The Effectiveness of Contract Law as a Pillar of Entrepreneurship Development and Community Welfare in Sustainable Tourism Village, Bogor Regency

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Abstract. The development of sustainable tourism villages in Bogor Regency has significant potential to improve the welfare of local communities. However, its implementation faces various challenges, particularly regarding the lack of legal certainty in the management and development of these villages. In this context, the role of contract law is essential to provide legal certainty and protection for business actors in the tourism sector, especially considering that tourism is major source of livelihood for local communities. Despite its importance, the effectiveness of contract law in supporting entrepreneurship and improving community welfare in tourist villages remains suboptimal and requires further study. This study focuses on two main problems: (1) How effective is contract law in supporting entrepreneurship in sustainable tourism villages? (2) How does contract law contribute to improving community welfare in Bogor Regency? The research aims to analyze the effectiveness of contract law as a foundation for sustainable entrepreneurship development and its impact on community welfare. Using a qualitative approach with case studies in several tourism villages in Bogor Regency, data were collected through interviews with business actors, village officials, local communities, FGDs, and document analysis. The findings indicate that effective contract law provides clarity regarding the rights and obligations of each party, reduces potential conflicts, and fosters a conducive business environment. This, in turn, encourages greater community participation and local economic empowerment. However, challenges remain, including limited public understanding of contract law and weak contract management at the village level. The study concludes that strengthening the implementation of contract law is crucial for developing sustainable tourism village entrepreneurship and improving community welfare in Bogor Regency.

Keywords: Sustainable Tourism Village, Contract Law, Entrepreneurship, Community Welfare, Bogor Regency

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1 Introduction

The development of sustainable tourist villages is one of the key strategies to improve the welfare of local communities, especially in Bogor Regency, which has rich natural and cultural potential. A tourist village not only functions as a tourism destination but also serves as a means of empowering the local economy through active community participation in the management and development of tourism. In this context, a legal contract plays a vital role as an instrument for regulating relationships between business actors, the community, and the government in managing tourist villages [1]. An effective contract can ensure legal certainty, protect the rights and obligations of the parties involved [2], and promote sustainable management of tourist villages that provides economic and social benefits for the local community [3]



Fig. 1. Demographics Bogor Regency

Bogor Regency holds remarkable tourism potential, as highlighted by the Culture and Tourism Office (2024). The region boasts over 300 accommodations and 500 restaurants and eateries, catering to the needs of more than 12.7 million tourists who visited in 2023 alone. Visitors can explore 150 tourist attractions, including 70 vibrant tourist villages and 100 arts and culture studios that showcase the area's rich cultural heritage. Nature lovers are drawn to its 96 lakes (Setu), 11 majestic mountains, and 100 stunning waterfalls, offering diverse outdoor experiences. For sports enthusiasts, Bogor Regency is also home to 11 international standard golf courses, an international standard circuit, and a stadium with a capacity exceeding 30 thousand spectators, making it a promising destination for both leisure and large-scale events.

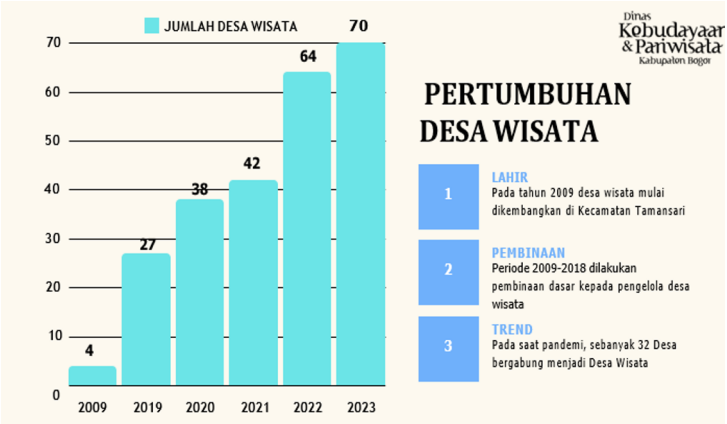

Fig. 2. Development of tourist villages and growth village tour

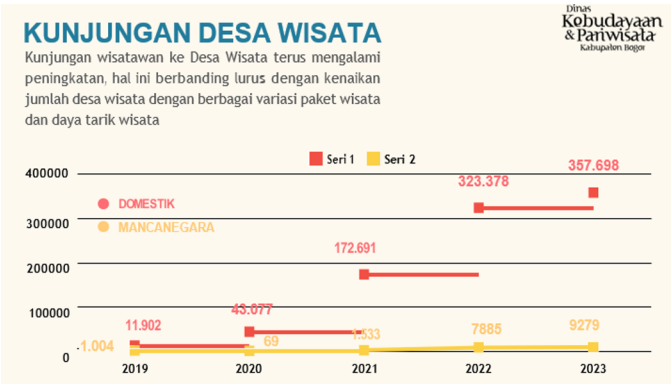

Fig. 3. Visits to tourist villages and tourist village managers

Figure 3 illustrates the trend of tourist visits to tourism villages in Bogor Regency from 2019 to 2023. Overall, the number of domestic visitors has shown a significant increase, rising from just around 1,004 visitors in 2019 to 357,698 visitors in 2023. This growth indicates a rising interest in tourism villages, supported by the increasing number of villages offering diverse tourism packages and attractive experiences. Although the number of international visitors remains relatively low, it has shown gradual growth, from 11,902 visitors in 2019 to 9,279 in 2023. This upward trend reflects the potential for further development and promotion of tourism villages to attract more international tourists in the future.

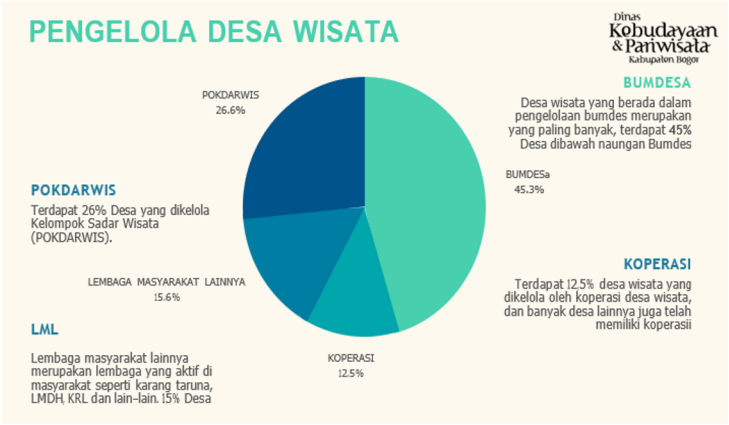

Fig. 4. Tourism Village Management

Figure 4 shows the distribution of tourism village management in Bogor Regency. The majority of tourism villages, about 45.3%, are managed by village-owned enterprises (BUMDes), making this the most common management model. Around 26.6% of villages are managed by tourism awareness groups (POKDARWIS), which play an active role in organizing tourism activities and engaging local communities. Cooperatives manage about 12.5% of tourism villages, indicating that some villages utilize cooperative models to manage and develop tourism-related businesses collectively. Lastly, other community institutions, such as local community groups, Karang Taruna (youth organizations), and local NGOs, manage about 15% of tourism villages. This variety of management models highlights the strong role of local communities and institutions in supporting and developing tourism villages in Bogor Regency.

Developing an area into a tourism village requires several key conditions to be met to ensure its success and sustainability. These include good accessibility for visitors, interesting and unique tourist attractions, strong support and active involvement from all villagers, guaranteed security to make tourists feel safe, and the availability of adequate accommodation and telecommunications facilities. In addition, the environment should generally be cool, comfortable, and scenic to attract visitors seeking a pleasant atmosphere. Ideally, a tourism village is also located close to well-known tourist attractions, so it can benefit from existing visitor flows and create added value for the local community.

The main criteria for establishing and managing a tourism village in Bogor Regency, as defined by the local Culture and Tourism Office. These criteria include the existence of clear institutional management and cooperation agreements with other parties, active community empowerment, and efforts to preserve the natural environment and local culture. A tourism village must also facilitate meaningful interaction between the community and visitors and ensure the availability of qualified guides and interpreters. High-quality food and beverage services, proper homestay or camping facilities, and contributions from tour operators are also essential elements. Together, these criteria

aim to create a tourism village that is well-organized, sustainable, and able to provide an authentic and satisfying experience for tourists while supporting local communities.

Tourism villages must continue to innovate to strengthen the local economy. Several key efforts are needed to achieve a sustainable community economy. These include collaboration among stakeholders, improving community skills, building partnerships, and ensuring access to financial resources. In addition, integration of various sectors, effective promotion, and continuous skill development are also crucial. By focusing on these aspects—collaboration, skill enhancement, partnerships, financial access, integration, and promotion—tourism villages can create a resilient and sustainable economic foundation that benefits the entire community.

The development of tourist villages plays an important role in strengthening the local economy and preserving cultural values. As demand for tourism facilities such as accommodation and food and beverage businesses continues to grow, tourist villages provide opportunities to generate additional income for local MSMEs. This development also helps boost the consumption of local products and supports the empowerment of local human resources by creating jobs and encouraging skill development. Furthermore, tourist villages increase public awareness and appreciation of local traditions and cultural values, ensuring that these unique aspects are preserved and passed down to future generations.

However, in practice, the effectiveness of legal contracts in the context of sustainable tourism villages still faces various challenges, such as the lack of public understanding of contract contents, unequal bargaining power, and weak law enforcement. Therefore, this research is important to examine how far legal contracts play a role in improving community welfare through the development of sustainable tourism villages in Bogor Regency (Extract, 2022). The problem formulation is: (1) How effective is the implementation of legal contracts in the management of sustainable tourism villages in Bogor Regency? (2) What obstacles are faced in implementing legal contracts between business actors, the community, and the government in village tourism? (3) How do legal contracts contribute to improving community welfare through the development of sustainable tourism villages? The objectives of this study are: (1) To analyze the effectiveness of legal contract implementation in managing sustainable tourism villages in Bogor Regency; (2) To identify the obstacles faced in the implementation of legal contracts in village tourism; and (3) To assess the contribution of legal contracts to improving community welfare through sustainable tourism villages.

The research methodology used in this study combines a normative legal approach and qualitative descriptive methods. The normative approach analyzes laws, contract documents, and literature related to legal contracts and tourism village management. The qualitative descriptive approach is used to describe real conditions in the field through observation, interviews with the community, business actors, and village governments, and document studies. The data obtained are analyzed qualitatively to understand the relationship between legal contracts and community welfare in the context of developing sustainable tourism villages in Bogor Regency. This research concludes that legal contracts play an important role in providing legal certainty and regulating relationships between parties in the management of sustainable tourism villages in Bogor Regency [4].

The effectiveness of contracts greatly depends on the understanding and awareness of both the public and business actors regarding the content and purpose of the contracts, enabling them to actively participate in village tourism management from a legal perspective that supports successful development [5].The main obstacles encountered include a lack of legal education and an imbalance in bargaining positions between communities and investors. By improving the drafting of more participatory contracts and ensuring consistent law enforcement, legal contracts can make a significant contribution to enhancing community welfare through sustainable and socially equitable tourism development [6].

2 Methods

This study uses a combined normative and empirical legal research method to gain a comprehensive understanding of the effectiveness of legal contracts in improving community welfare through sustainable tourism villages in Bogor Regency. Appropriate laws and policies are essential to support the development of sustainable tourism [7]. The normative approach is used to analyze relevant legislation, contract documents, and legal literature, while the empirical approach examines the practical implementation of legal contracts in the field through interactions with local communities, business actors, and village governments.

2.1 Research Stages

a) Literature and Documentation Study
In the initial stage, secondary data are collected, including relevant regulations (such as the Village Law, the Tourism Law, and related contract regulations), contract documents used in the management of tourism villages, as well as scientific literature and previous research related to legal contracts and sustainable tourism village development.
b) Normative Legal Approach
Primary and secondary legal materials are analyzed using a normative legal approach to understand the legal norms governing contracts in the context of tourism village management. This approach focuses on examining applicable legal principles, concepts, and regulations.
c) Primary Data Collection (Field Research)
Primary data are collected using qualitative methods, namely in-depth interviews and participatory observation involving tourism village communities, business actors, and village government officials in Bogor Regency. The aim is to understand how contracts are implemented, the obstacles encountered, and the impact of these contracts on community welfare.

d) Data Analysis
Data obtained from literature studies and field research are analyzed descriptively and qualitatively. This analysis aims to interpret and describe in depth the relationship between legal contracts and improvements in community welfare through the development of sustainable tourism villages.
e) Data Validation
To ensure data validity, source triangulation is conducted by comparing information from various related parties, while methodological triangulation combines document analysis with interview results.
f) Preparation of Conclusions and Recommendations
Based on the analysis results, conclusions are drawn regarding the effectiveness of legal contracts, along with recommendations for improving the management of sustainable tourism villages in Bogor Regency.

2.2 Research Subjects

The subjects of this study are tourism village communities, tourism business actors, and village governments in Bogor Regency who are involved in contractual agreements for the management of sustainable tourism villages. The legal materials analyzed include contract documents, relevant legislation related to tourism villages, and contract law.

2.3 Research Tools

The research tools consist of semi-structured interview instruments, observation guidelines, and documentation studies of legal documents and relevant literature.

2.4 Research Design

This study uses an empirical legal research design with a combined normative and socio-legal (empirical) approach. The normative approach is used to analyze regulations and legal documents, while the empirical approach examines the practical implementation of legal contracts in the field.

a) Sampling Technique

A purposive sampling technique is used to select informants who have a direct role in implementing tourism village contracts, such as community leaders, tourism village managers, business actors, and village government officials.

b) Variables Measured

Effectiveness of legal contracts (legal certainty, clarity of rights and obligations, and contract enforcement)

c) Constraints in contract implementation

Impact of contracts on community welfare (income, participation, and economic empowerment)

d) Data Collection Techniques

Primary data are collected through in-depth interviews and participatory observation. Secondary data are obtained through document studies of contracts, relevant regulations, and related literature.

e) Data Analysis

Data are analyzed qualitatively using content analysis and thematic analysis techniques to identify patterns and relationships between variables. Normative analysis is conducted on legal materials to evaluate the relevance and effectiveness of the regulations.

f) Statistical Models Used

This study is qualitative in nature and therefore does not use quantitative statistical models. Data validation is carried out through source and method triangulation to ensure the credibility of the findings.

3 Results and Discussion

3.1 Data Presentation

Data obtained from interviews and documentation contract village tourism in Bogor Regency is analyzed and presented in table following:

Table 1. Results interviews and documentation contract tourism village in Bogor Regency

No	Indicator Effectiveness of Contract Law	Average Score (1-5)	Information
1	Certainty law	3.8	Enough effective
2	Clarity rights and obligations	4.0	Effective
3	Enforcement contract	3.2	Need repair
4	Participation public	3.5	Currently
5	Improvement income public	4.1	Significant
6	Empowerment economy	3.7	Enough Good

Note : Scores are based on results questionnaire and interview with respondents (1 = very much disagree) effective , 5 = very effective).

Based on the table above, the effectiveness of contract law in the context of sustainable tourism village management in Bogor Regency can be assessed through several key indicators. The indicator for legal certainty received an average score of 3.8, indicating that it is considered sufficiently effective. The clarity of rights and obligations scored slightly higher at 4.0, suggesting that this aspect is effectively regulated. However, contract enforcement received a lower score of 3.2, highlighting that improvements are still needed to strengthen law enforcement mechanisms.

In terms of community involvement, public participation scored 3.5, showing moderate levels of engagement at present. Meanwhile, the indicator for improving community income reached 4.1, reflecting a significant positive impact of contract law on local economic benefits. Lastly, economic empowerment scored 3.7, indicating that its contribution is reasonably good but could still be enhanced. Overall, these findings suggest that while contract law has a positive role in supporting sustainable tourism villages,

improvements in contract enforcement and community participation are needed to maximize its impact.

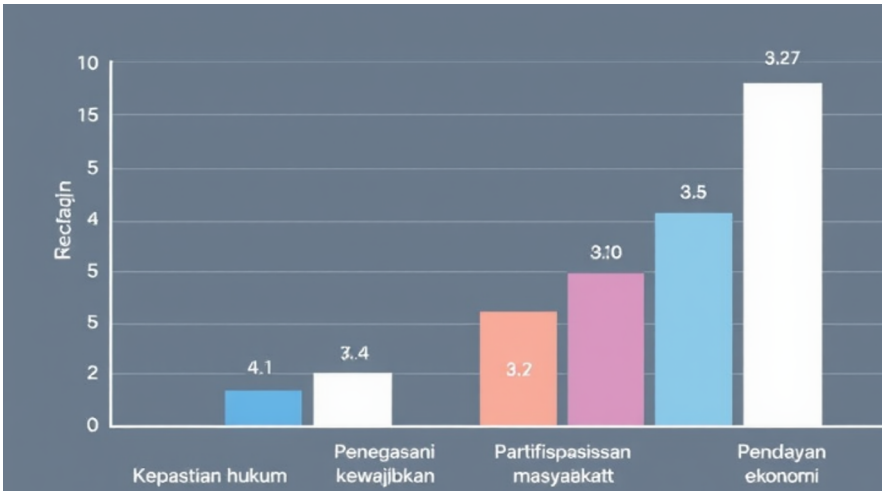

Fig. 5. Level of Effectiveness of Contract Law and Its Impact to Public welfare

Based on the results of interviews and observations, it can be explained that:
Legal certainty in tourism village management contracts is already quite good, as the contracts provide clear boundaries and rules for all parties involved. This aligns with contract law theory, which emphasizes the importance of legal certainty to create fair and orderly relationships [8].

The clarity of rights and obligations is also considered effective because the contracts specify in detail the rights of the community as resource owners and the obligations of business actors in tourism development. However, there are still some contracts that lack transparency, which can lead to misunderstandings within the community.

Contract enforcement remains a major challenge. Several cases show that breaches of contract are difficult to pursue due to limited legal capacity at the village level and the lack of legal awareness among the community. This indicates the need to strengthen enforcement mechanisms and intensify legal education.

Community participation in the management of tourism villages is relatively high but still needs to be improved so that the community truly feels a sense of ownership and receives direct benefits from tourism development. This can help identify challenges and opportunities in economic empowerment through tourism villages to enhance the welfare of local communities [9].

The impact on community welfare is evident in the increase in income and local economic empowerment. Communities involved in managing tourism villages have experienced significant income growth, consistent with sustainable development theories that emphasize socio-economic aspects [8].

3.2 Quantitative Analysis

A simple correlation analysis between the effectiveness of contract law (independent variable) and the improvement of community welfare (dependent variable) shows a positive correlation value of r = 0.68, indicating a moderate to strong relationship between contract effectiveness and the welfare of tourism village communities. This means that the more effective the implementation of contract law, the higher the level of community welfare in tourism villages. This positive correlation shows that improvements in aspects of contract law—such as legal certainty and the clarity of rights and obligations—can contribute to increased community welfare. In other words, the effectiveness of contract law plays an important role in creating an environment that supports economic and social development in tourism villages.

According to Fadli (2022), an analysis of contract law in the management of tourism villages in Indonesia highlights the importance of compliance with agreements that have been mutually agreed upon. It is important to note that this correlation value falls within a range indicating a significant relationship, which can serve as a basis for decision-making in future tourism village management policies. The correlation coefficient is commonly discussed in statistical literature and research methodology [10].

NO	SUB URUSAN	DAERAH KABUPATEN/KOTA
1	*2*	*5*
1.	Destinasi Pariwisata	a. Pengelolaan daya tarik wisata kabupaten/kota. b. Pengelolaan kawasan strategis pariwisata kabupaten/kota. c. Pengelolaan destinasi pariwisata kabupaten/kota. d. Penetapan tanda daftar usaha pariwisata kabupaten/kota.

Fig. 6. Local Government Authority in the Subsector of Tourism Destinations



Fig. 7. tourism village Institutional Structure



Fig. 8. Implementation interview with chairman association and manager village tour Bogor Regency



Fig. 9. Implementation of FGD with 10 villages tourism in Bogor district

4 Conclusion

Based on research on the implementation of contract law in the management and development of tourism villages in Bogor Regency, the following conclusions can be drawn:

1. Contract law plays a crucial role in providing legal certainty for all parties involved in the management of tourism villages. This includes ensuring the clarity of rights and obligations stipulated in the contracts.
2. Although there is a basic understanding of contract law, significant challenges still exist, such as the lack of knowledge among managers about applicable legal aspects. This often leads to conflicts and uncertainty in contract implementation.
3. Community involvement in the management process of tourism villages still needs to be strengthened. Through discussion forums and training, local communities can better understand their roles and rights in managing local resources.
4. Despite these challenges, proper implementation of contract law can encourage an increase in community income. This is evident in several villages that have successfully developed their tourism potential thanks to clear and well-structured agreements.
5. Collaboration between the government, village managers, and the community is necessary to develop better and mutually beneficial contracts. Training on contract

law and tourism village management is also highly recommended to enhance the capacity of local managers.
6. Effective implementation of contract law is the key to optimizing the potential of tourism villages in Bogor Regency and improving the welfare of local communities.

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