

## KORESPONDENSI

**Judul** : Regulation Of Tourist Village Management By Customary Village To Improve People Economy In Bali

**Prosiding** : International Conference On Sustainable Developmen (ICSD)

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# REGULATION OF TOURIST VILLAGE MANAGEMENT BY CUSTOMARY VILLAGE TO IMPROVE PEOPLE ECONOMY IN BALI

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## Abstract

Economy improvement from the management of tourist villages requires the participant of the customary village and the local community in the entire steps of development consisting of planning, implementing, and supervising. This study aimed at examining the regulation of tourist village management by the customary village to improve people's economy. Tourism which is developed through tourist villages does not only strengthen the economic resilience and social culture of the local community but also be able to strengthen the economic resilience and social culture of the state. In developing tourist villages, the central government, local government, customary village, and the community should collaborate in formulating the development model of the tourist village which focuses on local wisdom. The role of the customary village is crucial, customary village in Bali has a local authority in managing tourist villages based on the customary value, religion, tradition, arts, and culture. Therefore, by the existence of a customary village, it is expected that the tourist village could develop well without destroying local wisdom in Bali and it could improve the economy of Balinese people.

Keywords: Tourism, Customary Village, Economy.

# Letter of Acceptance\_5th ICSD (International Conference on Sustainable Development)



ICSD Unmas <icsd@unmas.ac.id>

kepada gdewiryawan ▾

Jum, 3 Des 2021, 14.43



Dear I Wayan Gde **Wiryawan**,

Congratulations..!! With Greetings, we are pleased to inform you that your abstract has been reviewed by our review/scientific committee and it is accepted for the oral presentation in the 5th ICSD. Please find your Abstract Acceptance Letter in the attachment. The abstract ID is provided on the same letter.

You are requested to pay conference registration fees in the following email through bank transfer/Paypal (Please upload the screenshot of transaction proof (receipt) in the registration form).

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You will receive a program schedule with further information and instruction soon.

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**LETTER OF ACCEPTANCE**

Dear Sir/ Madam

**I Wayan Gde Wiryawan**

**Universitas Mahasaraswati Denpasar**

On behalf of the 5<sup>th</sup> International Conference on Sustainable Development (ICSD) 2021's committee, after reviewing your abstract we are pleased to inform that your paper with abstract ID **E-001**, entitled:

***“REGULATION OF TOURIST VILLAGE MANAGEMENT BY CUSTOMARY VILLAGE TO IMPROVE PEOPLE ECONOMY IN BALI”***

has been **ACCEPTED** for oral presentation in this conference. The conference will be held on December 17<sup>th</sup>, 2021. Please kindly check [www.icsd.unmas.ac.id](http://www.icsd.unmas.ac.id). If you have any inquiries, please do not hesitate to contact us.

Thank you very much and looking forward to meeting you at the conference.

Kindest Regards,

The Committee of the 5<sup>th</sup> ICSD 2021

Chairman

**Dr. I Made Wahyu Wijaya, ST.**

NIDN 0816089102

Secretary



**I Made Yogi Marantika, S.Pd., M.Hum.**

NIDN 0811039001



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**LETTER OF DECISION**

January, 10 2022

Dear Sir/Madam  
I Wayan Gde Wiryawan  
Universitas Mahasaraswati Denpasar  
Manuscript ID: E-001  
Title: **Regulation of Tourist Village Management by Customary Village to Improve People Economy in Bali**

We are pleased to inform you that your manuscript, entitled: **Regulation of Tourist Village Management by Customary Village to Improve People Economy in Bali** might be accepted for publication in our conference proceeding, pending some minor changes suggested by reviewers.

Please revise your paper strictly according to the attached Reviewers comments. Your manuscript won't be taken into consideration without the revisions made according to the recommendations.

Authors are requested to prepare a revised version of their manuscript as soon as possible. This may ensure fast publication if the article is finally accepted. Thank you

Kindest regards,  
5<sup>th</sup> ICSD Committee

Chairman

**Dr. I Made Wahyu Wijaya, ST.**

NIDN 0816089102



Secretary

**I Made Yogi Marantika, S.Pd., M.Hum.**

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# Regulation of Tourist Village Management by Customary Village to Improve People Economy in Bali

I Wayan Gde Wiryawan<sup>1</sup>, Lis Julianti<sup>2</sup>

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**Abstract** Economy improvement from the management of tourist villages requires the participant of the customary village and the local community in the entire steps of development consisting of planning, implementing, and supervising. This study aimed at examining the regulation of tourist village management by the customary village to improve people's economy. Tourism which is developed through tourist villages does not only strengthen the economic resilience and social culture of the local community but also be able to strengthen the economic resilience and social culture of the state. In developing tourist villages, the central government, local government, customary village, and the community should collaborate in formulating the development model of the tourist village which focuses on local wisdom. The role of the customary village is crucial, customary village in Bali has a local authority in managing tourist villages based on the customary value, religion, tradition, arts, and culture. Therefore, by the existence of a customary village, it is expected that the tourist village could develop well without destroying local wisdom in Bali and it could improve the economy of Balinese people.

Keywords: Tourism, Customary Village, Economy.

## INTRODUCTION

Bali Island has various tourism potencies including natural tourism potency and cultural-based tourism potency and its people's hospitality making Bali the main tourist destination in Indonesia. The flow of tourist arrivals both for domestic or international is very smooth. The success of Bali in attracting tourists has brought many benefits for its people through the creation of jobs, supporting exports of handicrafts, becoming the source of regional foreign exchange, and even in the last decade's tourism sector has become a leading sector for the Balinese economy (1). Today, the government has established tourism as the leading sector (2). Tourism development in Indonesia as an integral part of national development is implemented **sustainably** to improve Indonesian ability based on national capability. Tourism is one of the potentials to improve national development.

The boredom of the modern form of tourism and a wish of living back in the countryside as well as interacting with the people and its social-culture activities triggers the development of tourism in the countryside which is realized in the form of a tourist village. Hadiwijoyo in his book defines a tourist village as a village area that offers the entire atmosphere and reflects the originality of village in terms of social economy, social-culture, customs, daily life, typical building architecture, and village spatial structure, or a unique and attractive economic activity and having a potential to develop various tourism components, such as attraction, accommodation, food and beverages, and other tourism needs. Development village tourism is supported by three factors. First, the village area has a relatively authentic natural and cultural potential compared to the urban area. Second, the village area has a relatively pristine physical environment or it is not highly polluted compared to urban areas. Third, to a certain level, the village area has a relatively slow economic growth (3).

The purpose of tourism development through people empowerment could be realized if it is not only about economic development, but is a social-cultural development. The development of tourism through village tourism is expected to not only strengthen the economic and social-cultural resilience of the local communities but also

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strengthen the economic and social-cultural resilience of the nation. The tourist village in Bali is managed by the customary village, in which a customary village is a unit of government that is managed by the customary people and has a right to manage a village area. The customary village is expected to manage the tourist village by still preserving the noble values and culture of Bali in developing the tourism so it will not be destroyed by the external culture which is potentially fading the local wisdom in the customary village.

The entry of capitalists in the development of tourist villages builds an area of economic competition. This competition is not only about seeking jobs but also about capital competition. Local capitalist groups are competing with strong capitalists from outside of the village or even from outside of Bali. If this condition is left unchecked, so there will be economic injustice between the local communities and migrants. Injustice will potentially lead to conflict. Therefore, providing room for people's economic growth is needed. Otherwise, the convenience of the tourist village will be at stake. Tourism could destroy the pillars of villagers' life. This article aimed at examining the involvement of local people in the management of tourist villages by the customary village as an effort to improve the economy of the Balinese people. This study is expected could improve the acceleration of tourist village development which could embrace all stakeholders to take a strategic role in developing tourist villages. The related parties could participate in improving the competencies of local people to empower the local people and the customary village (4). The problem of this study is related to the regulation of tourist village management by the customary village as an effort to improve the economy of the Balinese people.

## RESEARCH METHOD

This is normative legal research. It is legal research that is conducted by studying library materials. It means this study is conducted by examining norms, principles, philosophy, or legal doctrines and principles in library materials. This legal research is also conceptualized as law in books or norms that are considered appropriate as a standard of behavior. The source of legal material used three legal materials namely, primary legal material, secondary legal material, and non-legal material which is relevant to analyze the problem of this study.

**Commented [IW2]:** Explain the specific method or approach used in the study

## DISCUSSION

### Regulation of Tourist Village Management by Customary Village to Improve People Economy in Bali

The Government of Indonesia established a policy of village integrated tourism in 1992. The integration of the village model describes village characteristic which is adjusted with strategic sustainable development. Tourism as one of the economic supporting sectors is a national and global development motor as an integrated area. It makes Bali a tourist destination in Indonesia (5). A tourist village is one of the implementation forms of sustainable and community-based tourism development. Through tourist village development, it is expected that there will be equity following the concept of sustainable tourism development. Besides that, the existence of a tourist village makes the tourism product have more village culture value so that the development of tourist village has cultural value without destroying it.

The development of tourism in Bali is based on *Tri Hita Karana* philosophy, as stated in Law No 10 of 2009 concerning Tourism, in Article 5 it is described that the implementation of tourism must be following the principle of upholding religious and cultural norms as the implementation of the concept of life and the harmony of the relationship between humans and God, the environment and fellow human beings. Based on this Law, the Government of Bali issued the Bali Province Regulation (*Perda*) No 5 of 2020 concerning Standard for the Implementation of Balinese Cultural Tourism, regarding the implementation of Balinese culture which has been systematically compiled to create *Tri Hita Karana* principle in tourism which is implemented by Local Government, private sector, community, and customary village so that there is a balanced synergy from all of the parties to improve the economy that comes from Bali tourism while maintaining the local wisdom.

The Government of Bali has issued Bali Province Regulation No 4 of 2019 concerning Customary Village and Establishment of the Department for the Promotion of Custom Society in the Province of Bali. Customary Village is a unit of customary law community in Bali which has territory, position, original structure, traditional rights and own wealth, traditions, etiquette for the social life of the community from generation to generation in the ties of sacred places (*kahyangan Tiga* or *kahyangan desa*), duties and authorities as well as rights to manage their household. So, in Bali, there is a dualism of village government namely Service Village and Customary Village which both has an

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equally strong existence because having a different function for society. There are 1,493 Customary Villages in Bali which are spread over 9 Regencies/City (explanation of *Perda* No 4 of 2019). In the current reality, the two functional villages overlap, which can be seen from their shape as follows:

- a. One Service Village has an equal territory and population with Customary Village such as Bunutin, Abangsongan, Manik Liu.
- b. One Service Village consists of several Traditional Villages such as Luwus and Mekar sari.
- c. One Traditional Village consists of several Service Villages and Sub-districts such as Denpasar and Buleleng.
- d. One Service Village consists of several Customary Villages and parts of other Customary villages such as Ubud which consists of 6 Customary Villages that are entirely in Ubud and one *Banjar* which is a part of Peliatan Customary Village (6).

The enactment of Bali Province Regulation No 4 of 2019 concerning Customary Village which took effect on May 28, 2019, created a new concept of Customary Village, including the management of tourist villages through the *Padruwen* of Customary Village, namely all assets of the Customary Village which are material or immaterial. In managing the *Padruwen* of Customary Village as a Tourist Village, it can be managed by a Customary Village if it is a right of the origin and on a local scale as regulated in Article 25 of Bali Province Regulation No 4 of 2019 as follows:

- a. Sacred places and sacred areas;
- b. Customary forest;
- c. Water sources;
- d. *Padruwen* of the customary village;
- e. Agriculture, plantation, fishery, and animal husbandry;
- f. Coastal and sea;
- g. Food industry and folk crafts;
- h. Customary Village Market and Tenten Market;
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- j. Public baths;
- k. Art, cultural and *pasraman* studios;
- l. Libraries and reading places;
- m. Tourist destinations and/or attractions; and
- n. *Krama* residential environment

There should be a guarantee that the people should be involved to ensure the program of developing tourist villages is implemented based on people's needs. To guarantee this issue, the following are formulated:

- a. Development of tourist village should be based on *Tri Hita Karana*;
- b. Local people should be the central and subject of all processes of the tourist village development. By positioning the people as the central, it is expected that people participation as the owner of tourism resources will be supported and capable of improving the welfare of the local community;
- c. Development of tourist villages requires solid partnership among three main elements, namely government, private sector, and university, of which the local people become the stakeholder of the partnership. The golden triangle can be successfully implemented if the initiators of the partnership understand the issues that triggered the partnership;
- d. These three stakeholders are in equal position and mutually respected in implementing the partnership;
- e. There should be an autonomous and independent management entity, which are mutually interacting, giving feedbacks of the implementation to self-correct at every level of the organization;
- f. Decision and initiative to fulfill local people needs are made at the local level by the people who have a recognized identity as a participant in the decision-making process; and
- g. The main focus of developing a tourist village is strengthening local people's ability in directing and handling available assets of the local people to fulfill their needs.

The improvement of the Balinese economy is highly dependent on the development of the economic sector. The development of people's economy can be through sustainable tourism in which the tourism services are based on traditional activity and sustainable production and exploitation of cultural heritages such as local architecture, tradition, and customs (7). In developing people's actual condition in supporting development, it can lead to development policy which is based on local wisdom, highly understood, implemented in daily life, be a part of life and the ways of people's problem, including the tourism management. Local wisdom is a people's identity that contains the vision, mission, and values of the people's lives, as an order to maintain the behavior of social life, and at the same time in developing potential and preserving nature, to live sustainably (8).

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Besides that, the development of tourist villages in every area in Bali contributes factually to the growth of the local economy. Supporting capacity and community participation must continue to be mobilized to raise awareness of tourist villages so that they can contribute to village development so that there is an even distribution of welfare for all villagers in Bali.

## CONCLUSION AND SUGGESTION

Development of the economy in Bali should be carried out with the principle of empowering local resources and conducted optimally to provide maximum benefits for the members of the customary village. The Local Government and the Assembly of Customary Village (*Majelis Desa Adat*) could facilitate the development of the Balinese economy. The role of the Central Government in the management of tourism resources is considered not optimal, so many cultural aspects are more aside for the sake of investment opportunities. In fact, when referring to a clean and sustainable tourist village management approach, the role of customary villages is expected to be a facilitator by providing greater roles and benefits to communities and customary villages, especially for regional economic improvement. This shows that the development of tourism based on community participation and customary villages is very important to advance the expected community's economy so that the customary village community will maintain cultural dignity in Bali.

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Commented [IW7]: English improvement is needed

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The boredom of the modern form of tourism and a wish of living back in the countryside as well as interacting with the people and its social-culture activities triggers the development of tourism in the countryside which is realized in the form of a tourist village. Hadiwijoyo in his book defines a tourist village as a village area that offers the entire atmosphere and reflects the originality of village in terms of social economy, social-culture, customs, daily life, typical building architecture, and village spatial structure, or a unique and attractive economic activity and having a potential to develop various tourism components, such as attraction, accommodation, food and beverages, and other tourism needs. Development village tourism is supported by three factors. First, the village area has a relatively authentic natural and cultural potential compared to the urban area, the villagers still implementing the tradition and cultural rituals, and the topography is quite compatible. Second, the village area has a relatively pristine physical environment or it is not highly polluted compared to urban areas. Third, to a certain level, the village area has a relatively slow economic growth, so the optimal utilization of the economic, social, and cultural potential of local communities becomes a rational reason for tourist village development (3).

The purpose of tourism development through people empowerment could be realized if it is not only about economic development, but is a social-cultural development. The development of tourism through village tourism is expected to not only strengthen the economic and social-cultural resilience of the local communities

but also strengthen the economic and social-cultural resilience of the nation. The tourist village in Bali is managed by the customary village, in which a customary village is a unit of government that is managed by the customary people and has a right to manage a village area. The customary village is expected to manage the tourist village by still preserving the noble values and culture of Bali in developing the tourism so it will not be destroyed by the external culture which is potentially fading the local wisdom in the customary village.

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## RESEARCH METHOD

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## DISCUSSION

### **Regulation of Tourist Village Management by Customary Village to Improve People Economy in Bali**

The Government of Indonesia established a policy of village integrated tourism in 1992. The integration of the village model describes village characteristic which is adjusted with strategic sustainable development. Tourism as one of the economic supporting sectors is a national and global development motor as an integrated area. It makes Bali a tourist destination in Indonesia (5). A tourist village is one of the implementation forms of sustainable and community-based tourism development. Through tourist village development, it is expected that there will be equity following the concept of sustainable tourism development. Besides that, the existence of a tourist village makes the tourism product have more village culture value so that the development of tourist village has cultural value without destroying it.

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society. There are 1,493 Customary Villages in Bali which are spread over 9 Regencies/City (explanation of *Perda* No 4 of 2019). In the current reality, the two functional villages overlap, which can be seen from their shape as follows:

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- d. These three stakeholders are in equal position and mutually respected in implementing the partnership;
- e. There should be an autonomous and independent management entity, which are mutually interacting, giving feedbacks of the implementation to self-correct at every level of the organization;
- f. Decision and initiative to fulfill local people needs are made at the local level by the people who have a recognized identity as a participant in the decision-making process; and
- g. The main focus of developing a tourist village is strengthening local people's ability in directing and handling available assets of the local people to fulfill their needs.

Based on the above explanation, it can be summarized that Customary village in Bali has an authority in a local level in managing Tourist Village based on values of customs, tradition, religion, arts and culture, and local wisdom on the *Padruwen* of Customary Village in the management involving participant of local people or villagers which is in monetarily can be seen from the agreement of developed countries to maintain macroeconomic stability in a certain area. Meanwhile, the change in the financial sector includes the integration of the global financial market in an efficient, transparent, and credible financial system.

The improvement of the Balinese economy is highly dependent on the development of the economic sector. The development of people's economy can be through sustainable tourism in which the tourism services are based on traditional activity and sustainable production and exploitation of cultural heritages such as local architecture, tradition, and customs (7). In developing people's actual condition in supporting development, it can lead to development policy which is based on local wisdom, highly understood, implemented in daily life,

be a part of life and the ways of people's problem, including the tourism management. Local wisdom is a people's identity that contains the vision, mission, and values of the people's lives, as an order to maintain the behavior of social life, and at the same time in developing potential and preserving nature, to live sustainably(8).

Besides that, the development of tourist villages in every area in Bali contributes factually to the growth of the local economy. Supporting capacity and community participation must continue to be mobilized to raise awareness of tourist villages so that they can contribute to village development so that there is an even distribution of welfare for all villagers in Bali.

## CONCLUSION AND SUGGESTION

Development of the economy in Bali should be carried out with the principle of empowering local resources and conducted optimally to provide maximum benefits for the members of the customary village. The Local Government and the Assembly of Customary Village (*Majelis Desa Adat*) could facilitate the development of the Balinese economy. The role of the Central Government in the management of tourism resources is considered not optimal, so many cultural aspects are more aside for the sake of investment opportunities. In fact, when referring to a clean and sustainable tourist village management approach, the role of customary villages is expected to be a facilitator by providing greater roles and benefits to communities and customary villages, especially for regional economic improvement. This shows that the development of tourism based on community participation and customary villages is very important to advance the expected community's economy so that the customary village community will maintain cultural dignity in Bali.

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**LETTER OF ACCEPTANCE**

February, 21th 2022

Dear Sir/Madam

I Wayan Gde Wiryawan

Universitas Mahasaraswati Denpasar

Manuscript ID: **E-001**

Title: **Regulation of Tourist Village Management by Customary Village to Improve People Economy in Bali**

We are pleased to inform you that your manuscript, entitled: **Regulation of Tourist Village Management by Customary Village to Improve People Economy in Bali** has been accepted to be published in the 5<sup>th</sup> International Conference on Sustainable Development (ICSD) Proceeding.

Thank you for joining the 5<sup>th</sup> International Conference on Sustainable Development (ICSD) and choosing the proceeding publication. We will update you regarding the publication process

Kindest regards,  
5<sup>th</sup> ICSD Committee

Chairman

**Dr. I Made Wahyu Wijaya, ST.**

NIDN 0816089102



Secretary

**I Made Yogi Marantika, S.Pd., M.Hum.**

NIDN 0811039001

# Regulation of Tourist Village Management by Customary Village to Improve People Economy in Bali

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**Abstract** Economy improvement from the management of tourist villages requires the participant of the customary village and the local community in the entire steps of development consisting of planning, implementing, and supervising. This study aimed at examining the regulation of tourist village management by the customary village to improve people's economy. Tourism which is developed through tourist villages does not only strengthen the economic resilience and social culture of the local community but also be able to strengthen the economic resilience and social culture of the state. In developing tourist villages, the central government, local government, customary village, and the community should collaborate in formulating the development model of the tourist village which focuses on local wisdom. The role of the customary village is crucial, customary village in Bali has a local authority in managing tourist villages based on the customary value, religion, tradition, arts, and culture. Therefore, by the existence of a customary village, it is expected that the tourist village could develop well without destroying local wisdom in Bali and it could improve the economy of Balinese people.

Keywords: Tourism, Customary Village, Economy.

## INTRODUCTION

Bali Island has various tourism potencies including natural tourism potency and cultural-based tourism potency and its people's hospitality making Bali the main tourist destination in Indonesia. The flow of tourist arrivals both for domestic or international is very smooth. The success of Bali in attracting tourists has brought many benefits for its people through the creation of jobs, supporting exports of handicrafts, becoming the source of regional foreign exchange, and even in the last decade's tourism sector has become a leading sector for the Balinese economy (1). Today, the government has established tourism as the leading sector (2). Tourism development in Indonesia as an integral part of national development is implemented sustainably to improve Indonesian ability based on national capability. Tourism is one of the potentials to improve national development.

The boredom of the modern form of tourism and a wish of living back in the countryside as well as interacting with the people and its social-culture activities triggers the development of tourism in the countryside which is realized in the form of a tourist village. Hadiwijoyo in his book defines a tourist village as a village area that offers the entire atmosphere and reflects the originality of village in terms of social economy, social-culture, customs, daily life, typical building architecture, and village spatial structure, or a unique and attractive economic activity and having a potential to develop various tourism components, such as attraction, accommodation, food and beverages, and other tourism needs. Development village tourism is supported by three factors. First, the village area has a relatively authentic natural and cultural potential compared to the urban area, the villagers still implementing the tradition and cultural rituals, and the topography is quite compatible. Second, the village area has a relatively pristine physical environment or it is not highly polluted compared to urban areas. Third, to a certain level, the village area has a relatively slow economic growth, so the optimal utilization of the economic, social, and cultural potential of local communities becomes a rational reason for tourist village development (3).

The purpose of tourism development through people empowerment could be realized if it is not only about economic development, but is a social-cultural development. The development of tourism through village tourism is expected to not only strengthen the economic and social-cultural resilience of the local communities

but also strengthen the economic and social-cultural resilience of the nation. The tourist village in Bali is managed by the customary village, in which a customary village is a unit of government that is managed by the customary people and has a right to manage a village area. The customary village is expected to manage the tourist village by still preserving the noble values and culture of Bali in developing the tourism so it will not be destroyed by the external culture which is potentially fading the local wisdom in the customary village.

The entry of capitalists in the development of tourist villages builds an area of economic competition. This competition is not only about seeking jobs but also about capital competition. Local capitalist groups are competing with strong capitalists from outside of the village or even from outside of Bali. If this condition is left unchecked, so there will be economic injustice between the local communities and migrants. Injustice will potentially lead to conflict. Therefore, providing room for people's economic growth is needed. Otherwise, the convenience of the tourist village will be at stake. Tourism could destroy the pillars of villagers' life. This article aimed at examining the involvement of local people in the management of tourist villages by the customary village as an effort to improve the economy of the Balinese people. This study is expected could improve the acceleration of tourist village development which could embrace all stakeholders to take a strategic role in developing tourist villages. The related parties could participate in improving the competencies of local people to empower the local people and the customary village (4). The problem of this study is related to the regulation of tourist village management by the customary village as an effort to improve the economy of the Balinese people.

## RESEARCH METHOD

This is normative legal research. It is legal research that is conducted by studying library materials. It means this study is conducted by examining norms, principles, philosophy, or legal doctrines and principles in library materials. This legal research is also conceptualized as law in books or norms that are considered appropriate as a standard of behavior. This study used the Statue Approach dan the Analytical and Conceptual Approach which is appropriate with the character and nature of normative legal research. The source of legal material used three legal materials namely, primary legal material, secondary legal material, and non-legal material which is relevant to analyze the problem of this study.

## DISCUSSION

### Regulation of Tourist Village Management by Customary Village to Improve People Economy in Bali

The Government of Indonesia established a policy of village integrated tourism in 1992. The integration of the village model describes village characteristic which is adjusted with strategic sustainable development. Tourism as one of the economic supporting sectors is a national and global development motor as an integrated area. It makes Bali a tourist destination in Indonesia (5). A tourist village is one of the implementation forms of sustainable and community-based tourism development. Through tourist village development, it is expected that there will be equity following the concept of sustainable tourism development. Besides that, the existence of a tourist village makes the tourism product have more village culture value so that the development of tourist village has cultural value without destroying it.

The development of tourism in Bali is based on *Tri Hita Karana* philosophy, as stated in Law No 10 of 2009 concerning Tourism, in Article 5 it is described that the implementation of tourism must be following the principle of upholding religious and cultural norms as the implementation of the concept of life and the harmony of the relationship between humans and God, the environment and fellow human beings. Based on this Law, the Government of Bali issued the Bali Province Regulation (*Perda*) No 5 of 2020 concerning Standard for the Implementation of Balinese Cultural Tourism, regarding the implementation of Balinese culture which has been systematically compiled to create *Tri Hita Karana* principle in tourism which is implemented by Local Government, private sector, community, and customary village so that there is a balanced synergy from all of the parties to improve the economy that comes from Bali tourism while maintaining the local wisdom.

The Government of Bali has issued Bali Province Regulation No 4 of 2019 concerning Customary Village and Establishment of the Department for the Promotion of Custom Society in the Province of Bali. Customary Village is a unit of customary law community in Bali which has territory, position, original structure, traditional rights and own wealth, traditions, etiquette for the social life of the community from generation to generation in the ties of sacred places (*kahyangan Tiga* or *kahyangan desa*), duties and authorities as well as rights to manage their household. So, in Bali, there is a dualism of village government namely Service Village and Customary Village which both has an equally strong existence because having a different function for

society. There are 1,493 Customary Villages in Bali which are spread over 9 Regencies/City (explanation of *Perda* No 4 of 2019). In the current reality, the two functional villages overlap, which can be seen from their shape as follows:

- a. One Service Village has an equal territory and population with Customary Village such as Bunutin, Abangsongan, Manik Liu.
- b. One Service Village consists of several Traditional Villages such as Luwus and Mekar sari.
- c. One Traditional Village consists of several Service Villages and Sub-districts such as Denpasar and Buleleng.
- d. One Service Village consists of several Customary Villages and parts of other Customary villages such as Ubud which consists of 6 Customary Villages that are entirely in Ubud and one *Banjar* which is a part of Peliatan Customary Village (6).

The enactment of Bali Province Regulation No 4 of 2019 concerning Customary Village which took effect on May 28, 2019, created a new concept of Customary Village, including the management of tourist villages through the *Padruwen* of Customary Village, namely all assets of the Customary Village which are material or immaterial. In managing the *Padruwen* of Customary Village as a Tourist Village, it can be managed by a Customary Village if it is a right of the origin and on a local scale as regulated in Article 25 of Bali Province Regulation No 4 of 2019 as follows:

- a. Sacred places and sacred areas;
- b. Customary forest;
- c. Water sources;
- d. *Padruwen* of the customary village;
- e. Agriculture, plantation, fishery, and animal husbandry;
- f. Coastal and sea;
- g. Food industry and folk crafts;
- h. Customary Village Market and Tenten Market;
- i. Boat moorings;
- j. Public baths;
- k. Art, cultural and *pasraman* studios;
- l. Libraries and reading places;
- m. Tourist destinations and/or attractions; and
- n. *Krama* residential environment

There should be a guarantee that the people should be involved to ensure the program of developing tourist villages is implemented based on people's needs. To guarantee this issue, the following are formulated:

- a. Development of tourist village should be based on *Tri Hita Karana*;
- b. Local people should be the central and subject of all processes of the tourist village development. By positioning the people as the central, it is expected that people participation as the owner of tourism resources will be supported and capable of improving the welfare of the local community;
- c. Development of tourist villages requires solid partnership among three main elements, namely government, private sector, and university, of which the local people become the stakeholder of the partnership. The golden triangle can be successfully implemented if the initiators of the partnership understand the issues that triggered the partnership;
- d. These three stakeholders are in equal position and mutually respected in implementing the partnership;
- e. There should be an autonomous and independent management entity, which are mutually interacting, giving feedbacks of the implementation to self-correct at every level of the organization;
- f. Decision and initiative to fulfill local people needs are made at the local level by the people who have a recognized identity as a participant in the decision-making process; and
- g. The main focus of developing a tourist village is strengthening local people's ability in directing and handling available assets of the local people to fulfill their needs.

Based on the above explanation, it can be summarized that Customary village in Bali has an authority in a local level in managing Tourist Village based on values of customs, tradition, religion, arts and culture, and local wisdom on the *Padruwen* of Customary Village in the management involving participant of local people or villagers which is in monetarily can be seen from the agreement of developed countries to maintain macroeconomic stability in a certain area. Meanwhile, the change in the financial sector includes the integration of the global financial market in an efficient, transparent, and credible financial system.

The improvement of the Balinese economy is highly dependent on the development of the economic sector. The development of people's economy can be through sustainable tourism in which the tourism services are based on traditional activity and sustainable production and exploitation of cultural heritages such as local architecture, tradition, and customs (7). In developing people's actual condition in supporting development, it can lead to development policy which is based on local wisdom, highly understood, implemented in daily life,

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