The Empowerment of Public Investment and Smart Management Model for Tourism Villages Sustainability

Adelia Shabrina Prameka1,*, Deni Bagas Pradana2, Sudarmatiin Sudarmatiin3, Rodziah Atan4, Rayie Tariaranie Wiraguna5

1,2,3,5Department of Management, Universitas Negeri Malang
4Department of Software Engineering and Information Systems, Universiti Putra Malaysia
*Corresponding author. Email: adelia.shabrina.fe@um.ac.id

ABSTRACT
The independence and success of one area are looked up by the level of community participation, one of which can help fund the village. Through this research we examine the empowerment of public investment with an intelligent management model for developing the sustainable tourism villages in Indonesia. Qualitative method used for this study, the data collection conducted through field observations, literature, norms, laws, documents, and subjective intuitions. The result of this study formulates three approaches for developing the sustainable tourism village are: (1) Community Participation through Public Investment Approach; (2) Institutional and HR Approach; (3) Development of Information Technology Approach to enhance the service quality, transparency, accountability, and make it easier to introduce tourist villages to the world. These three approaches influence leadership, innovation, collaboration, and good governance with empowering community participation to manage and generate sustainable tourism villages.

Keywords: Community, Empowerment, Management, Sustainable

1. INTRODUCTION
Tourism is one point of many people's attract, which could potentially lead to occurrence exchange of cultural, social, technology, and experience that impact to progress one of area [1],[2]. Three components that must be in place to support tourism are accessibility, facilities, and other supporting equipment [1]. Moreover, an additional component at the core of tourism development is community involvement [3]. [4] City Tourism Performance research states that any country increases their tourism competitiveness by providing some special attention in practices to sustainable tourism and tourism management. Furthermore, tourism development needs to follow the global trends, which will also impact tourism management patterns and consumer needs.

Village in Indonesia represents the smallest legal community that has continued to grow since ancient times and became the early history of Indonesian people's life [5]. Therefore, the village is also an inseparable part of the life structure of Indonesia. Furthermore, as a form of state recognition of the village, the villagers were given authority to cultivate and develop their area; this also strengthened the village potential and the village community's position as a driving force of village development [6]. Since the enactment of Law Number 6, Year 2014 [7] concerning Villages, the term or paradigm of building a village has changed to developing a village packaged through a concept or model in village development. The government believes that the initiative and spirit to develop village tourism can overcome economic, social inequalities and accelerate welfare distribution through laws regulating the funds in the village from the state budget given through the funding [8]. Nowadays, one of the potential villages with high demands and potentially require the community's level of participation in the village is local tourism. It follows the research by [9], states that the independence of a village is built from the development and innovates the local tourism impact on social, economic, and cultural.

The government, tourism managers, and the community must begin to be able to digitize their tourism since the world entered Industry 4.0. Following [10] research, they state that tourism managers or companies should know extensive data analysis, sharing economy, social media, and rapidly developing technology like artificial intelligence and robotics to increase consumer interest for surviving on Industry 4.0.
Based on the data from the Ministry of Village, Development of Disadvantaged Regions and Transmigration [11] classified that Indonesia has 74,954 villages, and 1,902 villages developed into tourist villages. The number of villages can be a competition or even the potential for collaboration in a tourism village. However, even though village funds already supported, tourism in Indonesia still has many problems, including 1) Many tourist attractions are not well managed and not widely promoted, or just traditionally promoted using brochures and pamphlets, 2) Lack of making innovative breakthroughs it is called "kekinian" in Bahasa version and less coordinating with related institutions for promotion through electronic media, 3) Unbalanced visitor number among tourist attractions. [12] Pradnya research reveals that rural or village tourism development problems are low funding from governance and community participation in managing and promoting tourism.

Currently, the primary source of funding for villages is coming from the Village Funds [13]. First village funds are sourced through Government Regulation (PP) Number 6 of 2014 concerning the State Revenue and Expenditure Budget (APBN) [7, 14]. This policy creates an independent, advanced, strong, and democratic village by empowering the role of the community and the potential of the existing village [15]. Second, the village fund source is coming from Village Funds Allocation (Alokasi Dana Desa - ADD). The Village Fund Allocation is a substantial amount of funds for the Village to support the Village program [16]. Distribution for each village is distributed proportionally, at least 10%, and is called the Village Fund Allocation (ADD). ADD is always used to support village autonomy activities and maximize them in providing services, development, and community empowerment at the village level [17].

However, the central government still faces many obstacles in developing the village; lack of control or supervision in managing village funds is the main problem. Less realization of the village funds, budgeting, not good facilities and less maintenance of village tourism is common in several villages. According to the [18], two indicators of managing village funds in developing village tourism are human resources capacity and the institution's capacity. These two things are still facing many problems in Indonesia; first, the lack of ability to assist and carry out accountability, transparency, and participation, which leads to a lack of governance, and second is the problem related to the availability of regulations that provide proportional space between innovation and prudence. Laws that offer room for innovation tend to violate the precautionary principle and vice versa if feared that there is no room for innovation. Innovation and prudence is the key to increasing development continuously.

According to Law Number 32 Year 2004 [19] concerning the Regional Government, the implementation of a decentralized system in Indonesia (the central government) gives the greater authority to the regions to carry out a series of processes, mechanisms, and planning stages that can guarantee the achievement of harmony in development. Based on the provision, the village is defined as a community legal entity with territorial boundaries authorized to manage and manage the interests of local communities based on local ancestry and customs, and these interests are recognized and respected in the government system. The definition of the village above places the village as a government organization that politically has specific authority to regulate and regulate its community or society. With this position, the village has a critical role in supporting the success of the National Government.

Based on the description above, a solution needed for the better financial management of tourism village funds is to optimize tourism village funds by involving all related parties (government, community, and tourism managers) with an innovative management model to achieve sustainable tourism.

Based on [20], stated that sustainable tourism in the tourism industry is fully considered to current and future economic, social and environmental impacts and meets the needs of tourists, industry, the environment and host communities in Indonesia, the concept of developing a tourist village method needs a collaboration between the triple helix concepts. Social transformation is needed as a human empowerment, including social forces, environmental forces, and economic forces [21]. The concept of sustainable tourism development emphasizes four principles: 1) Economically feasible, 2) Environmentally feasible, 3) Socially acceptable, and 4) Technologically appropriate.

Many tourism managers in Indonesia have strived to develop sustainable tourism. However, only a few of them are successful. Many tourism managers succeed because communities empower proper institutional models and experience the village government in developing sustainable tourism villages. The difficulties in building a sustainable tourism village include resistance from the community, clashes between residents in utilizing income from land, less optimal development of rural tourism activities to improve community welfare, and lack of transparency in financial management. So, it is necessary to make an excellent financial management model, optimal community empowerment, and synergy between institutions to create sustainable rural tourism.

2. LITERATURE REVIEW

2.1 Village Management Success

The essence of rural/ village success is the proper use (optimal, efficient, and practical) of all the potential and resources of the village to provide security, comfort, order, and improve the welfare of rural communities [22]. Theoretically, the ultimate goal of the decentralization of villages is to achieve rapid rural economic development. The activities of the role of government as a form of economic and social intervention are divided into (i) The role of allocation, (ii) The role of the distribution, (iii) The role of stabilization,
and (iv) The role of dynamics as one of the autonomous village rights in the implementation of decentralization village financial management is an essential instrument for realizing the acceleration of village development [23]. In the village financial management, the idea of good governance and continuous improvement is taken to form a stable system capable of producing optimal, efficient, and effective output. Therefore, the success of fiscal decentralization economic development in villages is also determined by the ability of villages to manage state expenditures related to budget efficiency and effectiveness [24].

One of the keys to success in sustainable tourism development is good governance. Good governance is a performance management system that aims to increase productivity efficiently and effectively [25]. The United Nations Development Program (UNDP) offers nine indicators of good governance, namely (i) participation, (ii) rules, (iii) openeness, (iv) sensitivity, (v) oriented group, (vi) equity, (vii) efficient and effective, (viii) accountability and (ix) strategic objectives. Meanwhile, the Asian Development Bank (2009) simplifies the concept of good governance into four basic principles, that is (i) accountability, (ii) participation, (iii) predictability, and (iv) transparency. [25] The aspects of good governance is transparency, participation, and accountability.

Transparency, according to [26], is information issued by related agencies. Transparency enhances the flow of economic, social, and political information in a timely and reliable manner accessible to all stakeholders [27]. Two general criteria for transparency, namely: (1) increasing the availability of quantity and quality of information to stakeholders, and (2) increasing barriers to public officials from acting outside the regulatory framework because of the possibility of holding the community accountable for their actions [28]. Through transparency, the community will pressure the government to improve performance and evaluate its effectiveness [25]. On the other hand, the absence of information disclosure is an obstacle to implementing transparency, limiting the understanding of the community affected by the policy [29]. Hence, greater access to information can increase corrupt behavior.

Accountability means organizations that carry out social affairs about management of public funds ensure the human rights in a way that is free from abuse and corruption and obeys the rule of law [30]. Accountability is a combined concept consisting of three elements: (1) the ability to answer obligations to justify actions (information); (2) enforcement of penalties for unsatisfactory actions and reasons (incentives and disincentives); and (3) responsiveness, willingness to be responsible for responding to demands (monitoring). [31]. Composite concept implies that the three elements of information, incentives or disincentives, and monitoring cannot be separated for an accountability rating [31].

2.2 Community Participation

Community participation or empowerment is needed in the management of village tourism. Based on research [32] sustainable tourism is planned and implemented using the concept of stable growth, namely tourism that meets the needs of the people, without draining the capacity of future generations, in a way that does not harm the environment, economy, and culture of the people in tourist destinations. Tourism development can be succeeded by improving transportation infrastructure, accommodation, entertainment, leisure, cuisine and shopping. It will make it easier for a person to travel, business and leisure. Sustainable tourism development is a top priority, but how to achieve it remains an object of debate among tourism businesses [33].

Participation mechanisms can increase the two-way flow of information between community and government, increasing government accountability and responsiveness to contribute to welfare [34, 35]. Community participation has a dominant positive influence on the quality of implementation [36]. The involvement of communities in monitoring and evaluating project implementation can increase the efficiency of public spending [35]. The importance of participation because the community has a better incentive to monitor [37]. In the context of budgeting, participatory budgeting has increased the share of government spending allocations for education, health, and sanitation in Brazil [38], and increased the alignment of government spending with the preferences of the poor [39]. If done right, participation contributes to increased efficiency [40]. In addition, participation must integrate a monitoring approach to achieve a level of transparency [41]. Research [42] noted the factors that influence participation ranging from social, cultural, political, technological, and logistical. Research [43] added institutional factors as external factors and the sociocultural context as internal factors. Meanwhile, according to [44] research, the interests of community participation depend on the perceived costs and benefits of participating in governance arrangements. However, this information is a prerequisite for community engagement [25].

3. METHODS

In this study, a qualitative research approach was used by researchers using secondary data. Qualitative research produces descriptive data in the form of written data that aims to provide a systematic description of the situation, system, or innovation [45]. This approach is the right approach because it can describe the policy of using funds in village development as the object and subject of development—data obtained from field observations, literature study, norms, law, documents, and subjective intuitions.

The population of this study was villages from developing countries, with the research sample being villages in Indonesia. This type of research is a development trying to develop public investment from
the community as a form of active community participation and creating innovative management to create a sustainable tourism village. So that the resulting research framework is as follows:

4. RESULT AND DISCUSSION

The enactment of Law No. 16 of 2014 concerning Villages has positively contributed to rural development in Indonesia. Through this regulation, village funding increases, village authorities manage their village assets, and increase authority in budget management based on existing regulations. If the village could manage its funds with good governance, the positive impact can bring prosperity to the community. On this basis, sustainable tourism village development is carried out with three approaches: community participation through the public investment approach, institutional and HR approach, and development of approach to information technology. The Long-Term Development Strategy states it. The three ways may be executed successfully based on the visionary leadership of the Head of Village and strong managerial abilities, so that the village in Indonesia becomes an independent village and sustainable tourism, resulting in increased community welfare. The strategy is described as follows:

4.1. Community Participation through Public Investment Approach

Based on previous analysis and research, the best way to develop a sustainable tourism village is to involve the community. Furthermore, by optimizing Village-Owned Enterprises (BUMDes) as the locomotive of village economic development, it can be empowered as a professional business manager such as a company that aims to generate the maximum possible profit and welfare of shareholders.

Village-owned enterprises (BUMDes) are tasked with managing potential resources owned by the village and as a source of income for the community. The forms of income sources that can be made by Village-Owned Enterprises (BUMDes) other than income from tourism itself, namely the annual tourism program, shops, management of village facilities, and the management of MSMEs.

To optimize the operations of Village-Owned Enterprises (BUMDes) a large amount of funding is required. At the same time, to activate community participation, investment from the public is the right solution to increase the source of funds from the village. So the source of funds owned comes from two parties: the government and the community.

With the existence of investment from the community, it will increase supervision and effectiveness in the financial management of tourism villages, where there has been only supervision and accountability to the government as the budget provider. The existence of public investment demands openness, accountability and increases community participation in achieving sustainable tourism villages.

The success of implementing this program has been proven in the Tirta Mandiri Owned Enterprises (BUMDes) in Ponggok Village, Klaten, Central Java, where BUMDes opens opportunities for the community to invest in BUMDes in the form of shares. Currently, more than 500 people have invested in BUMDes and get an average return on investment of 10% by funds invested. It is very beneficial for the village community, in addition to increasing their passive income. Furthermore, investing in stocks can also increase the sense of belonging to the community towards BUMDes and village tourism as their most significant income source, contributing 80% of BUMDes' operating income. They are also increasingly enthusiastic about managing their village because they have witnessed that the higher BUMDes income or tourism income, the higher income from their investment in BUMDes (Purnomo et al., 2019).

In addition, to continuously adapt to the times and customers' needs, collaboration with industry, academia, and consultants is needed to get their perspective. For example, it is necessary to collaborate with consultants or, architects to develop tourism infrastructure so that the facilities are right on target and on purpose and do not waste budgets. It is consistent with research conducted by [46], which states that the importance of government policies in collaboration with universities, industry, and civil society to produce intelligent, effective, and efficient policies to adapt effectively, collaboration and innovation in accordance with the evolution of globalization are necessary.

4.2. Institutional and HR Approach

The following development strategy aims to enhance associated institutions and increase the quality of human resources in the administration of sustainable tourist villages. Activities are carried out to actualize good
governance through training in good community and tourism services, as well as training in information technology, in order to build institutions and improve human resources, increasing the capacity of village institutions such as Badan Perwakilan Desa, Lembaga Pemberdayaan Masyarakat, Koperasi, Pemberdayaan Kesejahteraan Keluarga, Pos Pelayanan Terpadu, Organisasi Pemuda, Asosiasi Lingkungan, and Unit Komunitas

Community participation is indispensable for village development. The government needs to support the facilities and conduct some training to increase community participation, like making public facilities, disaster mitigation training, and training to improve the managerial knowledge in Village-Owned Enterprises, SMEs. Business management training, household economy management training, tourism community management improvement, English language courses for tour guides, and others. Apart from institutional capacity and human resource development programs. As has been done by Ponggok Village, Klaten, Central Java, where the Village Government and Village-Owned Enterprises already have excellent programs for the community of Ponggok Village, including 1) Smart Card, a one-house bachelor program. 2) Health Cards, which are programs for providing health facilities for the community, 3) Mother and Child Cards, the provision of health services for pregnant women, breastfeeding mothers, and toddlers. Moreover, 4) Entrepreneurship Cards are service cards for community business activities

One of the initiatives to empower the community for poverty reduction today is the notion of community empowerment by establishing a tourist town. Tourism communities have the potential to decrease poverty, unemployment, inequality, and create jobs [47, 48] Creating a tourism village would assist develop an autonomous village and improve economic possibilities for the village.

4.3. Development of Information Technology Approach

The last development approach is the need for a breakthrough and improvement of IT literacy in the village. One way of doing this can be realized in e-governance to improve the quality of public services. Technology and information have brought internet penetration in and forced rural communities to have IT literacy. Information technology can support serving the community, serving public administration, managing databases and village websites.

Furthermore, various activities and information in tourist villages can be accessed by the broader community so that the wider community increasingly recognizes the existence of tourist villages. Many studies have indicated that due to increased experience-based offerings, there will be a major transition in traditional flight tickets to online bookings in the future years [49]. Several studies have researched and studied how online consumer interest behavior has changed every minute, in addition to descriptively evaluating consumers’ usage of ICT to search for travel information. Visitors leaving America have fully adapted to the internet, as their opinions of online security, trust, and personal service have considerably improved [50]. Despite the growing importance of social media and mobile technologies in online trip planning, resources such as newspapers and television are still viewed as complements to other worldwide media.

This research is critical in order to aggressively promote tourism communities via internet media and digital marketing. Furthermore, the presence of technology and information may aid in the development of tourist villages, particularly in marketing management, tourist database management, providing visitors with information convenience, and making it simpler for tourists to interact with their friends to increase tourist satisfaction in traveling. Research, technology,
information, and communication can all have an impact on tourist satisfaction [51].

Community Participation through Public Investment Approach is used to develop the village economy by involving community participation so that it becomes an independent village; Institutional and HR Approach is used to strengthen government and related institutions and resource capacity. Human resources in managing the village and refined with the Development of Information Technology Approach to improve service quality, transparency, accountability, and make it easier to introduce tourism villages to the world, resulting in the concept of a village development model as follows:

5. CONCLUSION

The source of all rural tourism problems is a lack of funding governance. The best way to solve the problem is to involve the community in village tourism management either through public investment or tourism in the village itself. It is important to realize that sustainable tourism villages can be achieved. The development approach to realizing a sustainable tourism village is the Community Participation through Public Investment Approach used to develop the village economy by involving community participation both by financing and managing to become an independent tourism village. The Institutional and HR Approach is used to strengthen government and related institutions and human resources in managing the village and enhanced with the Development of Information Technology Approach to improve service quality, transparency, accountability, and make it easier to introduce tourism villages to the world. Developing these three approaches has resulted in leadership that is close to the community, innovation, collaboration, and good governance so that sustainable tourism villages can be achieved.

REFERENCES


[45] M. B. Miles and A. M. Huberman, Qualitative data analysis: An expanded sourcebook. sage, 1994.


