



The Impact of Collaborative Governance on Developing economic-tourism Potential in Kutuh Village, Badung Regency

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Abstract. Kutuh Village is a fascinating study that assesses collaborative governance, especially between the village government and cultural villages, and involves the community and business actors. The cooperative form is carried out as an effort to build synergy between various stakeholders in improving the economy of the community in the village and the income of business entities in the village. Therefore, this paper aims to provide a comprehensive overview of the impact of the collaboration carried out so far, primarily related to the economic and tourism potential in Kutuh Village. The study uses a qualitative method with an explanatory approach. Data collection techniques are done through in-depth interviews, documentation, observations, and literature studies. The findings are that Kutuh Village, located in South Kuta District, Badung Regency, Bali Province, is now named the wealthiest village in Indonesia, with an income of Rp50 billion per year from the tourism sector. The income is obtained from the accumulation of nine (9) units of Cultural Village-Owned Enterprises (BUMDA) and through BUMDES (Village-Owned Enterprises). If analyzed through the initial condition approach in the collaborative, the collaborative is carried out based on the poverty conditions in Kutuh village. Then, the institutional design indicator is achieved through synergy between the Kutuh village government and the Kutuh Cultural Village indicator. The indicators of facilitative leadership in the collaboration network have been running as they should. However, they still need to be improved, especially the role of business actors from residents of Kutuh village. Then, the collaboration process model is more dominant in building trust and mutual commitment through existing rules. The impact is certainly more dominant in tourism development, but it has not optimized the village-level MSMEs and the fisheries sector.

Keywords: Collaborative, Governance, Tourism

1 Introduction

Developments in governance have undergone significant changes. One is the village government's role and authority, which is quite substantial in the context of national development. Villages have become the main subject of development at the regional level; this is strengthened by village funds provided by the state revenue and expenditure budget (ABPN). Of course, strengthening the village regarding authority and finance further positions the village government to be more participatory and democratic in producing policies and carrying out services for the public interest[1].

However, the village government must involve various interest groups or stakeholders in developing the village. Therefore, through the collaborative governance approach, it is interesting to analyze and map the extent to which the village government synergizes, cooperates, and elaborates with various parties.

The province of Bali is a unique region in implementing village autonomy. Bali has long implemented custom-based village autonomy and cultural villages or pakraman villages. Cultural villages have existed since the royal era in Bali; then, official villages were formed so that Bali would know about two types of villages [2]. Then, as time goes by and policy dynamics change, the village government (official village) gets village funds from the state budget. The position of the village has undergone significant changes, especially in terms of position in governance. The position of the village in Law No. 6 of 2014 is as a community government, a hybrid between a self-governing community and local self-government [3]. Meanwhile, Cultural villages in Bali are more focused on managing and preserving culture and religion. However, the cultural village owns and manages most of the village assets [2][4]. This is a challenge, especially in developing the village in various fields such as tourism, economy, agriculture, and culture. This means that synergy and cooperation between the village government and cultural villages in Bali are needed.

One of the villages in Bali, especially Badung Regency, that has been quite a highlight in its development since the enactment of law number 6 of 2014 is Kutuh village, Badung Regency. Kutuh Village can change and strengthen its village growth to become one of the wealthiest villages in Bali or even at the national level. Kutuh Village can manage village funds to increase income[5], especially from the tourism business, so it is no longer a poor village but an independent village and a model for other villages in Bali and Indonesia.

Based on this data and information, the author is interested in analyzing village governance from the perspective of collaborative governance. The stakeholders involved in collaborative governance are from various stakeholders. The primary entity involved is the Kutuh village government, which is responsible for drafting the development policy direction in Kutuh village. The cultural villages are stakeholders who manage assets, particularly in tourism. The third party is Village-Owned Enterprises (BUMDes), which enhances the village economy. The Cultural Village-Owned Enterprise (BUMDA) manages and boosts the village's economy. This includes overseeing the assets of the cultural village and supporting micro, small, and medium enterprises (MSMEs) in the area. BUMDA is the entity that conducts business activities by providing goods and services in Kutuh Village.

Various stakeholders in Kutuh village are an aspect of assessing the collaboration between these stakeholders. It is necessary to refer to Bingham's thinking to interpret collaborative governance, especially from the public administration perspective [6][7]. Bingham classifies types as collaborative. Four types of collaborative relations between actors became apparent:

1. Collaboration within the government, involving different agencies and players
2. Collaboration between governments involving agencies from different

jurisdictions

3. Collaboration between governments and external third-party providers of goods and services
4. Collaboration between governments and individual citizens/clients.

Collaborative governance is an approach to public management and policy-making in which various stakeholders, including governments, the private sector, and civil society, work together to create and implement public policies[8][9]. Many experts have developed and analyzed this concept, providing in-depth insights into its principles, benefits, and challenges.

Ansell and Gash define collaborative governance as a regulatory process in which one or more public institutions directly involve non-state parties in a formal, consensus-based, collective deliberative forum to create or implement public policies or manage public programs or assets.[10]Ansell and Gash's Collaborative Model is seen from the Starting Conditions: history of previous conflicts or cooperation, power imbalances, and incentives for participation. The next indicator is Institutional Design, namely clear rules, inclusivity, and participatory processes. The Leadership aspect, namely the role of mediated and facilitative leadership, is essential in building trust and encouraging participation[11]. Collaborative processes, namely face-to-face interaction, building confidence, mutual commitment, and mutual understanding.

Archon Fung and Erik Olin Wright delivered other thoughts on collaborative governance. Fung and Wright explore new governance forms involving citizens' direct decision-making participation[12]. Characteristics of Empowered Participatory Governance:

1. Involvement of Ordinary Citizens: Invites the active participation of citizens in the decision-making process.
2. Focus on Deliberation: Prioritizes an evidence-based and consensus-based discussion process.
3. Decentralization: Transferring decision-making power to the local level.
4. Accountability: Creating a mechanism to ensure that decisions are made accountable to the community.

Based on empirical data and information and the theoretical perspective about collaborative governance, it is reasonable to analyze Kutuh village. The research question is, how are the collaborative governance models and impacts based on economic tourism development in Kutuh Village?

2 Methodology

This study uses a qualitative descriptive method. The qualitative method follows a research procedure that produces descriptive data from the observed behavior in written words [13]. This research aims to describe the research object holistically (comprehensively). The data collection technique of this study is through interviews and document studies. Interview is a data collection technique through direct questions and answers where the questioner (interviewer) is physically in direct contact with the

interviewee. The interview method used in this study is an in-depth interview method based on a list of interviews made/prepared in advance (interview guide)[14]. In-depth interviews in a study aimed to collect information about phenomena in society. Document study is the activity of analyzing documents or written data related to this research. The location of the study was carried out on several resource persons at the Kutuh Village Government level.

The informants in this study are at the organizational and individual levels, namely the stakeholders involved in policy formulation, policy implementation, and policy goals. In connection with this, the informants were selected purposively for this study. First, Village leaders in the independent category of villages are key informants because he is the policy maker in the village government. Second, is the Village Consultative Organization because that organization is a village government partner whose job is to accommodate and channel community aspirations and supervise the performance of the village head. Third, BUMDes Managers in the Village implemented all policies, primarily based on collaboration with other stakeholders. Fourth, Community, Traditional, and Religious Leaders in the Village because the informant has a role in contributing to and evaluating collaboration in the village

3 Results and Discussion

The role of the Kutuh village government through the management of village funds ased on interviews with the leader of the Village Deliberation Agency and the leader of Kutuh village, which are related to managing village funds, it can be mapped in several ways. First, the management of village funds begins with village deliberations involving community leaders and various groups. The results of this deliberation were used to prepare the Village Government Work Plan (RKP), which became the basis for formulating the APBDes. Second, village funds benefit the community, especially after COVID-19, with BLT (Direct Cash Assistance), which helps beneficiary families. Other positive impacts include infrastructure development such as roads, sports facilities, and other village facilities and a faster economic turnaround. Physical development uses local labor, thus helping to reduce unemployment and improve the family economy.

3.1 The Role of BUMDA

BUMDA Kutuh works based on a clear *pararem* (cultural village regulation) regarding the distribution of profits. Of the total profits, 60% goes to cultural villages, while 40% is allocated for social funds, coaching funds, business development, BUMDA capital, and employee production services. The work plan is made annually and must be approved by the Board of Commissioners, the Board of Trustees, the Supervisory Body, and the Village Sabha before being realized.

BUMDA Kutuh has undergone restructuring since its formation in 2014. Initially, it consisted of 9 business units, but in 2019, this number was reduced to 4 business units that are still active. This restructuring process ensures that each business unit operates effectively and efficiently. BUMDA Kutuh implements work ethics that regulate the

company's and workers' rights and obligations. Each employee has a clear SOP and job description, ensuring discipline and efficiency at work. BUMDA allocates coaching funds for seminars and job training to increase creativity and innovation and holds annual outing programs and internal events to strengthen employee relationships.

Third, Challenges in Village Fund Management The main challenge is food security, mainly due to the problem of reduced land and lack of water for agriculture. And the village government shifted its focus to animal food security by providing livestock assistance to farmers.

Fourth, managing village funds involves cooperation with Village-Owned Enterprises (BUMDes) based on regulations and analysis of BUMDes' proposals.

3.2 The Role of Bumdes

The Director of BUMDes explained that Bumdes organizations can adapt to changes in the external environment through social interaction, tourism education, and various social programs that support the local community. They have earned billions of rupiah in revenue and have been incorporated as legal entities, making it easier to collaborate with various parties. In the economic aspect, BUMDes employs local workers and collaborates with many stalls, providing flexible capital support. They collaborate with local arts organizations for culture and support various cultural events and tourism education. From a political perspective, BUMDes follow the rules of the central and village governments, ensuring that all significant decisions are taken through village deliberations.

3.3 The Role of Cultural Villages

The Head of Kutuh Cultural Village, who has served since October 2019, explained that Kutuh Cultural Village experienced a difficult time during the COVID-19 pandemic, which caused the paralysis of village activities and income. However, the village can still carry out Cultural ceremonies and assist the community in various activities, such as weddings and death ceremonies. After the pandemic, there was significant economic growth from 2022 to 2024. During the Covid pandemic, revenue was only 3.7 billion. BUMDA and LPD support village income, which manages tourism and other business activities. The Head of Kutuh Village targets a revenue of 13 billion rupiah for 2024, focusing on innovation and tourism promotion. In managing funds and assets, the Kutuh Cultural Village is highly dependent on income from the tourism sector, especially from Pandawa Beach.

The Kutuh Cultural Village collaborates with various parties to manage village funds and overcome problems. Cooperation with travel agents and tourism promotion outside the region are strategies to increase revenue. In addition, the village collaborates with universities and local governments on infrastructure development and village master plans. Decision-making in Kutuh Village is carried out through a deliberative mechanism based on clear rules in the paragraph. SHU (Residual Business Results) from various business activities are divided according to the provisions, ensuring a fair

distribution between Cultural Villages and BUMDA. This system ensures that every significant decision involves the participation of various elements of the village.

The five scales circulating in the image below show the scale of collaboration between various stakeholders in Kutuh village[6].

Table 1. Scale of collaboration

Degree of collaboration	Degree of collaboration
What is involved—activities	What is involved—activities
Highest level: high normative	Highest level: high normative
Transformative interaction between network actors; substantive	Transformative interaction between network actors; substantive
commitment to collaboration, often	commitment to collaboration, often
engagement and empowerment; search for a	engagement and empowerment; search for a
high degree of stakeholder	high degree of stakeholder

Source: Bingham,2011

Based on the existing findings, then associated with the scale of collaboration above, the scale of partnership in Kutuh village can be classified as Medium-high level. The medium-high level in question means that strong engagement means that stakeholders are not only informed or asked for opinions superficially but are involved in every stage of the decision-making process and policy implementation. This includes gathering input, in-depth dialogue, and collaboration in designing and implementing policies.[16]. This can be seen in every taking of necessities, always deliberation. This means that joint decisions are always prioritized in the sustainability of the collaboration.

In addition, the relationship between stakeholders in Kutuh Village also increases the legitimacy and acceptance of policies. This is evident in inherent regulations in duties and functions, especially for cultural villages and the Kutuh village government. Stakeholders often have knowledge and perspectives that policymakers do not have, which can be invaluable in designing effective and targeted policies, especially for cultural villages and village governments with various innovations they have made. Transparency and accountability are also essential aspects, and active involvement helps ensure that the decision-making process is more transparent and that the parties involved are accountable for their actions.

The following essential aspect on the Medium-high level scale is the Delegation of Community Decision-Making Capacity. Delegation of decision-making capacity means giving authority and responsibility to the parties most affected by the policy, often clients or service recipients. It is a form of decentralization that aims to make the decision-making process more responsive and relevant to local needs and preferences. The benefits produced are increased policy relevance. Decisions made by those most aware of and affected by the regional situation are more precise and effective. This is proven when the village community receives various policies for developing economic potential in Kutuh village.

The last aspect of the Medium-High Level scale is More Complex Innovation in the Policy Delivery Process. More complex innovation refers to developing and applying new, more sophisticated methods of delivering public policies and services. This often involves advanced technology, cross-sector integration, and a data-driven approach. The benefits are Increased efficiency and effectiveness. Innovation can reduce costs, speed up processes, and improve service quality, as well as the ability to handle complex problems and use data for decision-making.

Then, the author also analyzes Ansell and Gash's thinking using several indicators. First, the initial condition. This initial condition then triggered the desire of the parties involved to collaborate, both from the government and other institutions to were also involved. Second, Institutional Design. Another essential aspect that needs attention is the clarity of rules and procedures. Regulations must be enforced fairly, transparently, and openly so stakeholders can be confident that every deliberation and negotiation is real. Third, Facilitative Leadership. The element of leadership in collaboration is intended not only for government leaders or leaders of institutions or organizations but also for anyone who can be a facilitator leader as long as he can move, facilitate, and encourage the success of the goals of the collaboration itself. Fourth is the Collaboration Process. The collaboration process includes face-to-face dialogue, commitment to the process, trust building, and shared understanding.

The results of the analysis using the perspective of collaborative governance according to Ansell and Gash in Kutuh Village can be table below seen:

Table 2. Collaboration Governance in Kutuh Village

Starting Conditions	Institutional Design	Facilitative Leadership	Collaborative process	Output
Being one of the poor villages in Bali, it has tourism potential.	Synergy between cultural villages and village governments	There is a commitment of leadership at the village government level and cultural village heads (cultural village heads), especially in making and implementing village regulations.	(Face-to-Face Dialogue). • Every decision is made through village deliberations. • Community Empowerment: Participatory governance models	• Tourism: Cultural villages have opened new tourist attractions and optimized existing tourism potential through assets owned and in collaboration with various parties. • It could strengthen social cohesion and cultural pride, fostering initiatives like traditional craft revival or ritual preservation.
	The stakeholder	Innovation in the	(Trust Building)	• The impact on the economic sector

Starting Conditions	Institutional Design	Facilitative Leadership	Collaborative process	Output
	network, especially in the tourism sector, is quite extensive.	economic aspect by increasing the role of village-owned enterprises	• Transparency and accountability to the community and various stakeholders involved; • Policies favoring local hiring in tourism	through business entities owned by Kutuh villages and business entities owned by Kutuh cultural villages can contribute to improving the economy in the town. • Could reduce unemployment but may also intensify competition for skilled jobs.
	There has been an MoU for cooperation with various universities.	Managing village economic potential and tourism development.	(Commitment to the Process): All parties are committed to being fully involved and responsible in the collaborative process. The regulations and their implementation strengthen this. (Shared Understanding). The understanding aspect needs to be more optimal because it tends to run independently and is not focused on the primary goal. It is still more focused on the tourism sector than the fisheries sector and the growth of local village MSMEs.	The negative impact on the fisheries sector has begun to reduce the number of people working there, especially in seaweed cultivation.

The outcomes or impacts resulting from the collaboration of various stakeholders in Kutuh Village have been analyzed based on the economic impact, the impact of the tourism sector, and the impact of the fisheries sector. Economic Impact. Kutuh Village, located in South Kuta District, Badung Regency, Bali Province, is now named the wealthiest village in Indonesia, with an income of IDR 50 billion per year from the tourism sector. The amount of revenue was obtained from the accumulation of nine (9)

units of Cultural Village-Owned Enterprises (BUMDA), including Village People's Credit Institutions (LPD), Pandawa Beach tourism, Gunung Payung Cultural Park, Timbis Paragliding, Cultural Arts Attractions, Provision of Goods and Services Units, Pirantu Yadnya, Transportation, and Karya Undagi Construction Services. In addition, Kutuh Village itself has a Village-Owned Enterprise (BUMDES) named Manik Sedana Kutuh. BUMDES aims to strengthen the village economy by utilizing the existing potential. BUMDES Manik Sedana Kutuh has several programs to support the economy, namely Pancali Spa, where the community opens massage services to tourists on Pandawa Beach, transports garbage, provides goods and services, opens wholesale stores, rents sports fields, and wanting for specific events.

Tourism Impact. Pandawa Beach has been open since 2010 and has become a popular destination for tourists from the archipelago and abroad. Pandawa Beach offers a sloping beach with clean white sand and a beautiful aroma because two limestone hills flank it. However, the ocean is far away, and foreign tourists call this beach a secret beach. Gunung Payung Beach, one of the tourist attractions open to the public, offers white sand with a soft texture; the sea water is blue with a green gradation, and it is very suitable for us to swim, sunbathe, and watch paragliding. Then Timbis Paragliding. Timbis Paragliding is a paragliding activity provided on the hill of Gunung Payung. The price is Rp 400,000 per kite to enjoy the beauty of Gunung Payung Beach from a height. In addition, there is the Pandawa Art Market. Pandawa Art Market was opened and inaugurated on March 23, 2019, by the Kutuh Cultural Village Leader (Bendesa) together with the Badung Cooperative and MSME Office, which sells various local handicrafts such as souvenir knick-knacks, accessories, bed covers, various clothes with local Balinese, sculpture carvings, sandals, Balinese clothing products, and also provides and sells various daily necessities at low prices by partnering with several entrepreneurs. Also, the Kutuh Village International Football Village opened a new tourist destination, namely the International Football Village in Gunung Payung Cultural Park (GPCP). This International Football Village was developed into a sports-based tourism area, aka sports tourism. Sports tourism development is motivated by using village funds in collaboration with the official village. Village funds are used to accelerate the development of the ball village.

Impact on the fisheries sector. Kutuh Village has a relatively vast marine potential in developing fishery activities, especially for seaweed cultivation, which has lifted the community's economy in Kutuh Village. Previously, Kutuh Village was a seaweed-producing area and was the primary source of livelihood for the people of Kutuh Village. However, since tourism developed in Kutuh Village, people have begun to turn to tourism

4 Conclusion

Based on the analysis, it can be concluded that on a scale, the collaboration is in the Medium-high level category. This means that the involvement of stakeholders is quite strong, and the role of the Kutuh Cultural Village and the Kutu Village government is significant in the village's tourism and economic sectors. And this commitment is strengthened by the existence of village regulations and cultural village regulations (perarem). The advice given by the author is to improve the focus of collaboration, especially in the fisheries sector, especially seaweed cultivation in Kutuh village. The tourism sector in Kutuh village often has to compete with various tourist attractions in the South Badung area, whose development is massive. Meanwhile, the seaweed cultivation and fisheries sector can increase village independence, especially regarding food.

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