Emerging Opportunities for Halal Tourism in Rural Areas: Insights from Indonesia

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ABSTRACT

Muslim-oriented tourism has raised international interest, leading to the need to deepen and expand current research into the long-defeated relationship between Islam and geographic tourism. Indonesia was among Muslim-dominated countries encouraging tourism and improving its capacity to host mainly Western visitors. This study explores the feasibility of developing ecological tourism in rural areas – one of Indonesia’s leading destinations – about the possibility of building a tourism industry closer to the needs of Muslim customers and more compatible with Islamic beliefs. The study employed qualitative approach. Data analysis performed using an interactive approach which consist of three stages: data reduction, data presentation, and verification/conclusion drawing. This study shows four potentialities for religious education visits: pilgrimage simulation route, Muslim swimming pools, prayer building, and archery venue. Meanwhile the inhibiting factors include accessibility, distance, alliances, and formal structures. SWOT analysis resulted into four strategies that might be useful guideline for the local government in promoting the halal eco-tourism in the rural areas.

Keywords: Halal Tourism, Entrepreneurial Support, Local Wisdom, Feasibility Study, Rural Areas

INTRODUCTION

Tourism sector plays an important role in accelerating Indonesian economic development. Tourism contribution to GDP (Gross Domestic Product) was 9.3% in 2014, and national employment was 8.4% equivalent to 9.8 million workers. In 2014, 9.4 million international visitors exchanged USD 11.2bn. Worldwide economic processes have practically stopped with trade and tourism evaporating due to the crisis in COVID-19. In June, the International Monetary Fund forecasted a 4.9 percent downturn for the world economy in 2020, warning households of extremely harsh conditions. Indonesia’s GDP growth forecast for 2020 had been reduced by April to 2.3% from 5.3%. Facing with such hardship, public or private leaders should plan for the post-crisis climate by identifying economic reforms to strengthen the country after the pandemic, and protecting community livelihoods. In the future, policymakers and corporate leaders should begin implementing more long-term plans to help the Indonesian government to proliferate the tourism sector.
Indonesia has the opportunity for tourism development. Because of the opening of opportunities to reach an increasing number of world tourists (in 2014, there were 1.1 billion world tourists and 105.1 million in ASEAN) and the abundance of potential natural and cultural resources that are the demand for the world market for tourism. Because of their rich nature and culture, rural areas have a strong potential to meet the tourism industry demand. Religious and spiritual tourism has been spread, is prevalent over the past decades, is a major part of international tourism, and in recent years has grown substantially. One of the least researched elements of the tourism analysis is religious tourism (Timothy & Olsen, 2006: 1). Sharia-based tourism is a growing trend in tourism today. Indonesia is considered one of the countries with the most significant sharia tourism potential in the world because of its achievements in winning the "World Halal Travel Summit and Exhibition 2015" with the acquisition of three awards: World Best Halal Tourism Destination, World Best Halal Honeymoon Destination and World Best Family-Friendly Hotel (Pratiwi, 2016). This achievement provides an excellent opportunity for the Indonesian Government to develop halal tourism services, mainly because Indonesia has a lot of potential for the natural beauty that is still untouched. Indonesia can position itself to be the best Natural Halal Tourism Destination in the world.

Figure 1 The Location of Halal Tourism Village (Source: Google Maps)

Geo-tourism is characterized as a tourism that preserves or enhances the geographical character of a location, its climate, heritage, esthetics, culture and its citizens' well-being. As a nation with religious and cultural richness, Indonesia has both a heritage of history and culture inseparably associated with religious values and community religious activities. Cultural and religious heritage with the diversity of race, ethnicity, language, and traditions into tourism growth potential. In particular, like most people in Indonesia, Muslims have a uniqueness that characterizes the nation with established tourist attractions, such as the palace, mosque, heirlooms, tomb, before culinary incorporation (Jaelani, Setyawan, & Hasyim, 2016). Tourism in rural areas is perceived to connect with the development strategy in developing countries that can continuously be enhanced. Due to its uniqueness, rural tourism falls within the small enterprise's criteria (Gannon, 1993). Several considerations come with tourism, such as respecting local traditions, preserving the environment, and providing a positive contribution to the locals that live near the tourism attraction. Each rural area's discernible uniqueness gives a feasible aspect to be marketed as a tourism spot. Every village has its distinctive characteristics in terms of lifestyle, handicraft products, and traditional arts of each area. Rural areas are currently facing many obstacles in economic development, including: (1) reduced quality of rural human resources due to the growing number of population migration from villages to cities; (2) competitiveness of rural resources that cannot compete with urban resources contributes to weaker bargaining position in rural areas in the sense of national development; There were 17.9 million poor people in villages in 2011, while 10.6 million in cities. To elevate Indonesian people's welfare, particularly in rural areas, a comprehensive national development is required. In several developed countries, rural tourism is considered related to sustainable development strategies.
Previous researchers have conducted study on various aspect of halal tourism. For example, market segmentation for sharia-based tourism and customer awareness (Mohsin et al., 2016), promotion of halal culinary and tourism (Yousaf & Xiucheng, 2018), Muslims consideration to visit halal tourism object in non-Islamic countries (Aji & Muslichah, 2020). In addition, some inquiries have offered various concept, including its elements, of halal tourism and exhibit halal tourism best offer worldwide (Akyol & Kilinc, 2014; Battour & Ismail, 2016; Boğan & Sarılık, 2019; El-Ghohary, 2019). Most of the studies have concentrated on the missions of Halal tourism and its best practices across countries, such as in Tunisia (Carboni, Perelli & Sistu, 2017), in New Zealand (Moshin Borchado, & Rodrigues, 2020), and in Malaysia (Battour & Ismail, 2016). Other researchers have attempted to explore the characteristics, and behavior of visitors (Vargas-Sánchez & Moral-Moral, 2019).

Despite the extensive literatures, no studies examine the potential of integrating halal values, local wisdom, and tourism in developing countries like Indonesia. This paper tries to close this void. Therefore, the objectives of this paper are three folds: (1) to find out the local potentials perspectives of halal local wisdom tourism in the village? (2) to determine some supporting and inhibiting factors of the halal local wisdom tourism success? and (3) to analyses the strength, weakness, opportunities, and threat of the tourism object? The article is accompanied by a description of the methods used to collect data and analytical findings on the collected data. Finally, study weaknesses and recommendations for prospective researchers are illustrated in conclusion.

LITERATURE REVIEW

The Potential of Halal Tourism in Indonesia

Several bodies of research have attempted to formulate the concept of halal tourism. Some researchers consider halal tourism as the synonym of Islamic tourism, which is quite problematic (Battour and Ismail, 2016). Halal tourism is not identical with Islamic tourism (El-Ghohary, 2016). The term halal was derived from Arabic word, meaning permissible, while the phrase tourism refers to an act of traveling across locations. Battour and Ismail (2016) defined halal tourism as “any tourism object or action permitted by Islamic principles to be used or engaged by Muslims in the tourism industry.” even so, its own definition is more relevant to the tourism object, not the activity.

Bambang Brojonegoro (2016) argues that the growth of tourism is achieved by leveraging nature's beauties and the potential for marine tourist destinations globally as the largest in the world. In addition to boosting economic activities contributing to the development of national culture. Other initiatives, such as the location guarantees a tourist hotspot, the growth of the local economy and community support, accessible facilities for tourists visiting, human resource and institutional tourism, the establishment of the ten target destinations, and tourism promotion Indonesia (Jaelani, 2017). According to 2014’s Muslim Traveler Index Europe, The world halal market is valued at TK 300 billion (Hasnol,2014).

Thus, highlighting Turkey as one of Halal tourism’s popular destinations, the index predicts significant returns for Turkey if it succeeds in drawing ‘Halal Tourists’ (Mohsin et al., 2016). In 2019, The ministry of tourism Indonesia aimed for 5 million foreign Muslim tourists to visit Indonesia. Last year's data recorded 15.8 million foreign tourists have visited Indonesia, and approximately 2.6 million are Muslim. The ministry of tourism had put forth an effort to improve domestic halal tourism to fulfill the demand. According to the Global Muslim Travel Index (GMTI) 2019, Indonesia was at number two, the same as the United Arab Emirates. The assessment standards of GMTI are based on three criteria: accessibility, communication, environment, and service. The Indonesian government has been continuously improving its accessibility, such as prerequisites for the visa, Air transportation, and infrastructure of public transportation.
Indonesia has a comparative advantage due to the world’s largest Muslim population, stunning beach resorts, infrastructure, and cultural heritage. Indonesia possesses great potential for developing halal tourism. Since most Muslim tourists come with their families, local tourist areas must provide basic needs. Therefore, it’s indispensable to develop a feasibility study and strategy for improving rural areas’ viability to be a standardized halal tourism spot. Mangunegara Village has the benefit of ample water sources and very dense rural landscapes with agriculture. There are also many regional arts like Begalan, Angguk, Aplang or Dames, Calung, Ebeg, Lengger, and Slawatan. Maximizing the cultural richness and abundance of natural resource would be beneficial for the actualization of halal tourism in rural areas.

Local Wisdom and Geo-tourism

Tourism is the business science or art that can allure and attract tourists, including facilities and catering that tourists need or are interested in. Tourism with local wisdom is tourism that cares about the sustainability of the ecosystem, economic, social, and cultural environment and positions the community as planners, managers, and owners in a positive strategy to bolster community welfare. What needs to be considered in developing a tourist village is how the community can be embraced and sustainably built to maximize the potential of rural areas and society (Komariah et al., 2018). By continually developing the potential of villages and communities, rural tourism areas can significantly affect overall village communities’ welfare. One of the efforts to achieve this requires synergistic coaching between the actors of agricultural, tourism, and government enterprises. It allows agricultural and tourism business actors plan, organize and program tourism villages based on the community’s capacity and rural area’s potential (Komariah et al., 2018). In this case, there needs to be coordination between interested parties so that coordination between parties is maintained to develop local wisdom tourism. A tourism village’s development would promote the community’s own productive economy (pedoman pengembangan desa wisata hijau 2015).

The socio-cultural environment can improve rural tourism significantly via the host-visitor interface. Consequently, a government policy on rural tourism must promote the sector in order to improve the local community well-being. Many developing countries have intensified rural tourism as a priority in their development programs (Briedenhann and Wickens, 2004; Istiqomah, et al, 2020; Wihuda et al. Al., 2017.) by conducting a feasibility study and formulating a strategy based on the local potential as tourism attraction. There are five points of consideration in local wisdom:

1. Local resource potential.
2. Social equity includes social relationships, social institutions, and values or norms.
3. Local culture or lifestyle that has been nurtured for generations.
4. Local wisdom, namely ideas or values, local or (regional) views that are based on values embraced by the community members.
5. Spiritual capital, namely personal values that inspire and encourage individuals, groups, and community to carry out practical activities. The spiritual capital originates from values taught by religion or local behavioral norms.

Geo-tourism Village

Tourism based on local wisdom is one of the unique regional potentials that differ across regions (Amalia & Purwaningsih, 2016). This uniqueness offers promising potential for every village that can be transformed into tourist attraction. Village tourism offers a beautiful and authentic rural environment that is based on peculiarities of social, economic, cultural life, of the indigenous. Among the rural tourism potentials include cultural attractions, lodging, culinary, specialties and other tourism needs (Hadiwijoyo, 2012). Currently, the growth of local wisdom tourism in Purbalingga is flounder, due to poor community empowerment. Hence a synergy between the local government and community members is the prerequisite of rural tourism development. Economic benefits can be obtained through the development of regional culture so that it has a high attractiveness for local and foreign tourists (Amalia & Purwaningsih, 2016). The failure to establish local cultural wisdom becomes an opportunity...
and challenge for the government. The community, scholars, and government should work hand-in-hand to manage the existing local cultural wisdom. The potentials that Mangunegara village possesses includes, natural resources, culture, cuisine, and handicraft.

RESEARCH METHODS

This study used qualitative approach in an attempt to explore the potential of halal geo-tourism object in a rural area (Yin, 2009). The triangulation techniques are implemented to assure the reliability and validity of the information gathered throughout the study (Miles et al., 2013). This study requires both primary and secondary data. The primary data is directly obtained from the location, local government, potential investors, and local public figures using in-depth interviews. The secondary data gathered from local government and government tourism offices were conducted at Mangunegara village in Purbalingga Central Java, Indonesia. Several data collection techniques were utilized in this research: observation, questionnaire, in-depth interview, and focus group discussion. After procuring all the data, it went through business analysis to assess the feasibility of the Syariah tourism village from the aspects of marketing, production, socio-economy, and environmental impact.

Data analysis performed using an interactive approach that highlighted the relationship of three key components: data reduction, data presentation, and verification/conclusion drawing (Miles et al., 2013). By using this analysis technique, the conclusions have been tested selectively and accurately (Sutopo, 2002). In this technique, the analysis will be carried out continuously (continuously) from the beginning of data collection to the verification process from the start of the study to the research's completion. In classifying variables into four sets of classification, data is analyzed and interpreted using content analysis. SWOT-analysis helps to recognize strengths, weaknesses, opportunities, and threats. Likewise, the outcomes of this survey provide a community-level understanding of tourism governance. For the next step, the researchers also described possible challenges and factors promoting tourism village. Data were collected with open questionnaire surveys and reviewed descriptively. The authors also have developed a two years plan as research guidance to attain the research purposes

RESULT AND DISCUSSION

Description of Informants

The informants, consist of the village head, investors, community leader, villagers and fourteen potential customers from the surrounding areas. The majority (64.3%) of the potential customers involved in the study were male. The majority (87.5%) of the villagers have agreed that the tourists spending was their main source of income. They intend to diversify into tourism related business activities such as homestay, souvenirs, and local tour guides. Few others have secured permanent jobs as labor in small manufacturing firms in the area and run their souvenirs shop as a secondary business activity with the support of family members.

The local and rural governments have exerted an effort to support the halal tourism village by conducting projects to improve the accessibility of the halal tourism village (Sawah Ijo). Halal tourism Sawah Ijo is a joint investment project from both the local government and a private investor. The locals have shown a high enthusiasm for the project. The project’s actualization will have an impact such as 1) elevate local’s welfare, 2) stimulate the establishment of SME around the area, 3) Improve the overall community’s income, 4) increase infrastructure supporting the local tourism village. The research findings also help map tourism, provide insight into halal tourism’s potential, and develop a strategy to build halal tourism in Mangunegara Village, Purbalingga. The village's strengths are its natural views,
arts, local tradition, traditional cuisine, and many more. Meanwhile, some of the weaknesses are the limitation of organizational know-how, human resources knowledge, and skills in managing businesses.

**Halal-Local Wisdom based Tourism Potential in the Region**

Mangunegara village is strategically located in the tourism-dense part of Purbalingga. The location exposes the *Sawah Ijo* Halal tourism village to many opportunities such as the availability of public transportations, access to the main road, potential visitors (natural tourism enthusiasts), and necessary supplies. Even though the location is adjacent to the main road, the area is still untouched, offering potential visitors to beautiful rural landscapes.

This study shows that there are four potentials for religious education visits: pilgrimage simulation path, Muslim swimming pools, prayer building, and archery location. Mangunegara Village, Mrebet District, Purbalingga Regency has the benefit of ample water sources and very dense rural landscapes with agriculture. There are also many regional arts like Begalan, Angguk, Aplang or Dames, Calung, Ebeg, Lengger and Slawatan. This study implemented an action research strategy to solve the existing challenges within the community, specifically, on the actualization of rural destination object based on the sharia principle.

**SWOT Analysis**

SWOT is an acronym for Strength, Weakness, opportunities, and threats that comprehensively assist an enterprise in identifying external factors (O and T) and internal factors (S and W). SWOT is used to construct a structured plan for short- and long-term organizational targets. In this study, the authors conducted a SWOT analysis of *Sawah Ijo* halal tourism village. Based on the SWOT analysis, the authors generated three strategies to improve the halal tourism village’s abilities on grasping market opportunities: 1) cooperate with local government to develop infrastructure that could assist the actualization of halal tourism *Sawah Ijo*, 2) cooperate with the experts to analyze the potential of the tourism village that can be maximized into valuable factors, 3) lastly, provide training on how to develop and run SME.
Table 1. SWOT of Sawah Ijo Halal Tourism Village

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<th>Internal Factors</th>
<th>STRENGTH (S)</th>
<th>WEAKNESS (W)</th>
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|                  | • Halal concept tourism which is still rarely found in the Purbalingga area  
|                  | • Easy road access adjacent to major roads  
|                  | • The market demand is available, plus the majority of the population is Muslim  |
|                  | • Natural tourism or tourism village considered as red ocean market  
|                  | • The limitation of organizational know-how.  
|                  | • Human resources knowledge, and skills in managing businesses.  |

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<tr>
<th>External Factors</th>
<th>OPPORTUNITY (O)</th>
<th>S-O Strategies:</th>
<th>W-O Strategies:</th>
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|                  | • Many Potentials that can be developed (Culinary, art, Traditional performance, and many more.)  
|                  | • Nature tourism is in great demand as a place for family recreation. (Google Form respondent)  
|                  | • Locals, Experts, and Government are fully aware of the potential  |
|                  | • Strengthening the collaboration with academics and local travel agency for promotion and halal tourism awareness.  
|                  | • Cooperating with regional government tourism office to enhance the infrastructure.  
|                  | • Working with experts (academics) to generate strategy and grasp the market opportunities.  |
|                  | • Working with the existing entrepreneur and local government to provide skill training on SME management.  
|                  | • Cooperating with local communities and academics to establish a well-organized tourism committee.  
|                  | • Developing a segmented tourism market with regional tourism government office.  |

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<th>THREAT (T)</th>
<th>S-T Strategies:</th>
<th>W-T Strategies:</th>
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<td></td>
<td>• The location is close to other natural attractions (Asri Serang Park, Kutabowa Flower Park, Owabong Waterpark, Reptile Park). Therefore, the competition is very high.</td>
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|                  | • Strengthening the collaboration with academics and local travel agency for promotion and halal tourism awareness.  
|                  | • Working with academics to generate strategies (halal concept) to segregate from other existing tourism spots.  |
|                  | • Improve brand image to create uniqueness by using the halal concept.  
|                  | • Segmenting the tourism market into several categories (Cluster tourism).  |

SWOT-analysis helps a company to formulate the fundamental strategy as an early stage of organizational priorities. The study results may also lead to a change in mission, goals, strategies, or ongoing strategy — preliminary understanding of resource and financial availability before establishing the village as a tourism object. To successfully execute the plan, the expert, the government, and locals should work together. These include establishing a vast network to enable an expansive promotion by working with travel agencies and implementing the experts' strategies.

The Halal eco-tourism platforms as a mean to promote local wisdoms as a tourism objects in the Mangunegara village, Purbalingga regency is presented in figure 2.
Social economic, human, environmental and political capitals in rural communities are seen as determinants of Halal's ecotourism growth in rural areas. Factors supporting the socio-economic climate, natural resources, human capitals, political capitals and culture have resulted in a high degree of collaboration, cooperation and access to resources (Istiqomah et al., 2020). The economic value of a worker's knowledge and expertise applies to human resources. This includes assets such as schooling, training, intellect, expertise, local excitement, inspiration, loyalty and discipline. The resilience of the village, as intangible resources, is strengthened by increased economic growth and poverty reduction (Adawiyah et al., 2020; Andri, Adawiyah, Purnomo, & Sholikhah, 2020). Education, expertise and information address human resources, allowing them to understand and develop new solutions to solve common problems (Ahmad, Bakar and Ahmad, 2018). Natural capital refers to natural resources like land, water and air that contribute to sustaining all life forms and activities (Adawiyah & Istiqomah, 2020). In addition, in this article, in this case, the term political capital refers to the contextual power and social standing that strengthen the potential for impact on social change. These capitals together form Halal's growth in ecotourism by increasing human potential in rural areas.

Tourism projects are currently being carried out by local government and private investors. The village has a history and tradition of collective action, particularly in agriculture in order to collectively manage shared resources through community cooperatives. Stuff like the outbreaks of Covid-19 diseases and changes in habitats have hampered the tourism industry. The impacts of weak transport networks, mismanagement of common resources and the lack of structured governance systems further exacerbate this issue. In addition, the social and environmental effects of world-wide tourist visits have received substantial coverage in tourism literature. However, the dynamics of the system following the introduction of halal eco-tourism and its ability to survive and develop in the face of stressors were not studied enough, particularly in the rural areas of Indonesia. Worldwide village tourism and its success over the years offers a specific study background in this respect. Indonesian halal tourism sector has recently received academic attention, especially in the field of natural resource governance.
CONCLUSION

The study yields key learnings with high relevance to the policy of Halal eco-tourism development in Indonesia. Specifically, authors conduct a feasibility study and formulate a plan for halal tourism village viability to boost economic growth while preserving the environment and introducing local wisdom. In their effort to expand their area as a tourism spot, Mangunegara village people still encounter many challenges, including a shortage of young generation that could generate creative ideas. Many youths are likely to stay in other major cities, rather than in the countryside. Second, the lack of interest in establishing SME due to the majority of locals were industrial workers. Third, lack of knowledge and skills on how to organize a tourism village. With a condensed market condition, the market competition is high. Thus, a well-designed plan and feasibility study are needed. Regardless of the hurdles mentioned in the previous section, there are plenty of potentials from Mangunegara village that can be used as tools to compete in the existing market. The support from locals and government in the form of joint projects improves the accessibility to the tourism spot. The feasibility study shows that Sawah ijo is viable to be developed as a halal tourism village. To successfully execute the strategy, the expert, the government, and locals should work together. Promoting rural tourism would boost not only local economic welfare but also increase socio-cultural value and environmental protection.

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Village Development As Destination Of Natural Tourism In Kaur District based on data from Regency Tourism Office K. 398–405.


