

Managing Community-Based Tourism: A Stakeholder Approach in Bali, Indonesia

Ni Made Ernawati
Tourism Department
Politeknik Negeri Bali
Denpasar, Indonesia
madeernawati@pnb.ac.id

I Wayan Basi Arjana
Tourism Department
Politeknik Negeri Bali
Denpasar, Indonesia
wayanbasiarjana@pnb.ac.id

Ni Made Rai Sukmawati
Tourism Department
Politeknik Negeri Bali
Denpasar, Indonesia
raisukmawati@yahoo.com

Abstract—This article discusses a model of community-based tourism management: a stakeholder approach, which is developed based on tourism stakeholder theory of ‘Threefolding’ and Penta Helix. This is a qualitative research conducted in six CBT villages in five regencies in Bali, Indonesia. Data on CBT stakeholder participation is collected from four types of respondents, namely: CBT management, village authority, community-service provider, and community member. The results show that there is overlapped position of stakeholder elements especially the community and the government. It is discovered that the complex nature of CBT stakeholder structure is rooted from the use of public asset by the CBT. The roles of the stakeholder component are highly varied based on the extent of contribution provided by the respective stakeholder element. There are six elements of CBT stakeholder identified which include: community members, business – community members who provide component of CBT products, government, academics, media, and business partner. The six elements are classified into two types: internal and external stakeholder, and there is one stakeholder (government) that plays role in both external and internal. For ease of operation and legal purposes, it is suggested to place CBT under BUMDES (community business institution) owned by the village. It is expected that the results of the study could provide feedback for the CBT management and the elements of stakeholder to maximize the effectiveness of its function contributing to the success and the sustainability of CBT.

Keywords—Community-based tourism, CBT management, stakeholder, penta helix, threefolding

I. INTRODUCTION

Community-based tourism (CBT) has a unique characteristic in term of stakeholder; the many related parties are overlapped within its structure; apart from the fact that using public asset in business venture is another source of complexity that the CBT management needs to handle cautiously. Therefore a study on analyzing and formulating stakeholder model for CBT is vital to be carried out for the satisfaction of all parties involved, the community members that directly involved in CBT operation, thus the sustainability of CBT.

The existence of many parties involved in CBT development can become an operational obstacle [1]. Even though, stakeholders are expected to support the achievement of CBT development goals, and place these goals above the interest of various segments and groups within stakeholders [2]; nonetheless, one of the criteria for a successful management is the one that could engage stakeholder effectively. This study aims at identifying the role of each

stakeholder element within the CBT management; as well as developing a CBT Stakeholder Model based on tourism stakeholder Threefolding coined by Perlas [3]. It is expected that the study results could assist community members in developing a sustainable CBT, that provide quality CBT experience and assist personal growth for visitors.

II. THEORETICAL REVIEW

A. Community-Based Tourism

CBT is a form of alternative tourism that are developed and managed by local community. Its development aims at developing the community socially, economically; the sustainability of the environment and the evergreen aspects of the authentic culture; as well as delivering satisfying community-based tourism experience to tourist [4, 5, 6, 7, 11, 12]. Weaver [1] discusses the characteristics of alternative tourism in which CBT which is classified into seven features that include:

- Market feature: allocentric, low volume, FIT (free independent), long stay, non-seasonal, no-market dominant.
- Attraction feature: existing, moderately commercialized, dual orientation – host and guest, authentic culture, nature and community immediate environment.
- Business feature: small scale, small business, local owned.
- Spatial feature: disperse pattern and low density.
- Architecture pattern: vernacular, natural and blended with the environment.
- Economic feature: low income volume, locally linked, low leakage, multiplier effect, addition to the existing economic activities.
- Regulation feature: highly community control, public intervention, prioritizing the community wellbeing, and long-term orientation.

B. Tourism Stakeholder

Stakeholders are individuals and groups that influence and are influenced by the achievement of the goals of an organization [8]. Stakeholder theory develops based on the fact that companies do not operate independently and for their own interests but collaborate and must provide benefits to various parties related to both internal and external companies. Today, businesses no longer manage and control stakeholders but involve (engaged) stakeholders to achieve better business performance. These activities include identifying vital stakeholders; analyze stakeholders, namely:

knowing the interests, expectations, priorities and contributions that can be given to the business. Stakeholder engagement is successful if the business is able to get the expected support and can harmonize the interests of various stakeholders who often conflict with each other.

Academics identified tourism stakeholders as Penta Helix which consists of: Academics, Business, Government, Society and Media [8]. Another model named Threefolding was developed by Perlas [3] which comprises Society, Government, and Business (Fig. 1). This research on developing a CBT Stakeholder Model is constructed base on the model developed by Perlas [3], which are all parties directly involved in the operation of CBT.



Fig. 1. Tourism Stakeholder – Threefolding [3]

III. RESEARCH METHODS

This study investigating CBT Stakeholder Model is a qualitative research examining CBT Stakeholder that directly involved in the CBT operation. It is based on the stakeholder theory developed by Perlas [3] called ‘Threefolding’, in which tourism stakeholders are identifies as three entities: community, business, and government. The research is conducted in a planned and developed CBT of a total six villages within five regencies in Bali namely: Penglipuran (Bangli), Sambangan (Buleleng), Belimbing (Tabanan), Mas (Gianyar), Pohsanten (Jembrana), Batur (Bangli). Interviews were conducted to four categories of respondents representing: CBT management, village authority, community members, and providers of CBT services. There were a total 28 respondents with a minimal requirement of four persons representing the four respondent categories in every village.

IV. RESULTS AND DISCUSSION

This study initially planned to examine the stakeholders who are directly involved in the operation of CBT; however, related parties such as Academics and Media are identified as playing a vital role especially in the initial phase of development. Therefore, it was concluded that village tourism stakeholders consisted of 6 namely: Community, Business - community provider of tourism services, Government, Academics, Media, and Business Partners (Fig. 2 and Table I). The Component of Business partner is vital for CBT for its sustainability, this is supported by earlier

study findings: MacDonald and Jolliffe [9] stated that the last stage of CBT development is when CBT is ‘fully centralized, cooperative, and long-term planning and marketing of tourism occurs’; Lorio and Corsale [10] stated that the success of CBT is highly depend on the support of the network from external.

Perlas discusses tourism stakeholders consisting of: society, business and government, which is more in line with the CBT type of tourism development [3]. However, the results of the study revealed that the academic element plays an important role considering that the community members usually do not have the knowledge and skills and experience in developing CBT, the role of academics (universities) is vital which assists in developing human resources required, carrying out the step by step development process, setting up the management and operation of CBT for the community members to be ready to operate the CBT independently.

The community is the owner of the CBT, in Bali particularly; the structure of CBT comes under the official or customary village structure. The community is the main element of the stakeholders, even the business element is filled by community, considering tourism products/services are provided by the local community. Business partners play a role when CBT build and strengthen networks to support CBT operations, especially for matters related to the target market. Academics are a source of experts who can help the development and operation of tourist villages, and assist in the development of tourism supporting human resources. Media plays a role in communicating the existence of tourist villages; the online and offline media are interaction platforms between the tourist villages and the markets. In Indonesia, the Regency, Province, and the Central Government are external government stakeholder that act as supporters, facilitators of CBT development, that will receive contributions when CBT performed.

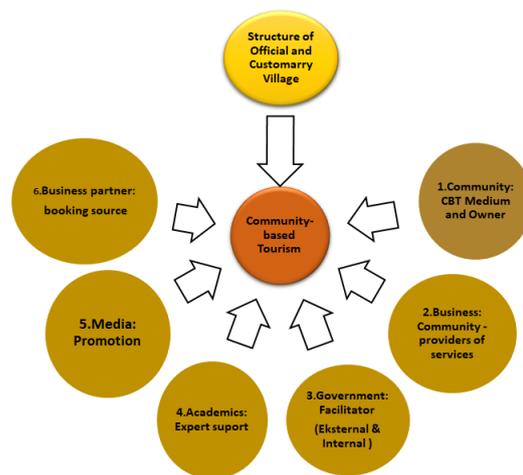


Fig. 2. Community-based Stakeholder model

The village authority which is the internal stakeholder of the CBT; especially in Bali, it consists of 2, namely: official village and traditional village. The 2 elements play a role in organizing village management. The Customary village specifically coordinates and handles activities related to religion and tradition. The Official village is in charge with the village development in general including CBT

development. Related to the legal aspect of CBT as a business entity, CBTs generally and are more suited to be placed under the umbrella of a BUMDES (community business entity). CBT can position itself legally as one of the BUMDES business units; thus, tax payments are made through the BUMDES Tax file number. The establishment of BUMDES is based on Law No. 6 Year 2016, where villages can establish a village regulation that is approved by the Village Consultative Body in the village upper house meeting. If the area managed by CBT includes the use of protected areas e.g. forests in the form of National Parks, Nature Tourism Parks, or National Tourism Strategic Areas; the CBT managers need to cooperate with the Indonesian Natural Resources Conservation Center (BKSDA). The amount of contribution of tourism villages to various parties that are part of government stakeholders is varied; nonetheless, BKSDA sets an amount depending on the classification of the conservation area. CBT can also be legally established by the decree (Surat Keputusan) of the Tourism Official of the Regency Government, with the amount of contributions as agreed.

The distribution of tourism revenue among stakeholders is a complicated issue; however, there should be a red thread that can be used as a reference related to the contributions to stakeholders. However, CBT needs to place community service providers and those directly involved in CBT activities as a priority when managing the CBT revenue that will lead to the management of a sustainable CBT development.

TABLE I. DESCRIPTION OF CBT STAKEHOLDER MODEL

| No | Stakeholder | Description |
|----|-------------------|--|
| 1 | <i>Community</i> | |
| | Internal | Benefits for the community and the village: human resource development, widen community's horizon, new employment opportunities, the development of public facilities. The community receives direct and indirect economic benefits, as well as Improves the village competitiveness. The role played by the community: preserving nature and the surrounding environment and maintaining ethnic culture; maintaining the traditional that 'ever-green' amidst the changes that are a natural mechanism in life. |
| 2 | <i>Business</i> | |
| | Internal | Service providers are local communities that provide tourism products and services that consist of accommodation, food and drink, transportation, tourist attractions, etc. |
| 3 | <i>Government</i> | |
| | Internal | The Village authority, both official (Dinas) and customary (Adat), are directly involved in the development and operation of CBT. The village is the owner of CBT that supports legal, moral, and material, e.g. the utilization of village assets for CBT. |
| | Eternal | The government: Central, Province and Regency are not directly involved in the operation of CBT but provide legal support, guidance, promote and create a conducive environment for the development of village tourism. |

| No | Stakeholder | Description |
|----|-------------------------|--|
| 4 | <i>Academic</i> | |
| | Eternal | Assisting - academics with tourism and hospitality competency, through universities, assist villages in developing tourism in terms of: developing understanding of CBT, preparing various components of products so that they are ready to be marketed, human resource development, assistance in the form of physical structures related the development of CBT, marketing, and management of tourism. Self-development - for tourism academics, CBT development activities is a community service activity which is the implementation of one of the elements of the duties of Higher Education. This activity is a medium for academics to apply their knowledge and skills, which can be beneficial for the community which contributes to improving the social and economic welfare of the community and enhancing village competitiveness. This activity is also a medium for academics to develop refine and improve their competencies. |
| 5 | <i>Media</i> | |
| | | Media either conventional - newspapers, magazines, television; or contemporary using of the internet platform, play a role in communicating and promoting tourism villages actively and based on the request of the villages. This provides platform for the CBT and their markets to interact; and contribute to the performance of CBT; therefore, the goals of developing tourism which include: social and economic, community welfare; cultural, immediate environment, and nature preservation; and CBT experiences for visitors can be achieved. |
| 6 | <i>Business partner</i> | |
| | | Business partners are external stakeholder of CBT that are primarily businesses/ organizations that form the CBT network that strengthens the existence and competitiveness of CBT. Businesses included in this category are: parties deal directly with the markets and visitors to rural tourism both domestic and abroad. |

V. CONCLUSION

It was discovered that, although the purpose of the study focused on 'Threefolding' stakeholders, the elements in Penta Helix were mentioned by respondents as those that played a major role in the development and operation of CBT; considering this, the CBT stakeholder model was formulated in extension to Penta Helix. There are 6 components of CBT stakeholder identified in this study that are divided into internal and external stakeholders, and there is 1 stakeholder (government) occupying the two categories.

The form of CBT management and its relationship with the stakeholders, especially the government, varies greatly depending on: the position of CBT within the management structures of the official village (Desa Dinas) and the customary village (Desa Adat); its legal form; and the assets used and managed by the CBT. The characteristic of CBT

Stakeholder is inclusive, as CBT is a community-owned business; therefore, the elements of the Community and Government (village authority) play a very vital role. The community members serve the role of CBT business (CBT service provider) and the CBT management. The role of the community members and the village authority play essential role for the success of the CBT.

The village is the CBT owner and the main element of CBT stakeholder. The manager of a CBT could come under the official village or customary village management structure, thus the internal stakeholder. The Regional and Provincial and the Central Governments are external CBT stakeholders who act as supporters, facilitators of tourism village development, who will receive contributions through taxes or according to agreement. The Stakeholder - Business is filled by community members who provide CBT products/services. The Stakeholder - Academic is external stakeholder assisting the development and operation of tourist villages, including the development of human resources. The Stakeholder - Media plays a role in communicating the existence of online and offline tourist villages that connect tourist villages with markets. The Stakeholder - Business partner plays a role in strengthening the CBT operational support network, especially for matters related to the target market.

A well-managed CBT and its stakeholders does not only contribute financially, socially for the community, but also increases the overall competitive value of the village. The CBT Management to be positioned under the village structure and legally under BUMDES (the village business institution) is a preferred option for a more manageable operation by the community member, yet legally acceptable. For the sustainability of the community business venture, another vital issue needs to be settled is the distribution of income from tourism. The CBT revenue needs to be allocated proportionally considering the weight of contribution given to the CBT, prioritizing the community members directly involved in the operation.

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