HALAL TOURISM VILLAGE DEVELOPMENT BASED ON BUMDESA IN EAST JAVA: INTERPRETIVE STRUCTURAL MODELING (ISM) APPROACH

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Abstract

This study aims to analyze the obstacles in the development of halal tourism villages based on Village Owned Enterprises (BUMDesa) in East Java as well as to identify the solutions for developing these villages. The data was collected through questionnaires and in-depth interviews with nine experts from academia, industry, and government. The Interpretive Structural Modeling (ISM) approach was used to process the data, and the software DDSS v.01 was used for data analysis. The study found that the main obstacles in developing BUMDesa-based halal tourism villages in East Java include regulatory issues, human resources, infrastructure, village conditions, and government policies. The problems identified were village conditions, regulations, infrastructure, human resources of BUMDesa institutions, and government support. The study provides insights to improve the development of BUMDesa-based halal tourism villages and thereby boost the economy of East Java.

Keywords: Halal Tourism Village, BUMDesa, Interpretive Structural Modeling

Introduction

Tourism is a significant sector that serves as a major source of foreign exchange for many countries around the world. As a country with abundant tourism potential, Indonesia stands to benefit greatly from this industry. It is one of the simplest and most cost-effective ways to boost the country's GDP, increase foreign exchange earnings, and create employment opportunities (Zaenuri, 2012). The growth of tourism in Indonesia is driven by the government's efforts to make it a mainstay sector, as well as the country's wealth of natural resources, cultural diversity, and historical heritage (Aminudin & Jamal, 2019). Tourism is also considered a vital field in the economy, sociocultural development, and marketing of a positive image of an area (Camilleri, 2018). Coordination between stakeholders is crucial for the success of the tourism sector, as it involves various other sectors such as food and beverage, transportation, hospitality, and creative industries (Isdarmanto, 2016). Tourism is also considered a fast-growing sector globally, providing easy part-time and seasonal work opportunities, both for skilled and unskilled workers (Korstanje et al., 2018). It also has a backward linkage with other sectors such as agriculture, fisheries, construction, and telecommunications (Aminudin & Jamal, 2019).

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The East Java tourism sector, as a leading destination for halal tourism in Indonesia, plays a significant role in supporting regional economic development. According to Umiyati and Tamrin (2020), East Java's strategic location on the national tourism travel route makes it a prime area for the development of national tourism. Furthermore, Bromo Tengger Semeru, located in the province of East Java, has been designated as one of the top 10 priority destinations for the development of national superior tourism by the tourism ministry (Mutmainah et al., 2020).



Figure 1. Tourists to East Java 2019-2021 (BPS East Java)

Figure 1 illustrates the fluctuation of tourist numbers from March to June 2021 compared to the same period in 2020. The increase in 2021 can be attributed to the fact that in April 2020, the number of Covid-19 cases was on the rise, resulting in lockdowns in various regions. However, in 2021, the implementation of the Java-Bali Emergency PPKM and continuation with Emergency PPKM with Levels 1-4 starting in July 2021, led to a decrease in tourist visits in 2021. The total number of tourist movements to East Java in 2021 was 27,822,475 visits, indicating that East Java possesses substantial potential for the development of halal tourism in Indonesia.

Along with the development of the tourism industry, currently the term halal or sharia tourism appears. The growing popularity of halal or sharia tourism has presented a significant opportunity for Indonesia, with its vast diversity of arts, culture, heritage, and traditions (Lubis, 2018). As the country with the most Muslim population in the world, Indonesia has a great opportunity to become the world's main sharia tourism destination. To make this happen, the Ministry of Tourism and Creative Economy (Kemenparekraf) in collaboration with the Indonesian Ulema Council held a Grand Launching of Sharia Tourism in 2013 (Al Hasan, 2017). The government is committed to developing the quality of halal tourism destinations in Indonesia by identifying potential areas and providing technical guidance and workshops on these destinations. The Ministry of Tourism's report in 2018 identified 10 priority destinations, located in 10 different provinces, including Aceh, Riau Islands, West Sumatra, DKI Jakarta, West Java, Central Java, Yogyakarta, East Java, West Nusa Tenggara, and South Sulawesi (Handriana et al., 2020). East Java Province has one halal tourist destination located in Banyuwangi Regency (Mutmainah et al., 2020). Even though there are other districts and cities that have the potential to become halal tourist destinations.



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East Java is becoming more serious about promoting halal tourism. East Java has several factors that support the development of halal tourism: 1) a predominantly Muslim population, 2) Cultural diversity and Muslim culture because of the large number of Islamic boarding schools, 3) a variety of religious tourism destinations such as mosques and places of pilgrimage or markets for religious tourism as well as natural tourist, and 4) Accommodation and amenities, such halal-certified accommodations, attractions, crafts, restaurants, and Islamic financial institutions and hospitals (Umiyati & Tamrin, 2020).

East Java is a province with cultural diversity and uniqueness, one of which is the presence of unique and authentic village areas, as well as the value of local wisdom (Mutmainah et al., 2020). This can serve as the foundation for village development through the tourism industry. Authentic village communities and distinctive cultures encourage them to become tourist destinations by developing existing local potential while maintaining the community's social structure. East Java has tourist villages spread across 38 regencies/cities, with a total of 573 tourist villages in 2021, an increase from 497 tourist villages in 2020.

Table 1. Tourism vinage Data in East Java (DPMD East Java 2022)	
Years	Tourism Village
2017	292
2018	321
2019	341
2020	497
2021	573

A tourist village is a type of destination that offers authenticity in terms of socioculture, customs, daily life, traditional architecture, and village spatial structures. These elements are presented in an integrated form, such as attractions, accommodation, and supporting facilities. the authenticity of a village can strengthen its identity, including space, cultural heritage, agricultural activities, landscapes, historical and cultural tourism, and unique regional experiences. Tourism village modeling must be developed creatively to build the identity or characteristics of the rural area. In addition, Tourism Villages can be defined as a form of integration between accommodation and supporting facilities that are presented in a structure of community life that is integrated with applicable procedures and traditions (Nuringsih et al., 2019). However, Aeni et al. (2021) argue that the tourism village development program has not been carried out sustainably and that the program only emphasizes the outcomes of achieving the program. In light of this, In light of this, as is the case in Ponggok village, Klaten district, Central Java (Hastutik et al., 2021).

However, the process of developing the tourism industry in the village faces obstacles and challenges. Village communities often have a negative perception of tourism, viewing it as something that can negatively impact the social and cultural aspects of the local community. Tourism is often seen as having a bad image by village communities and not viewed from a holistic perspective, which makes it difficult to bring tourism to the village as an innovation. This lack of understanding of the potential strengths and tourism potential of the village community can have a negative impact on the community's ability to see the potential of tourism in their area (Kusuma et al., 2022).



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An effective means of harnessing all existing potentials and transforming villages in East Java into halal tourism villages, is to guarantee that the development process does not compromise the community's values and that there is no degradation or deterioration of the natural environment. The development can maximize economic benefits for local communities (Adinugraha et al., 2020). Halal tourism has a positive impact on the development of Islamic religious values, as well as Muslim adherence to their religion (Battour et al., 2014). Similar results were also presented by Adinugraha et al. (2018), Anwar et al., (2020); Yanma & Zaenuri, (2021) that halal tourism is the strongest potential because it reflects the local wisdom and culture of the people in the village which contains the main value, namely faith in Allah. This effort is made so that village development in the tourism sector can be well-received by local communities (Darussalam et al., 2021; Nurohman & Qurniawati, 2021; Rasyifa et al., 2021; Wijdan, 2021). Consequently, I am keen on delving deeper into the concept of halal tourism villages into a novel advancement through the utilization of Interpretive Structural Modeling (ISM) as a development strategy which is based on Village-Owned Enterprises (BUMDesa) in the province of East Java.

Literature Review

Village Tourism

The development of tourist villages is an effective way to preserve and revitalize local wisdom, particularly in the face of the increasing influence of international culture, which can erode the local wisdom present in a community (Ma'ruf et al., 2017). Nuringsih et al., (2019) define the development of a tourist village as a process that emphasizes ways to develop or advance a tourist village. Aeni et al. (2021) believe that the emergence of tourist villages can be a model for sustainable tourism development, which aligns with the World Tourism Organization's (WTO) concept of sustainable tourism development, which includes ecological sustainability, socio-cultural sustainability, and economic sustainability for both current and future generations (Camilleri, 2018). Therefore, regional development must focus on regional potential based on local resources owned by the region, thus giving birth to a strong, competitive, and sustainable regional economy (Zaenuri, 2012). This means that community activities can be used as a livelihood to increase income for the community and preserve cultural arts that are already owned by the village.

As outlined by Ma'ruf et al. (2017), the classification of tourist villages can be divided into four categories, based on the characteristics of their resources and distinctiveness. These include villages that are based on the singularity of local cultural resources (such as community traditions, and cultural artifacts); villages that are founded upon the exceptionalism of natural resources (such as mountains, agriculture, and beaches); villages that are distinguished by a harmonious combination of cultural and natural resources (such as traditional customs, picturesque landscapes); and villages that are distinguished by the uniqueness of their creative economic activities (such as craft industries). In this case, the village under consideration offers unique traditional and cultural resources for the local Muslim community, along with natural resources as a tourist village. This is rooted in local wisdom and adherence to Islamic principles in daily



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life, which align with the concept of halal tourism, allowing the tourism village manager to develop and brand the village's offerings accordingly.

Halal Tourism

In this current decade, halal tourism has undergone rapid expansion globally, becoming a trend or style in many parts of the world (Battour et al., 2010). While there is some debate surrounding terminology such as halal tourism, sharia tourism, and Muslim-friendly, the Indonesian government tends to prefer the term "halal tourism" and has established the Indonesia Muslim Travel Index (IMTI) to assess halal tourism in a given area (Al Hasan, 2017).

Halal tourism was introduced to the world at the meeting of the Organization of the Islamic Conference (OIC) in 2000. According to Jaelani (2016) halal tourism is defined as a journey undertaken by individuals or groups who move from one location to another or are away from their place of residence for around one year, to engaging in Islamic-motivated tourism activities, such as contemplating nature or making a pilgrimage to worship Allah (Leppäkari & Griffin, 2017). Additionally, as per Battour (2016) halal tourism aims to provide tourists with the motivation to seek happiness and blessings from Allah.

Battour et al. (2014) posit that halal tourism encompasses not only religious tourism activities such as Umrah and pilgrimage, but also encompasses recreation that caters to the needs and preferences of Muslim tourists, such as hotels that adhere to Islamic values by not serving alcohol, and providing separate swimming pool and spa facilities for men and women. Based on this understanding, the concept of halal tourism does not contradict or violate Islamic values and ethics, which are related to the concept of halal, which means 'permissible' and haram, which means 'prohibited' in Islam.

The Ministry of Tourism (2015) explains that halal tourism has the following criteria: (a) it is oriented towards the public good; (b) it is oriented towards relaxation, serenity, and enlightenment; (c) it avoids superstition and polytheism; (d) it is free from disobedience; (e) it maintains safety, trust, and comfort; (f) it preserves the environment and nature; (g) it respects socio-cultural values and local wisdom; (h) it maintains noble values, ethics, and humanity and avoids hedonism and immoral acts; (i) it has an inclusive and universal nature. While the target market for halal tourism is Muslim travelers, it is open to non-Muslim travelers who wish to experience local wisdom, as long as they abide by the rules of halal tourism. Surur, (2020) explains that halal tourism fundamentally encompasses the understanding of sharia in all aspects of tourism activities, including accommodation, food and beverage provision, transportation facilities, financial systems, and service providers. For example, in the accommodation business, it is not permitted to accept non-mahram guests who do not have legal marriage ties, and prohibited food and drinks are not sold.

Research Methodology

Data Collection

This study utilized primary data obtained through interviews with experts and practitioners in the field of halal tourism village development in East Java. A total of nine individuals were interviewed, including representatives from the Community and Village Development Service (DPMD), the Tourism Office, MSME Cooperative Service,



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Airlangga University, Surabaya State University, the East Java Eco-Tourism Forum, the Tourism Village Academy (BUMDesa Clinic), the Alvara Research Center, and the Indonesian Ulama Council (MUI). In addition to the interviews, questionnaires were distributed to expert informants, and literature studies were conducted to investigate the challenges facing the development of BUMDes-based halal tourism villages in East Java. Through these methods, several key strategies for developing halal tourism villages in East Java were identified and analyzed using the Interpretive Structural Modeling (ISM) approach, which includes three elements: constraints, solutions, and stakeholders.

Overview Of Interpretive Structural Modeling Method

Interpretive Structural Modeling (ISM) is a modeling technique developed for strategic policy planning (Darmawan, 2017) that was first developed by J. Warfield in 1973. t is a computer-assisted learning process that enables individuals or groups to map the relationships between various elements involved in complex situations (Warfield, 1974). As applied by Sindhu (2020), ISM is a sophisticated interactive methodology that allows a team of people to develop a structure that defines the relationships among elements in a set. The elements, such as goals, obstacles, and problems, are determined by the group at the start of the ISM planning session. The ISM process begins with system modeling and concludes with model validation. Through the ISM technique, an ambiguous mental model can be transformed into a clear system model (Thakkar, 2021).

ISM is a method of making decisions from complex situations by connecting and organizing ideas in visual maps. In terms of decision-making, as research conducted by Rusydiana & Devi (2018) suggests, the fundamental concept is to use expert and practical knowledge to decompose a complex system into multiple subsystems (elements) and construct a multilevel structural model. ISM is commonly employed to provide a comprehensive understanding of complex situations and develop solutions to problems (Gorvett & Liu, 2007). In the implementation of the ISM method, brainstorming sessions were first held with experts who understand the ISM concept, the problem of developing halal tourism village models and have expertise in the fields of halal tourism and tourism village. From these discussions on development strategy, several ideas or variables were obtained that will be processed using ISM.

The first step in processing ISM is to create a Structural Self Interaction Matrix (SSIM), in which the variables are contextually related by making one variable i and variable j. The next step is to create a Reachability Matrix (RM) by changing V, A, X, and O with the numbers 1 and 0. The final step is to generate a Canonical Matrix to determine the level of relationships through iterations. Once there are no more intersections, an ISM model is produced, which serves as a solution for the problem at hand, in this case, the development of a BUMDes-based halal tourism village. This model will be used to create a roadmap for the development of the institution (level).

Relationships Between Elements In ISM

According to Darmawan (2017), the ISM method process is calculated according to the Transitivity Rules where corrections are made to the SSIM until a closed matrix occurs. Modification of the SSIM requires input from the panelists/experts, with a special note that attention is paid to only certain sub-elements. The results of the revised SSIM and matrices that meet the requirements of the Transitivity Rules are further processed. For revision, matrix transformation can also be done with a computer program. Dinar

Surnal Ekonomi & Keuangan Tslam Vol 9, No 2: Agustus 2022 120-136 https://journal.trunojoyo.ac.id/dinar/index **ISSN: 2460-9889 (Print)** DOI: https://doi.org/10.21107/dinar.v9i2.13994 ISSN: 2580-3565 (Online) The Transitivity rule is the completeness rule of a casual loop, for example: A affects B B affects C Then A (supposedly) affects C D increases E E increases F Then D (shouldn't) reduce F Table 2. The interrelationships between the sub-elements in the ISM technique Interpretation Type No 1 Obstacles Lack of quality and quantity of human resources in the • field of halal tourism villages Persistent negative perception among the community • Inadequate infrastructure in the tourism village • Lack of an effective cooperation mode • Fragile regulatory framework • Limited availability of innovative products • 2 Solution Recruitment, training, compensation of human resources • Education and development of the community Improvement of infrastructure • Collaboration between educational institutions and • relevant stakeholders Reinforcement of the regulatory framework • Introduction of new and innovative instruments • 3 Stakeholders Community & Village Development Office • Village Owned Enterprises (BUMDesa) • Bank/Non-Bank Financial Industry • College • Government tourism office • SME Cooperative Office Community/Tourism Awareness Group •

Further processing of the Reachability Matrix that has complied with the Transitivity Rules is the determination of level partitioning. Processing is tabular by filling out the format and can be assisted by computers. Based on the choice of level, it can be described the scheme of each element according to vertical and horizontal levels.

Process Of Interpretive Structural Modeling

For various sub-elements in an element based on RM, Driver-Power-Dependence is compiled. The classification of sub-elements is described in the following 4 sectors:

- Sector 1: Weak driver-weak dependent variables (AUTONOMOUS). Changes in this sector are generally not system related and may have minor, although strong links.
- Sector 2: Weak driver-strongly dependent variables (DEPENDENT). Generally, the changes here are not free.



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- Sector 3: Strong driver-strongly dependent variables (LINKAGE). The variables in this sector must be studied carefully because the relationship between variables is unstable. Each action on that variable will have an impact on the others and the feedback on the effect can amplify the impact.
- Sector 4: Strong drive weak dependent variables (INDEPENDENT). The variables in this sector are the remaining part of the system and are called independent variables.

The structure of a model in the ISM (Integrated System Modeling) can vary depending on the preferences of the model engineering team and the specific requirements of the subject under study. Empirical experience in constructing the sub-elements of a given element is crucial in this process. The initial step involves creating a comprehensive and exhaustive list of sub-elements. Subsequently, the principle of elimination is applied to remove sub-elements that are deemed less important or to combine multiple subelements into a single unit.

Results And Discussion

In this study, a strategy model for the development of halal tourism villages is proposed. Three key system elements are considered in this model: (1) Elements of the main problem, (2) Required solutions, and (3) Stakeholders involved. To ensure the success of the proposed strategy, it is crucial to prioritize the key sub-elements of each selected element. These key elements serve as the foundation or main driving force that propels the development of halal tourism villages. The relationship between the different sub-elements within each quadrant is dynamic and interrelated, thus it is important to pay close attention to their implementation in practice in the field.

Main Obstacle

In the context of developing a BUMDes-based halal tourism village in East Java, several constraint elements have been identified. These elements are categorized into six sub-elements as follows: (E1) Insufficient quality and quantity of human resources in the field of halal tourism, (E2) Persistent negative perception among the community, (E3) Inadequate infrastructure in the tourism village, (E4) Lack of an effective cooperation model, (E5) Fragile regulatory framework, and (E6) Limited availability of innovative products. The results of processing these constraint elements using the Interpretative Structural Model (ISM) can be visualized in Figure 3.



Figure 3 Obstacle Structure Models



- No. Sub Element
 - 1 Insufficient quality and quantity of human resources in the field of halal tourism
 - 2 Persistent negative perception among the community
 - 3 Inadequate infrastructure in the tourism village
 - 4 Lack of an effective cooperation mode
 - 5 Fragile regulatory framework
 - 6 Limited availability of innovative products

Figure 4 Driver Power-dependence Matrix for the main constraint elements in the development of halal tourism villages in East Java

Figure 1 depicts the three-level sequence of stages of obstacles in the development of halal tourism villages in East Java. The most recent level, level 3 (E2), is a key subelement of the main constraint element, implying that negative community perceptions continue to play the most significant role or influence in the development of halal tourism villages in East Java. The key obstacle to the development of halal tourism villages is the public's still negative attitude toward tourism. This is due to the lack of public trust in tourism and the lack of cooperation between educational institutions and related parties in the village. In addition, the low level of literacy is one of the causes of the many negative stigmas in tourism, especially in halal tourism villages.

Several respondents, particularly practitioners and regulators, have identified tourism as the primary issue in the development of halal tourism villages. The main challenge that needs to be addressed is the transformation of community perceptions towards tourism-related matters. Negative stereotypes and misconceptions about tourism persist in society, including the belief that tourist attractions are immoral places. This negatively impacts the market for halal tourism villages, rendering their development insignificant. The shortage of human resources in the tourism industry and the lack of education on changing perceptions are cited as contributing factors to this problem.

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The next obstacle, identified at level 2, is the insufficient quality and quantity of human resources in the field of halal tourism, the inadequate infrastructure of tourist villages, the lack of a cooperative model with relevant institutions, and a fragile regulatory framework. This implies that the constraints in this second sub-element need to be addressed after addressing the primary obstacle at level 3, and the limitation of availability of innovative products at level 1 is the final level of obstacles.

The majority of constraints on human resources in the tourism industry pertain to a lack of understanding and expertise in halal and Muslim-friendly tourism among actors in tourism villages. Additionally, the human resources available to develop these villages into halal tourism destinations are minimal, as evidenced by the low number of market players with sharia expert certification. This lack of qualified personnel presents a challenge for the industry in terms of promoting and educating about halal tourism in these villages. Furthermore, there are also infrastructure constraints, specifically a lack of information technology that provides information services and makes halal tourist attractions in the village accessible. Information technology plays a crucial role in supporting progress in the tourism industry, particularly in terms of marketing systems, information dissemination, and other areas. This is reinforced by research (Rasyifa et al., 2021) which highlights the need for improved infrastructure and innovation of halal tourism products in villages to increase public awareness and understanding.

Another constraint facing halal tourism villages is the lack of a cooperative model between educational institutions and relevant stakeholders. Educational institutions are well-suited to promote literacy and understanding of halal tourism among communities, yet there is a limited collaboration between these institutions and stakeholders in halal tourism villages in terms of education. Additionally, the regulatory framework for halal tourism villages is fragile, with a limited number of regulations in place or updated for halal tourism village instruments. These regulations, which are created by regulators, aim to ensure legal certainty for those conducting tourism activities in the village and protect the interests of the community from harmful practices.

The main obstacle at level 1 is that there is limited availability of innovative tourist village products. The need for innovative and different products can be an added value for tourist villages, especially in exploring the halal ecosystem. However, the development of tourism village products is still considered to be adopting conventional or regular products.

Solution

The proposed solutions for the development of halal tourism villages in East Java are divided into six sub-elements: (E1) Recruitment, training, and compensation of human resources; (E2) Education and development of the community; (E3) Improvement of infrastructure; (E4) Collaboration between educational institutions and relevant stakeholders; (E5) Reinforcement of regulatory frameworks; and (E6) Introduction of new and innovative instruments. These solutions were obtained through the application of the Interpretative Structural Model (ISM) and are illustrated in Figure 5.



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Figure 5. Solution Structural Models



No. Sub Element Recruitment, training, and compensation of human

- 1. resources
- 2. Education and development of the community
- 3. Improvement of infrastructure
- Collaboration between educational institutions and
- 4. relevant stakeholders
- 5. Reinforcement of the regulatory framework
- 6. Introduction of new and innovative instruments

Figure 6. Matrix Driver Power-dependence for solution elements in the development of halal tourism villages in East Java

The sequence of stages of the Solution in the development of a halal tourism village consists of three levels. The most recent level, level 3 (E2) is a key sub-element of the main constraint element, indicating that education and community development play a crucial role in the development of halal tourism villages in East Java. This is because the guidance and education of the community can increase literacy and understanding of halal tourism in these villages.



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The next solution is at the second level, including recruitment, training, and compensation of human resources, improvement of market infrastructure, cooperation between educational institutions and relevant stakeholders, and strengthening of the regulatory framework. These solutions are necessary to overcome the obstacles in the second sub-element after addressing the main obstacle at level 3. Finally, at level 1, launching new and innovative instruments is the last level of obstacles to be addressed. This sequence of solutions emphasizes the importance of community education and development as well as the need to address other obstacles hierarchically.

Solutions for human resources in the development of halal tourism villages include the need for recruitment and training to improve the quality of human resources, and the implementation of supportive policies. In terms of infrastructure solutions, there is a need to improve the information market infrastructure that provides information services in halal tourism villages.

Another sub-element of the solution is a collaboration between educational institutions and relevant stakeholders. This demonstrates that educational institutions are the appropriate means and containers for accelerating community literacy in halal tourism villages. It is hoped that this collaboration will result in resources that will aid in the development of halal tourism villages. Strengthening the regulatory framework is the final sub-element at level 2. The final major obstacle at level 1 is the introduction of a new and innovative instrument.

Stakeholders

Stakeholder elements obtained for the development of halal tourism villages in Indonesia are described in seven sub-elements as follows: (E1) DPMD; (E2) Villageowned enterprises; (E3) Bank/Non-Bank Financial Industry; (E4) Higher Education; (E5) Tourism office; (E6) Society; (E7) Department of SME Cooperatives. The results of the ISM analysis can be visualized in the provided image, which further details the relationships and dependencies among these stakeholders.





Figure 7 Stakeholders Structural Models

The development of halal tourism villages in East Java involves several key stakeholders, as identified in Figure 8. The most recent level, level 4 (E6) is a key subelement of the stakeholder element, meaning that the community has the most major or major role or influence in the development of halal tourism villages in East Java. The next level is the third level, consisting of village-owned enterprises (BUMDes) which play a role in educating the public and promoting mutual cooperation in the village economy. These BUMDes are important in the development of halal tourism villages. Furthermore, the second level, namely (E1, E4, E5, E7) in this case is DPMD, Universities, the tourism office, and the SME cooperative service. These agencies are stakeholders who have mutual relations in the development of halal tourism villages in East Java. In addition, for level 1, namely banks or non-bank financial industry. B These organizations serve as investors and play an important role in the funding and development of halal tourism villages. It is important to note that the participation and support of these financial institutions are crucial after the engagement and involvement of the key stakeholders identified in levels 4 to 2.

Conclusion

There is a need for a strategy for developing a halal tourism village in East Java to accelerate the economic potential of the village. This study unraveled the key subelements that are crucial for the development of halal tourism villages in Indonesia. The



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results indicate that the main obstacle to the development of halal tourism villages is the negative public perception. Furthermore, the study suggests that education and community development may be effective solutions to overcome this obstacle. Additionally, the study highlights the importance of stakeholders in the development of halal tourism villages. Based on the results of this study, recommendations are proposed for stakeholders, including the need for coordination and cooperation between regulators and universities in raising awareness and literacy of halal tourism. The development of halal tourism villages can have a positive impact on the income of village-owned enterprises (BUMDesa) and contribute to the overall well-being of the village community. BUMDesa is currently perceived as not being profitable. However, an increase in the number of market players in the halal tourism industry can make the halal tourism village more developed.

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