

THE BUSINESS BEHIND THE CHARM OF TOURIST VILLAGES: WHEN THE LAW NEEDS TO BE MORE REAL

Benhard Kurniawan Pasaribu^{1*}, Maisyarah²

^{1,2}Fakultas Hukum Universitas 17 Agustus 1945 Samarinda, Samarinda, Indonesia
benhard@untag-smd.ac.id^{1*}, asyari280182@gmail.com²

Received 10 Sep 2025 • Revised 20 Oct 2025 • Published 5 Nov 2025

Abstract

The charm of tourist villages across Indonesia is increasingly attracting attention as an alternative driver of community-based economic growth. Tourist villages serve not only as venues for cultural and natural preservation but also as incubators for various creative economic activities led by local communities. However, behind this economic dynamism, many business practices still operate without clear legal certainty—covering issues such as business entity status, partnership contracts, financial management, and the protection of intellectual property rights. This study explores three key questions: the forms and patterns of business practices within tourist villages, the legal challenges faced by business actors, and the ideal model of business regulation to strengthen the role of rural communities in managing tourist villages. The research employs a juridical-empirical method, using a problem-solving strategy that includes literature review, interviews, and direct observation of two tourist-village sites. The findings show that most business activities in tourist villages are carried out on a micro, small, and medium scale with informally managed operations. Several areas require greater attention and improvement: strengthening synergy between local government and village communities, enhancing legal awareness among local micro-enterprise actors, and addressing tourism safety and insurance standards. The study recommends a business-law regulatory model that formally designates local government as a mandatory partner for mentoring and supervision, implemented under the principle of “Community-Led, Government-Supported,” while ensuring that all major decisions in village tourism management reflect the outcomes of community deliberation.

Keywords: Tourism Village; Business Law; Community-Based Economy; Legal Protection; Business Regulation.

INTRODUCTION

Indonesia is a country with a diverse cultural heritage, resulting from its society composed of various ethnic groups, languages, and cultures. The wealth possessed by Indonesia does not end there, as its natural conditions are also globally recognized for their beauty, rich biodiversity, and scenic landscapes. The Indonesian context described above creates potential for the development of the concept of tourist villages, where the natural and biological beauty of a local area, as well as the cultural and traditional wealth of its community, can be showcased. The existence of tourist villages can fundamentally be encouraged to serve as an alternative driver of community-based economic development. Tourist villages are expected not only to act as a means of preserving culture and nature but also as a platform for the growth of various creative economic activities carried out by the local community.

The concept of a tourist village can be defined as a form of tourism in which visitors stay within or near traditional life, or in remote villages, and learn about village life and the local environment (Inskeep, 1991). In a separate view, Wiendu (1993, in Ariesta, 2020) states that a tourist village represents an interaction between attractions, accommodations, and supporting facilities, presented within the structure of community life that is integrated with prevailing customs and traditions. Typically, tourist villages tend to be rural areas with distinctive characteristics and appeal as tourist destinations. Such a concept makes a tourist village a region with its own traditions, artistic heritage, lifestyle, places, and values passed down from generation to generation, where visitors to the area gain information about the culture and experience local folklore, customs, and scenery (Gautama et al., 2020).

The significant potential of tourist villages has been recognized by the Indonesian Ministry of Tourism. Several reports in national media, such as those published on the Antara News website (2023), mention that the Ministry of Tourism and Creative Economy acknowledged tourist villages as “pandemic winners” due to their relatively strong growth during the COVID-19 period, and encouraged all parties to participate in promoting tourist villages worldwide. This demonstrates the government’s attention to ensure that the promotion of tourist villages is not only at the local level but also extends to the international level. In other news reports, the ministry also stated that tourist villages were selected as part of the strategy for post-pandemic tourism recovery, due to their direct impact on local communities (Antara, 2023).

The intention to develop the tourist village concept, as promoted by the ministry above, is in line with the provisions outlined in Law No. 10 of 2009 on Tourism. The legislation essentially views tourism development within a tourist destination (including, in this case, a tourist village) not merely as a matter of destination promotion, but as a comprehensive chain involving: area planning, community empowerment, private sector partnerships, marketing, and cultural and environmental sustainability. Many aspects need to be considered, planned, and regulated when discussing the development of a tourist destination. It is therefore not surprising that Article 9 of Law No. 10 of 2009 on Tourism mandates that the management of a tourism destination area (including, in this case, a tourist village) should be incorporated into a stratified master plan for tourism development according to levels of government.

In the management of tourism areas, such as tourist villages, besides having significant potential to boost local economic activity, there is also the potential to generate various conflicts. Several case examples can be cited, such as the management dispute of the mangrove conservation area in Kalurahan Jangkaru due to boundary conflicts with neighboring local governments (Azam, 2024); the conflict over the management of the Syekh Abdullah Mudzakir grave tourism site in Bedono Village, Sayung District, Demak (Setyowati, 2023); and the land conflict in tourism areas on the border between Central Lombok and West Lombok Regencies (M. Taufik, 2023).

In addition to these factual cases, there are many potential sources of conflict in managing tourist villages, including businesses operating without formal legal status, cooperation agreements made orally without written contracts, and financial management conducted without transparency. These conditions result in minimal legal protection for local business actors, especially when conflicts arise, rights are violated, or partnerships cause losses. Tourist villages are also at risk of exploitation if not properly regulated. External investments entering without strict regulations may displace local communities from being the primary actors to mere supporters. In this context, the law plays an important role in maintaining a balance between economic growth and the protection of the rights of village communities as the owners of local resources.

Based on the discussion above, the author intends to conduct a study entitled “The Business Behind the Charm of Tourist Villages: When Law Needs to Be More Real,” in which several research questions will be addressed, including:

1. What are the forms and patterns of business practices taking place in tourist villages in Indonesia?
2. What legal issues are faced by business actors in tourist villages?
3. What is the ideal legal regulatory model to strengthen the role of village communities in managing tourist villages?

The urgency of this study lies in the need to make law more real in practice in tourist villages, specifically in Bontang Kuala in Bontang City and Kampoeng Wisata Putak in Kutai Kartanegara Regency. Law is viewed not only as a regulatory tool but also as an instrument for empowerment. This research seeks to emphasize that law should not arrive belatedly when conflicts occur, but should be present from the outset as a foundation that guarantees justice, certainty, and the sustainability of village community enterprises.

RESEARCH METHOD

The research method employed in this study is an empirical juridical approach, utilizing both normative and empirical analyses. The normative analysis examines the applicable laws and regulations, while the empirical analysis explores social and legal realities in the field.

The problem-solving strategy is carried out through several stages:

1. Literature review, to analyze legal regulations related to tourist villages;
2. In-depth interviews with relevant stakeholders;
3. Direct observation in selected tourist villages representing geographic and socio-cultural diversity.

The analysis is conducted using a descriptive-qualitative approach to identify general patterns, dominant issues, and possible law-based solutions that are both applicable and contextually relevant. With this strategy, it is expected that comprehensive and practical legal solutions can be found, which can also serve as a foundation for the formulation of policies or the revision of regulations that are more advanced and responsive to emerging needs.

RESULTS AND DISCUSSION

Forms and Patterns of Business Practices Taking Place in Tourist Villages in Indonesia

When observing the forms and patterns of business practices in a tourist village area, these forms and patterns can essentially be divided into two types according to Wiendu (1993, in I Putu Agus Suarsana Ariesta, 2020):

1. Structured type, characterized by:
 - a. Limited land, equipped with specific infrastructure for the area;
 - b. Generally separated from the local community, so that negative impacts can be controlled and socio-cultural disruption can be detected early;
 - c. Land that is not too large and still within the scope of integrative and coordinated planning.
2. Open type, characterized by growth that integrates the area with the structure of local life, both in space and social patterns, where income distribution is directly obtained from tourists and can be immediately enjoyed by local residents.

Furthermore, it is interesting to consider several perspectives from Nurhayati (1993) regarding tourist villages, in which she argues that a tourist village consists of three main components:

1. Accommodation: partially consisting of local residents' dwellings and units developed based on the concept of local housing;
2. Attraction: encompassing the daily life of local residents, along with the physical setting of the village that allows integration with visiting tourists;
3. Natural beauty: the uniqueness offered by the tourist village itself to visiting tourists.

Nurhayati (1993) further elaborates that, in the main component approach, a tourist village requires several criteria:

1. Tourist attractions: including natural, cultural, and human-made creations that are the most interesting and attractive in the village;
2. Travel distance: the distance that must be traveled from the tourist site to the tourists' residence, including the distance from the provincial capital and the regency capital;
3. Village size: aspects related to the tourism carrying capacity of the village, including the number of houses, population, characteristics, and the area of the village.

Other perspectives from Nurhayati (1993) worth mentioning regarding what a tourist village should have include:

1. Uniqueness, authenticity, and distinctive local characteristics (*local genius*);
2. Presence of or proximity to extraordinary natural scenery;
3. Association with cultural community groups that attract visitors;

4. Opportunities for development, both in terms of basic infrastructure and other facilities.

It is also interesting to note what makes a particular area qualify as a tourist village. Budhi Pamungkas Gautama et al. (2020) state that:

1. If the attraction is handicrafts, it becomes a craft-based tourist village;
2. If the attraction is cultural arts, it becomes an art-based tourist village;
3. If the attraction is agriculture, it becomes an agriculture-based tourist village;
4. If the attraction is the legacy of a religious figure, it becomes a ritual-based tourist village;
5. If the attraction is the natural beauty of the environment, it becomes a nature-themed tourist village.

Sharpley & Sharpley (in Robert & Hall, 2001) expressed a similar idea, stating that in rural tourism or village tourism, there are various types of tourism that constitute it, including agri-tourism, farm tourism, wilderness and forest tourism, green tourism, and eco-tourism.

In line with the above, it is also interesting to consider what Lia Afriza et al. (2020) stated regarding the mapping of tourist village potential, which can essentially be grouped according to the following typology:

1. Natural resources: such as waterfalls, scenic spots, rice fields, etc.;
2. Cultural resources: such as arts, local livelihoods, culinary heritage, etc.;
3. Man-made resources;
4. Cultural norms: such as life philosophy, customary law, and community norms.

The discussion above demonstrates, both implicitly and explicitly, that each tourist village area possesses unique characteristics according to the attractions it has and seeks to offer to visitors. Furthermore, another aspect that differentiates one tourist village from another relates to management, which can be organized either in a structured pattern or an open pattern. Bontang Kuala Tourist Village in Bontang City and Kampoeng Wisata Putak Tourist Village in Kutai Kartanegara Regency, which are the research objects in this study, also have their own characteristics regarding their distinctive features as well as the business patterns operating among the local communities within them.

Bontang Kuala Tourist Village in Bontang City is a tourism destination that, based on direct observations, offers attractions including history, culture, and natural beauty. According to the Tourist Village Network (Jadesta) website managed by the Ministry of Tourism and Creative Economy, historically, this village originated as a floating village consisting of traditional ulin wood houses along the coast, with most of its inhabitants working as fishermen. The village is considered the precursor to present-day Bontang City, with one of its historical markers being the Old Al Wahhab Mosque Cultural Heritage site, which preserves the history of Islam's development in Bontang City. Beyond its historical appeal, the village also offers cultural and natural attractions. Field observations reveal that residents provide visitors with engaging experiences, such as witnessing firsthand the traditional process of salting fish caught from the sea. The salted fish produced is also sold to tourists as souvenirs. In addition, other local food products, such as Bontang-style *empek-empek* made from seafood, are widely available, along with a variety of seafood-based dishes served in local restaurants managed by community members within the village.

A key highlight of the village is its sea view, which serves as a main attraction for tourists. During direct observation, it was noted that local authorities were enhancing this attraction by constructing multiple gazebos on a large field facing the sea. According to information obtained, these gazebos are intended to further improve the experience and comfort of visiting tourists. Additionally, the natural beauty of Bontang Kuala Tourist Village includes the mangrove forest area, which visitors can explore more closely by walking along wooden bridges provided for traversing the forest. From a business perspective, the village shows enterprises operating at micro, small, and medium scales, with management conducted informally.

Bontang Kuala Tourist Village, located within Bontang City, is considered "one of the strategic tourism development areas in Bontang City, along with other sites such as Beras Basah Beach and Segajah Island," according to information obtained from interviews with the Youth, Sports, and Tourism Office of Bontang City. This designation is based on the Bontang City Regional Tourism Master Plan (RIDPAR) as stipulated in Bontang City Regional Regulation No. 12 of 2020 concerning the Regional Tourism Development Master Plan for 2021–2025. Additional information indicates that Bontang Kuala Tourist Village possesses historical significance, and due to the uniqueness and distinctive characteristics of the area, combined with its cultural and natural attractions, the local government has been motivated to develop its tourism potential and designate it as a strategic tourism development area, as it remains today.

A similar approach was applied to Kampoeng Wisata Putak Tourist Village in Kutai Kartanegara Regency. Based on our observations of this tourist village, the attractions offered include cultural,

religious, and natural beauty aspects. The cultural attractions are distinctive, as local cultural performances and handicrafts offered as souvenirs for visiting tourists clearly indicate that the area is inhabited by the Dayak community, specifically the Tunjung-Benuaq subgroup. In addition, the practice of cultivating mountain rice, a cultural tradition often found among the Dayak people in East Kalimantan, is also present among the local community in the village today and serves as one of its cultural attractions.

Religious attractions are also evident in this village, as the area is known as a popular location for Christian residents from Kutai Kartanegara Regency, Samarinda City, and surrounding areas to conduct retreats (spiritual and biblical study sessions held in serene locations). Additionally, religious tourism is highlighted by the presence of the Bukit Rahmat Mary Grotto, which holds significant meaning and is frequently visited by local Catholic communities. The natural beauty offered in this tourist village is equally appealing, with at least two notable scenic locations. These include Batu Dinding Tapa, which, according to our information, is a favorite spot to enjoy sunrise and sunset, and the Jantur Sekilo Waterfall area, providing another attractive natural viewpoint for visitors.

Regarding tourism planning at the local government level, our research indicates that Kampoeng Wisata Putak Tourist Village, according to Article 10 Paragraph (1) letter c, Article 16 Paragraph (1) letter a, and Article 17 letter f of Kutai Kartanegara Regency Regional Regulation No. 19 of 2016 concerning the Regional Tourism Development Master Plan for 2016–2025, is located within the Loa Kulu–Loa Janan Regional Tourism Development Area (KPPK) and its surroundings, and is categorized as a secondary tourist attraction alongside other tourism sites.

Similar to Bontang Kuala Tourist Village in Bontang City, based on collected information and field observations, local residents in Kampoeng Wisata Putak have long been settled in the village area. This indicates a pattern comparable to Bontang Kuala, whereby the Kutai Kartanegara Regency government participates in planning and developing the tourism potential of Kampoeng Wisata Putak, primarily because the area already exhibits tourism potential, rather than being solely initiated by government-led infrastructure development. From a business perspective, observations reveal that local enterprises in the village operate at micro, small, and medium scales, with business management conducted informally.

Legal Issues Faced by Business Actors in Tourist Villages in Indonesia

In carrying out business activities in tourist villages in Indonesia, several legal issues have arisen and can be highlighted, including:

1. Incomplete business permits or operating without a license
In some cases, tourist village operators often start their business first and apply for permits later, or in some instances, they still do not possess any legal permits. For example, in Batu City, several Tourist Attractions (TDW) are required by local regulations to have business permits, but in practice, they operate without permits (Octavia et al., 2021). Similarly, in Denpasar City, certain hotels and villas operate without obtaining lodging permits in accordance with applicable local regulations (Dewi & Suharta, 2019).
2. Legal responsibility for the safety of tourists/visitors
Business operators in some cases have been negligent in fulfilling safety requirements. For instance, incidents have occurred in attractions such as Krisna Fantastic Land Theme Park, where safety measures were inadequately implemented (Murdianantha, 2020).
3. Unclear regulations and legislation
Some regions have local regulations requiring tourism business permits, but enforcement is weak or inconsistent. This demonstrates a lack of clear norms or sanctions for businesses that operate without permits or violate regulatory provisions.
4. Legal literacy among micro, small, and medium enterprises (MSMEs)
Many MSME operators in tourist villages have limited knowledge of legal requirements, including business obligations, permits, taxation, safety standards, consumer rights, intellectual property rights (IPR), and general contractual provisions. Legal counseling and outreach are often necessary to raise awareness among business actors about legal risks and how to comply with various regulations and obligations.
5. Supervision and legal sanctions
Supervision by local governments, tourism offices, or related agencies is often weak. While regulations may exist, enforcement mechanisms remain suboptimal (Finta & Malau, 2025).

The business activities carried out by operators in Bontang Kuala Tourist Village in Bontang City and Kampoeng Wisata Putak Tourist Village in Kutai Kartanegara Regency cannot be said to be entirely free from legal issues. Essentially, this study did not uncover any major or significant legal problems that would require immediate intervention by local government officials or law enforcement

authorities. Nevertheless, based on observations conducted during the research, there are several aspects related to legal matters that deserve attention and should be further improved in the future management of these tourist villages. These aspects include:

1. Synergy between Local Government and Community Members in Tourist Villages That Needs to Be Further Strengthened

Based on information obtained through interviews with the relevant tourism office, it was found that the synergy between the Tourism Office and local residents still needs to be further improved. This is due in part to statements regarding the local community's awareness, which is sometimes considered insufficient, of the factual reality that their residential area has been designated as a tourist village. This lack of awareness can result in local residents being unprepared to organize their living environment, adjust their attitudes and behaviors toward visiting tourists, and optimize their surroundings to enhance comfort and provide a satisfying experience for visitors.

This situation contrasts with regions that have long been established as tourist destinations, where local revenue from tourism is already relatively high, thereby encouraging optimal synergy between the government and local communities in jointly developing the tourist village concept. Better synergy between the Tourism Office and local residents can essentially be achieved through openness, transparency, and earnest commitment from all parties involved in carrying out their respective roles within the business activities occurring in the tourist village. In relation to the synergy that emerges through the genuine commitment of all stakeholders within the tourist village, the government undoubtedly plays a crucial role in realizing it. As Nurjaya (2022) points out, the development of tourism requires not only the conscious participation of the local community but also the support of sound legal policies and strong political leadership.

2. Legal Understanding among Local Business Operators That Needs to Be Further Enhanced

Based on information gathered and observations conducted, it was found that the legal understanding of local business operators still needs to be further improved, particularly regarding laws and regulations important in the business sector. This includes knowledge about business entities, licensing, taxation, the rights and obligations of both business operators and consumers, intellectual property rights (IPR), and other related matters.

Legal understanding among micro, small, and medium enterprise (MSME) operators can essentially be strengthened in the future through more active involvement from the relevant government agencies and/or higher education institutions to promote legal counseling and outreach activities. Such initiatives are expected to enhance the overall understanding of all business operators within each respective tourist village.

3. Safety Standards and Tourist Insurance Issues That Require Attention

Visitors to a tourist location, including attractions within a tourist village, require full attention regarding the protection of their personal safety. This consideration should go beyond merely providing comfort and an enjoyable experience, ensuring that both aspects receive balanced attention. The natural tourist attractions offered at both Bontang Kuala Tourist Village in Bontang City and Kampoeng Wisata Putak Tourist Village in Kutai Kartanegara Regency, albeit with varying levels of risk, present certain hazards that must be anticipated by the managers and all business operators in these villages, including measures to mitigate and assume responsibility for such risks if they occur.

This attention is in line with Article 26(d) and (e) of Law No. 10 of 2009 on Tourism, as well as regulations concerning tourism business standards under Ministerial Regulation No. 4 of 2021, which emphasize the importance of ensuring the safety and security of tourists, including the provision of necessary insurance. Regular training conducted by the relevant agencies on topics such as first aid, disaster mitigation, and evacuation procedures, along with the provision of group insurance schemes for tourist villages to obtain lower premiums, may serve as practical solutions in the future.

Ideal Legal Business Regulatory Model to Strengthen the Role of Local Communities in the Management of Tourist Villages

A tourist village is a tourism concept that allows the local community residing within the area to benefit from business activities generated through the tourist attractions available in the region. In practice, the primary purpose of a tourist village is to ensure that local residents fully gain from the presence of visiting tourists within their community.

On the other hand, the empowerment of local residents, as observed during the research, should not be given minimal attention, as it is ultimately the local community that delivers or leaves a positive

experiential impression through the comfort and safety experienced by tourists during their visit. Therefore, synergy between local government authorities and the residents of the tourist village is indeed crucial in establishing and ensuring the sustainability of the tourist village as well as all business activities carried out by the local community within the village.

The essential relationship between local government and the residents living within a tourist village—particularly in planning, developing, and ensuring the sustainability of the village—therefore requires a framework or legal business regulatory model that, on one hand, affirms the strategic role of the government, while on the other hand, continues to recognize the role of the local community residing in the tourist village.

Based on the above, it is necessary to emphasize the importance of the local government's position in the growth and sustainability of the tourist village. The local government should be established as a mandatory partner for the local community residing within the tourist village, in this case, Bontang Kuala Tourist Village in Bontang City and Kampoeng Wisata Putak Tourist Village in Kutai Kartanegara Regency. Affirming the local government's position as a mandatory partner within a tourist village area essentially produces positive impacts, at least as can be observed from the following two aspects:

1. Assistance and Capacity Building

By affirming the position of local government as a mandatory partner for the local community residing within the tourist village—specifically Bontang Kuala Tourist Village in Bontang City and Kampoeng Wisata Putak Tourist Village in Kutai Kartanegara Regency—the local government, through relevant agencies, can provide training and legal guidance as needed. This also includes providing financial support facilities for local community business actors, as well as access to market networks (including promotional channels) that are often difficult for the tourist village communities to reach independently.

2. Supervision and Legal Certainty

By establishing the local government as a mandatory partner for the local community residing within the tourist village—namely Bontang Kuala Tourist Village in Bontang City and Kampoeng Wisata Putak Tourist Village in Kutai Kartanegara Regency—the local government, through relevant agencies, can ensure critical aspects are properly managed to sustain the tourist village. These include maintaining environmental, health, and safety standards, which ultimately contribute to the long-term sustainability of the tourist village itself.

On the other hand, there are also risks that need to be anticipated to ensure that the government's role does not become overly dominant, causing the local community in a tourist village to lose autonomy and creativity in developing the tourism potential within their own residential area. The risk referred to here is that affirming a mandatory partnership with the local government should not be interpreted to mean that all aspects of tourist village management will be carried out solely by the government, which could lead to what is called an over-regulation situation. Another risk that requires attention is the potential emergence of bureaucratic dominance in managing the tourist village, whereby all decision-making related to the tourist village shifts to the government rather than remaining in the hands of the local residents living within the tourist village area.

In the global management of tourist villages today, there exists a modern tourism paradigm that deserves attention, known as Community-Based Tourism. As a relatively new paradigm, Community-Based Tourism can be defined as a type of tourism in which local communities have access to resources such as tourism activities that benefit both the community and the wider world (Prasetyo: 2024). As a relatively recent approach to tourism development, Community-Based Tourism encourages the participation of local communities in both the development and decision-making processes within the tourist village that constitutes their residential environment.

Tourism development involving active participation from the community essentially aims to achieve several objectives that provide substantial benefits to the local residents within a tourist village, including: 1) empowering the community through tourism development; 2) enhancing the role and participation of the community so that they can obtain economic, social, and cultural benefits from tourism development; and 3) providing equitable opportunities to all members of the community, both men and women (Septiani in Ardianti: 2022). The broad participation of local communities in a tourist village, according to Deviyanti (in Ulum: 2021), can be divided into two forms: tangible participation, such as labor, money, and assets, and intangible participation, such as ideas or intellectual contributions. Both forms are crucial to encourage in efforts to develop tourism within their own residential areas.

Furthermore, to examine whether a village tourism management model that emphasizes the role and participation of the local community is effective, it is interesting to consider the findings of Wang (2025), who conducted a comparative study of two different village tourism sites in China, each

employing a distinct development model (Shibadong Village with a Government-Led model, and Yuanjia Village with a Community-Led model). The quantitative results of this study indicated that village tourism developed under the Community-Led model demonstrated advantages in several social impacts on the local community, including effects on the economy, culture, local talent, and management.

Specifically relevant to the issue discussed here is the impact on management: in Yuanjia Village, which follows a community-led development approach guided by the local village leadership, an effectively cooperative economic environment has been created, delivering tangible benefits to the local economy while also allowing residents to actively participate and share in the outcomes. This cooperative environment in Yuanjia contrasts sharply with Shibadong Village under the government-led model, where opportunities for community involvement and participation in tourism are more limited, resulting in weaker community influence in tourism-related decision-making within their own area.

The research findings showing positive impacts from community-led village tourism management suggest that such a model could indeed be applied within the context of tourism in Indonesia. In fact, a practical example can be found at Nglanggeran Tourism Village in the Special Region of Yogyakarta, which has essentially implemented a similar approach and is recognized as a concrete success. Iqbal et al. (2021), in their study, concluded that the success of community-based village tourism development in Nglanggeran is largely due to the active participation of the local community at every stage, from planning and implementation to establishing partnerships with other stakeholders.

The implementation of village tourism management based on a community-led model is highly promising for developing the tourism potential of an area, while still preserving the active involvement of the local community in managing and developing their living environment. In this regard, it is useful to recall the conclusions of Nurjaya (2022), who emphasized that tourism development requires not only the conscious participation of the local community but also strong legal policy support and political leadership. The role of the government, therefore, is to provide recognition through legal instruments regarding the tourism potential of a given village tourism destination within its jurisdiction, while also allowing space for legal pluralism in its tourism policy or legal framework. This enables a tourism village to develop and simultaneously maintain its unique characteristics as a destination, as highlighted in the study by Astara et al. (2024) regarding tourism law policies in Bali, where national law is applied on one hand, while local customary law is respected on the other.

Based on the discussion above, the proposed framework for an ideal legal-regulatory model related to business, aimed at strengthening the role of local communities in managing tourist villages, is as follows:

1. Community-Led, Government-Supported

This means that local government retains its strategic role in planning tourism development within a tourist village, including the mandatory partnership position of the local community with the government. However, such recognition does not diminish the position and status of the local community as the residents of the tourist village, who ultimately interact directly with visiting tourists. In other words, the community remains the primary decision-maker, while the local government positions itself as a mentor and facilitator.

2. The Role of Local Government as Clear Mentor and Supervisor

The role of local government in providing clear guidance and supervision is also crucial, so that the government, through the relevant agencies, understands what needs to be developed and enhanced within a tourist village, in line with its position as a mentor and supervisor. Examples of this role include:

- Mentorship Role

The mentorship role of local government through relevant agencies includes providing various training programs and legal outreach activities on a regular and continuous basis, facilitating access to capital and funding, and providing access to promotional networks.

- Supervision Role

The supervision role of local government through relevant agencies includes monitoring compliance with environmental, safety, and health standards.

3. Obligation to Consider the Results of Community Deliberation

This refers to the requirement that every important decision related to the management of the tourist village (such as tariffs, visitor capacity, investor partnerships, and others) must first go through public consultation in village deliberations, in which stakeholders from the local community are invited. Through this process, all important decisions are transparently and demonstrably participatory, receiving the support and input of the local community itself.

Based on the discussion above, the idea of a mandatory partnership with the local government in managing a tourist village can serve as a regulatory model that strengthens the role of the local community residing within the tourist village, provided that it is designed as supportive mentorship and supervision rather than as a means to take control. Designing such a regulatory model aligns with the Community-Based Tourism paradigm, which emphasizes the sovereignty of local communities with government support. This approach is expected to serve as a regulatory framework that promotes sustainable development within a tourist village area.

CONCLUSION

By observing the forms and patterns of business practices in tourist villages in Indonesia, particularly in the two observed sites, namely Bontang Kuala Tourist Village in Bontang City and Kampoeng Wisata Putak Tourist Village in Kutai Kartanegara Regency, it can be concluded that the majority of business activities in these tourist village areas are carried out on a micro, small, and medium scale, with management conducted informally. The designation of these two tourist village sites in the Regional Tourism Master Plans under their respective regional regulations is due to the fact that the tourism attraction potential already existed beforehand, rather than being the result of infrastructure development entirely initiated by the local government.

In the course of this study, no significant legal issues were found that would require careful handling by local government officials or law enforcement authorities. Nevertheless, there are several aspects related to legal matters that essentially need attention and improvement in the future management of tourist villages. These include: enhancing the synergy between local government and the local community residing in the tourist villages; improving legal awareness among local community business actors; and addressing issues related to safety standards and tourism insurance.

In efforts to strengthen the role of local communities in managing tourist villages, it is inseparable from the important position of local government in planning, developing, and ensuring the sustainability of a tourist village. On the other hand, over-regulation and bureaucratic domination in managing tourist villages must be avoided, as these could cause local communities to lose their autonomy and creativity in developing the tourism potential of their own regions. Therefore, a business regulatory model is proposed, which emphasizes that the local government serves as a mandatory partner in a tourist village, positioned as a facilitator and supervisor under the principles of Community-Led, Government-Supported, and with due consideration of the outcomes of community deliberations in all important decision-making processes related to the management of tourist villages.

ACKNOWLEDGEMENTS

The Research Team would like to express their gratitude to the Directorate of Research and Community Service, Directorate General of Research and Development, Ministry of Higher Education, Science, and Technology, for funding the implementation of this research under the Beginner Lecturer Research Scheme, as stipulated in the Implementation Contract of the State University Operational Assistance Program for Research for the Fiscal Year 2025, dated June 2, 2025. The Research Team would also like to extend their sincere appreciation to the Institute for Research and Community Service (LPPM) of Universitas 17 Agustus 1945 Samarinda for all the support and valuable suggestions provided throughout the implementation of this research.

REFERENCES

- Afriza, L. et al. (2020). *Tourism Village Management in West Java Province*. Jurnal Sains Terapan Pariwisata. <https://journal.polteksahid.ac.id/index.php/jstp/article/view/148>
- Ahzam, M.S. & Hariri, A. (2024). *The Role of Village Government in Resolving Tourism Development Conflicts: The Case of Kalurahan Jangkaran, Yogyakarta*. Jurnal Supremasi, 7(1). <https://doi.org/10.36441/supremasi.v7i1.1995>
- Ardianti, Y. & Eprilianto, D.F. (2022). *Community Participation in the Development of Tourism Villages through the Community-Based Tourism Approach (A Study in Tanjungan Village, Kemlagi District, Mojokerto Regency)*. Jurnal Publika, 10(4), 1269–1282. <https://doi.org/10.26740/publika.v10n4.p1269-1282>
- Ariesta, I.P.A.S. & Widianara, I.G.A.B. (2020). *Identification of Legal Aspects in Tourism Village Development (A Case Study in Badung Regency, Bali)*. Jurnal JMPH, 4(1), 27–32. <http://dx.doi.org/10.37484/jmph.040104>
- Astara, I.W.W., et al. (2024). *Law and public policy in the development of tourism villages in Bali (between legal politics and legal pluralism)*. IJSSHR Journal, 7(9), 7017–7026. <https://doi.org/10.47191/ijsshr/v7-i09-34>

- Dewi, A.A.A.C. & Suharta, I.N. (2019). *Legal Review on Villas Operating Without Tourism Accommodation Permits in Denpasar City*. Jurnal Kertha Semaya, 7(10). <https://doi.org/10.24843/KM.2019.v07.i05.p12>
- Finta, D.D. & Malau, H. (2025). *Challenges in Supervising Business Permits for Homestay Development in the Lembah Harau Tourism Area, Lima Puluh Kota Regency*. Jurnal Administrasi Pemerintahan Desa, 6(1). <https://doi.org/10.47134/villages.v6i1.196>
- Gautama, B.P. et al. (2020). *Developing Tourism Villages through a Community Empowerment Approach*. Jurnal Bernas: Jurnal Pengabdian Kepada Masyarakat, 1(4), 355–369. <https://doi.org/10.31949/jb.v1i4.414>
- Inskeep, E. (1991). *Tourism Planning: An Integrated and Sustainable Development Approach*. New York: Van Nostrand Reinhold.
- Iqbal, M., et al. (2021). *Community-based ecotourism in Indonesia: A case study in Nglanggeran Tourism Village*. Jurnal Good Governance, 17(1), 19–34. <https://doi.org/10.32834/gg.v17i1.252>
- Junida, A.I. (2023, June 19). *The Ministry of Tourism and Creative Economy invites all stakeholders to promote tourism villages to the entire world*. antara news. <https://www.antaranews.com/berita/3596448/kemenparekraf-ajak-semua-pihak-promosikan-desa-wisata-ke-seluruh-dunia>
- Law of the Republic of Indonesia Number 10 of 2009 concerning Tourism.
- Law of the Republic of Indonesia Number 6 of 2014 concerning Villages.
- Law of the Republic of Indonesia Number 6 of 2023 concerning the Stipulation of Government Regulation in Lieu of Law Number 2 of 2022 on Job Creation into Law.
- Ministry of Tourism and Creative Economy. (n.d.). *Desa Wisata Bontang Kuala*. Retrieved August 19, 2025, from https://jadesta.kemenparekraf.go.id/desa/bontang_kuala
- Ministry of Tourism and Creative Economy. (n.d.). *Desa Wisata Kampoeng Wisata Putak*. Retrieved August 19, 2025, from https://jadesta.kemenparekraf.go.id/desa/kampoeng_wisata_putak
- Murdianantha, I.P.H. & Indrawati, A.A.S. (2022). *Implementation of Business Operators' Responsibility for Visitor Safety at Krisna Fantastic Land Amusement Park*. Jurnal Ilmu Hukum, 8(9), 45–53. <https://ojs.unud.ac.id/index.php/Kerthanegara/article/view/71556/43170>
- Nurhayati. (1993). *Concept, Perspective and Challenges*. Paper presented in the International Conference on Cultural Tourism, Yogyakarta: Gadjah Mada University Press.
- Nurjaya, I.N. (2023). *Legal policy of sustainable tourism development: Toward community-based tourism in Indonesia*. Jurnal JTEP, 2(3), 123–132. <https://doi.org/10.38142/jtep.v2i3.404>
- Octavia, R. et al. (2021). *Implementation of Business Permits for Tourist Attractions in Batu City*. Indonesia Law Reform Journal, 1(2), 241–256. <https://doi.org/10.22219/ilrej.v1i2.16377>
- Pranyoto, V.S. (2023, February 02). *Ministry of Tourism and Creative Economy: Tourism villages become the leading driver of Indonesia's tourism recovery*. antara news. <https://www.antaranews.com/berita/3377190/kemenparekraf-desa-wisata-jadi-unggulan-pemulihan-pariwisata-ri>
- Prasetyo, B.D. et al. (2024). *Community-Based Tourism (CBT) as a Model for Developing Traditional Tourism Villages in Ngadas Village, Poncokusumo District, Malang Regency*. Jurnal Ilmu Komunikasi, 22(1), 92–106. <https://doi.org/10.31315/jik.v22i1.9285>
- Regional Regulation of Bontang City Number 12 of 2020 concerning the Master Plan for Regional Tourism Development for 2021–2025.
- Regional Regulation of Kutai Kartanegara Regency Number 19 of 2016 concerning the Master Plan for Tourism Development of Kutai Kartanegara Regency for 2016–2025.
- Regulation of the Minister of Tourism and Creative Economy Number 4 of 2021 concerning Standards for Business Activities in the Implementation of Risk-Based Business Licensing in the Tourism Sector.
- Robert, L. & Hall, D. (2001). *Rural Tourism and Recreation: Principles to Practice*. Wallingford, Oxon, UK; New York, NY: CABI Publishing.
- Rofi'i, M.T. et al. (2023). *Tourism Land Conflicts in the Border Areas of Central Lombok and West Lombok Regencies (Case of Mendak Land, Montong Ajan Village, Central Lombok Regency)*. In *Proceedings of Coastal and Island Community Resilience in Facing Climate Change Threats*, 4(1), 349–365. <https://proceeding.unram.ac.id/index.php/sensosio/article/view/481>
- Ulum, S. & Suryani, D.A. (2021). *Community Participation in the Development of Gamplong Tourism Village*. Jurnal JMPKP, 3(1), 14–24. <https://jurnal.umb.ac.id/index.php/JMPKP/article/view/4527>
- Wang, H. & Lu, X. (2025). *A comparative study on the promoting effects of different tourism development models on rural revitalization: Case studies from two typical villages in China*. Sustainability Journal, 17(2), 714. <https://doi.org/10.3390/su17020714>