The Challenges and Opportunities for Developing Community-Based Tourism in Indonesia

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Abstract: This study aims to assess and elaborate on the problems and potential for accelerating the development of community-based tourism (CBT) in Banyuwangi, East Java Province. The faster human requirements are stimulating many innovations to boost revenue, particularly in improving the tourism sector by including the community in its development. Qualitative studies are specifically utilized to explain phenomena that occur when studying tourism industry issues, opportunities, and networks. In-depth interviews were conducted with 106 sources. The ecological indicators yield positive outcomes with AVE criteria of 0.674, natural resources of 0.473, human resources of 0.532, collaboration of 0.488, and benefits of 0.656. means that the chances in the Banyuwangi tourist sector still have a significant opportunity to improve and expand in the future, despite internal and external conflicts and promotional issues. They still provide opportunities to compete with other regional attractions. This fluctuation is supported by field confirmation, which indicates that while most sectors are operating normally, some destinations are experiencing difficulties. Governance, management, bureaucratic structure, collaboration, and promotion issues remain minor. The correlation of each variable and indicator employed in this study has its own interest, with 58 percent indicating prospects for tourism development.

Keywords: community based tourism; sustainable development tourism; challenges and opportunities; Banyuwangi,

Introduction

This study aims to examine and discuss the obstacles and potential for accelerating the development of community-based tourism (CBT) in Banyuwangi, East Java Province. Human demands are increasingly driving new ideas to enhance revenue, particularly in the development of the tourism sector by incorporating the community in its creation and development (Rembulan et al., 2020). The tourism industry is said to be the primary driver of economic growth, which will indirectly impact the level of
community income nationally and locally (Herdiana, 2019). Dynamic development difficulties can be a fantastic opportunity if they are approached carefully and followed by a sustainable development scheme to reduce future externalities. Other significant concerns, such as interruption from natural and artificial disasters, must also be considered, given that these sectors are interconnected (Wahyuni et al., 2021).

The collaborative governance model has emerged as a significant issue raised in an endeavor to meet the acceleration of increasingly dynamic public needs (Wang & Ap, 2013). Concentration on the government’s position as a decision-maker (regulator) and how policy is implemented (implementor) are critical factors to consider while managing public requirements. Because it has adequate funds to stimulate physical development and community empowerment through innovations, the private sector has more flexibility in accelerating development (McCabe & Qiao, 2020). The local community, the primary focus of public services, plays a critical role at every stage of the process, particularly in decision-making (Qian et al., 2017). This concept is intended to be a solution for the public sector in identifying and utilizing opportunities to address the challenge of faster competition in public services. On the other side, this partnership significantly impacts countering and anticipating future issues (Simo, 2009).

CBT continues to gain popularity and attention because it has a structure that is easily socialized and adopted by interested actors. Starting with product creation and tourism planning is an effective strategy for reducing the adverse effects of mass tourism activities (Hatipoglu et al., 2016). Local communities have an essential role in the conservation of natural resources and traditional values, as well as in the promotion of socio-economic growth (Menbere & Menbere, 2017). For example, the development of village tourism using a CBT structure model can result in a considerable rise in tourist visits, exchange, and purchasing power for local products and crafts since it continues to create creative ideas without boundaries.

Finally, with the implementation of the CBT, the local community’s welfare can gradually improve. However, one of the critical concerns in the process of creating collaboration should be the likelihood of the creation of differences of opinion, which will lead to the emergence of conflicts between stakeholders. Inability to manage conflict has disastrous consequences, potentially causing schisms in the well-planned development process (Bennett & Dearden, 2014). One of the sources of competition brought about by top-down governance structures and processes is a lack of ambition (inputs) during ongoing tourist design and management. To provide adequate administration and governance of the tourism sector, a high level of confidence in a collaborative structure is required (Bennett & Dearden, 2014; Kapera, 2018).

In this research, Banyuwangi Regency, East Java Province, became the primary study in examining the obstacles and potential in the growth of the tourism sector through local community participation. Banyuwangi’s tourist potential includes a variety of tours ranging from environmental tourism to cultural tourism produced by local groups. Tourism diversity provides opportunities and difficulties for local people and investors to build and grow the Banyuwangi tourism sector (Hernanda et al., 2018). Furthermore, there are other
options to draw more tourists’ attention by combining the notion of tourism with a blend of local culture and local products.

According to the original statement, the number of development opportunities is proportional to the obstacles that the tourism sector will confront; now, the focus is on safe tourism from natural and artificial disasters and internal and external pressures. As a result, this study details the evaluation of Banyuwangi tourism development, a descriptive case analysis of the opportunities and challenges of CBT development in Banyuwangi, and a comprehensive analysis to provide recommendations for the sustainability of CBT, particularly in Banyuwangi, East Java, Indonesia.

Sustainable development, particularly in the tourism sector, has long prioritized environmental and cultural preservation (Kamaludin et al., 2021; Mulyani et al., 2021). This endeavor is also more focused on the role and participation of local communities in supervising tourist activities, owing to tourists’ lack of awareness of these principles. The involvement of local community participation/CBT has been recognized for the last two decades, as evidenced by the many academic studies that describe the role and contribution of CBT, such as in tourism development (Juma & Khademi-Vidra, 2019); marine tourism (King et al., 2021); and eco-tourism (Landy et al., 2021); poverty alleviation in suburban areas; and rural community welfare (Martín & Palomo Zurdo, 2021). On the other hand, one of the barriers to local community involvement or CBT is a lack of experience and understanding. This limits the participation of local communities or CBT to organizations that are only involved because there are no other alternatives (Salazar, 2012).

CBT’s role in tourism development is also being researched in many developing nations, particularly on the Asian and African continents. In Tanzania’s Arumeru district, CBT is not being implemented adequately due to a lack of support from the government and the community, resulting in a detrimental impact on service quality, infrastructure, education, marketing, and security for tourists (Torabian & Arai, 2016). There are several recommendations in this study that deserve special attention. For starters, the development of CBT must be put to good use; additionally, the training and education scheme not only has a positive impact on the tourism sector but also has a positive impact on improving infrastructure. Second, the primary goals that must be implemented are centralized management, increased resource capacity, and shared benefits. As a side note, when implementing CBT, it is essential to remember that the concept of mutual benefit signifies CBT success. Individual or group disputes may arise if they are not carried out clearly and relatively (Alexander et al., 2018).

Furthermore, other literature identifies the main challenges and opportunities for CBT development as a lack of knowledge, interests, and perceptions of local communities toward CBT, low community attitudes toward CBT, conflicts of resource ownership capacity, problems between CBT participants and government employees, incompatibility of policies, laws, and regulations, low quality and product and service standards, and weak collaboration between stakeholders (Marwan & Anwar, 2020; Ophiyandri et al., 2020). Of course, this is only a partial picture. There are still prospects for development, including psychological, economic, social, and environmental growth, among other
things. Positive participation, such as the caring and friendliness of the local community and the potential for appropriate human and natural resources, is another excellent opportunity to continue to participate and work to accomplish the ideal CBT.

Out of the positive and negative paradigms, CBT still gives tangible benefits, encouraging many regions to innovate in their development and successfully enticing other parties to invest (Dahlke et al., 2021; Spenceley et al., 2021). As an industry in its golden era, many countries and regions are promoting the notion of sustainable tourism through a CBT approach while considering future challenges and opportunities. The essential topics in this research are the availability of natural resources, human resource preparation, collaboration, and promotion. CBT’s contribution will be observed in taking advantage of possibilities and overcoming problems in the tourism sector.

### Table 1. Theoretical Framework

<table>
<thead>
<tr>
<th>The Pattern of CBT Strategies</th>
<th>Evaluation (Scale)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunities</td>
<td>Challenges</td>
</tr>
<tr>
<td>Ecology</td>
<td>• Environment Available</td>
</tr>
<tr>
<td></td>
<td>• Natural Resource Management</td>
</tr>
<tr>
<td>Natural Resources</td>
<td>• Natural Resource Management</td>
</tr>
<tr>
<td>Human Resources</td>
<td>• Voluntary</td>
</tr>
<tr>
<td></td>
<td>• Basic Training</td>
</tr>
<tr>
<td></td>
<td>• Leadership</td>
</tr>
<tr>
<td>Collaboration</td>
<td>• Networking</td>
</tr>
<tr>
<td></td>
<td>• Institution</td>
</tr>
<tr>
<td></td>
<td>• Integration</td>
</tr>
<tr>
<td>Benefits</td>
<td>• mutual benefit</td>
</tr>
<tr>
<td></td>
<td>• Intermediate Outcomes</td>
</tr>
</tbody>
</table>

Source: Author (2022)

### Method

Qualitative studies are specifically utilized to explain phenomena that occur in studying tourism sector issues, opportunities, and networks, particularly in studies (Ndivo & Okech, 2020; Sharma et al., 2021). In this context, a case study approach with direct observation methods helps researchers obtain data more efficiently and conduct analysis more freely. It can provide research conclusions that are more objective and useful in developing knowledge (Dodds et al., 2018; Mensah, 2017). For six months (January–June 2021), a direct study of five tourist locations in Banyuwangi Regency was conducted to observe the high volatility and development of the tourism sector involving the engagement of local communities/CBT.
In-depth interviews were conducted with 106 sources, including the district government’s tourism office head, tourism development head, socialization and community empowerment head, operator head, local tourism authority, and five people in charge of the field. We did semi-structured questions and answers with key informants to determine the people’s knowledge, skills, and attitudes in the tourism destination area. The researchers had no prior interaction with the interviewees, although they were contacted through personal ties. Several methods were employed to pick key informants, including non-probability and information-oriented selection to maximize information based on expectations about the content (Aguinis & Solarino, 2019; Pechlaner & Volgger, 2012). A snowball sampling method was adopted, in which interviewees were asked to identify other possible informants (Dredge, 2006). Following the 100 questionnaires, provide options to answer based on the scheme of tourism development opportunities and challenges, as well as the involvement of community participation in the development of Banyuwangi tourism.

The researcher obtained the findings of 82 questionnaires (82 percent) that were used for analysis while assessing the data. Other questionnaires, meanwhile, were declared unsuccessful because they were incomplete and not returned. Furthermore, using Nvivo and SmartPLS 3.0 software, the findings of interviews and questionnaires were filtered and categorized. Using an external estimating methodology, the program is interactive to assess latent variables based on the link between observed and latent variables. Then there’s the mix of linear and observable aspects, such as ecology, natural resources, human resources, collaboration, and benefits. On the indicators of the indicated variables, significance tests were also performed (Tenenhaus, 2008). This software-based research method is part of a growing academic trend based on regression tests, which explain the direction and set of elements for tourism development possibilities and problems based on the CBT approach (Agustiyara et al., 2021; Ramdani et al., 2021).

**Result and Discussion**

**Correlation Values of Community Based-Tourism**

In earlier research, most respondents indicated that tourism positively affected their standard of living. Tourism-related activities have contributed to the prosperity of the local community. This rise is seen in the number of private residences and private vehicles surrounding tourist attractions. From 2016 to 2019, the economic quality of people’s lives has increased, and their engagement in the tourism business in Banyuwangi has led to a more comfortable mentality and an active lifestyle. This is consistent with the increase in domestic and international tourist visits, reaching 5307450 in 2019. The increase in domestic tourist visits alone ranged from 8 to 15 percent, or 45,000 to 57,000 people annually.

Moreover, each year there is a surge of 25,000–33,000 international tourists (Superhero, 2021). However, the number of local and international tourists declined dramatically in 2020. Due to constraints on movement and human activity during the COVID-19 pandemic, the number of tourists visiting Banyuwangi has decreased. The drop-in tourist visits due to COVID-19 pose a significant obstacle to the ability of stakeholders to recover, innovate,
promote, and form new partnerships for expanding the Banyuwangi tourism sector.

In addition, based on the literature evaluation and conceptual framework, this study adjusts relevant reading materials to the research’s objectives and circumstances. Examine the significance of assessing opportunities and obstacles in the Banyuwangi tourism sector from the perspectives of ecology, natural resources, human resources, collaboration, and variable benefits. The interactive technique of reciprocity is used to evaluate each latent variable with a single manipulation. The computation is based on the relationship between the observed variables using an external approach (Afthanorhan et al., 2015; Park, 2019). Table 2 displays the results of all the indicators used for management to preserve the tourism sector’s opportunities while also serving as a reference for the current risks to the tourism sector’s sustainability in Banyuwangi, Indonesia. In the table below, the color red denotes the current difficulties and the requirement for progressive relocation or improvement. On the other side, mitigation is the primary action that must be taken to prevent future issues; a developed conceptual structure enables the tourism industry to avoid future challenges. Moreover, the black color denotes the extent of the opportunities in the Banyuwangi tourist sector, and the findings of this value are supported by credible results based on the methodology employed. Dominated by the vast prospects that exist and must be utilized further for the tourism industry to become more advanced and competitive on a national and international scale.

Table 3 shows the results of statistical calculations from SmartPLS that the researchers used to test the construct’s validity and reliability, with the goal of determining the most significant influence in the tourism industry. Validity and reliability tests are conducted to provide support and consistency for internal objects, followed by those directly related to the reliability of a research object’s development. The information in the table demonstrates: First, the ecological indicators have positive outcomes, with standards of AVE of 0.674,000, natural resources of 0.473, human resources of 0.532, collaboration of 0.488, and benefits of 0.656,000. This indicates that the changes in the Banyuwangi tourist sector have a great chance of becoming more advanced and developing, despite internal and external disputes and promotional issues; they also present opportunities to compete with other regional attractions. Field confirmation bolstered this variant by elaborating that most sectors had been normally operating, but a few destinations had encountered issues. Governance, management, bureaucratic structure, collaboration, and promotion issues are still, to a small degree, problematic. Indeed, this sector can compete with others due to its vast potential.

Table 2. Correlation Values for Significant Variables to the Challenges and Opportunities for Developing Community-Based Tourism in Indonesia

<table>
<thead>
<tr>
<th></th>
<th>Ecology</th>
<th>Natural Resource</th>
<th>Human Resource</th>
<th>Collaboration</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Resource Management</td>
<td>0.662</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Environment Available</td>
<td>0.884</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
Table 3. Coding Result

<table>
<thead>
<tr>
<th></th>
<th>Cronbach’s Alpha</th>
<th>rho_A</th>
<th>Reliability Composite</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ecology</td>
<td>0.885</td>
<td>0.892</td>
<td>0.915</td>
<td>0.647</td>
</tr>
<tr>
<td>Natural Resource</td>
<td>0.684</td>
<td>0.903</td>
<td>0.874</td>
<td>0.437</td>
</tr>
<tr>
<td>Human Resource</td>
<td>0.838</td>
<td>0.861</td>
<td>0.883</td>
<td>0.532</td>
</tr>
<tr>
<td>Collaboration</td>
<td>0.823</td>
<td>0.567</td>
<td>0.456</td>
<td>0.488</td>
</tr>
<tr>
<td>Benefits</td>
<td>0.632</td>
<td>0.721</td>
<td>0.884</td>
<td>0.656</td>
</tr>
</tbody>
</table>

Source: Author (2022)

Challenges and Opportunities for Community Based Tourism

All the factors and criteria included in this study are derived from prior research to refine the research emphasis. All the requirements and indicators utilized were derived from the literature and tailored to the research aims and environment (Hastuti & Assriyani, 2021; Jamal & Budke, 2020; Mulyani et al., 2021). The effects of the five factors and fourteen research indicators significantly impact the tourism industry, confirming the management and structuralization of the industry for all variables, or the consistency of the relevant coefficients, which cannot be disturbed.

The correlation of each variable and indicator employed in this study has its own interest, and 58 percent of those interests represent opportunities in the tourism industry's development. The
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The presence of natural resources is the most significant opportunity for boosting the tourism industry in Banyuwangi. In accordance with these outcomes, the United Nations World Tourism Organization (UNWTO) consistently promotes the utilization of all available opportunities to suit the demands of tourists and protects indigenous knowledge (Noordeloos, 2018).

This leads directly to the management of the tourism sector, which is highly integrated and supported by a robust institutional structure for the benefit of all parties. Strong institutions and governance are the main determinants of success, further supported by the cross-actor collaborations that both share the view of advancing the tourism sector (Alexander et al., 2018; Wang & Ap, 2013). Government authorities as policymakers can create adaptive and responsible policies so innovation can come without coercion (McCabe & Qiao, 2020).

It results in the management of all resources in a manner that satisfies economic, social, and aesthetic needs while preserving cultural integrity, critical ecological processes, biodiversity, and life support systems. In accordance with this notion, it substantially impacts the management of natural resources, the enhancement of human resource capacity, and the fulfillment of the aspects of collaboration and networking so that all parties concerned can gain (Kamaludin et al., 2021; Mulyani et al., 2021).

Furthermore, as the center of management and administration, the first part of this definition indirectly underlines the necessity for long-term tourist planning by noting that sustainable tourism growth includes safeguarding and enhancing future opportunities. Systems of strategic planning for maximizing the exploitation of opportunities necessitate comprehensive actions that establish essential directions and direct the allocation of resources to achieve long-term objectives (Agnew & Brezina, 2012; Timothy, 1999).

In strategic planning, resources, skills, and competencies are leveraged to define the future course. Planning for short- and medium-term targets on an ongoing basis provides definite expectations for long-term success. The consistency of their involvement in achieving targets proves an attitude of responsibility and integrity in collaborating so that they are carried out correctly (Jamal & Budke, 2020; Sharma et al., 2021). The participation of stakeholders in strategic planning is essential. According to the World Travel and Tourism Council (WTTC), the involvement of all stakeholders in long-term tourism planning can solve the problem of overcrowding in tourist areas and assist in sustainable tourism growth (WTTC, 2018). The effectiveness of tourism development is contingent on considering locals' perceptions and attitudes towards tourists in tourism planning. Long-term tourist planning is regarded as one of the most important consequences of sustainable tourism development (Rasoolimanesh et al., 2020; Seyfi et al., 2020). Careful implementation of a tourism development strategy is likely to prevent negative social, economic, and physical environmental experiences.

From the perspective of challenges, the tourism industry has various repercussions. The results indicated that 42% of the variables used in the study presented difficulties. Due to economic circumstances, the conflicts that develop are dominated by the unrestrained behaviors of several interest players. The attitude of vulnerable individuals and
groups toward the growing economic value of tourism needs to be mitigated (Marwan & Anwar, 2020). Fair distribution of rights and prioritizing the welfare of local communities is one of the dampers; on the other hand, intensive work and dedication to sector growth need to be appreciated carefully. With them, the tourism sector will survive for a long time (Ophiyandri et al., 2020).

Since economic benefits are the main positive element related to tourism views, economic variables are prioritized over environmental and social factors (León-gómez et al., 2021). Consequently, the pressure of commotion (crushing bottom-up and each other’s) frequently develops, while the horizontal perspective of fellow groups in the tourism industry is also susceptible to the commotion. All of this turbulence has a significant effect on the tourism industry’s long-term viability and the marketing campaigns being conducted.

Moreover, the profits generated by tourism are a significant source of revenue for both industry and local government. Nonetheless, in the framework of sustainable tourism growth, it is essential to produce value for society and the environment and have a broad perspective (Alfaro Navarro et al., 2020; Salazar, 2012). Therefore, a balanced strategy is required to ensure that tourism is beneficial to the economy and does not impose high costs on the environment and society. This strategy is referred to as sustainable tourism development, and its primary implication is to construct a long-term tourism strategic plan and involve key stakeholders in Banyuwangi’s tourist planning.

**Conclusion**

Due to the social, cultural, economic, and intersectoral interrelationships, many community-based tourism (CBT) initiatives in many nations have failed to achieve the anticipated benefits. This circumstance is considered both a help and a hindrance to cognitive behavioral therapy in certain countries. This occurs because obstacles and vice versa will always accompany opportunities. Some communities cannot engage in tourism due to a lack of understanding and awareness of the benefits of tourism, as well as low startup capital. Other community members who are capable of resolving the issue, however, can gain from tourism. By implementing community-based tourism, local communities can be empowered to increase both member involvement and tourism advantages.

Important to the tourism industry, including community-based tourism, is sustainability. Sustainable tourism seeks to balance the industry's economic, sociocultural, and environmental elements. However, during its implementation, sustainability-related issues frequently arise due to stakeholders’ lack of information and skills. The concept of sustainability must be investigated and rethought in stages to produce local community-based tourism research that involves numerous stakeholders.

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