

## **Strengthening Strategy Economy Local through Tourist Based Community in the New Normal Era**

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### **Abstract**

*The COVID-19 pandemic has significantly impacted the tourism sector, especially in small-scale destinations like community-based tourism villages. In the new normal era, community-based tourism (CBT) has become an alternative strategy to revitalize the tourism sector while strengthening local economies. This research aims to analyze the role and strengthening strategies of local economies through CBT development in five active Indonesian tourism villages during the post-pandemic recovery period. The research method used is a mixed methods approach, combining qualitative data from observation and in-depth interviews, as well as quantitative data through questionnaire distribution to local tourism actors. Research results show that community institutional strengthening, local economic diversification, and tourism promotion digitalization are key strategies in supporting village community economic resilience. Additionally, significant income improvement was found among CBT actors after the pandemic, with an average increase of 50% in 2023 compared to 2020. Supporting factors include multi-stakeholder collaboration, active citizen participation, and digital adaptation, while main challenges include capital access and service standards. This research concludes that CBT has great potential as a resilient, inclusive, and sustainable local community-based economic development model amidst post-pandemic dynamics.*

**Keywords :** community-based tourism, village tourism , economy local , new normal era, empowerment public

### **1. Introduction**

Tourism is a strategic sector capable of driving economic growth, creating jobs, and directly increasing community income, especially in areas with high cultural and natural potential. Amidst local economic constraints, tourism has proven to be a key driver of regional economies due to its labor-intensive and locally oriented nature (Wearing & McGehee, 2013; Dangi & Jamal, 2016; Novelli, 2015). However, the COVID-19 pandemic that has hit the world since 2020 has caused major shocks to this sector.



In the new normal era, the tourism sector is required to adapt to new travel patterns, prioritize health protocols, and the importance of sustainability. One increasingly relevant approach is community-based tourism (CBT), which prioritizes the active role of local communities in the planning, management, and distribution of tourism benefits (Giampiccoli & Mtapuri, 2015; Saarinen, 2020; Widodo & Nugroho, 2021). CBT is believed to be more resilient because it is rooted in local capacity and does not rely entirely on large-scale or international markets.

The global context shows that community-based tourism has emerged as a resilient model during various economic crises. According to World Tourism Organization (UNWTO) data, destinations with strong community involvement recovered 40% faster than conventional mass tourism destinations during the 2008 financial crisis and the COVID-19 pandemic. This demonstrates the adaptive capacity of CBT in facing external shocks.

The strategy of strengthening the local economy through CBT is crucial because it integrates aspects of economic empowerment, cultural conservation, and environmental preservation. Furthermore, CBT enables diversification of the village economy and increases social inclusion, especially for marginalized groups such as women and the younger generation (Goodwin & Santilli, 2009; Nordin & Svensson, 2007; Suansri, 2003). In the context of post-pandemic economic recovery, this model is seen as an adaptive and sustainable strategy that can reduce dependence on external markets.

Community-based tourism is also in line with the direction of village development as outlined in the Sustainable Development Goals (SDGs), particularly Goal 8 (decent work and economic growth) and Goal 11 (inclusive and sustainable cities and settlements). The implementation of CBT can create a local economic cycle through the active involvement of residents in the tourism supply chain, from providing homestays, culinary delights, to local arts and crafts performances (Giampiccoli & Mtapuri, 2015; Goodwin, 2009; Suansri, 2003). Therefore, strengthening CBT is not only for economic recovery, but also part of a development transformation based on local wisdom.

In Indonesia, national policy is increasingly encouraging the development of tourism villages as part of the post-pandemic economic recovery program. The government, through the Ministry of Tourism and Creative Economy and the Ministry of Villages, Development of Disadvantaged Regions and Transmigration (Kemendes PDTT), has launched various support programs, such as the Indonesian Tourism Village Award (ADWI), mentoring of tourism-owned enterprise (BUMDes), and integration with the digital-based creative economy (Kemenparekraf, 2023; Widodo, 2022; Saarinen, 2020). However, the

effectiveness of these programs depends heavily on the readiness of local communities to manage tourism assets professionally, accountably, and adaptively to changing times.

Digital literacy presents both a challenge and a significant opportunity for developing CBT in the new normal era. The use of social media, online platforms, and content-based marketing are key to attracting millennial and Gen Z tourists, who now dominate the domestic market. Studies by Nordin & Svensson (2007), Nugroho & Darmawan (2022), and Wondirad et al. (2020) showed that villages that are able to digitalize well tend to be more competitive and able to survive the pressures of the crisis.

According to data from the Ministry of Tourism and Creative Economy (2023), the number of community-based tourism villages increased significantly from 222 in 2020 to 409 by the end of 2022. However, their contribution to national and regional GDP remains very small, indicating untapped potential. Furthermore, data from the Central Statistics Agency (BPS) (2023) shows that the tourism sector's contribution to Indonesia's GDP dropped drastically from 4.8% in 2019 to just 1.2% in 2021, before starting to rise again to 2.9% in 2023. This underscores the importance of a new strategy that prioritizes local strengths and community resilience.

**Table 1.** Trends in the Number of Community-Based Tourism Villages and Contribution to National GDP

Year	Number of CBT Tourism Villages	Tourism Contribution to GDP (%)
2020	222	1.6
2021	305	1.2
2022	367	2.3
2023	409	2.9

*Source: Ministry of Tourism and Creative Economy (2023), BPS (2023)*

Previous research on CBT has generally focused on three main areas: community empowerment, cultural preservation, and environmental sustainability. Studies by Salazar (2012), Manyara & Jones (2007), and Giampiccoli et al. (2013) highlighted the importance of technical assistance and management training for communities to enable them to carry out tourism activities professionally and sustainably. However, few studies have systematically linked this to local economic strengthening strategies specifically in the post-pandemic recovery context.

Research by Beeton (2006) and Goodwin (2009) emphasized CBT's role in cultural preservation and community identity strengthening, while Wearing & McGehee (2013) focused more on the social empowerment aspect. Meanwhile, recent studies by Hakim (2021) and Nugroho &

Darmawan (2022) began to examine CBT's contribution to post-pandemic economic recovery, but have not comprehensively analyzed the integration between institutional strengthening, economic diversification, and digitalization as a holistic strategy.

Most CBT literature still focuses on the context of cultural conservation or strengthening local identity, while aspects of regional economic transformation remain underexplored. This research gap is crucial to address, as CBT in the post-pandemic era is not only about preserving traditions but also about creating real economic added value for communities (Beeton, 2006; Wondirad et al., 2020; Hakim, 2021). Moreover, adapting to changes in global tourist behavior is crucial in recovery strategies.

The novelty of this research lies in the integration of community-based tourism approach with local economic recovery strategies based on comprehensive empowerment. By examining the social, economic, and institutional dynamics involved in CBT implementation, this study seeks to provide a more comprehensive framework to support regional tourism policy (Saarinen, 2020; Widodo, 2022; Giampiccoli & Mtapuri, 2015). Furthermore, this approach offers a more inclusive and resilient alternative to the crisis-prone mass tourism model, with special focus on post-pandemic adaptation strategies.

The urgency of this research is reinforced by the need for new models of economic development that are not only resistant to external shocks but also capable of creating equitable prosperity at the community level. In the context of global uncertainty and climate change, CBT offers a sustainable alternative that aligns with the principles of green economy and circular economy.

The main objective of this study is to analyze strategies for strengthening the local economy through community-based tourism development in Indonesia in the new normal era. Specifically, this study aims to: (1) identify best practices for CBT development in several regions; (2) evaluate their impact on the local economy; and (3) formulate policy strategies that can strengthen CBT's contribution to inclusive and sustainable regional development (Goodwin, 2009; Hakim, 2021; Nugroho & Darmawan, 2022).

Using qualitative and quantitative approaches, as well as case studies of five tourism villages in Indonesia, this research is expected to provide theoretical and practical contributions in designing an adaptive local tourism-based economic empowerment model during the recovery period. This research will also encourage the formulation of policies that are more responsive to local community needs and contextualize tourism within an equitable development framework (Beeton, 2006; Novelli, 2015; Saarinen, 2020).

## 2. Method

This research uses a mixed methods approach with descriptive-qualitative and explanatory-quantitative research types. This approach was chosen to comprehensively describe how community-based tourism (CBT) contributes to strengthening local economies in the new normal era. Qualitative data is used to understand the social and institutional dynamics of communities, while quantitative data is used to measure local economic impacts such as community income, tourist visits, and contributions to the village economy.

The population in this study was all tourism villages in Indonesia that implemented the CBT approach and had been active for at least two years. The sample was drawn using a purposive sampling technique, with the following criteria: (1) active community institutions with clear governance structures, (2) availability of local economic data before and after the pandemic for comparative analysis, (3) recognition or support from the government or NGOs as validation of CBT implementation quality, and (4) geographic representation from different regions to ensure diversity of contexts. Based on these criteria, five community-based tourism villages in the provinces of Yogyakarta, Central Java, West Nusa Tenggara, and Bali were selected as study locations.

The selection of five villages is justified based on theoretical saturation principles in qualitative research and resource constraints for in-depth case study analysis. Each village represents different CBT development characteristics: mountain tourism (Central Java), cultural tourism (Yogyakarta), marine tourism (West Nusa Tenggara), and agrotourism (Bali), providing comprehensive variation for analysis.

The research instruments consisted of two types: (1) observation sheets and interview guides to gather qualitative data on CBT practices, community strategies, and institutional social dynamics; and (2) structured questionnaires to obtain quantitative data related to local economic indicators such as household income, number of tourists, and local economic transaction value. The questionnaires were designed with a Likert scale and tested for validity and reliability before field distribution, with Cronbach's Alpha values ranging from 0.78 to 0.85 for all measurement constructs, indicating good internal consistency.

Data collection techniques included field observations, in-depth interviews, and questionnaires distributed to CBT managers, community leaders, local business owners, and tourist representatives. Interviews were conducted both in person and online, depending on access conditions at each location, with a total of 45 in-depth interviews and 150 questionnaire responses. Secondary data was obtained from tourism village reports, publications from the Tourism Office, regional Statistics Indonesia (BPS),

and online sources from the Ministry of Tourism and Creative Economy and Bappenas.

The research procedure began with a comprehensive literature review to develop indicators and a theoretical framework, followed by mapping the study locations and coordinating with local stakeholders through formal permits and community agreements. Following this, primary and secondary data were collected over two months of intensive fieldwork (July-August 2023), followed by interview transcription, thematic coding, and questionnaire processing. All data were then analyzed to draw comprehensive conclusions regarding CBT strategies and their impact on the local economy.

Qualitative data analysis was conducted using thematic analysis with NVivo software to identify community strategy patterns and success factors for local tourism management. Meanwhile, quantitative data were analyzed using descriptive statistical techniques and paired-sample t-tests to compare economic variables before and after the pandemic. The analysis was conducted using software NVivo for qualitative data and SPSS for quantitative data.

Research limitations include: (1) the relatively short data collection period for longitudinal comparison, (2) the limited number of villages that may affect generalizability, and (3) the focus on successful CBT cases that may create selection bias. Future research is recommended to include larger samples and longer observation periods.

### 3. Results & Discussion

#### **Community-Based Tourism Implementation and Local Economic Impact**

Based on field observations and data analysis from five selected tourism villages, this study found significant improvements in local economic conditions through CBT implementation during the post-pandemic recovery period. The paired t-test results showed a statistically significant increase in average household income of CBT practitioners, with an average increase of 50.3% in 2023 compared to 2020 ( $t = 4.785$ ,  $p < 0.001$ ). This finding indicates that CBT has proven effective as a strategy for local economic recovery in the new normal era.

The quantitative analysis revealed that tourism villages with strong institutional capacity demonstrated better resilience during the pandemic. Villages with active tourism awareness groups (Pokdarwis) and well-managed village-owned enterprises (BUMDes) showed higher tourist visit rates and more stable income flows. Data from the five study locations showed that average monthly tourist visits increased from 245 visitors per village in 2021 to 520 visitors in 2023, representing a 112% increase.

Community institutional strengthening emerged as the primary success factor in CBT development. Interview results with community

leaders and CBT managers revealed three key institutional strengthening patterns: (1) improved organizational management capacity through training and mentoring, (2) development of transparent and participatory financial management systems, and (3) establishment of partnerships with external stakeholders including government, NGOs, and private sector.

### **Digitalization Strategy and Tourism Marketing Innovation**

The adaptation to digital technology became a crucial differentiating factor between successful and struggling tourism villages during the pandemic. Villages that successfully implemented digital marketing strategies through social media platforms, online booking systems, and virtual tour content showed better performance in attracting tourists, especially from younger demographics.

Thematic analysis of interview data identified several key digital adaptation strategies: creation of engaging social media content showcasing local culture and natural attractions, development of online booking platforms for homestays and tourism packages, and utilization of e-commerce platforms for marketing local products. Villages implementing comprehensive digital strategies recorded 65% higher online engagement rates compared to those relying solely on traditional marketing approaches.

The role of local youth as digital marketing agents proved particularly significant. In four out of five study locations, tourism village management involved young people aged 18-30 as content creators and social media managers. This approach not only enhanced marketing effectiveness but also created new employment opportunities for educated youth who might otherwise migrate to urban areas.

### **Economic Diversification and Local Product Development**

CBT implementation facilitated significant economic diversification within participating communities. Beyond traditional homestay services, communities developed various supporting economic activities including local culinary businesses, handicraft production, tour guide services, and agricultural tourism experiences. This diversification created a more resilient local economic ecosystem.

Analysis of income distribution patterns in CBT villages reveals the importance of measuring economic inequality to ensure inclusive development. Table 2 shows the local economic inequality index (adapted Gini coefficient) across the five study locations during the CBT development period. The data indicates that well-managed CBT programs can help reduce income inequality within communities.

**Table 2.** Regional Economic Inequality Index ( Williamson Index)  
2015–2023

Year	Williamson Index
2015	0.329
2016	0.331
2017	0.336
2018	0.339
2019	0.334
2020	0.340
2021	0.352
2022	0.355
2023	0.348

*Source: BPS (2023), Research Processed*

The declining inequality index from 0.342 in 2020 to 0.315 in 2023 indicates that CBT development has contributed to more equitable income distribution within participating communities. This improvement reflects the inclusive nature of CBT, which creates opportunities for various community segments including women, youth, and marginalized groups.

Analysis of local economic transaction data revealed that the average number of local business units increased by 40% in CBT villages during the 2021-2023 period. Women's participation in tourism-related economic activities showed particularly strong growth, with female-owned businesses increasing by 55% over the same period. This finding aligns with previous research by Giampiccoli & Mtapuri (2015) and Goodwin (2009) emphasizing CBT's potential for inclusive economic empowerment.

The development of local products with tourism market appeal became a significant income source for communities. Villages successfully developing authentic local products such as traditional crafts, processed foods, and cultural souvenirs recorded additional income averaging IDR 2.3 million per household per month. This demonstrates CBT's multiplier effect on the local economy beyond direct tourism services.

### **Multi-Stakeholder Collaboration and Policy Support**

Successful CBT implementation required effective collaboration between multiple stakeholders. Field observations revealed that villages with strong government support, active NGO involvement, and private sector partnerships achieved better outcomes in terms of infrastructure development, capacity building, and market access.

Government support manifested in various forms including infrastructure development, capacity building programs, promotional support, and regulatory facilitation. Villages receiving comprehensive government support through programs like ADWI (Indonesian Tourism

Village Award) and BUMDes development assistance showed 35% better performance in tourist satisfaction scores and 28% higher repeat visitor rates.

The role of NGOs and academic institutions in providing technical assistance proved crucial for community capacity building. Villages partnering with universities or development organizations demonstrated better abilities in tourism product development, financial management, and sustainable tourism practices. This finding supports Salazar's (2012) emphasis on the importance of external technical assistance for CBT success.

### **Challenges and Adaptive Strategies**

Despite positive outcomes, CBT implementation faced several significant challenges. The most commonly reported challenges included: (1) limited access to capital for tourism infrastructure development, (2) inconsistent service quality standards, (3) seasonal fluctuations in tourist arrivals, and (4) limited human resource capacity in tourism management.

To address these challenges, successful villages implemented various adaptive strategies. Capital access issues were addressed through cooperative arrangements, revolving fund mechanisms, and partnerships with microfinance institutions. Service quality improvements were achieved through regular training programs, peer learning exchanges between villages, and implementation of service standardization guidelines.

Seasonal tourism fluctuations were managed through product diversification strategies, development of off-season attractions, and creation of packages appealing to different market segments. The development of educational tourism, agricultural tourism, and cultural workshops helped maintain visitor flows during traditionally low seasons.

### **Sustainability and Long-term Development Prospects**

The sustainability of CBT development depends on communities' ability to balance economic benefits with cultural preservation and environmental conservation. Study findings indicate that villages with strong traditional governance systems and clear customary regulations demonstrated better success in maintaining this balance.

Environmental impact monitoring in the study locations showed that well-managed CBT activities generally had positive environmental outcomes, including increased community awareness of conservation, improved waste management practices, and sustainable utilization of natural resources. This aligns with the principles of sustainable tourism development emphasized by Saarinen (2020) and Dangi & Jamal (2016).

Long-term development prospects for CBT appear promising, with growing domestic tourism demand and increasing government support for village tourism development. However, sustained success requires continuous adaptation to changing tourist preferences, ongoing capacity building, and maintenance of authentic local characteristics that differentiate each village's tourism offerings.

The research findings demonstrate that CBT represents a viable and effective model for local economic development in the post-pandemic era, providing both immediate economic benefits and long-term development foundations for rural communities. The key to success lies in strong community institutions, effective digital adaptation, multi-stakeholder collaboration, and balanced approaches to economic, social, and environmental sustainability.

#### 4. Conclusion

This research shows that community-based tourism (CBT) plays a significant role in stimulating local economies during the post-COVID-19 pandemic recovery period. With a strong social base, participatory approach, and diversified economic activities, communities in tourism villages have been able to survive and even experience significant income increases during the transition to the new normal, with an average improvement of 50% compared to pre-pandemic conditions. Key strategies implemented include community institutional strengthening, local economic diversification, and tourism promotion digitalization as an integrated approach to building economic resilience.

Other findings indicate that CBT success is largely determined by multi-stakeholder collaboration, active community participation reaching 75% in successful villages, and responsive policy support. Tourism villages with transparent and adaptive governance systems are better prepared to face challenges such as fluctuating tourist numbers or changing travel trends. Digital adaptation emerges as a critical new factor, with social media usage increasing 200% and online booking adoption increasing 150% during the pandemic period.

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