



Formulating a Sustainable Governance-Based Tourism Village Ecosystem Model: A Case Study of Munduk Village, Bali

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Abstract. The development of tourism villages represents a strategic approach to sustainable rural development, as it brings together economic growth, socio-cultural preservation, and environmental protection while fostering active community involvement. However, their long-term sustainability depends on governance systems capable of coordinating multiple stakeholders, balancing diverse interests, and supporting adaptive decision-making. This study aims to formulate a Sustainable Governance Ecosystem Model for tourism village management using Munduk Tourism Village, Bali, Indonesia, as an intrinsic case study. The research adopted a qualitative design, drawing on semi-structured interviews with twelve key informants, direct observations of participants and activities, and a review of relevant documents. Data were analyzed using stakeholder mapping, reflexive thematic analysis, and model synthesis informed by sustainable tourism governance and tourism ecosystem perspectives. The findings identify three major governance challenges: fragmented institutional coordination, unequal benefit distribution, and limited community participation in strategic decision-making. In response, the study proposes a Sustainable Governance Ecosystem Model comprising five interconnected components: (1) an Institutional Anchor through a Multi-Stakeholder Governance Forum, (2) a Procedural Engine based on transparent and inclusive decision-making, (3) an Allocation Mechanism supporting equitable benefit-sharing, (4) Sustainability Monitoring and Adaptive Feedback, and (5) a Dual-Layer Conflict Resolution Mechanism integrating customary and formal governance. The proposed model integrates governance and ecosystem perspectives into an operational framework that strengthens stakeholder coordination, equitable participation, institutional accountability, and adaptive management. The model provides both theoretical and practical guidance for strengthening the long-term sustainability of tourism villages in Indonesia and other community-based tourism destinations.

Keywords: Collaborative, Governance, Stakeholder Mapping, Sustainable Tourism Governance, Tourism Ecosystem Model, Tourism Village

1 Introduction

The development of tourism villages offers a strategic pathway toward sustainable rural development by creating economic opportunities while safeguarding local culture, protecting the environment, and strengthening community participation (Lane &

Kastenholz, 2015; World Tourism Organization (UNWTO), 2023). Achieving sustainable development through tourism villages requires more than the availability of tourism resources. It also relies on effective governance mechanisms that facilitate stakeholder coordination, reconcile different interests, and enable flexible and collaborative decision-making (OECD, 2020; World Tourism Organization (UNWTO), 2018).

Consequently, tourism governance has emerged as a key area of inquiry within the field of sustainable tourism research, emphasizing participation, transparency, accountability, and collaboration among governments, communities, tourism businesses, and supporting institutions (Bramwell & Lane, 2011; Dredge & Jamal, 2015; Farmaki & Saveriades, 2025; Nunkoo, 2017; Rasoolimanesh et al., 2024). More recently, the tourism ecosystem perspective has extended this view by conceptualizing tourism destinations as interconnected systems in which multiple actors continuously interact, co-create value, while remaining responsive to evolving environmental, social, and economic circumstances (Farmaki et al., 2019; Hartman, 2023a; Sigala, 2022). Integrating governance and ecosystem perspectives therefore provides a stronger foundation for understanding tourism villages as dynamic socio-ecological systems.

Previous studies have demonstrated that collaborative governance strengthens stakeholder coordination and policy implementation (Ansell & Gash, 2008; Reina-Usuga et al., 2024; Sentanu et al., 2023), while stakeholder governance highlights the importance of inclusive participation and balanced power relationships (Nunkoo, 2017). Likewise, tourism ecosystem studies emphasize network interactions and adaptive destination management (Baggio & Sainaghi, 2016; Hartman, 2023b). However, existing studies have generally examined these perspectives separately. Consequently, limited attention has been given to how governance functions can be integrated into an integrated framework for implementation for tourism village management. This research seeks to bridge this gap by developing a Sustainable Governance Ecosystem Model that integrates governance and ecosystem perspectives into a unified framework for managing tourism villages.

Munduk Tourism Village in Buleleng Regency, Bali, provides an appropriate case for examining this issue. Recognized as one of Indonesia's Top 100 Tourism Villages under the 2024 Anugerah Desa Wisata Indonesia (ADWI), Munduk has experienced rapid tourism growth while maintaining strong agricultural and cultural traditions (Ministry of Tourism and Creative Economy, 2024). Tourism governance involves multiple actors, including the village government, Desa Adat, Pokdarwis, tourism entrepreneurs, farmer groups, and local communities, creating a complex institutional environment that requires effective coordination and collaborative governance (Triyuni et al., 2024).

Based on these considerations, the study is guided by three research questions: (RQ1) What governance challenges characterize tourism village management in Munduk Tourism Village? (RQ2) How do stakeholder relationships and institutional interactions influence sustainable tourism governance? (RQ3) How can sustainable tourism governance and the tourism ecosystem perspective be integrated into an operational governance model?

The present research seeks to develop a Sustainable Governance Ecosystem Model for tourism village management based on empirical evidence from Munduk Tourism Village. This research makes three key contributions to the existing body of knowledge on tourism governance. First, it integrates sustainable tourism governance and the tourism ecosystem perspective into a unified analytical framework. Second, it provides empirical evidence on governance challenges and stakeholder interactions within a tourism village. Third, it proposes an operational governance model comprising five interconnected components: (1) Institutional Anchor, (2) Procedural Engine, (3) Allocation Mechanism, (4) Sustainability Monitoring and Adaptive Feedback, and (5) Stability Control through a dual-layer conflict resolution mechanism, offering practical guidance for strengthening coordination, equitable benefit-sharing, adaptive governance, and the long-term viability and sustainability of community-based tourism destinations.

2 Methodology

The use of qualitative methods facilitated a deeper examination of stakeholder relationships, institutional arrangements, and governance processes within their real-life context (Creswell & Poth, 2018; Yin, 2016). The study involved twelve key informants from the village government who were selected purposively based on their knowledge and relevance to the research, *Pokdarwis*, customary village (*desa adat*), tourism entrepreneurs, and community leaders. Data saturation was reached after the tenth interview, while two additional interviews confirmed the consistency of the emerging themes.

The study employed three complementary data collection techniques: semi-structured interviews, direct observation, and document review. Documentary sources included village regulations, tourism development plans, and organizational documents, enabling methodological triangulation (Denzin & Lincoln, 2011).

Data analysis comprised three stages. First, stakeholders were mapped using (Bryson, 2018) Power–Interest Matrix, with stakeholder positions determined through triangulation of interview, observation, and documentary evidence. Second, reflexive thematic analysis was conducted following (Braun & Clarke, 2006, 2021). The analytical process involved several stages, namely becoming familiar with the data, conducting systematic coding, developing and refining themes, defining the identified themes, and presenting the findings. Finally, stakeholder mapping and thematic findings were synthesized with sustainable tourism governance (Hall, 2011) and tourism ecosystem perspectives (Hartman, 2023b) to formulate the Sustainable Governance Ecosystem Model. Several strategies were employed to enhance the trustworthiness of the findings, including triangulation, participant validation, and peer review (Lincoln & Guba, 1985). All participants provided informed consent, and confidentiality was maintained using anonymous informant codes.

3 Result and Discussion

3.1 Governance Gaps: Empirical Realities and Divergent Stakeholder Perspectives

The field investigation reveals three deeply interconnected governance gaps that severely undermine the sustainability of tourism development in Munduk Village: fragmented institutional coordination, unequal benefit distribution, and marginalized community participation in strategic decision-making. These gaps collectively demonstrate that the existing governance architecture is not an integrated, inclusive, dynamic ecosystem, but rather an asymmetric, centralized framework struggling to manage a multi-stakeholder destination.

Fragmented Institutional Coordination. Institutional coordination in Munduk Village remains largely informal, reactive, and fragmented across organizational boundaries. Analysis of the Village Medium-Term Development Plan (RPJMDes) indicates the absence of formal mechanisms integrating tourism development programs with the customary regulations (*Awig-awig*) of the Desa Adat. This institutional separation has created overlapping responsibilities and weakened coordination between formal governmental institutions and customary authorities.

Interviews revealed contrasting perceptions regarding the effectiveness of existing coordination mechanisms. Representatives of the village government viewed informal communication as a practical approach that enables rapid implementation of tourism programs and avoids lengthy administrative procedures. In contrast, Pokdarwis and customary leaders perceived the current governance arrangement as largely top-down, where they were consulted primarily during operational problems or conflicts rather than during strategic planning and budgeting processes.

Pokdarwis representatives explained that their involvement typically occurred only after tourism-related problems, such as visitor complaints regarding waste management or safety, had emerged, limiting their opportunity to contribute to preventive planning. Similarly, customary leaders emphasized that although Munduk's tourism depends heavily on cultural heritage and landscapes protected through customary institutions, these institutions receive limited financial support from tourism revenues and are rarely involved in development planning unless disputes concerning land or investment arise.

These perceptions were consistent with field observations. During village coordination meetings, discussions concerning tourism development were predominantly led by village government officials, while representatives of Pokdarwis and the Desa Adat participated mainly as observers with limited opportunities to influence decision-making. This finding supports previous studies (Beaumont & Dredge, 2010; Bichler & Lösch, 2019), suggesting that tourism governance becomes less effective when coordination relies on informal relationships rather than institutionalized collaborative mechanisms.

Unequal Benefit Distribution. Economic benefit-sharing represents a major governance challenge in Munduk Tourism Village. Analysis of the Village-Owned

Enterprise (BUMDes) Annual Financial Report indicates that tourism revenues have not been effectively integrated into local agricultural supply chains or redistributed to support community welfare. Instead, tourism benefits remain concentrated among large-scale tourism businesses, while local communities continue to bear the associated social and environmental costs.

Interviews revealed contrasting stakeholder perspectives regarding benefit distribution. Private tourism investors viewed financial returns as a legitimate outcome of substantial capital investment, market access, and employment creation. In contrast, representatives of BUMDes and local businesses argued that tourism generates limited economic spillover because many tourism enterprises depend on external suppliers, guides, and transportation services. Consequently, opportunities for local enterprises to participate in the tourism value chain remain limited, while communities continue to experience increasing environmental pressures, including traffic congestion and waste accumulation.

These findings demonstrate that tourism development in Munduk has produced unequal economic outcomes, reflecting an imbalance between external investment and local community benefits. Consistent with previous studies, the results suggest that tourism growth alone does not guarantee equitable welfare distribution (Rasoolimanesh et al., 2022). Without governance mechanisms that promote local sourcing, equitable benefit-sharing, and community reinvestment, tourism development is likely to intensify economic leakage and weaken long-term environmental and cultural sustainability.

Limited Community Participation in Strategic Decision-Making. The third governance challenge relates to the insufficient involvement of local communities in shaping strategic decisions concerning tourism development. Although local residents actively contribute to tourism operations as drivers, guides, parking attendants, and cultural performers, their involvement rarely extends to policy formulation or long-term tourism planning.

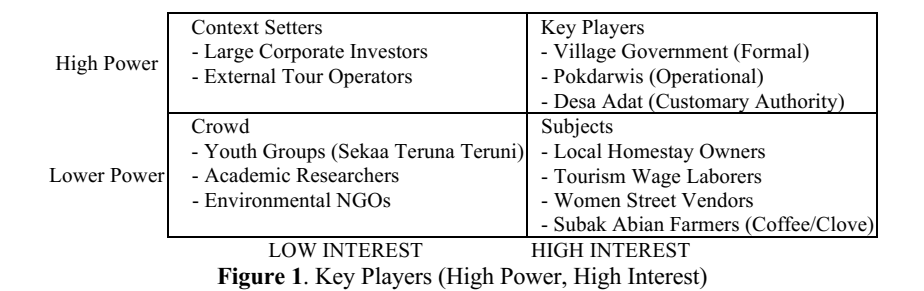
Interviews with community representatives revealed that major tourism infrastructure and development projects were often implemented without prior consultation or meaningful opportunities for local input. Informants reported that communities were generally informed only after decisions had been finalized, leaving little opportunity to express concerns regarding the potential impacts of tourism development on agricultural land, irrigation systems, and other community resources. This perceived exclusion has reduced local confidence in existing governance processes and reinforced the view that strategic decisions are dominated by government authorities and external investors rather than through participatory deliberation.

These findings were consistent with field observations indicating limited community representation in formal planning forums. As a consequence, community participation tends to remain symbolic rather than influential, restricting local capacity to shape tourism policies that directly affect their livelihoods and environment. This empirical evidence supports Nunkoo (2017) concept of pseudo-participatory tourism, whereby community involvement serves primarily to legitimize predetermined decisions rather than facilitate genuine collaborative governance. Such governance

arrangements risk weakening institutional trust and undermining the long-term sustainability of tourism development.

3.2 Stakeholder Configuration: The Power–Interest Matrix

To accurately map the power dynamics in Munduk, the "local community" must not be analyzed as a single, harmonious unit. In reality, the community is highly fragmented into distinct sub-groups defined by vastly unequal economic resources, political leverage, and environmental vulnerabilities. Triangulating empirical data from interviews, document analysis, and observation yields the following Power–Interest Matrix configuration shown in Figure 1.



3.3 Proposed Ecosystem Model

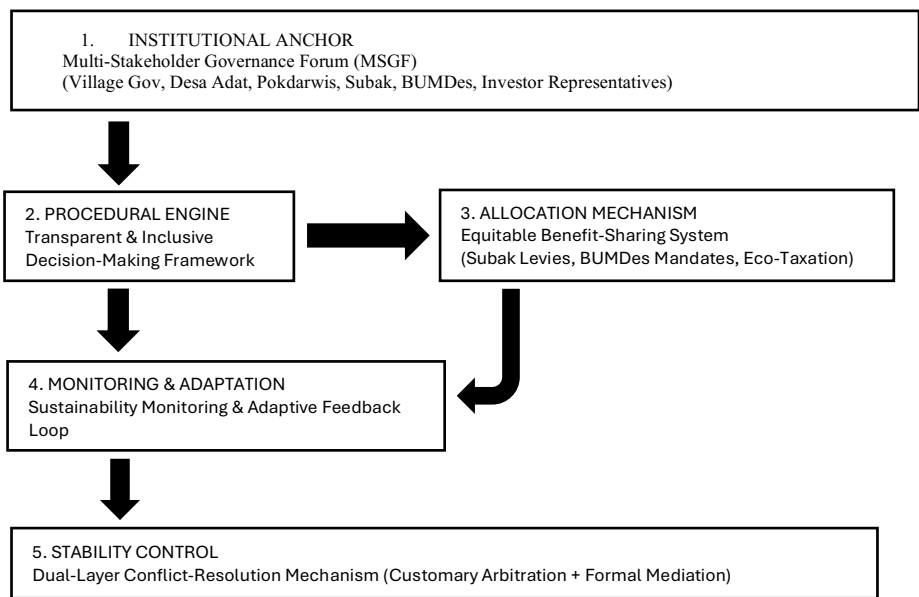


Figure 2. Sustainable Governance Ecosystem Model

To resolve institutional fragmentation, economic leakage, and structural power imbalances, this study introduces the Sustainable Governance Ecosystem Model. Moving away from linear, top-down public administration frameworks, this model treats Munduk as a living ecosystem where the survival of the corporate and bureaucratic elements is structurally dependent on the health and empowerment of the local agrarian community. The model is structured around 5 core components that form an interdependent system shown in Figure 2.

4 Conclusion

This study demonstrates that the sustainability of tourism villages depends not only on tourism resources but also on governance systems that enable effective stakeholder coordination, equitable benefit-sharing, inclusive participation, and adaptive management. Evidence from Munduk Tourism Village identified three interconnected governance challenges: fragmented institutional coordination, unequal benefit distribution, and limited community participation in strategic decision-making. In response, this study proposes a Sustainable Governance Ecosystem Model comprising five interconnected components: (1) Institutional Anchor through a Multi-Stakeholder Governance Forum, (2) a Procedural Engine based on transparent and inclusive decision-making, (3) an Allocation Mechanism for equitable benefit-sharing, (4) Sustainability Monitoring and Adaptive Feedback, and (5) Stability Control through a dual-layer conflict resolution mechanism. By integrating sustainable tourism governance with the tourism ecosystem perspective, the model extends existing governance literature through a unified operational framework that strengthens stakeholder collaboration, institutional accountability, and adaptive governance while providing practical guidance for tourism village management. Although the findings are derived from a single qualitative case study and therefore are analytically transferable rather than statistically generalizable, future studies should validate the model across different tourism village contexts and develop measurable indicators to assess the effectiveness of each governance component.

Acknowledgment

This research was funded by the DIPA PNB grant. The authors gratefully acknowledge the Director of Politeknik Negeri Bali and the Head of the Research and Community Service Center (P3M) for their valuable support and assistance throughout the research process.

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