# POLICY FOR THE DEVELOPMENT OF CUSTOM VILLAGES INTO A DIGITAL-BASED TOURISM VILLAGE THAT CAN ADAPT TO THE NEW NORMAL ERA (CASE STUDY OF CUSTOM VILLAGES IN BALI, INDONESIA)

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#### Abstract

The province of Bali, which relies on tourism as a driving force for the economy, is certainly very affected by the COVID-19 pandemic. The decline in foreign tourist arrivals to Bali has made the government and tourism actors begin to look at domestic tourists. Given the existence of tourism sector workers who return to the village, the development of tourist villages through the participation of local communities is very potential to be developed. The purpose of this research is to develop a policy framework for the development of custom villages as digital-based tourism villages that are able to adapt to the new normal era. This study used a MULTIPOL prospective analysis, where data were collected through FGDs. The policies analyzed are tourism village policies and digital villages, both in supply side and demand side scenarios. The results show that in the tourism village policy, the program arrangement of tourist objects/attractions is a priority. Meanwhile, in digital village policies, the development and improvement of information network programs are important.

Key words: tourism village, digital village, prospective analysis, multi policy

# **INTRODUCTION**

To prevent the spread of the Corona virus, the government urges the public to carry out activities at home (stay at home), whether to work, study, or worship. The public is also advised to stay away from crowds and reduce travel, including traveling. This resulted in public places and tourist destinations being deserted and many not operating [14]. The same thing happened in Bali Province, where the mobility of people outside the home has decreased compared to conditions before the COVID-19 pandemic (Figure 1).

The province of Bali, which relies on tourism as a driving force for the economy, is certainly very affected by the COVID-19 pandemic. Workers in the tourism sector in Bali lost their jobs or changed professions,

some decided to return to the village, so that there was an increase in the growth of the number of workers in the agricultural, forestry and fisheries sectors.

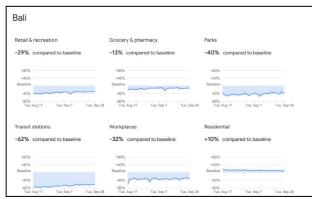


Fig. 1. Changes in Community Mobility in Bali Province (per 28 September 2021)

Source: Google Mobility Report (2021).

The decline in foreign tourist arrivals to Bali has made the government and tourism actors begin to look at domestic tourists. Given the existence of tourism sector workers who return to the village, the development of tourist villages through the participation of local communities is very potential to be developed. The village is a territory that is closely related to cultural similarities, as well as relatively easier control, so that the CHSE-based application of tourism (Cleanliness, Health, Safety, Environment) can be applied.

Tegallinggah Custom village is one of the custom villages in Bali that develops rural tourism, but already has adequate objects and supporting facilities. Such as the tourist attraction Tegallinggah Cliff Temple as known as *Candi Tebing Tegallinggah* (Figure 1). In addition, there are several villas and homestays (Photo 1 and 2) and a variety of innovative art attractions developed by the local community (Photo 3).



Photo 1. Tourist Attractions at Tegallinggah Custom Village

Source: Documentation of Tegallinggah Custom Village (2021).



Photo 2. Tourism Support Facilities at Tegallinggah Custom Village

Source: Own documentation (2021).



Photo 3. Art Attraction at Tegallinggah Custom Village Source: Documentation of Tegallinggah Custom Village (2020).

The government considers Bali as the best area in handling COVID-19, because of the role of Custom villages [7], so that the development of digital-based tourism villages is expected to adapt to the new normal era. Moreover, Indonesia has sufficient capacity to implement the concept of a digital village [12]. So that the purpose of this research is to develop a policy framework development of custom villages as digitalbased tourism villages that are able to adapt to the new normal era. The new normal era is an era where people are back to being productive and active because they have lived side by side with Covid-19 [9].

#### MATERIALS AND METHODS

# **Tourism Village Concept**

A brief understanding of tourist villages is stated in the Minister of Culture and Tourism Regulation No. KM18/HM.001/MKP/2011 concerning Guidelines for the National Community Empowerment Program (PNPM) of Tourism Mandiri. Tourism village is an interaction between tradition and dimensions of tourism (attractions. accommodation, and supporting facilities) in a structure of rural community life.

Tourism villages provide tourism with various local resources owned and managed [5]. In tourism villages, usually a small group of tourists can learn about village life and environment by living or close to traditional life in rural areas [6]. Each tourism village optimizes the potential of its village as a tourism attraction, so that existing resources

can grow and local communities get additional income [15]. Through the development of tourist villages, it will be able to support the economy of the local community through the growth of local entrepreneurs and see tourism products, as well as being able to simultaneously revitalize local culture [11].

# **Tourism Policy Analysis**

The process of policy analysis is a series of intellectual activities carried out in the process of activities that are basically political in nature which are described as the policymaking process. In full, the process is visualized as a series of stages which include: agenda setting, policy formulation, policy adoption, policy implementation, and policy assessment [3]. In Indonesia, many tourism villages have been established, where these villages continue to make efforts to develop their tourism [10]. The government also supports these efforts by participating in formulating tourism development policies that are oriented towards making tourism a mainstay and leading sector. The government believes that tourism will be able to encourage economic growth and increase regional income, as well as a source of foreign exchange. In addition, tourism is believed to have a real impact on the welfare of the community, through the expansion of job opportunities and empowerment of the people's economy, of course without ignoring the issue of environmental sustainability and quality as well as maintaining the nation's personality [13].

# **Digital Village Concept**

Digital village is a program concept that implements government service systems, community services, and community empowerment based on the use of information technology [1]. The development of digital villages is generally influenced by several factors. First, the education level of the community in the village, especially in terms of information technology. Second, access to information technology, and third is the seriousness of the government's efforts to introduce information technology to the public [16].

#### **Research Methods**

Policy analysis is a tool for synthesizing information to be used in formulating policy alternatives and preferences which are stated comparatively, predicted in quantitative and qualitative language as a basis or guide in making policy decisions [8]. The public policy analysis used in this study is a prospective policy analysis. Economists, systems analysts, and operations researchers conduct prospective policy analyzes based on the information obtained and then transformed can started before a policy be implementation [3].

It was further explained that the prospective analysis technique to be used MULTIPOL analysis. MULTIPOL question are "MULTI-criteria" and "POLicy" with an integrated participatory approach. The three main elements in the MULTIPOL analysis are scenario, policy (policy direction), actions. Potential policy pathways that can be drawn up through MULTIPOL analysis. The data used in the MULTIPOL analysis comes from FGDs with stakeholders or experts who understand the research topic.

#### RESULTS AND DISCUSSIONS

# **Determination of MULTIPOL Input Components**

As explained in the research method, the MULTIPOL analysis technique is based on criteria, policies, and actions in various scenarios. Therefore, at the initial stage, the components are determined in advance.

The policies to be analyzed are tourism village policies and digital village policies. Furthermore, Table 1 also presents policy actions to realize tourism village policies and digital villages, including actions on disaster mitigation which are very important in the new normal era. The next input components are criteria and scenarios. For input scenarios, a supply side and demand side based rural development approach is used [4][2]. The supply side is more focused on investment in human resources, research and development, and capital formulation. While the demand side is emphasized on economic injection in the form of transfer funds and public spending (Keynesian approach to rural development).

Table 1. Input Components of MULTIPOL Analysis on Development of Custom villages as Digital-Based Tourism Villages

No	Policy	Symbol	Weight	
1	Tourism village	tour.vil	5	
2	Digital village	digi.vil 4		
No	Policy Action	Symbol		
1	Arrangement of tourist	tour.obj		
	objects/attractions			
2	Development and	vil.infra		
	strengthening of rural			
	infrastructure			
3	Development and	ict		
	improvement of information			
	network			
4	Strengthening of rural	msme		
	community business unit			
	(MSME)		***	
5	Increasing community skills in	tour.skill		
	tourism	,		
6	Empowerment of community	empowerment		
7	groups Increasing community	mitigation		
/	C 5	mugation		
	knowledge in disaster mitigation			
8	Increasing community's digital	digi.liter		
O	literacy	digi.ntei		
No	Criteria	Symbol		
1	Increased income	income	5	
2	Increased competitiveness	competitive	5	
3	Absorption of	employment	5	
	workers/employment			
4	Growth of new business	business	5	
5	Environmental sustainability	environment	5	
6	Infrastructure improvement	infrastruc	4	
7	Existence of events/tour	event	4	
	packages			
No	Scenario	Symbol	Weight	
1	Supply Side	SS	5	
2	Demand Side	DS	5	

Source: Own elaborated (2021).

# **Results of MULTIPOL Analysis**

Table 2 presents the results of the MULTIPOL analysis based on the scores for each policy and the mean scores, as well as the standard deviations obtained.

Table 2. Evaluation Based on Action and Policy on Development of Custom villages as Digital-Based Tourism Villages

	Policy		Mean	Std.	
Actions	Tourism Village	Tourism Digital	Value	Devia- tion	Position
tour.obj	13.2	12.3	12.8	0.5	8
vil.infra	12.5	12.2	12.4	0.2	5
ict	12.2	13.2	12.6	0.5	7
msme	11.7	12.2	11.9	0.3	4
tour.skill	12.7	12.5	12.6	0.1	6
empowerment	7.9	9.3	8.5	0.7	2
mitigation	6.5	6.6	6.6	0.1	1
digi.liter	11.8	12	11.9	0.1	3

Source: Output the results of data analysis with MULTIPOL (2021).

As shown in Table 2, the highest scores were obtained in the arrangement of tourist objects/attractions, development and improvement of information network, and increasing community skills in tourism. The program for increasing community knowledge in disaster mitigation is in the last position, where this is because disaster mitigation related to the COVID-19 pandemic is considered only as a support for tourism village activities and digital villages.

Furthermore, Figure 2 presents the results of the MULTIPOL profile map that links the scores for each action with the policy.

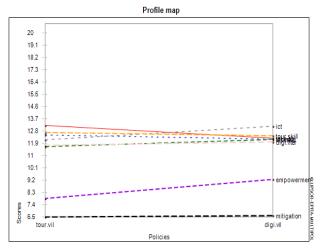


Fig. 2. Profile Map Between Actions and Policy Source: Output the results of data analysis with MULTIPOL (2021).

As shown in Figure 2, the arrangement of tourist objects/attractions program excels in the tourism village policy. So, it can be said that the priority program that should be implemented for tourism village policies is the arrangement of tourist objects, considering that tourist villages should have tourist attractions as icons. Meanwhile, the digital village policy shows that the development and improvement of information network program is a program with a higher score than other programs. This is natural because to realize a digital village, of course, it is necessary to develop and improve information networks (information, communication, and telecommunication).

Furthermore, Table 3 for each policy against a predetermined scenario, namely the supply side and the demand side.

In more detail, Figure 3 presents the position of each policy against the scenario as the results are presented in Table 3.

Table 3. Policy Score Against Scenario

	Scenario		M	Std.	
Policies	Supply Side	Demand Side	Mean Value	Devia- tion	Position
Tourism village	14.4	13	13.7	0.7	1
Digital village	15.1	13.6	14.3	0.7	2

Source: Output the results of data analysis with MULTIPOL (2021).

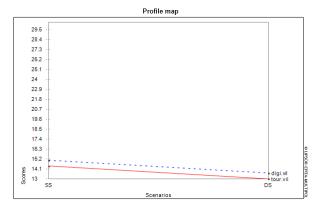


Fig. 3. Profile Map for Policy Against Scenarios Source: Output the results of data analysis with MULTIPOL (2021).

Based on Table 3 and Figure 3, it is clear that the digital village policy excels in both supply side and demand side scenarios. This shows that digital village policies need to be considered as a priority for the sustainability of the development of Custom villages as digital-based tourism villages. However, the development of ICT is very rapid and has become one of the determinants of the success management, promotion, the implementation of tourist villages. MULTIPOL can be an alternative or complementary in sustainability analysis, especially those related to future analysis or foreseight [4].

The overall results of the MULTIPOL analysis can be presented in the form of a potential policy path as shown in Figure 4.

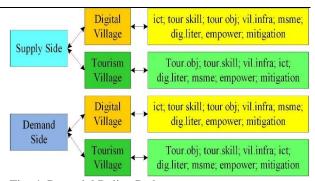


Fig. 4. Potential Policy Path Source: Output the results of data analysis with MULTIPOL (2021) (elaborated).

Figure 4 presents the potential policy paths that can be taken through various actions that are in accordance with tourism village policies and digital villages, both in supply side and demand side scenarios. The role of the use of digital technology is allegedly going to be even greater in the new normal era, considering that people are accustomed to using ICT technology during restrictions during a pandemic. So, it is very natural that digital village policies will be further developed, including one of them being integrated with tourist villages.

#### **CONCLUSIONS**

In the development of custom villages into digital-based tourism villages that can adapt to the new normal era, the policies that can be carried out are tourism village policies and digital villages. In the tourism village policy, program arrangement of objects/attractions is a priority. Meanwhile, in digital village policies, development and improvement of information network programs are important. However, in the supply side and demand side scenarios, digital village policies become a priority. This is considering that in the new normal era, the use of ICT will be very large in various forms of community activities, including tourism. As a follow-up, the results of this study can be

As a follow-up, the results of this study can be used as a policy reference and can be used as a basis for conducting further research on other policies in the development of tourist villages, especially in the case of custom villages in Bali.

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