



The Sustainable Tourism Index: Policy And Regulatory Environment

Andy Mulyana¹⁾; Ahmad Soleh ²⁾; Ida Ayu Made Er Meytha Gayatri ³⁾;
Nihan Anindyaputra Lanisy ⁴⁾

^{1,4)}Universitas Terbuka, Jakarta, Indonesia

^{2,3)}Universitas Dehasen, Bengkulu, Indonesia

Email: ¹⁾ mulyana@ecampus.ut.ac.id, ²⁾ ahmadsoleh@unived.ac.id, ³⁾ meythagayatri@unived.ac.id,
⁴⁾ nihan@ecampus.ut.ac.id

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ABSTRACT

The purpose of this study is to analyse the contribution of policy and regulatory environment in measuring the Sustainable Tourism Index of Tourism Villages in Indonesia. The research focuses on four tourist villages, namely Penglipuran (Bali), Nglanggeran (Yogyakarta), Setanggor (West Nusa Tenggara), and Belitar Seberang (Bengkulu). This research uses a mixed method approach. The Sustainable Tourism Index from The Economist Intelligence Unit was developed in measuring the Sustainable Tourism Index of Tourism Villages in Indonesia. The results showed that the contribution of the policy and regulatory environment category in the formation of the Sustainable Tourism Index in Indonesia was 35.77 or with an average indicator performance of 89.54%. All tourist villages in Indonesia have conducted cooperation between public and private stakeholders and have conducted an inventory of tourism assets. Most of the tourist villages have village regulations on local tourism, milestones and action plans, monitoring and evaluation metrics as well as leasing and licensing for tourism activities and have a stable political environment. However, not all tourist villages have implemented global standards. In order to increase international tourist arrivals, global standards are needed in the management of tourism villages in Indonesia.

INTRODUCTION

The tourism sector currently plays a very important role in increasing the country's foreign exchange. This is inseparable from the development of world tourism needs. The growth of human needs for tourism causes this sector to be considered to have great prospects in the future (Saragih, et. al. 2021). BPS (2024) explained that In April 2024, international visitor arrivals in Indonesia were 1.07 million. International visitors increased by 2.41% compared with March 2024. International visitor arrivals in April 2024 were dominated by Malaysian (15.99%),

Australian (11.99%), and Chinese (8.06%). Cumulatively, international visitor arrivals from January to April 2024 increased by 24.85% compared with the same period in 2023. The Indonesian government is targeting the tourism sector to contribute USD22.10 billion in foreign exchange in 2025. The government is also projecting the tourism sector's contribution to Gross Domestic Product (GDP) to increase by 4.6% in 2025. To achieve this target, the government will focus on developing quality and sustainable tourism.

Sustainable tourism development is essential to ensure the interaction and relationship between environmental, socio-cultural, economic and cultural factors related to the well-being of local communities and their culture, as well as the creation of long-term economic benefits for all stakeholders involved (Suta, et. al. 2020). UNEP and UNWTO define sustainable tourism development as tourism that takes full account of current and future economic, social and environmental impacts, meeting the needs of visitors, industry, the environment and local communities (Diakomihalis, 2023). Rural tourism is a form of tourism carried out in rural areas (tourist villages) which aims to harmonize tourism needs and environmental preservation (natural and socio-cultural) with the principles of sustainable development. Tourism villages in Indonesia are increasing. In 2024, tourism villages in Indonesia will reach 6,057 consisting of four classifications, namely pioneering (4,712), developing (994), advanced (316), and independent (35). The development of tourist villages will drive economic tourism activities in rural areas which will prevent urbanization of rural communities to cities. The development of rural tourism will encourage nature conservation which will have an impact on reducing global warming (Ministry of Tourism and Creative Economy/Tourism and Creative Economy Agency, 2020).

The concept of sustainable tourism is very diverse and there is no single definition Linnerud & Holden in Diakomihalis (2023). Measurements of sustainable tourism have been carried out by Diakomihalis (2023), Purnomo, et. al (2020), Sekartjakrarini (2020), Griffin & Sun (2023), and The Economist Intelligence Unit (2017). However, until now there has been no standard measurement or index of sustainable tourism that can be used as a reference for sustainable tourism studies both at the national and international levels. Research on sustainable tourism development using the Sustainable Tourism Index approach in tourist villages is still difficult to find. This research fills the gap in research that has been carried out so far.

The Sustainable Tourism Index approach (The Economist Intelligence Unit, 2017) was developed in measuring the sustainable tourism index in Indonesia. The Economist Intelligence Unit (2017) proposed the Sustainable Tourism Index using five indicators with their respective weightings such as policy and regulatory environment (40%), environmental sustainability (20%), socio-cultural sustainability (20%), economic sustainability (10%), travel and tourism industry (10%). This study focuses on analyzing the categories that have the greatest influence or contribution in the formation of the Sustainable Tourism Index such as policy and regulatory environment. The study was conducted in four tourist villages with different classifications and representing the characteristics of tourist villages in Indonesia such as the tourist villages of Penglipuran (Bali), Nglanggeran (Yogyakarta), Setanggor (West Nusa Tenggara), and Belitar Seberang (Bengkulu). Based on this phenomenon, the study of the sustainable tourism index in the development of sustainable rural tourism is important to be carried out.

LITERATURE REVIEW

Tourism Village Development

Tourism Village is an administrative area of a village that has the potential and uniqueness of a distinctive tourist attraction, such as experiencing the uniqueness of life and traditions of rural communities with all their conditions, potential, and uniqueness. The potential of the Indonesian population in rural areas with a distinctive character of life and built from a culture that lives in a cross-generational society is also a potential and strength within the framework of

developing tourist attractions to increase the diversification of attractions and the competitiveness of Indonesian tourism. The potential of attractions that are mostly in rural areas if they can be managed through an integrated sustainable tourism development approach, can provide added value not only from ecological, educational, and socio-cultural aspects, but also added value from recreational and economic aspects that are beneficial for the welfare of the nation, while minimizing poverty levels and development gaps in rural areas (Ministry of Tourism and Creative Economy/Tourism and Creative Economy Agency, 2020). Chan (2023) explains that Key drivers for sustainability practices include economic, social, environmental, and government support. Relevant approaches for improving sustainable rural tourism practices include greater participation and collaboration among rural tourism operators, conservation and preservation, destination uniqueness, long-term growth, and 3Rs practices (reduce, reuse, and recycle).

Sustainable Tourism

The concept of sustainable tourism development (STD) has emerged due the intent to decrease the consequences of mass tourism in the last forty years (Roblek, et. al. 2021). Sustainable tourism seeks to satisfy the needs of present travelers and host communities while preserving resources for future generations. It emphasizes economic, social, and environmental considerations, striving for a balance among these factors. Key sustainable tourism principles include responsible resource use, preservation of cultural heritage, socioeconomic benefits for local communities, stakeholder involvement, impact monitoring, providing enriching experiences, promoting awareness, and establishing supportive policies (Ekka, et. al. 2023).

Kurniawan (2024) explains that sustainable tourism is an approach that takes into account economic, environmental, social, and cultural aspects to minimize the negative impacts of tourism while increasing its benefits for local communities and the environment. The basic concept of sustainable tourism development is the main foundation in achieving this sustainability goal. However, challenges in sustainable tourism development, such as uncontrolled growth and conflicting interests, affect the implementation of these concepts. Best practices in sustainable tourism development also play an important role in reducing negative impacts and increasing positive benefits of tourism. Furthermore, Niewiadomski and Brouder (2024) emphasize the importance of focus on the actual processes that must unfold for a transition to sustainable tourism to take place, and a better conceptualisation of the tourism industry as a multi-actor and multi-dimensional socio-technical system.

Policy And Regulatory Environment For Sustainable Tourism Development

Sustainable development has enormous economic, environmental and social implications as a core principle of development. The development of the tourism industry is also tied with three aspects of sustainable development linked to the modern world. Subsequently, development of sustainable tourism facilitates host community wellbeing, promotes sustainability education, and protects the environment, it also provides a better tourism experience, and promotes cultural exchange between tourists and natives. Tourists perform many activities that negatively influence destination sustainability. Hence, tourists' anti-environmental behavior needs to cope up with better management and planning strategies for sustainable development of tourism destinations. Sustainable tourism policy and destination management empower local communities and facilitate tourist requirements via managing and controlling tourism destination activities (Khan, et. al. 2021).

Sustainable tourism development can be considered as tourism development that contributes significantly to the process of development or, at least, do not contradict the maintenance of the principles of development in an indefinite time without compromising the ability of future generations to satisfy their own needs and desires. Consequently, sustainable tourism policies, destination management, and monitoring are important factors in improving community wellbeing, preventing the misuse of natural resources, and providing a better

tourism experience (Goffi and Cuccellelli, 2018). Furthermore, Patil and Pattanshetti (2024) explained that ecotourism plays a vital role in promoting sustainable development by integrating environmental conservation, economic growth, and cultural preservation. The success and sustainability of ecotourism initiatives depend on effective management, active community involvement, and supportive policy frameworks. Key recommendations for enhancing the positive impacts of ecotourism include: policy development, community involvement, capacity building, monitoring and evaluation.

METHODS

This study uses a mixed methods approach. A research approach that combines or associates qualitative and quantitative forms. Yam (2022) explains that mixed method research is a mixed method study involving the use of coordinated qualitative and quantitative research approaches by integrating data to gain a more complete understanding of practice. The instruments used in collecting data are Focus Group Discussion (FGD), observation and document analysis. The research sample was in four tourist villages in Indonesia, namely the tourist villages of Penglipuran (Bali), Nglanggeran (Yogyakarta), Setanggor (West Nusa Tenggara), and Belitar Seberang (Bengkulu). The Sustainable Tourism Index from The Economist Intelligence Unit (2017) was developed in measuring the Sustainable Tourism Index of Tourist Villages in Indonesia. This study focuses on the contribution of the policy and regulatory environment category in the formation of the Sustainable Tourism Index which has the highest weighting value (40%) of all the categories used.

RESULTS

Sustainable tourism as the embodiment and promotion of the tourism industry that preserves the social, cultural or environmental capital of a region. The Sustainable Tourism Index compares the commitment of local governments to develop and promote sustainable tourism. The measurement of this index consists of five categories, namely policy and regulatory environment, environmental sustainability, socio-cultural sustainability, economic sustainability, travel and tourism industry. This study focuses on the contribution of policy and regulatory environment in the formation of the sustainable tourism index.

The study used the locus of 4 tourist villages, namely Penglipuran Tourism Village (Bali); Nglanggeran Tourism Village (Yogyakarta); Belitar Seberang Tourism Village (Bengkulu); and Setanggor Tourism Village (West Nusa Tenggara). The category of policy and regulatory environment in measuring the Sustainable Tourism Index consists of 6 indicators and 4 sub-indicators.

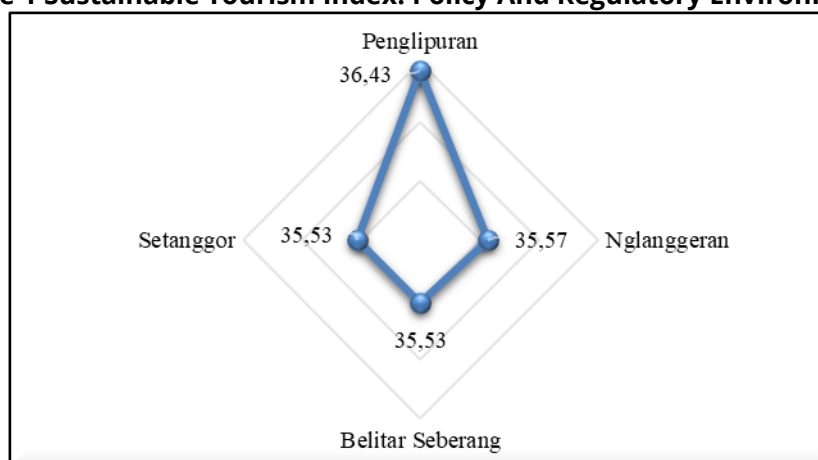
Table 1 Sustainable Tourism Index: Policy And Regulatory Environment

Categories and Indicators		Weight	Assessment Score			
			Penglipuran	Nglanggeran	Belitar Seberang	Setanggor
Policy and Regulatory Environment (40%)			36.43	35.57	35.53	35.53
1.1	Availability and Completeness of Sustainable Tourism Policies					
	1.1.1 Village Regulation on Local Tourism	10%	10.00	10.00	6.67	10.00
	1.1.2 Comprehensiveness of Tourism Policy	10%	6.67	10.00	6.67	6.67
	1.1.3 Milestones and Action Plan	10%	6.67	10.00	10.00	10.00
	1.1.4 Monitoring and Evaluation Metrics	10%	10.00	10.00	10.00	6.67
1.2	Leasing and Licensing for Tourism Operators	25%	25.00	16.67	25.00	25.00
1.3	Adoption of Global Standards	5%	3.75	3.75	2.50	2.50
1.4	Cooperation Between Public and Private Stakeholders	10%	10.00	10.00	10.00	10.00
1.5	Inventory of Tourism Assets	10%	10.00	10.00	10.00	10.00
1.6	Stability of Political Environment	10%	9.00	9.00	8.00	8.00
Aggregate		100%	91.08	89.42	88.83	88.83

DISCUSSION

Sustainable policies are essential in improving the competitiveness of tourism destinations. Sustainable tourism destinations can attract more environmentally and sustainability conscious tourists. The government has an important role in ensuring the success of sustainable tourism in Indonesia. In this effort, tourism regulations and policies that support sustainable tourism must be implemented properly. Policy and regulatory environment are part of the formation of the sustainable tourism development index with a weighting of 40% consisting of six indicators, namely the availability and completeness of sustainable tourism policies, leasing and licensing for tourism operators, adoption of global standards, cooperation between public and private stakeholders, inventory of tourism assets, and stability of the political environment. The sustainable tourism index for the policy and regulatory environment category is shown in Figure 1.

Figure 1 Sustainable Tourism Index: Policy And Regulatory Environment



Source: Research Results (processed data)

The category of policy and regulatory environment in the formation of the sustainable tourism index has an average value of 35.77. In this category, only 25% or one tourist village, namely Penglipuran tourist village, has a value above the average and is a tourist village with the highest index value (36.43). Based on the indicators used, there are 33.33% or two indicators, namely cooperation between public and private stakeholders and inventory of tourism assets that have been implemented in four research loci or with the achievement of realization reaching 100% each. This shows that in tourist villages in tourism development, cooperation has been established between stakeholders, both public and private. In the context of tourism, stakeholders include various elements such as government, local communities, tourism entrepreneurs, non-governmental organizations (NGOs), academics and many more. The role of stakeholders is adjusted to the tasks and responsibilities they have so that the results achieved can run optimally. Berliandaldo et al (2021) explained that the role of stakeholders based on interests and influence, namely as Subjects, as Key Players, as Other Followers (crowd), and as Supporters (Contest Setters). The division of roles and responsibilities of each stakeholder can accelerate the development process of the tourism sector.

Tourism asset inventory is part of tourism asset management efforts. By identifying, documenting, and managing information about tourism assets owned, villages can gain a comprehensive understanding of their potential and shortcomings. The data is the basis for developing targeted and effective tourism marketing strategies. The results of the study showed that tourism asset inventory has been implemented in each tourist village. There is a list of the latest inventory and classification of tourism assets and attractions, including natural and

cultural sites in each tourist village. The various benefits of optimizing village tourism asset data include (a) increasing understanding of village tourism potential; (b) identifying assets that need to be developed or promoted; (c) assisting in the development of tourism packages that suit tourist preferences; and (d) facilitating village tourism promotion through various marketing channels. However, managing tourism assets in villages often faces various challenges, ranging from limited infrastructure to lack of effective promotion. Overcoming these challenges is crucial to maximizing village tourism potential and improving the welfare of local communities.

Furthermore, of the six categories that form policy and regulatory environment, the implementation of global standards is the indicator with the lowest performance achievement of 62.5%. Of these achievements, the Penglipuran and Nglanggeran tourist villages contributed greatly with a weighting achievement of 3.75. In addition to having and implementing global standards, these two tourist villages have international awards. In 2023, Penglipuran tourist village is one of the 54 UNWTO Best Tourism Villages. It has a very high number of tourist visits, both domestic and foreign tourists. The number of domestic tourist visits in 2017-2023 reached 2,131,809 visitors or 304,544 visitors per year. Meanwhile, the number of foreign tourist visits in 2017-2023 reached 328,113 visitors or 46,873 visitors per year. Furthermore, Nglanggeran tourism village also has international awards including the ASEAN Sustainable Tourism Award in 2018 and the ASEAN Community Based Tourism (CBT) Award in 2017 and one of the 44 UNWTO Best Tourism Villages in 2021. The number of domestic tourist visits in 2012-2023 reached 1,510,282 visitors or 125,857 visitors per year. While the number of foreign tourist visits in 2012-2023 reached 8,962 visitors or 747 visitors per year.

The performance achievement of the implementation of global standards for the Setanggor and Belitar Seberang tourist villages is relatively lower, with a value of 2.50 below the average indicator (3.13). Visits by foreign tourists to both villages and most other tourist villages in Indonesia are relatively limited. Lack of infrastructure and accessibility are still classic obstacles in driving the progress of tourist villages. In addition, most tourist villages experience various challenges such as tourist villages are highly dependent on the number of tourist visits, which can fluctuate due to global situations such as pandemics or economic crises. Villages that do not have an economic diversification strategy or alternative income for the community will be more vulnerable to a decrease in visits. Next is overtourism and environmental degradation. Without good management, tourist villages are vulnerable to overtourism, which can damage the environment and reduce cultural authenticity. Penglipuran tourist village, for example, has struggled to face this challenge by limiting the number of daily visitors and enforcing strict rules to maintain cleanliness and environmental sustainability.

CONCLUSION AND SUGGESTION

The government has an important role in the success of sustainable tourism in Indonesia. Tourism regulations and policies that support sustainable tourism must be implemented properly. The category of environmental regulations and policies in forming the sustainable tourism index in Indonesia has an average value of 35.77 or an average indicator performance of 89.54%. All tourist villages in Indonesia have collaborated between public and private stakeholders and have conducted an inventory of tourism assets. Most tourist villages have village regulations on regional tourism, milestones and action plans, monitoring and evaluation metrics, and tourism activity rentals and licensing and have a stable political environment. However, not all tourist villages have implemented global standards. To increase the arrival of foreign tourists, global standards are needed in managing tourist villages in Indonesia and to overcome various problems such as poor infrastructure and accessibility, fluctuations in tourist visits, low economic diversification, overtourism and environmental degradation. Appropriate policies are needed to overcome overtourism in realizing sustainable tourism.

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