

Tourism Villages: A Strategic Pathway to Poverty Alleviation

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Abstract.

Bantul Regency, situated within the Special Region of Yogyakarta Province, is endowed with rich natural and cultural resources, offering significant potential for development as community-based tourism destinations. In recent years, the establishment of tourism villages in this region has positively impacted the local economy, notably through increased tourist arrivals, the expansion of micro and small enterprises (MSMEs), and the rise of various community entrepreneurship initiatives. Nevertheless, poverty and unemployment, particularly in rural areas, persist as enduring structural challenges. Disparities in access to the economic benefits of tourism and the limited competitiveness of local business actors continue to impede inclusive development. This policy brief delineates strategies to mitigate poverty and unemployment by bolstering the rural economy in tourism village areas, utilizing Porter's Five Forces framework. This model is applied to map the competitive forces and pressures confronting local enterprises, including the threat of new entrants, the bargaining power of suppliers and buyers, the threat of substitute products, and the intensity of industry rivalry. The analysis indicates that the weak bargaining position of local communities within the tourism ecosystem necessitates targeted and collaborative policy interventions. Key policy recommendations include fortifying local economic institutions such as village-owned enterprises (BUMDes) and cooperatives, safeguarding micro-scale businesses, developing community-based supply chains, and enhancing villagers' skills and digital literacy. By cultivating a resilient and inclusive local enterprise ecosystem, these strategies are anticipated to generate new employment opportunities, augment household income, and sustainably reduce poverty levels in Bantul's tourism village areas.

Keywords: *Tourism Village Development; Poverty Reduction; Local Economic Empowerment; Porter's Five Forces; Inclusive Economic Growth*

I. INTRODUCTION

The tourism sector in Bantul Regency serves as a strategic catalyst for enhancing the local economy and significantly contributes to local revenue. The sector's reliance on tourist visitations renders it highly sensitive to fluctuations in tourist attractions and service quality. Data from 2019 to 2023 indicate an increase in nature-based tourist attractions from 32 to 75 units, while artificial tourism attractions decreased from 84 to 46 units (RPJPD Bantul Regency 2025-2045). Beyond augmenting PAD, the tourism sector plays a crucial role in addressing unemployment and alleviating poverty, particularly in rural areas such as Bantul Regency. Through the development of tourism villages,

this sector generates both direct and indirect employment opportunities for local communities, encompassing roles such as tour guides, homestay managers, MSME operators, and providers of transportation and culinary services. The multiplier effect of tourism activities fosters the growth of micro-enterprises and stimulates local economic circulation. Policy transmission is facilitated through community empowerment channels, skills training, capital facilitation, and the strengthening of local institutions such as BUMDes. Employing a participatory approach grounded in local potential, this policy fosters a more inclusive and autonomous economic ecosystem.

Village tourism has emerged as a significant strategy for rural economic development in Bantul Regency. Several tourist villages, including Mangunan, Kreet, and Wukirsari, have gained widespread recognition and successfully attracted both domestic and international tourists. Nevertheless, the economic advantages of tourism development have not been uniformly experienced by all villagers. Data from the past five years indicate that the number of tourism villages in Bantul Regency has increased from 38 in 2019 to 51 in 2023. This growth signifies enhanced community participation in the development of the local tourism sector. Tourism villages play a crucial role in employment generation by creating economic opportunities for villagers through lodging businesses, culinary ventures, tour guide services, and the sale of handicraft products. By leveraging local resources such as culture, agricultural systems, and culinary specialties, tourism villages establish an economic ecosystem that can directly enhance household income. These decentralized economic activities promote the circulation of money at the village level, thereby contributing to a reduction in poverty levels. The active involvement of the Tourism Office in facilitating programs and training further strengthens the capacity of residents to manage tourism potential, rendering tourism villages an effective instrument in sustainable poverty alleviation strategies in Bantul.

The establishment of tourism villages presents a viable alternative for mitigating unemployment and poverty. During the period from 2014 to 2023, the level of inequality in Bantul Regency was categorized as moderate, with a Gini Ratio ranging from 0.300 to 0.500. In 2023, the Gini Ratio experienced a significant increase, reaching 0.454, the highest in the past decade and surpassing the average for Yogyakarta. Paradoxically, this rise in inequality occurred alongside a decline in the poverty rate, which decreased from 12.27% in 2022 to 11.96% in 2023. Despite this progress, Bantul's poverty rate remains higher than both the provincial and national averages. Unemployment also contributes to poverty. The Bantul Regency Government is actively addressing unemployment by enhancing skills through training and collaborating with companies to create job opportunities. The Open Unemployment Rate in Bantul Regency saw a peak in 2020, reaching 4.06 percent due to the COVID-19 pandemic. Subsequently, it decreased gradually in 2021, 2022, and 2023, with rates of 4.04 percent, 3.97 percent, and 3.78 percent, respectively (RPJPD Bantul Regency 2025-2045).

Several primary challenges have been identified, including the community's limited managerial and entrepreneurial capacity, restricted access to capital, reliance on external actors, and a lack of differentiation in the tourism products offered. Empowering the community through potential economic sectors, both formal and informal, is anticipated to generate employment opportunities and ultimately reduce the open unemployment rate. The tourism sector is a key component in the development of the south coast region. It is encouraged that tourism activities become more environmentally sustainable by considering biodiversity as well as cultural and religious values in the local area, thereby enhancing the utilization of the south coast to support community welfare improvement. This study aims to analyze the role of tourism villages in alleviating poverty and unemployment in Bantul Regency by increasing income and economic involvement of local communities. Additionally, it seeks to formulate strategies to enhance the competitiveness of tourism villages using Porter's Five Forces framework as a foundation for inclusive and sustainable policy interventions.

This study is corroborated by several analogous investigations conducted in various countries, thereby allowing the recommendations presented herein to be informed by relevant prior research.

Numerous studies indicate that the tourism sector, particularly through the development of tourism villages, significantly contributes to alleviating poverty and unemployment at the local level. An increase in tourism activity has been shown to stimulate economic growth within communities, as evidenced by a study in Ecuador, which reported that a 1% increase in tourism economic activity resulted in a 4.31% reduction in the poverty rate in the region and its surroundings (Ponce et al., 2020). This phenomenon is similarly observed in Indonesia, such as in Jambi, where, although tourism does not directly impact the province's economic growth significantly, the sector nonetheless plays a crucial role in creating employment opportunities, thereby reducing unemployment (Amry et al., 2023). Another study highlighted the role of private tourism enterprises in facilitating poverty reduction through community empowerment initiatives and corporate social responsibility (Medina-Muñoz et al., 2016). Beyond direct economic impacts, the active participation of local communities is a critical determinant of the success of village tourism programs. For instance, studies in the ethnic villages of Guizhou, China, affirm that when residents are empowered to participate, tourism becomes an effective mechanism for enhancing economic independence (Yang et al., 2020). However, it is essential to recognize that the benefits of tourism are not uniformly distributed. The case of nature-based tourism in South Africa illustrates that its impacts are predominantly enjoyed by those directly involved, while broader benefits necessitate policy interventions aimed at restructuring economic distribution (Spenceley & Goodwin, 2007). Consequently, in the context of Bantul Regency, the development of tourism villages should be oriented not only towards increasing visitation but also towards ensuring that the economic benefits are inclusively and sustainably enjoyed by village communities.

Recent investigations into the role of tourist villages in poverty alleviation have seen the adaptation of Porter's Five Forces framework as a method for comprehending competitive strategies and market dynamics within the rural tourism sector. While its direct application remains somewhat limited, the fundamental principles—such as the threat of new entrants, the bargaining power of buyers and suppliers, the threat of substitute products, and the intensity of industry rivalry—are evident in various discussions aimed at enhancing the competitiveness of tourist villages (Isabelle et al., 2020; Magretta, 2012). Magretta (2012) underscores that differentiation is a crucial strategy for tourist villages to distinguish themselves from other destinations. This is particularly pertinent in the context of rural tourism, where the distinctiveness of local culture, nature, and traditional knowledge can serve as a source of competitive advantage. In the post-COVID-19 recovery phase, strategies employed by tourist villages also highlight the significant role of government support and stakeholder collaboration in establishing entry barriers for new competitors, through media promotion and infrastructure support (Nasution et al., 2023).

Moreover, the involvement of local communities in tourism development reflects the bargaining power of suppliers and buyers, wherein communities are not merely service providers but also pivotal actors in ensuring market sustainability. Research by Idziak et al. (2015) and Priatmoko et al. (2023) confirms that active community participation enhances the marketability of tourist villages while fortifying their bargaining position against external pressures. Regarding substitutes, tourist villages that can capitalize on local resources such as natural beauty, cultural traditions, and heritage possess a competitive advantage over urban or coastal tourism destinations (Neumeier & Pollermann, 2014). Consequently, Porter's framework provides an innovative analytical tool for formulating rural tourism development strategies based on local advantages, community engagement, and economic sustainability—positioning tourist villages as authentic pathways out of poverty and unemployment in rural areas.

II. METHODS

Porter's Five Forces is a strategic analytical framework developed by Michael E. Porter (1980) to assess the competitive intensity within an industry and the long-term profitability of firms operating therein. This framework examines five critical forces: (1) the threat of new entrants, (2) the threat of substitute products or services, (3) the bargaining power of suppliers, (4) the bargaining power of

buyers, and (5) the intensity of competitive rivalry. In the context of tourism village development in Bantul Regency, this approach is utilized to map the competitive dynamics and external pressures encountered by local business actors, as well as to identify policy interventions that can enhance the competitiveness of rural communities within the community-based tourism industry.

The initial phase of implementing this analysis involves identifying the principal sectors and stakeholders within the tourism village ecosystem, which encompasses homestay businesses, culinary services, craft producers, tour guides, and attraction providers. The subsequent phase entails the collection of both qualitative and quantitative data pertinent to the five forces, utilizing methods such as in-depth interviews, focus group discussions (FGDs), and field surveys. The final phase requires an analysis of each force, focusing on the degree of threat and its impact on the sustainability of local enterprises. For instance, in evaluating the threat of new entrants, it is necessary to consider the probability of external investors entering tourism villages and the existing entry barriers, including regulations, capital requirements, and local networks. Regarding buyer power, it is crucial to assess the extent to which tourists influence pricing and service quality, as well as how local actors adapt to evolving consumer preferences.

Key informants engaged in this process comprise: (1) local tourism village entrepreneurs, including micro, small, and medium enterprises (MSMEs), homestay managers, tour guides, and artisans; (2) community leaders and village officials; (3) managers of village-owned enterprises (BUMDes) and cooperatives; (4) representatives from the Bantul Regency Tourism Office and the Community Empowerment Office; and (5) academics and practitioners in tourism development. The participation of these stakeholders ensures a comprehensive understanding of both the constraints and opportunities within the tourism village ecosystem.

The primary dimensions to be evaluated through research instruments encompass: (1) the market structure and the variety of tourism products available, (2) the profiles and operational scale of business entities, (3) the supply chain connections among suppliers, producers, and consumers, (4) the presence and impact of external competitors, and (5) tourists' perceptions and preferences concerning tourism village services. These instruments are formulated using semi-structured interview guides and survey questionnaires.

Previous studies have demonstrated that Porter's Five Forces is an effective analytical tool for assessing local entrepreneurship potential (Eze, 2017; Gurel, 2020) and for planning community-based tourism development (Suansri, 2003; Alampay, 2015). Consequently, this approach not only facilitates the strategic positioning of tourism villages but also serves as a critical foundation for formulating affirmative policies and enhancing the competitiveness of the local economy in Bantul Regency.

III. RESULT AND DISCUSSION

This policy brief has been developed with the objective of devising a strategy to mitigate poverty and unemployment by enhancing the tourism village-based economy in Bantul Regency. In its formulation, Porter's Five Forces framework is employed to identify the various pressures and opportunities encountered by business actors within the tourist village sector, encompassing aspects of competition, market power, and the position of local competitiveness relative to external actors. By systematically comprehending these dynamics, the policies are anticipated to address the structural challenges that have impeded the optimization of the potential of tourism villages in fostering local economic growth. The subsequent discussion will elaborate on the analysis results of each element within Porter's Five Forces framework and present policy recommendations that the Bantul Regency Government can implement in a targeted and sustainable manner to establish a more inclusive, independent, and resilient tourist village ecosystem in the face of market pressures.

3.1. Poverty and unemployment reduction strategies based on strengthening the tourism village economy.

Over the past six years, Bantul Regency has experienced a favorable decline in its poverty rate, with the 2023 figure recorded at 11.96 percent, representing a 0.31 percent decrease from the previous year. The poverty alleviation initiatives in this region specifically target impoverished and vulnerable groups, including individuals with disabilities, the elderly, female heads of households facing socio-economic challenges, and neglected children. Given the multidimensional nature of poverty, a comprehensive approach is required to address it effectively. The Government of Bantul Regency has enacted Regional Regulation No. 6/2017 (Perda No 6/2017), an enhancement of the preceding regulation, which emphasizes three primary areas of focus in poverty reduction: firstly, the accuracy of poverty and other social welfare data; secondly, the expansion, quality improvement, and management of services for the impoverished and vulnerable populations; and thirdly, the empowerment of the poor who possess the potential for self-sufficiency.

As part of its empowerment strategy, the Regional Government aims to enhance the skills and earnings of low-income communities by supporting micro and small enterprises and addressing essential needs in a sustainable manner. A significant factor contributing to the elevated poverty levels is the Open Unemployment Rate (TPT) in Bantul Regency. To address this issue, local authorities have concentrated on enhancing workforce skills in both formal and informal sectors and fortifying the tourism industry to generate employment opportunities. The tourism sector is deemed strategic due to its substantial ripple effect on other areas, particularly micro, small, and medium enterprises (MSMEs). Tourism not only provides direct employment but also facilitates the growth of businesses from micro to small scale, thereby playing a crucial role in simultaneously reducing poverty and unemployment. (Yose, 2023) (Prabowo et al., 2024) (Susan, 2020).

Strengthening the tourism sector in Bantul Regency is carried out through the development of both natural and artificial tourism, with the main objective of increasing the attractiveness of tourist visits. One of the strategies implemented is the organization of various types of events, both on a national and international scale, which are held by the local government, private actors, and the tourist villages themselves. These events include the Jogja Air Show (JAS) Festival, “Njajah Bantul Milangkori”, Culinary Festival, and various other tourism promotion agendas. The implementation of these events is not only intended as a means of destination promotion, but also as a strategic step to reduce the imbalance in the distribution of tourist visits among various destinations in the Bantul region. In other words, the event serves as a tool to encourage a more even distribution of tourists and not concentrated in certain locations only. (Sutiadiningsih et al., 2024)

The significance of tourism villages in this context is substantial, as they serve not only as venues for events but also as catalysts for the local economy through the management of tourist attractions that leverage local potential. In 2023, the tourism sector experienced a notable increase, with total tourist arrivals rising by 101.49 percent compared to the previous year. This growth reflects the resurgence of tourist interest post-pandemic and the effectiveness of the promotional strategies employed. Specifically, destinations managed by tourism villages, which are recognized for their distinct characteristics and uniqueness, witnessed an increase in visits of 103.75 percent (RPJPD Kabupaten Bantul 2025-2045). This surge indicates the success of enhancing the capacity of tourism villages to attract tourists, as well as their contribution to augmenting local community income and broadening the economic impact of the tourism sector in the region.

Bantul Regency has demonstrated a robust commitment to addressing unemployment through various strategies, including job skills training, and facilitating partnerships with companies to enhance employment opportunities for the community. Nevertheless, challenges persist, as evidenced by the Open Unemployment Rate (TPT) data from the 2014-2023 period, which showed a significant increase in 2020, reaching 4.06 percent due to the COVID-19 pandemic (BPS Bantul Regency, 2024). Although the rate gradually decreased over the subsequent three years, recording 3.78 percent in 2023, this indicates that efforts to reduce unemployment still necessitate systemic

and consistent measures. One promising sector that could be further optimized is the tourism sector, particularly tourism villages in the southern coastal region. Tourism activities in this area hold substantial potential for absorbing local labor in both the formal and informal sectors. If managed judiciously—by considering environmental sustainability, biological preservation, and local cultural and religious values—these activities can serve as a catalyst for community-based development.

Regrettably, the strategy of mitigating poverty and unemployment through the enhancement of tourism village economies has not been fully integrated into the medium- and short-term development planning documents in Bantul. This represents a gap that necessitates the adoption of more progressive and contextually relevant policies. Several strategies, though infrequently employed, are particularly pertinent to the characteristics of the Bantul region. Firstly, the integration of local culture-based tourism training with job skills enhancement programs in tourist villages, particularly in coastal and hilly areas, is essential. This training should encompass not only hospitality and homestay management but also the production of traditional handicrafts and the provision of ecotourism services, with a focus on engaging youth and women. Secondly, the establishment of a tourism village entrepreneur incubation center in each sub-district is crucial. These centers would assist micro, small, and medium enterprises (MSMEs) and tourism awareness groups (Pokdarwis) in developing sustainable business models and accessing digital markets. Thirdly, the strengthening of village institutions through the revitalization of Village-Owned Enterprises (BUMDes) is necessary, enabling them to function not only as managers of village assets but also as drivers of economic distribution in inclusive tourism villages. Fourthly, it is important to advocate for the affirmative allocation of Village Funds for tourism human resource development activities and supporting infrastructure, such as sanitation, creative spaces, and environmentally friendly transportation routes. Fifthly, expanding partnership schemes between tourism villages and creative industry players, academic institutions, and digital communities is vital to fostering an innovation-based tourism ecosystem. If implemented comprehensively, these strategies will have a multiplier effect, enhancing household income, expanding local employment opportunities, and reducing poverty. Most importantly, all these strategies must be articulated in regional development planning documents to secure political legitimacy and adequate budgetary support.

3.2. Analysis of Competitive Pressures and Opportunities in Tourist Villages Utilizing Porter's Five Forces Framework.

This section examines the competitiveness of community-based business activities within tourism villages in Bantul Regency. The analysis employs Porter's Five Forces framework as a strategic instrument to comprehend market dynamics and the competitive positioning of local enterprises. Although initially developed for large-scale industries and corporate sectors, the fundamental principles of this framework can be contextually adapted to evaluate the competitive structure in rural tourism sectors, such as those found in tourism villages. (Isabelle et al., 2020)

The development of tourism villages in Bantul has played a significant role in the region's local economic development strategy. However, this growth introduces new challenges for local entrepreneurs, including the need to preserve the uniqueness of their tourism offerings, manage external pressures from more resource-rich entities, and ensure the sustainability of community-operated enterprises. In this context, the application of Porter's Five Forces is pertinent for mapping the competitive pressures and opportunities confronting local tourism enterprises. This framework aids in identifying the threat of new entrants, the bargaining power of suppliers and buyers, the threat of substitute products, and the intensity of rivalry among existing competitors. (Zhang et al., 2023) (Camilleri, 2020) Through this structured analysis, more targeted and locally adapted strategies can be developed to fortify the position of community businesses and enhance the resilience and sustainability of tourism village economies in Bantul Regency.

- 1. Threat of New Entrants.** The threat from new entrants in the context of village tourism in Bantul is significant. Along with the popularity of tourist areas such as Mangunan, Kasongan, and Kreet, many external parties are interested in entering the sector-including private investors, tour operators, and tourism e-commerce players. The low barriers to entry due to the absence of strict regulations that protect local actors make the position of villagers' businesses vulnerable to being slowly displaced. In some cases, the development of homestays or culinary centers is controlled by outside investors who do not actively involve villagers. This not only poses a threat of market loss for local actors, but also creates asymmetrical dynamics in the distribution of economic benefits. On the other hand, opportunities arise if village governments and local governments can form affirmative regulations that require inclusive partnership models and provide incentives for community-owned businesses. This strategy will increase the resilience of local actors to external competition.
- 2. Bargaining Power of Suppliers.** In Bantul, many tourism-related enterprises, including homestay operators, food vendors, and craft merchants, remain significantly reliant on external suppliers for raw materials, logistics, and technological support. This dependency undermines the bargaining power of local stakeholders and results in economic leakage beyond the village boundaries. For instance, the handicraft products offered by local vendors often incorporate basic materials sourced from other cities or regions. However, opportunities emerge when local business entities, such as BUMDes, cooperatives, or farmer groups, are empowered to serve as primary providers of production inputs, encompassing the procurement of local food, traditional furniture, or craft materials. By establishing community-based supply chains, tourist villages can enhance their economic autonomy and bolster their negotiating leverage with external suppliers.
- 3. Bargaining Power of Buyers.** In the rural tourism sector, tourists function as both consumers and evaluators, influencing the reputation of the destination. The demand from tourists for low prices, rapid service, and distinctive experiences often compels local stakeholders to adapt, frequently without adequate resources. This situation is further complicated by the lack of product differentiation among tourist villages, which provides tourists with numerous alternatives and compresses business margins. However, contemporary consumers are increasingly valuing sustainability, cultural authenticity, and genuine local experiences. This presents a significant opportunity for businesses in the Bantul tourism village to enhance competitiveness through product innovation, the reinforcement of cultural narratives, and the digitization of services. Implementing training in tourism storytelling, quality management, and digital marketing constitutes a crucial strategy to bolster the bargaining position of local stakeholders in response to the evolving complexity of consumer expectations.
- 4. Threat of Substitutes.** The risk from substitute products in tourism villages stems from alternative destinations that provide similar experiences with better pricing or accessibility. For example, tourists might choose between visiting a tourist village in Bantul or heading to urban spots like Malioboro or the beaches in Gunungkidul. This competitive environment requires tourism villages to develop a unique image and experience, which includes not just attractions but also services, visitor interaction, and integration with local life. Moreover, substitutes might also involve virtual and digital entertainment, which can reduce interest in physical tourism. Therefore, stakeholders in tourism villages need to offer unique "added value," such as direct engagement with local culture, involvement in traditional activities, and nature-based and educational tourism experiences. These benefits should be part of a sustainable branding and differentiation strategy.
- 5. Industry Rivalry.** The intensity of competition among business entities within the tourism village ecosystem in Bantul is escalating, corresponding with the proliferation of active and developing tourism villages. This competitive dynamic is not confined to inter-village interactions but extends to intra-village actors, such as homestay managers and attraction providers. The lack of coordination, absence of standardized quality benchmarks, and weak institutional frameworks contribute to potential conflicts and unhealthy competition.

Nevertheless, if harnessed collaboratively, this competition can serve as a catalyst for innovation and collective empowerment. The formation of a district-level tourism village forum, the standardization of services, and cross-village cooperation present significant opportunities to foster a healthy and mutually reinforcing competitive ecosystem. Strengthening institutions such as Pokdarwis, BUMDes, and partnerships among village MSMEs is essential to ensure that competition does not adversely affect local communities.

The analysis of Porter's five forces in the context of tourism villages in Bantul Regency shows that local businesses are under complex pressures, both external and internal. However, each pressure also opens strategic opportunities if responded to with the right policies. Efforts such as strengthening local supply chains, increasing human resource capacity, differentiating tourism products, and strengthening village institutions are key to strengthening the competitiveness of tourism villages (Negi, 2024) (Khan et al., 2024). Local governments have an important role as facilitators, regulators, and accelerators that bridge the needs of local actors with growing market opportunities (Markantoni et al., 2019) (Priatmoko et al., 2023). Through Porter's approach, the development of tourism villages in Bantul can not only increase the income of rural communities, but also become a real instrument in alleviating poverty and unemployment in a sustainable manner.

3.3. Policy Recommendations for Promoting Inclusive and Sustainable Economic Development in the Tourism Villages of Bantul

The findings of this study highlight the necessity of developing policy recommendations that are both inclusive and attuned to the competitive environment encountered by community-based tourism enterprises in Bantul Regency. Considering the structural challenges—such as high unemployment, moderate-to-high income inequality, and limited capacity among local stakeholders—there is a pressing need for the regional government to implement strategic interventions grounded in a localized comprehension of market forces and community dynamics.

First, the Government of Bantul should institutionalize the development of tourism villages as a fundamental component of its medium- and short-term development planning documents. This necessitates the integration of tourism village programs into the regional strategic agenda and the assurance of consistent budget allocations. Such institutionalization would provide legal and financial certainty for the continuity of tourism-based poverty alleviation programs. **Second**, policy instruments should prioritize capacity-building initiatives aimed at enhancing the entrepreneurial and managerial skills of residents. These initiatives could take the form of vocational training in hospitality, digital marketing, and sustainable business practices, particularly tailored for youth and women in rural areas. By doing so, local communities can better position themselves within the competitive tourism ecosystem and benefit more directly from tourism-generated income. **Third**, establishing incubation centers for tourism village entrepreneurs in each sub-district would serve as a practical support mechanism. These centers could facilitate access to markets, mentorship, and innovation ecosystems, thereby strengthening the viability and sustainability of micro and small tourism enterprises. **Fourth**, the revitalization of Village-Owned Enterprises (BUMDes) should be prioritized. Rather than serving merely as passive asset managers, BUMDes should evolve into dynamic institutions that actively manage tourism services, facilitate supply chain integration, and coordinate with cooperatives to pool resources for better bargaining power. **Fifth**, inter-village and multi-stakeholder collaborations must be encouraged to develop joint tourism packages and thematic destination branding. Such collaborations can reduce unhealthy competition and promote synergy among tourism villages. **Sixth**, affirmative policies should be enacted to ensure the flow of Village Funds into tourism-supporting infrastructure, including waste management systems, eco-friendly transport, cultural preservation centers, and digital infrastructure. These investments will not only improve tourist experiences but also enhance the quality of life for residents. **Seventh**, sustainability principles must be embedded in all tourism development plans. Environmental conservation, cultural integrity, and religious values must guide tourism practices to ensure long-term resilience and community acceptance. The government should develop a Tourism Village Sustainability Index to monitor environmental, economic, and social indicators. **Lastly**, monitoring

and evaluation mechanisms need to be enhanced to track the impact of tourism on poverty and unemployment. The use of community-based indicators, participatory evaluation tools, and adaptive feedback mechanisms will enable more responsive and effective policy implementation.

IV. CONCLUSION

This study reaffirms that tourism villages can function as a strategic mechanism for rural development, poverty alleviation, and local economic empowerment in Bantul Regency. Utilizing Porter's Five Forces framework, it becomes apparent that local enterprises within tourism villages encounter complex competitive pressures, yet they also possess substantial growth potential if supported by well-aligned policies.

The recommendations provided offer a roadmap for transforming tourism villages into resilient, inclusive, and economically vibrant communities. Central to this transformation is a collaborative governance model in which local governments, village authorities, civil society, and the private sector work in synergy. Investing in human capital, fostering community entrepreneurship, institutionalizing inclusive planning, and aligning development goals with sustainability imperatives are not optional—they are essential.

The ultimate objective is to ensure that tourism development not only increases visitation numbers but also translates into enhanced welfare for rural populations. Tourism should serve to achieve dignified livelihoods, social cohesion, and environmental stewardship. Consequently, the lessons from Bantul's experience offer valuable insights for other regions seeking to leverage tourism for inclusive development.

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