 2020.

Figure 7 depicts the model for ensuring tourist satisfaction based on the activities involved in the value chain. Ultimately, developing ecotourism and agritourism in Sirnajaya aims to provide tourists with a satisfying experience. Tourist satisfaction is reflected in their experiences and perceptions of the various tourist attractions and programs. Situ Rawa Gede and the Coffee Tour are prominent tourist attractions in Sirnajaya Village.

The central figures in this framework are BUMDES, its employees and managers, the local government, and the village community. These essential figures greatly influence BUMDES's performance. An effective BUMDES will promote and enhance rural tourism, leading to positive experiences and impressions from tourists.

Concentrating on this particular model, the network structure is recognised as necessary for efficiently managing the Rawa Gede ecotourism and agritourism area, aiming to improve the tourist experience.

How does it adopt and apply the tourism value-chain approach for developing rural tourism?

Key Functions in the Tourism Value Chain Framework

Rural tourism involves several key activities, including inbound logistics (IL), operations (O), outbound logistics (OL), marketing (M), and services (S). Inbound logistics (IL) includes various participants, such as coffee farmers, coffee manufacturers, and tourist guides. These actors play crucial roles in preparing materials and drawing in tourists.

On the operational side, BUMDES, local governments, and the community manage rural tourism. They are responsible for designing tourist attractions, maintaining local assets, and overseeing the rural tourism economy.

Outbound logistics (OL) in rural tourism includes various stakeholders such as coffee shop proprietors, hotel or homestay managers, transport providers, and owners of craft and souvenir shops. Their responsibility involves organizing and preparing businesses connected to these activities, ensuring a seamless flow of products and services for visitors. Marketing and sales efforts focus on promoting and highlighting rural tourism's potential to draw in tourists. All participants in the value chain work diligently to deliver exceptional services to improve the overall experience for tourists.

Supporting Activities in the Tourism Value Chain Framework

Tourism-supporting activities in Sirnajaya Village include infrastructure, human resource management, technology advancement, and procurement. Infrastructure includes various management activities, such as finance and accounting management. Human resource management is centered on preparing and overseeing the individuals who play a role in BUMDES. Technology advancement entails preparing, designing, and executing information system processes. Procurement involves obtaining the essential components needed to support the comprehensive program.

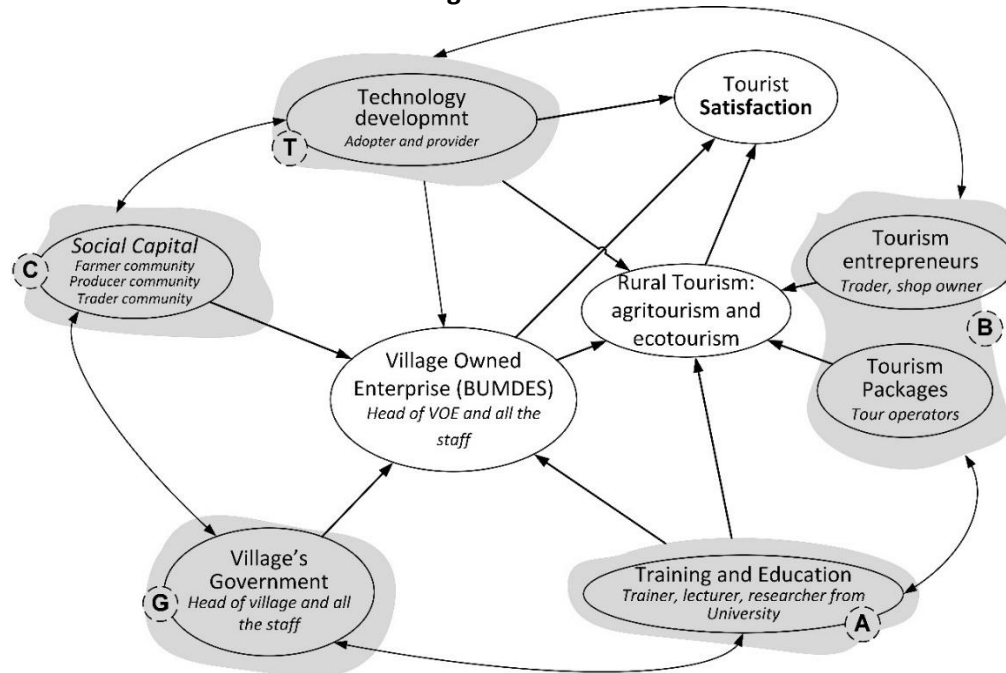
CONCLUSIONS

It is important to remember the following information: The tourism industry in Sirnajaya Village includes farmers, people involved in manufacturing, and individuals selling goods and services. By understanding the value chain, BUMDES Sukamakmur and other stakeholders can collaborate to boost rural tourism and improve the local economy.

RQ2: What is the model for developing rural tourism in Sirnajaya Village, and what factors should village-owned enterprises consider within this model?

In order to attract more visitors, BUMDES Sukamakmur needs to manage the destination effectively. Establishing a positive reputation and delivering an excellent experience significantly influences positive word-of-mouth marketing. Offering exceptional value and ensuring tourist satisfaction is crucial for a memorable visit. In rural tourism, both direct and indirect activities contribute to the overall experience for visitors. This outcome presents the strategic model for BUMDES in promoting rural tourism within Sirnajaya Village, as depicted in Figure 8.

Figure 8.
A network framework acts as a strategic method for enhancing rural tourism development along the tourism value chain.



Source: author's finding from Sirnajaya case.

In Figure 8, a network model illustrates the interconnection of essential stakeholders aimed at achieving satisfaction. At the heart of this network is BUMDES Sukamakmur, which works in partnership with the village government and the community. The village government plays a vital role in assisting BUMDES to effectively utilize all the village's resources and assets. The community includes various stakeholder groups involved in tourism activities in Sirnajaya Village, such as coffee farmers, traders, and producers, collectively known as POKDARWIS. The community provides both tangible and intangible contributions, encompassing social, cultural, and environmental dimensions.

Implication: What factors should be considered for BUMDES within this model?

The findings of this research highlight several essential elements that are critical for the long-term sustainability of rural tourism development in Sirnajaya. These factors include the local government's dedication to BUMDES, the preservation of strong social capital through ongoing cooperation and inclusivity among community groups, and the engagement of the education sector in bringing in experts from higher education to introduce innovative tourism products and offer training for BUMDES. Additionally, it emphasizes the importance of regularly assessing market value, conducting research on market demands, establishing sustainable partnerships

with suppliers and business stakeholders, and leveraging technological advancements to keep pace with the changing digital economy.

Based on Figure 8, technology development (TD) plays a crucial role in supporting all the supporting activities and acts as a facilitator in tourism development within the digital economy. BUMDES must focus on the ICT sector and build partnerships with all stakeholders. Essential elements of TD encompass the presence of dependable digital infrastructure to ensure the sustainability of tourism, such as internet connectivity and associated devices. Furthermore, promoting connectivity between villagers and local or national tourism markets is vital. Providing support for using and applying technology should be a priority, including offering training programs for BUMDES staff.

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APPENDIX

List key informants' perspectives regarding the rural tourism value chain context (source: result from data collection). The context for this study was established based on data collected from semi-structured interviews and focus group discussions. The context will be considered a theme that will guide further in-depth interviews. The in-depth interview was guided with sub-themes, which helped steer the beginning phases of data collection; they were consistently updated and confirmed as additional data was collected.

Context: Economic and business, with the following sub-themes

- Effective utilisation of village funds for rural economic development as part of the village government's commitment to supporting rural tourism development;
- Village-owned enterprises should take a key role as a driver in tourism development
- Village-owned enterprises are crucial in collaborating with key stakeholders, including the village government, village community, coffee farmers, tourism entrepreneurs, suppliers, technology providers, and higher education institutions.

Context: Social and cultural, with the following sub-themes

- Community involvement in rural tourism development with village economic potential
- Sustainability of rural tourism development sustainability by the village-owned enterprise and village government commitment.

Context: Technological, with the following sub-themes

- Utilising social media to promote village tourism;
- Collaboration with technology providers and universities for capacity building
- Providing internet access to the tourist site

Context: Environmental, with the following sub-themes

- Involving the community in preserving the natural potential and waste management;
- Promoting green business at the grassroots level, including tourism business actors, coffee farmers, and families.;
- Socialising the importance of sustainable environmental conservation;

Context: Political, with the following sub-themes

- Sustainability of village funds and village's income capacity through the sustainability development of nature and coffee-based rural tourism;

- Sustainability of village-owned enterprise operation and advancing businesses under a conducive village condition;

Context: inbound logistics, with the following sub-themes

- Tourism infrastructure facilities development and internet access;

Context: operational, with the following sub-themes

- Strong role of village-owned enterprise in providing excellent tourism services;
- Improving and providing an excellent tourism facility and quality of services;
- Enhancing the capacity to deliver tourism services through continuous training;

Context: outbound logistics, with the following sub-themes

- Capacity improvement of human resources and collaboration with stakeholders, including universities;
- Village infrastructure provision, including accessible internet technology.

Context: marketing and sales, with the following sub-themes

- Internet technology and social media applications for marketing and tourism information;
- Capacity building for community, tourism entrepreneurs, and farmers;

Context: Services with the following sub-themes

- Integrated tourism information services with the use of social media applications, which the village-owned enterprise provides;
- Good collaboration among village tourism actors through the role of village-owned enterprise

Context: firm infrastructure, with the following sub-themes

- The primary role of village-owned enterprise as the main driver for tourism village development, including maintaining collaboration among actors

Context: human resource management

- Collaboration with businesses and universities to build a good human resource in tourism services;
- Commitment of the village's government to village fund support.

Context: technology development, with the following sub-themes

- Collaboration with the technology service provider;
- Training for capacity-building in technology

Context: procurement, with the following sub-themes

- Collaboration and partnership with businesses and suppliers.