



Indonesian Local Wisdom Based Entrepreneurship to Improve the Tourism Industry in Indonesia

Ade Saptomo¹, Lulus Purna Malintang²

¹Faculty of Law, University of Pancasila, Jakarta, Indonesia

²Faculty of Law, University of Indonesia, Depok, Indonesia

adesaptomo@univpancasila.ac.id¹, lintanglucky@gmail.com²

Abstract. As per the Ministry of Industry of the Republic of Indonesia, the country requires a minimum of 4 million new entrepreneurs, based on the present ratio of domestic entrepreneurs, which is around 3.1% of the entire population. This percentage is a comparison with the percentage of neighboring countries which shows that the shortage of new entrepreneurs is more than three million. The question, how to fill the mentioned shortage and how to set up the tourism industry in Indonesia. To answer this question, direct observation and collecting data was well-done and the result showed that the concept of entrepreneurship, local wisdom, and the steps of tourism industry should be implemented. In this paper, Bali particularly which has long been known as tourism destination presented as pilot project, due to not only the beauty of the landscape but also the creative talents of its residents so that the results of their thoughts, handwork, and handicrafts are interesting to be exhibited, even sold as separate properties whose expertise is not possessed by Islanders in other countries.

Keywords: Entrepreneurship, Local Wisdom, Autonomy, Tourism, Industry

1 Introduction

The movement of reform in 1998 born some legal policies, one of them was to replace and change from the centralization to decentralization. The important point was how to improve the prosperity of Indonesian people and to increase the quality of Indonesian social life. So, the legal policy of decentralization and autonomy for districts is very important point. Behind the autonomy policy is a meaning of independence that autonomy implies self-regulation, self-government to answer the above question. Of course, the intended independence must be in accordance with the regulations regarding the autonomy itself. In the context of the Indonesian state, this meaning can be found in article 18 of the 1945 Constitution where the implementation of autonomy has the principles of democracy, broad autonomy and broad authority, justice, division of powers, regulation of authority, and respect for native rights.

This is one of the principles of state administration which emphasizes the granting of authority by the state to the regions in order to regulate and manage the interests of the local community. An understanding of this principle encourages the practice of administering state administration by the central government based on the

principles of expertise and regionalism. The principle of expertise referred to ideally can be found and should be shown in the composition of the cabinet where officials are appointed as ministers to lead a particular department. That is, expertise tailored to the demands of the department concerned.

Indeed, it is not as ideal as one might imagine considering that in practice idealism is often adapted to certain political interests. As a result, such adjustments make the number of departments tend to change so that every time the president changes there are additions or reductions in departments. In addition, the central government must adhere to the regional principle, a principle that contains two main principles, namely the principles of decentralization. The 1945 Constitution's Article 18, paragraph 5, states that "The regional government carries out the widest possible autonomy, except for government affairs which by law are determined as the affairs of the Central Government." This is the first referenced concept. In other words, autonomy—that is, the rights, powers, and responsibilities of autonomous regions to manage their own governmental affairs and the interests of the local community in compliance with applicable laws and regulations—is granted to the regions under the concept of regional decentralization.

On the other hand, the latter premise necessitates giving central government instruments in the regions some degree of authority. The tool of the central government which is meant to carry out central government in the regions and has the authority to make their own decisions to a certain degree based on the authority they have. The tool in question is responsible to the central government, which indeed bears all costs and is ultimately responsible for the de-concentration affairs. Meanwhile, the first-mentioned principle emphasizes the delegation of authority to agencies and groups within society in certain areas to manage their own households. In essence, improving people's welfare based on the potential of each region, for example creating tourism destinations.

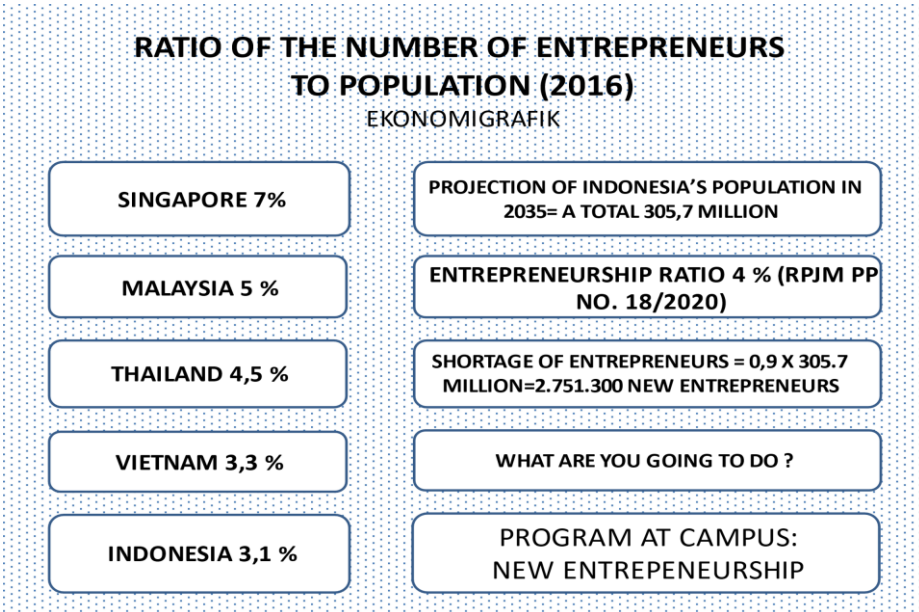
To create a tourism destination and industry is not an easy matter because it requires an entrepreneurial spirit. Entrepreneurship is the process of setting up and running a business or enterprise. The Big Indonesian Dictionary (KBBI) defines entrepreneurship as anything that is associated with entrepreneurial activities. Those with the creativity to identify novel products, innovative manufacturing techniques, operational facets of novel production, and oversee the promotion and funding of these goods are considered entrepreneurs. Another way to think about entrepreneurship is the management of new product development processes, including those related to financing, marketing, and production. The big question, how is to industrialization the tourism destinations. To answer this question, direct observation and collecting data was well-done and the result show that the concept of entrepreneurship, local wisdom, and the steps of tourism industry should be implemented.

2 Data and discussion

Entrepreneurship Studies conclude studies the characteristics of entrepreneurs such as legal subject, type of business entity; studies the mechanisms for the formation of new

companies such as agreements/contracts, permits; studies the relationship between entrepreneurs and the community is meant to get the local wisdom in which, Studies the role of government in entrepreneurship meant to get the legal policy Indonesian government as references to set up entrepreneurship. According to me, before studying the business the first step is studying the such legal aspect the entrepreneurship based on local wisdom where the activity of entrepreneurship existence.

Self-employment and entrepreneurship are endeavors that utilize additional resources like capital, technology, and natural resources in order to produce goods, jobs, and revenue that are necessary for society. Thus, entrepreneurs and entrepreneurship aid in the government's effort to lower unemployment. According to data from the Republic of Indonesia's Ministry of Industry, the country needs at least 4 million new entrepreneurs to help strengthen its economic structure, as the proportion of native entrepreneurs is still only 3.1% (three percent) of the total population. We must fill in soon if compared to some other countries, Singapore, Malaysia, Thailand, Vietnam, as matrix below:



2.1 Local Wisdom and Entrepreneurship

Indonesia as a national unit consists of ethnic groups from Sabang to Merauke occupying the distribution of large and small Nusa, which number more than 17,670. There is local wisdom, culture, natural beauty, and friendliness of the population so that in Indonesia, there is a rich set of normative values for living together which are obtained from the entire local culture throughout the archipelago which is now called

the Indonesian Nation. However, in today's era of globalization which opens up, open spaces to interact with other countries, discussions on local wisdom of Asian legal culture, especially in adult Indonesia, are increasingly important. This discussion is very relevant to the globalization movement on the one hand, where legal and social issues are instead directed to a formal settlement process that leads to a win and lose result or a wrong and right action.

At the same time, another discussion emerged which stated that the practice of Western law is said to be cultural, un-native. This last view, the Indonesian people as I mentioned above have many values, namely what is believed to be true as a guide for thinking, speaking, acting in daily life, and can even be used to determine in solving problems that arise in society itself. Values that live in the local community that can be used as the content of the formal law of the local government, usually in the form of local wisdom of the local community. And which can be used as a motivator, guide, and even reawaken to the disputants when resolving conflicts and disputes.

It appears that as the community has developed, local wisdom—such as human values, unity, brotherhood, and other exemplary attitudes—has started to disintegrate in the local cultural milieu. This is overshadowed by the development vision and ideology, which places a higher priority on material and economic progress than on spirituality and local wisdom that is occasionally spread by state apparatus and has a profound impact on the attitudes and behaviors of the vast majority of people. Consequently, the degree of a community leader's (elite) success is now determined by his wealth rather than by the scope of his social position and community service. Selfishness, the practice of justifying any means, and consumptive cultural modernity have poisoned today's society. These contemporary ideals alter regional knowledge and customs. Those who encounter this conflict of principles frequently go through an identity crisis.

For this reason, local wisdom is a theme proposed to restore civilization from the crisis of modernity. It is superior as true knowledge against the standards of modern scientism, namely all knowledge obtained by a positivism approach (a way of compiling knowledge through observing symptoms to find out its laws). It is believed that modern science objectifies all facets of inner and natural existence in an attempt to control nature and culture, which leads to the loss of morals and values in society. Morality and values are viewed by modern science as unimportant concepts for comprehending science. For science, only measurable facts can be used as the basis for constructing knowledge. The question is, what and how to operationalize the concept that is accepted by all parties in the life of modern society.

Second, if it is related to the legal politics of decentralization and regional autonomy in an effort to improve the quality of the community's economic welfare. In such circumstances, local wisdom is a view to restore values and morality as the basis of knowledge, whose way of working is not seeking the truth through the logic of ethical deduction, but wisdom, local wisdom that is born, lives, grows and develops beyond the boundaries of identity. To discuss this, the Balinese as a representation of Indonesia, are very relevant considering that the local community represents the wealth of local wisdom, especially in developing the Tourism Industry.

Landscape Indonesia has a variety of local wisdom that is still there, alive, and thriving in several parts of the archipelago in Indonesia. This local wisdom has been born and developed from generation to generation as if it is not obsolete because the rain persists and develops with its own dynamics. This wisdom has been maintained and grown in the community itself from the eyes of the citizens' hearts or the conscience of people who are members of the social unit called the community itself. The validity of local wisdom, initially the scope of its application was among them, but as a value its reach apart from meeting their needs and the needs of the local community, but also extends to neighboring villages, even throughout the world considering that its contents are free of space and time. Thus, local wisdom that is currently understood has been able to reach and become national and even become part of international guidelines (*ius societatis ius ubi*). On various occasions and in several books, I have mentioned that:

Local Wisdom is a unit of knowledge that has lived, formed, tested by and from the local community through a long accumulation process of experience in a series of practices and is integrated with an understanding of awareness of the natural and cultural surroundings. The form of Local Wisdom is always dynamic, but its function and content are tested in local and global situations. Mentioned Local wisdoms are local expressions, proverbs, poems, and other principles.

2.2 Legality of Local Wisdom and Entrepreneurship

Related to the existence of local wisdom at the level of legal politics and positive law in Indonesia. For that, it can be seen from the direction of legal politics and legality. Legality means state legal policy provides space for local governments to use as a legal political basis and legal basis to develop business law and local wisdom in the tourism business, including the following.

1. The subject of discussion is the legislation known as Law of the Republic Indonesia Number 23 of 2014, which pertains to the governance and administration of local government entities within the Republic of Indonesia.
2. The Province Bali Government published the Bali Province Regulations Number 2 of 2012 Concerning Bali Cultural Tourism, which was previously mentioned as decentralization. The Balinese culture, which is an integral part of Indonesian culture, serves as the primary foundation for the development of tourism in Bali. This development aims to harness the tourism potential within the local, national, and global contexts. Furthermore, the objective is to ensure a fair distribution of business opportunities and maximize the benefits for the community, thereby realizing the ideals of tourism for Bali rather than making Bali solely dependent on tourism. However, the existing Bali Provincial Regulation Number 3 of 1991, which pertains to Cultural Tourism, is no longer aligned with the national tourism policy outlined in Law Number 10 of 2009 concerning Tourism. Consequently, it is necessary to establish a Regional Regulation specifically addressing Balinese Cultural Tourism, taking into account the aforementioned considerations.

3. Furthermore, the aforementioned document pertains to Bali Province Regulations Number 5 Year 2020, which specifically addresses the Standards of Management for Bali Culture Tourism. The thorough organization of Balinese cultural tourism implementation is imperative, given the regional development goal of Nangun Sat Kerthi Loka Bali through the Development Pattern. Consequently, it is essential to publish research and findings pertaining to this matter. In order to enhance the quality, sustainability, and competitiveness of Balinese cultural tourism, it is imperative to establish a standardized framework for its implementation. This framework should be based on the principles of Tri Hita Karana, which draws upon the cultural values and local wisdom of Sad Kerthi. Additionally, it is essential to take into account the considerations mentioned earlier and establish Regional Regulations that outline the standards for the execution of Balinese cultural tourism.

2.3 Industry of tourism destinations

On this good occasion, I introduce the concept of local wisdom in the tourism business and entrepreneurship which is compiled on the basis of the author's experience in visiting various domestic and foreign tourism destination by comparing each other. In Thailand, one of them is promote how to sell agate Visitors are told where they come from, for instance, some tourists from America, Germany, India, Malaysia, and Indonesia. This destination provides an introduction using the language of instruction according to the mother tongue of the visitor. At that time, my best practice of group consist of 8 (eight) people, and escorted by someone who fluent in using Malaya language, so visitors who come from Malaysia and Indonesia could understand whatever he said.

One important thing is that the visitor is given knowledge related to history, the origin of agate, then since when the stones were used as gifts, jewelry, and how to process these materials manually, and finally visitors are led to the final place of the goods. For instance, handmade like Jewelry, gemstones. In comparison, in China, every travel is required to bring visitors to be presented at certain places which selling local products. Visitor groups must enter into one of the counters provided by the government. Thus, what can be learned in both in Thailand and China is, the presence of the state and modern management are the main elements in developing the tourism business by linking aspects of the local wisdom of the local community.

In addition, the provision of knowledge while studying by writing anthropology tourism as an aspect of the business industry, which introduces the back stage and front stage. With regard to these two things, it is known that tourism destinations must pay attention to these two things, considering that the back stage is a sacred aspect that is full of sensitivity because it involves belief, however, it can be circumvented by forming a front stage or performance solely as a duplicate. So what is introduced and sold to the public is the front stage which is similar in form to the back stage but has no substance because it does not have the weight of belief but is only entertainment.

LESSON LEARN TOURISM INDUSTRY FROM OTHER COUNTRIES

NO	ASPECT	THAILAND	INDONESIA
1	INPUT	SOLD	FREE
2	PROCESS	SOLD	FREE
3	PRODUCT	SOLD	SOLD
4	OUTCOME	FREE	FREE

3 Conclusion

According to the Ministry of Industry of the Republic of Indonesia, it has been determined that Indonesia requires a minimum of four million additional entrepreneurs in order to bolster the economic framework. This necessity arises from the fact that the existing proportion of domestic entrepreneurs stands at approximately 3.1% of the overall population. Bali particularly which has long been known as tourism destination, due to not only the beauty of the landscape but also the creative talents of its residents so that the results of their thoughts, handwork, and handicrafts are interesting to be exhibited, even sold as separate properties whose expertise is not possessed by Islanders in other countries.

To increase the quality of Indonesian social life, University of Warma Dewa and Pancasila has efforted to create the new entrepreneurs and the Tourism Industry through the higher education of Ph. D program in law. It means such university contribute reducing the unemployment and increase the number of new entrepreneurs in Indonesia.

References

1. Ade Saptomo, 2010. *Hukum & Kearifan Lokal Revitalisasi Hukum Adat Nusantara*. Jakarta: Grasindo
2. Ade Saptomo, 2022. "Law and Local Wisdom In The Tourism Business In Indonesia", Presented at 3rd International Conference on Business Law and local Wisdom in Tourism, at Faculty of law, University of Warmadewa, August 24-25, 2022

3. Erving Goffman, 1956. *The Presentation of Self in Everyday Life* (monograph), University of Edinburgh Social Sciences Research Centre (revised and expanded edition, Anchor Books 1959).

Internet

<https://money.kompas.com/read/2021/09/20/153353226/kewirausahaan-pengertian-tujuan-dan-ciri-cirinya?page=all>, diakses 29 April 2023.

Open Access This chapter is licensed under the terms of the Creative Commons Attribution-NonCommercial 4.0 International License (<http://creativecommons.org/licenses/by-nc/4.0/>), which permits any noncommercial use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made.

The images or other third party material in this chapter are included in the chapter's Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter's Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.

