

GOOD GOVERNANCE AS A PILLAR OF TOURISM VILLAGE DEVELOPMENT: A CASE STUDY OF UNDISAN VILLAGE, BANGLI REGENCY, BALI

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Abstract

This research explores the critical role of good governance in fostering sustainable development in Undisan Tourism Village, Bangli Regency, Bali, focusing on how transparency, accountability, participation, and inclusiveness influence tourism management and community growth. Conducted using a qualitative approach, the research involved in-depth interviews with village leaders, tourism operators, and community members, alongside document analysis and field observations to ensure data validity. The study found that participatory governance and cultural value integration bolster economic resilience and cultural sustainability, though challenges like resource constraints, weak stakeholder coordination, and bureaucratic inefficiencies hinder effective governance implementation. The study's focus on Undisan Village presents a limitation, as the findings may not fully apply to other regions with different cultural, economic, or governance contexts, restricting the broader applicability of its conclusions to similar tourism village settings. This study offers valuable insights for policymakers, local authorities, and researchers in sustainable tourism and governance. Its uniqueness lies in examining the interplay between good governance and cultural values, providing a distinct perspective on rural tourism development through Undisan's experience.

Keywords: Community Development, Cultural Sustainability, Good Governance, Sustainable Tourism, Tourism Village,

A. INTRODUCTION

Tourism has emerged as a vital driver of economic growth and cultural preservation globally, contributing significantly to local development, particularly in rural areas. As of 2022, the World Tourism Organization (UNWTO) emphasized the increasing importance of sustainable tourism in rural settings, which not only supports economic opportunities but also preserves local heritage and traditions (UNWTO, 2022). In this context, the governance framework plays a pivotal role in shaping the development and sustainability of tourism villages by ensuring inclusiveness, accountability, transparency, and participation in decision-making processes. Effective governance has been recognized as a cornerstone for sustainable

tourism development, particularly in developing regions, where community involvement and cultural alignment are critical factors (Hristov & Zehrer, 2015).

Indonesia, with its rich cultural and natural resources, has prioritized the development of tourism villages as part of its national strategy to promote rural development and cultural preservation. Bangli Regency, Bali, is a prime example of a region where tourism villages have been integrated into local governance policies. Among these, Undisan Tourism Village stands out for its unique cultural assets and ecological attractions, including traditional *Subak* irrigation systems and Balinese cultural performances. According to data from the Undisan Village Office, tourist visits to the village reached approximately 12,000 in 2021, with revenue contributing significantly to the village's annual budget, amounting to IDR 2.4 billion. However, despite its success, challenges persist, including limited stakeholder coordination, resource constraints, and inefficient bureaucratic processes, which impede the village's full potential as a sustainable tourism destination.

Good governance is widely regarded as a solution to address such challenges, offering a framework for participatory and inclusive decision-making that aligns with local cultural values. Previous studies, such as those by Purwoko and Wahyuni (2019), have highlighted the role of governance in improving tourism management and fostering community empowerment in Indonesian tourism villages. Similarly, Hadi et al. (2021) argue that integrating local cultural values into governance practices strengthens the cultural sustainability of rural tourism. However, there is limited research specifically examining the intersection of governance and cultural values in the context of Undisan Tourism Village. This gap highlights the need for further exploration to understand how governance principles can enhance sustainable tourism while addressing the village's unique challenges.

This study seeks to bridge this gap by examining the role of good governance in the sustainable development of Undisan Tourism Village. Through a qualitative approach, this research explores how governance principles—transparency, accountability, participation, and inclusiveness impact the village's tourism management and community development, providing valuable insights for policymakers and stakeholders in rural tourism context.

B. LITERATURE REVIEW

The Role of Good Governance in Tourism Development

Good governance is a critical factor in the sustainable development of tourism, particularly in rural settings. It ensures that decision-making processes are transparent, inclusive, accountable, and participatory, thereby fostering collaboration among stakeholders and optimizing resource management. Globally, the principles of good governance have been linked to successful tourism outcomes, as they create frameworks that address potential challenges like stakeholder misalignment and resource scarcity (Hristov & Zehrer, 2015). Governance is especially important in regions like Indonesia, where tourism villages play a significant role in rural development strategies. Studies have emphasized that when governance mechanisms are aligned with local contexts, they help to balance economic development with environmental sustainability (Ministry of Tourism and Creative Economy, 2021). In this regard, Undisan Tourism Village provides a compelling case, demonstrating both the potential and challenges of governance in rural tourism.

Despite its importance, governance in rural tourism settings often faces challenges. Limited infrastructure, bureaucratic inefficiencies, and a lack of stakeholder coordination are common barriers in tourism villages, including Undisan. According to research by Purwoko and Wahyuni (2019), such issues are compounded by the absence of capacity-building initiatives for local stakeholders. International studies echo similar findings, highlighting the need for governance systems that integrate policy frameworks with practical tools to ensure effective implementation (Hadi et al., 2021). Addressing these gaps through a well-structured governance framework can ensure that tourism initiatives are not only economically viable but also culturally and environmentally sustainable.

Tourism Villages and Rural Development

Tourism villages are designed to promote rural development by leveraging local cultural and natural resources. They offer unique attractions, such as traditional crafts, eco-tourism experiences, and cultural performances, which help generate income for local communities. In Indonesia, tourism villages are recognized as a vital strategy for poverty alleviation, with the government actively supporting their growth to reduce rural-urban migration and create employment opportunities (Arismayanti et al., 2019). For example, Undisan Tourism Village's offerings, including the Tangkup Waterfall and gold and silver crafts, have significantly contributed to local economic development. In 2021, the village welcomed 12,000 tourists, generating IDR 2.4 billion in revenue, a testament to its economic potential.

However, the success of tourism villages depends on effective governance that can address challenges such as insufficient marketing, inadequate infrastructure, and fragmented stakeholder collaboration. Research by Jakovic et al. (2015) highlights that rural tourism requires robust governance systems to manage resources efficiently while protecting cultural heritage and ensuring environmental sustainability. In the case of Undisan, governance gaps in areas like promotion, infrastructure, and tourist activity management indicate a need for more coordinated efforts to realize the village's full potential. Strengthening the governance framework can help address these challenges and ensure that tourism villages contribute to sustainable rural development.

Cultural Values and Community Participation in Governance

Bali's tourism philosophy, *Tri Hita Karana*, underscores the importance of harmony between humans, the environment, and spirituality. This cultural framework is central to the development of tourism villages, ensuring that tourism aligns with local traditions while fostering environmental sustainability. Studies suggest that integrating such cultural values into governance enhances the authenticity of tourism offerings and strengthens community involvement (Hadi et al., 2021). In Undisan, cultural attractions like traditional crafts and rituals are key to its appeal, but their preservation requires effective governance that respects local traditions while promoting sustainable tourism practices.

Community participation is equally crucial in tourism governance, as it fosters a sense of ownership and ensures that benefits are equitably distributed. Research by Purwoko and Wahyuni (2019) indicates that empowering local communities through capacity-building initiatives and financial support enhances their engagement in tourism management. However, in Undisan, limited community involvement and insufficient training hinder the full realization of its potential. Addressing these gaps through a governance framework that emphasizes local participation and cultural alignment can strengthen the sustainability and resilience of tourism villages, making them models for rural development globally.

C. RESEARCH METHODOLOGY

This study adopts a qualitative research approach using a case study method to investigate the role of good governance in the sustainable development of Undisan Tourism Village, Bangli Regency, Bali. The case study method allows for an in-depth examination of governance practices, cultural integration, and their influence on tourism management and community development. Primary data is collected through observations and interviews with key stakeholders, including Chief of the Village (Perbekel) Undisan Village, Tourism Aware Groups (Pokdarwis) Chairperson, Tourism Actor, the Owner of Homestay, Villa, Craftsman and local community in Undisan Tourism Village as well as document analysis and field observations. To ensure the validity and reliability of findings, data triangulation was conducted by comparing information from interviews, documents, and observations (Creswell & Poth, 2018). Informants are selected through purposive sampling, targeting those knowledgeable and directly involved in the research issues. Data collection techniques include direct observation, guided interviews, and documentation to complement primary data. Data credibility is ensured through triangulation, involving source, technique, and time checks. The study uses interactive data analysis techniques (Miles et al 2014), including data collection, reduction, and presentation, following the IPA model (Eatough & Smith, 2017)

D. RESULT AND DISCUSSIONS

Geographic Features and Attractions

Undisan Tourism Village is located in Tembuku District, Bangli Regency, Bali, approximately 45 kilometers northeast of Denpasar. The village is divided into several *banjar* (hamlets), each playing a distinct role in the community's daily life and tourism activities.

Undisan comprises four *banjar*: Undisan Kelod, Undisan Kaja, Sekaan and Tabunan as shown in figure 1.

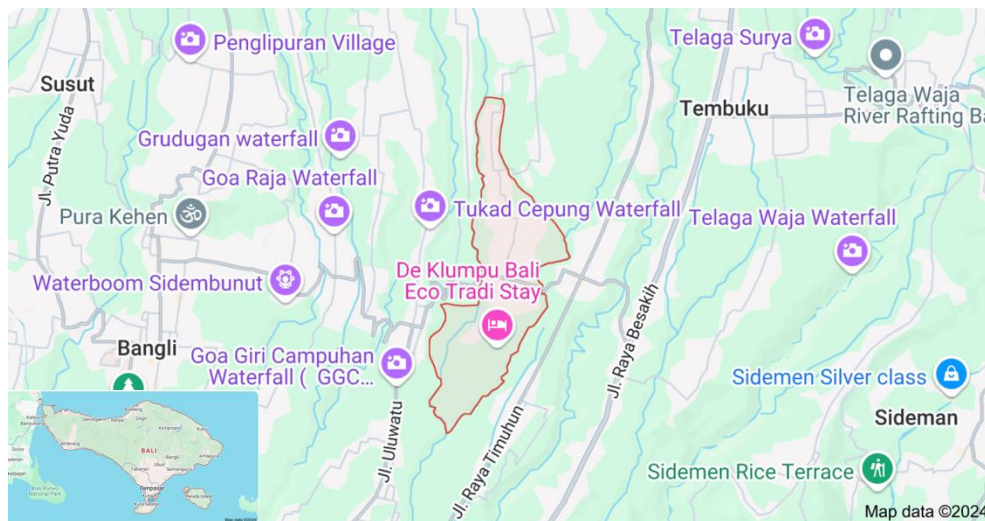


Figure 1. Geographic Location Map of Undisan Village, Bali
Source : Data Map 2024

According to data from the Undisan Village Office, the village has a population of approximately 2,800 residents. Most villagers are engaged in agriculture, artisanal crafts, and tourism-related services, reflecting a balanced mix of traditional and modern livelihoods. Hinduism, the predominant religion, shapes the spiritual and cultural practices of the community, with ceremonies and temple festivals being integral parts of daily life.

Undisan offers immersive cultural experiences through homestays and villa accommodations managed by local families. These homestays allow tourists to experience Balinese life firsthand, including participating in traditional ceremonies, cooking local dishes, and engaging in cultural performances. Religious rituals and festivals held at the village temples further enrich the visitor experience, providing a deep understanding of Bali's spiritual and cultural values.

This combination of geographic charm, cultural richness, and community-based tourism activities positions Undisan as a destination with significant potential for sustainable tourism development. However, as discussed in the subsequent sections, realizing this potential requires addressing challenges related to governance, community participation, and infrastructure development.

Tourist Visit Trends

Tourist visits to Undisan have seen significant growth in recent years, as shown in Table below:

Table 1. Tourist Visits to Undisan Tourism Village 2022 – 2024

No	Year	Number of Visitors
1	2022	3.379 Persons

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2	2023	8.748 Persons
3	2024 (data as of October)	10.590 Persons

Source : Data from Home Stay & Villas in Undisan Village

As shown in Table 1, tourist visits to Undisan Tourism Village have increased significantly over the last three years, from 3,379 in 2022 to 10,590 by October 2024. However, this growth has primarily been driven by independent promotional efforts from homestay and villa owners rather than structured initiatives by the village government. Interviews with these stakeholders reveal that social media and personal networks are the main tools used to attract visitors.

The lack of promotional support from the village government is a major concern. While local businesses invest significant resources in marketing their services, these efforts are not complemented by broader campaigns that highlight Undisan's unique cultural and natural attractions. This lack of coordinated promotion limits the village's potential to attract a wider audience, particularly international tourists.

Despite the growing number of visitors, the absence of integrated tourism planning has led to challenges in managing tourist flow and infrastructure. For instance, road access to Tangkup Waterfall remains poor, which deters visitors and affects their overall experience. These challenges emphasize the need for the village government to play a more active role in promoting Undisan and addressing infrastructural gaps to sustain growth in tourist arrivals.

Transparency and Accountability

Transparency and accountability are foundational principles of good governance, but these aspects remain inadequate in Undisan Tourism Village. Based on interviews with Pokdarwis, homestay and villa owners, and community members, financial reports from tourism activities are not regularly disclosed to stakeholders. This lack of financial transparency creates mistrust among tourism actors and hampers collaboration. Moreover, there is a perception that tourism-related funds are not managed efficiently, further fueling dissatisfaction among local stakeholders.

Decision-making processes in Undisan Village also lack inclusiveness, as Pokdarwis and key tourism actors are not actively involved in discussions. While village leaders make decisions about tourism development, these processes do not include comprehensive consultations with all stakeholders, resulting in a lack of alignment between governance initiatives and the needs of the tourism sector. For instance, decisions on infrastructure projects and marketing strategies are made without input from those directly managing tourism operations, such as homestay operators and Pokdarwis.

Feedback from interviews with residents and tourism stakeholders highlights significant dissatisfaction with governance practices in Undisan. Pokdarwis leader and villa owners, noted that the overall governance framework lacks structure and effectiveness. The absence of transparent communication and inclusive decision-making contributes to negative perceptions of governance quality, with stakeholders feeling excluded and unsupported by the village government. This sentiment underscores the need for governance reforms that prioritize transparency, accountability, and stakeholder engagement.

Community Participation

Community participation is critical for sustainable tourism development, yet it remains limited in Undisan. Interviews revealed that most residents are unaware of the economic benefits of tourism and its potential to improve their livelihoods. This lack of awareness is reflected in the low levels of community involvement in tourism initiatives, with only a small percentage of villagers participating in activities like homestay management, craft production, or cultural performances.

Barriers to participation include limited knowledge and skills among residents, as well as a lack of capacity-building programs. Pokdarwis leaders expressed concerns about the insufficient efforts to educate and empower the community to take an active role in tourism development. Without proper training or support, many residents remain disengaged, missing opportunities to benefit from tourism-related income.

The limited participation also impacts the broader development of Undisan as a tourism destination. With few villagers contributing to the maintenance of attractions or the creation of new tourism products, the village struggles to diversify its offerings and improve the visitor experience. Addressing these gaps requires targeted awareness campaigns and training initiatives to equip the community with the skills and motivation needed to engage in tourism activities.

Challenges in Governance Implementation

Inadequate infrastructure and insufficient stakeholder coordination are among the biggest challenges facing Undisan Tourism Village. Poor road conditions leading to key attractions, such as Tangkup Waterfall, remain a persistent issue due to limited investment by the village government. Interviews with local stakeholders revealed frustration over the lack of attention given to infrastructure, with many suggesting that this neglect hinders the village's potential to provide a high-quality tourism experience.

Stakeholder coordination is another critical area requiring improvement. Currently, there is little collaboration between village leaders, Pokdarwis, and tourism operators, resulting in fragmented efforts to develop and market the village. This lack of cohesion undermines the efficiency of tourism initiatives and limits the village's ability to compete with other destinations in Bali.

The absence of a strategic governance framework exacerbates these issues. With no clear mechanisms for involving stakeholders in decision-making or addressing infrastructure needs, Undisan risks stagnating in its tourism development efforts. Addressing these governance challenges will require the village government to establish structured processes for stakeholder engagement and to allocate resources more effectively toward infrastructure improvement and marketing strategies.

The findings affirm the importance of good governance in achieving sustainable tourism in rural areas, aligning with previous research emphasizing governance as a critical factor for resource optimization and community empowerment (Hristov & Zehrer, 2015). Transparent governance processes in Undisan, such as sharing financial records, build trust among stakeholders, a crucial component for collaborative tourism development. However, adopting digital tools for governance communication could enhance accessibility and inclusivity.

Despite the rise in tourist numbers (Table 1), interviews underscore that this success is primarily due to the independent promotional efforts of homestay and villa owners rather than

systematic village governance. This finding highlights the need for the village government to take a more proactive role in marketing the village's tourism potential, as this could further accelerate growth and distribute benefits more widely across the community.

Community participation is crucial for sustainable tourism but remains limited in Undisan. The lack of awareness among residents about the potential economic benefits of tourism contributes to this challenge. Addressing this gap requires targeted educational campaigns and training programs to build local capacity and foster a stronger sense of ownership.

Furthermore, the lack of attention to critical infrastructure, such as roads leading to Tangkup Waterfall, underscores the need for a coordinated governance framework that prioritizes infrastructure development. As previous studies suggest, public-private partnerships could be an effective solution for resource mobilization to address these challenges (Purwoko & Wahyuni, 2019). These findings highlight the importance of integrated governance practices to balance the roles of government, private stakeholders, and the community in driving sustainable rural tourism development.

E. CONCLUSION

This study emphasizes the vital role of good governance in supporting the sustainable development of Undisan Tourism Village, Bangli Regency, Bali. Governance principles such as transparency, accountability, participation, and inclusiveness are key to the village's tourism management and community development. However, the findings indicate significant gaps, including inadequate financial transparency, limited stakeholder involvement, and low community participation. These shortcomings hinder the effectiveness of the governance framework. Although the village has seen a steady increase in tourist visits, this growth has been largely driven by the independent promotional efforts of homestay and villa owners, with minimal involvement from the village government. Additionally, infrastructure challenges, particularly poor road conditions leading to attractions like Tangkup Waterfall, remain a significant barrier to fully realizing the village's tourism potential.

The primary limitation of this study is its focus on Undisan Tourism Village, which restricts the applicability of the findings to other regions with different cultural, economic, and governance dynamics. Additionally, the reliance on qualitative methods provides rich insights but may lack the breadth offered by quantitative approaches. Future research could address these limitations by including multiple tourism villages and adopting a mixed-methods approach to ensure a broader perspective.

Several measures are recommended to enhance governance and support sustainable tourism development in Undisan Tourism Village: 1) Enhancing Transparency and Accountability: The village government should implement systems to regularly disclose financial reports and involve key stakeholders, such as Pokdarwis and tourism operators, in decision-making processes. 2) Encouraging Community Participation: Awareness programs and capacity-building initiatives are essential to educate residents on the economic benefits of tourism and empower them to actively contribute to tourism activities. 3) Improving Infrastructure: Upgrading key infrastructure, such as the road to Tangkup Waterfall, should be prioritized to enhance accessibility and the overall visitor experience. Public-private partnerships could be explored to mobilize resources for such improvements. 4) Strengthening

Promotional Efforts: The village government must play a more active role in marketing Undisan's unique attractions through coordinated campaigns and digital platforms, aiming to reach a wider domestic and international audience. By addressing these issues, Undisan Tourism Village has the potential to become a model of sustainable rural tourism, successfully balancing economic growth, cultural preservation, and community empowerment.

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