



The Economic Impact of Eko-Gastronomy in Bangli: A Multidisciplinary Analysis

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Keywords

Eco-gastronomy, Sustainable tourism, Economic impact

Abstract

This study examines the economic impact of eco-gastronomy in Bangli Regency, focusing on tourism revenue, job creation, and infrastructure investment through Interpretative Structural Modelling (ISM) and stakeholder interviews. Findings reveal that tourism revenue is the dominant factor driving local economic growth, influencing job opportunities and investment in infrastructure. However, challenges such as economic inequality, the dominance of large asset holders, and mismanagement of infrastructure hinder the sector's full potential. While eco-gastronomy offers significant opportunities for enhancing local economic welfare, there is a need for improved governance, equitable benefit distribution, and sustainable management practices. Recommendations for future development emphasize fair, transparent policies, and targeted investments to ensure eco-gastronomy contributes to long-term sustainable growth and local community prosperity. Future research should adopt a multidisciplinary approach, involving marginalized communities, and focus on long-term socioeconomic and environmental impacts.

1. INTRODUCTION

The post-COVID-19 era has seen a gradual resurgence of the global tourism industry, and Indonesia is no exception. Bali, one of the world's most renowned tourist destinations, has maintained its reputation as a unique and sought-after location for both domestic and international visitors. The island's distinction lies in its combination of stunning natural beauty and deeply rooted local culture, influenced by a long history of kingdoms. This unique blend of nature and culture continues to captivate tourists, earning Bali its nickname, "Island of the Gods," a title reflecting the island's harmonious environment and spiritual significance (Wiweka & Pickel-Chevalier, 2022). According to the United Nations World Tourism Organization (UNWTO), the tourism industry was expected to begin recovering by 2022, following a nearly two-year hiatus caused by the COVID-19 pandemic. Sandra Cavarro, a UNWTO executive, highlighted 2020 as a particularly challenging year for all sectors, as the pandemic severely disrupted global operations. The pandemic's impact on tourism, in particular, was profound, leading to a sharp decline in international tourist arrivals, which in turn significantly affected the economies of tourism-dependent regions like Bali (Wachyuni & Kusumaningrum, 2020).

Tourism is a critical economic pillar for Indonesia, as it generates substantial foreign exchange earnings and creates opportunities for other sectors, including accommodation, restaurants, and transportation services. The sector not only contributes to national revenue but also plays a vital role in creating employment and improving local community welfare. The government has continually promoted tourism as a key driver of economic growth, with foreign direct investment (FDI) and local businesses thriving as a result.

Tourism has been described as an economic engine, particularly for developing nations, by stimulating business activity and expanding economic opportunities (Wachyuni & Kusumaningrum, 2020).

The recovery of Bali's tourism industry post-pandemic has been closely linked to the efforts of local authorities and the community to implement stringent health protocols and preserve the island's cultural and natural heritage. This delicate balance between safety, sustainability, and cultural preservation has been essential in positioning Bali not only as a world-class destination but also as a sustainable and resilient one for the future. The region's long-standing reputation for eco-tourism has thus been enhanced by its focus on maintaining these standards during the recovery process (Wiweka & Pickel-Chevalier, 2022).

One of the most pressing challenges facing Bali is over-tourism, particularly in areas like Kintamani in Bangli Regency, which is home to several well-known tourist attractions, including Lake Batur, the Batur Geopark, and natural hot springs. The influx of tourists has resulted in environmental stress and economic imbalances within the region. Kintamani, for example, received 861,138 international tourists in 2019, along with 360,390 domestic visitors. However, by 2020, the pandemic caused these numbers to plummet dramatically, with only 122,564 international tourists and 65,701 domestic tourists recorded before travel restrictions were enforced (Dispar Bali, 2022).

The unique topography of Bangli Regency, which lacks coastal access unlike other Balinese regions, provides an ideal opportunity for the development of eco-gastronomy. This sustainable tourism model combines local agriculture with culinary tourism, promoting the consumption of locally produced and environmentally sustainable food. Eco-gastronomy offers a diversified tourism strategy that enhances the local economy by fostering stronger ties between tourism and agriculture, while simultaneously preserving the island's natural and cultural resources (Widiantara & Suarsana Ariesta, 2021).

Bangli Regency's geographical and climatic characteristics make it particularly suitable for eco-gastronomy. Its fertile highlands and temperate climate provide ideal conditions for growing a variety of crops, such as coffee, oranges, and vegetables, which can be integrated into a sustainable food-based tourism experience. This model not only supports local farmers and reduces the reliance on imported goods but also provides tourists with an authentic Balinese cultural experience. Furthermore, eco-gastronomy helps to mitigate the environmental impact of tourism by encouraging sustainable agricultural practices and reducing the carbon footprint associated with food production and transportation (BPS Bangli, 2022).

Tourism in Bali has long been associated with coastal and marine attractions, but Bangli's focus on inland, eco-friendly tourism offers an alternative that can alleviate pressure on the island's more crowded tourist hotspots. By promoting lesser-known areas, such as Tibumana Waterfall in Susut District or Tukad Cepung Waterfall in Tembuku District, eco-gastronomy tourism can distribute tourist activity more evenly across the region, reducing the environmental strain on heavily visited areas like Kintamani (Dispar Bali, 2022).

Eco-gastronomy represents a sustainable pathway for Bangli Regency to overcome the challenges posed by over-tourism, while fostering a more inclusive and diversified economy. By connecting local culture, agriculture, and tourism, this model has the potential to not only drive economic recovery in the post-pandemic era but also ensure the long-term sustainability of Bali's tourism industry. Moreover, eco-gastronomy aligns with the broader global shift toward responsible and sustainable tourism, positioning Bangli as a pioneer in integrating environmental and cultural sustainability with economic growth.

This research focuses on analyzing the economic impact of eco-gastronomy in Bangli Regency by evaluating how the integration of sustainable agriculture and tourism can

promote economic resilience and diversification. The study will investigate the roles of local stakeholders, including farmers, tourism operators, and government agencies, in implementing eco-gastronomy practices and assess the economic benefits and challenges of this approach. Additionally, the research aims to provide insights into how eco-gastronomy can contribute to the region's long-term economic development while preserving its natural and cultural assets.

2. RESEARCH METHODS

This study uses comparative methods to analyze the impact of Financial Technology (FinTech) on Small and Medium Enterprises (SMEs) in various countries. The quantitative approach is carried out through a survey targeting SMEs from various industrial sectors in developed and developing countries. The questionnaire is designed to collect data related to FinTech adoption, financial performance, access to financing, and challenges faced in the integration of financial technology. The collected data will be analyzed using descriptive and inferential statistical techniques to identify the relationship between FinTech usage and business performance variables, as well as to compare significant differences between the two groups of SMEs.

A qualitative approach by conducting in-depth interviews with SME owners who have adopted FinTech. Through this interview, researchers will explore their subjective experiences regarding the benefits and challenges of using financial technology, as well as the strategies implemented to maximize the potential of FinTech in their businesses. Qualitative data analysis will be carried out using thematic analysis methods to identify patterns and themes that emerge from the interview. By combining these two approaches, the research aims to provide a comprehensive understanding of the impact of FinTech on SMEs, as well as provide relevant recommendations for the development of policies and best practices in the sector.

3. RESULTS AND DISCUSSION

This research, the economic impact of eco-gastronomy was analyzed through interviews with various stakeholders. The data revealed that different groups contributed varying degrees of insight into the economic discussions. In Figure 1, the percentage of verbatim coverage from multiple stakeholder groups was illustrated. The first group, Business Actors - CODEV, accounted for approximately 8% of the total data, indicating a significant role of technology or development actors in the conversation about economic impacts. Similarly, Business Actors - Chef also contributed about 8%, highlighting the crucial role of the culinary industry in eco-gastronomy. The Tourism Department contributed 5%, indicating the government sector's involvement in managing and promoting eco-gastronomy-based tourism. Lastly, Business Organizations contributed about 3%, reflecting their involvement in the economic discussion, though on a smaller scale compared to other groups.

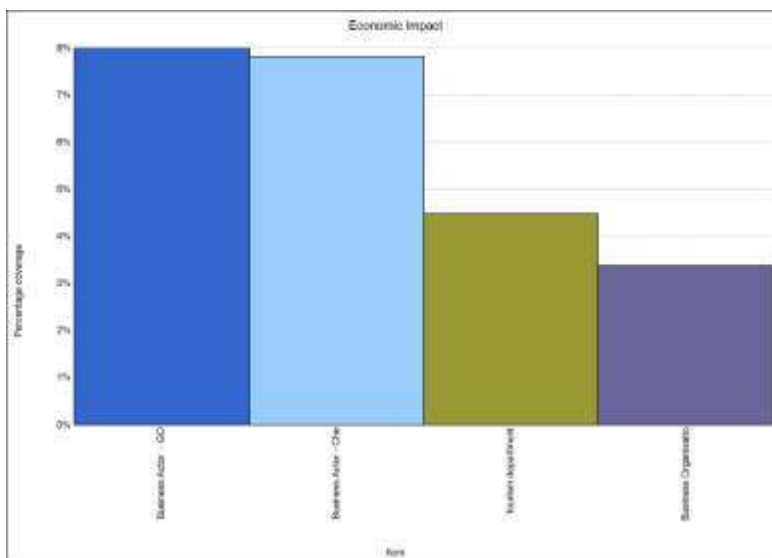


Figure 1 Patricipant distribution

From the percentage distribution shown in Figure 1, it was observed that business actors, particularly those in technology and the culinary sectors, were highly involved in discussions and likely played a significant role in the economic development of eco-gastronomy. Meanwhile, despite the importance of government roles, their contribution to these discussions

was smaller compared to the business sector. This suggests a need for stronger collaboration between the public and private sectors in developing an eco-gastronomy-based economy. Additionally, business organizations were seen to require more involvement to ensure that economic impacts are felt equally by all parties involved.

Further analysis of the economic impact of eco-gastronomy led to the identification of several key themes through discussions and in-depth interviews. The Economic Impact Thematic Matrix of Eco-Gastronomy in Figure 2 highlights four dominant themes: Local Economy, Investment & Infrastructure, Tourism Revenue, and Job Opportunities.

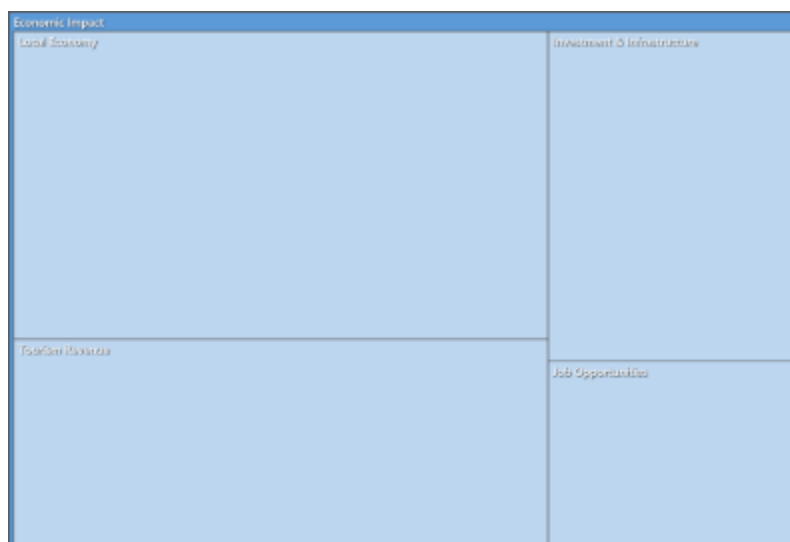


Figure 2 Matrix Code

The local economy theme reflected the significant influence of eco-gastronomy on community income in the research area, showing a close connection between the development of this sector and the local economic dynamics. The theme of investment & infrastructure emphasized how infrastructure development, such as roads and public facilities supporting tourism, became a crucial factor in accelerating the growth of eco-gastronomy. Meanwhile, the theme of tourism revenue indicated an increase in the tourism sector's contribution to local GDP, suggesting that eco-gastronomy could be a significant source of regional income. The theme of job opportunities revealed that eco-gastronomy had created new jobs, contributing to reducing unemployment in local communities. This matrix collectively highlights the importance of eco-gastronomy as a key driver in strengthening the local economy, though challenges remain in terms of equitable distribution of benefits and long-term sustainability.

Local Economy

economic impact of eco-gastronomy on the local economy in Bangli Regency was analyzed from various perspectives, revealing how eco-gastronomy tourism influences the local economy through direct income and its effects on supporting sectors. A representative from the Tourism Department emphasized the significant growth in tourism in Kintamani during the COVID-19 pandemic:

"In 2021, Kintamani experienced extraordinary growth because people believed that there was no COVID-19 in the open air" (Tourism Department).

This statement highlights how the pandemic encouraged tourists to visit rural areas offering natural experiences, resulting in positive economic impacts on the local community. However, it was noted that regions like Susut still need better management to reach the same level of tourism development as Kintamani.

From the perspective of business organizations, such as the Indonesian Hotel and Restaurant Association (PHRI), there was a concern about ensuring that tourism-driven economic development benefits everyone:

"We are trying to build a more advanced economy through the tourism sector. But it's not easy because there are often obstacles from various parties, especially those with more assets. So, we have to be careful in building all of this" (PHRI).

This statement reflects the challenges of ensuring that tourism development benefits small businesses, rather than being dominated by larger asset holders.

Additionally, culinary business actors noted the direct economic impact of tourism, highlighting that even less-developed areas are benefiting from eco-gastronomy:

"In my area and its surroundings, we supply shops that sell souvenirs. There are some artisans in my area who produce handicrafts and ornaments for sale in souvenir shops, villas, and hotels. So, there is an impact" (Chef).

This shows that even in regions where tourism is not yet fully developed, eco-gastronomy has created markets for local products, contributing to the local economy.

A more critical perspective was offered by stakeholders from GODEVI, who highlighted economic disparities:

"The economy becomes unbalanced. There is a clear economic gap. Welfare in Bangli, especially in Kintamani, is more driven by trade and agriculture. People working in the tourism sector usually migrate to other areas like Kuta" (GODEVI).

This statement emphasizes that although tourism has the potential to positively impact the local economy, many locals are not directly benefiting from it, indicating an imbalance in the distribution of economic benefits.

In summary, while eco-gastronomy has positively influenced the local economy, challenges such as economic inequality, dominance by large asset holders, and uneven regional development remain.

Tourism Revenue

The discussion of eco-gastronomy's impact on tourism revenue in Bangli Regency revealed a variety of perspectives on how this sector contributes to regional income. A representative from the Tourism Department noted the resilience of Kintamani's tourism sector during the COVID-19 pandemic:

"During COVID-19, while others were at a standstill, Kintamani remained active. Even during COVID-19, when people were selling their land, people in Kintamani were buying land. When others were closing businesses, in Kintamani, new businesses were opening" (Tourism Department).

This statement demonstrates the strong economic resilience of Kintamani, even during a crisis. The department also reported that in 2021, Kintamani generated IDR 72 billion annually from tourism, including revenue from homestays, culinary businesses, and other economic activities.

The PHRI emphasized the importance of effective management to maximize tourism revenue:

"If managed well, tourism can become a major source of income" (PHRI).

This reflects the belief that the region has significant potential to contribute to local revenue if properly managed.

From a business perspective, local entrepreneurs also noted the importance of tourism in generating income for the region:

"The mainstays are Kintamani and Penglipuran, which provide substantial income for the region" (Chef).

However, stakeholders from GODEVI highlighted ongoing income disparities, with Bangli lagging behind other regions in Bali:

"If compared to other areas like Badung, we are still far behind. The minimum wage in Bangli is also lower compared to regions like Badung" (GODEVI).

This statement points to the gap in tourism revenue and economic prosperity between Bangli and other parts of Bali, despite tourism growth in Kintamani.

Overall, while tourism revenue in Bangli shows promise, challenges such as income disparities and management inefficiencies persist.

Investment and Infrastructure

The discussion on the impact of eco-gastronomy on investment and infrastructure revealed various challenges and opportunities. A representative from the Tourism Department emphasized the importance of equitable investment:

"Our principle is that tourism must be fair. There should be no poverty amid a sustainable tourism environment" (Tourism Department).

This statement underscores the need to ensure that tourism development benefits the local population both economically and socially.

The PHRI highlighted obstacles in developing infrastructure, often due to resistance from larger asset holders:

"We are trying to build a more advanced economy through the tourism sector. But it's not easy, as there are often obstacles from various parties, especially those with more assets" (PHRI).

Meanwhile, business actors raised concerns about the limitations of transportation infrastructure, which hinder access to certain regions:

"In Bangli, public transportation is very limited... In my subdistrict, Susut, there is no access to public transportation. So, it's really hard to find public transportation in Bangli, especially in more remote areas" (Chef).

This indicates that inadequate infrastructure remains a major obstacle to tourism development, GODEVI offered a critical view of tourism management in Bangli:

"If we look at it economically, tourism in Bangli hasn't had a significant impact. I suspect there is mismanagement, which results in a lack of transparency and optimal management of tourism" (GODEVI).

This suggests that despite investment efforts, structural management issues must be addressed to ensure that tourism investments truly benefit the region as a whole, particularly in remote areas.

Job Opportunities

Job creation was another significant aspect of the eco-gastronomy impact discussion. PHRI highlighted how eco-gastronomy tourism, particularly in the jeep tour business, has created new job opportunities:

"The average driver earns around IDR 100,000-150,000 per day, which is comparable to the income of the jeep owner" (PHRI).

This indicates that while tourism is creating jobs, income levels remain modest.

Culinary business actors also highlighted how tourism supports local crafts and handcraft industries:

"In my area and its surroundings, we supply shops that sell souvenirs. Some artisans in my area produce handicrafts and ornaments for sale in souvenir shops, villas, and hotels" (Chef).

However, GODEVI pointed out that many residents still migrate to other regions to find work:

"People working in the tourism sector usually migrate to other areas like Kuta" (GODEVI).

This shows that despite some job creation, the local tourism sector has not yet become a primary driver of economic prosperity.

In conclusion, while eco-gastronomy in Bangli Regency has begun creating job opportunities, further development is needed to ensure that these opportunities provide sustainable and substantial economic benefits for the local population.

Interpretative Structural Modelling (ISM)

After the interview, the analysis of the economic impact of eco-gastronomy using Interpretative Structural Modelling (ISM) reveals the influence structure between the main factors in this system: Tourism Revenue (A1), Job Opportunities (A2), Investment and Infrastructure (A3), and Local Economy (A4).

Structural Self-Interaction Matrix (SSIM)

Based on the results of the Structural Self-Interaction Matrix (SSIM), Tourism Revenue shows the most dominant influence over the other factors. This is evident from its direct impact on Job Opportunities, Investment and Infrastructure, and the Local Economy. Tourism Revenue has been identified as the primary driver affecting local economic dynamics, indicating that

increased revenue from the tourism sector can stimulate growth in areas like job creation and investment.

Table 1 SSIM

##	[,1]	[,2]	[,3]	[,4]
## [1,]	NA	"V"	"V"	"V"
## [2,]	NA	NA	"X"	"X"

Job Opportunities also have a significant influence, especially in relation to Investment and Infrastructure, and the Local Economy. There is a two-way relationship between Job Opportunities and Investment and Infrastructure, showing that improvements in one factor can drive growth in the other. This underscores the importance of strengthening both the labor and infrastructure sectors to support local economic stability.

The questionnaire results supporting the SSIM analysis indicate that Tourism Revenue is consistently considered more influential than Job Opportunities, Investment and Infrastructure, and the Local Economy. Additionally, Job Opportunities are seen as more impactful than Investment and Infrastructure and the Local Economy, emphasizing its vital role in driving economic development. While Investment and Infrastructure are important, they are seen as supporting factors that indirectly influence the local economy.

Initial Reachability Matrix

The Initial Reachability Matrix reveals the interactions and influences among the four key elements: Tourism Revenue (A1), Job Opportunities (A2), Investment and Infrastructure (A3), and Local Economy (A4). The analysis shows that Tourism Revenue (A1) plays a dominant role as the main driving element, capable of influencing all other elements, including Job Opportunities, Investment and Infrastructure, and the Local Economy.

Table 2. Initial Reachability Matrix

##	[,1]	[,2]	[,3]	[,4]
## [1,]	1	1	1	1
## [2,]	0	1	1	1

In contrast, Job Opportunities (A2) and Investment and Infrastructure (A3) influence each other but do not have the ability to directly affect Tourism Revenue. The Local Economy (A4) occupies a more reactive position, being influenced by the other elements but not significantly influencing Tourism Revenue, Job Opportunities, or Investment and Infrastructure. Thus, it can be concluded that Tourism Revenue is the key driver of change in this structure, while the Local Economy depends heavily on changes in the other elements, especially Job Opportunities and Investment and Infrastructure.

In each iteration, the elements are ranked according to their level of influence and dependence, through two important sets: Reachability Set and Antecedents Set. In the first iteration, A4 (Local Economy) emerges as the most influenced element, as it only has itself in the Reachability Set but has all the other elements in the Antecedents Set. Therefore, A4 is placed at Level 1, indicating that this element is the most reactive or dependent on the others.

```

#           [,1]           [,2]           [,3]
## Heading "Variable_Names" "Reachability_Set"
#           "A1"           " A1 A2 A3 A4"           " A1"
#           "A2"           " A2 A3 A4"           " A1 A2"
#           "A3"           " A3 A4"           " A1 A2 A3"
## b_row           " A1"           " A1 A2 A3 A4"
## Heading "Variable_Names" "Reachability_Set"
"Antecedents_Set"## "A1 A2 A3"           " A1"
#           "A2"           " A2 A3"           " A1 A2"
## b_row           " A3"           " A1 A2 A3"
## Heading "Variable_Names" "Reachability_Set"
"Antecedents_Set"## "A1 A2"           " A1"
#           "A2"           " A1 A2"
## b_row           " A2"           " A1 A2"
## Heading "Variable_Names" "Reachability_Set"
"Antecedents_Set"## "A1"           " A1"
#           "A1"           " A1"
##           [,4]           ""
## Heading "Intersection_Set"
"Level"##           " A1" "0"
#           "A2"           "0"
## b_row           "0"
## Heading "Intersection_Set"
"Level"##           " A1" "0"
#           "A2"           "0"
## b_row           "1"
## Heading "Intersection_Set"
"Level"##           " A1" "0"
#           "1"
## b_row           "1"
## Heading "Intersection_Set"
"Level"## final1 "A1" "1"

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539 | Page

This process continues until the final iteration, where A1 (Tourism Revenue) emerges as the most dominant element, having only itself in the Reachability Set but appearing as the main driving factor in all previous iterations. A1 is placed at the highest level, indicating that this element has the greatest influence in the overall structure.

Final Reachability Matrix

The Final Reachability Matrix highlights the relationships between the four main elements in the analysis of the economic impact of eco-gastronomy: Tourism Revenue (A1), Job Opportunities (A2), Investment and Infrastructure (A3), and Local Economy (A4). This matrix shows how each element influences or is influenced by the others. Tourism Revenue (A1) has a direct influence on all other elements, as indicated by a 1 in all columns (A2, A3, A4). This shows that A1 is a highly dominant and widely influential factor in the system.

Table 4. Final Reachability Matrix

##	A1	A2	A3	A4
## A1	1	1	1	1
## A2	0	1	1	1
## A3	0	1	1	1
## A4	0	1	0	1

Job Opportunities (A2) and Investment and Infrastructure (A3) also have a strong influence on the Local Economy (A4), as indicated by a 1 in column A4. However, both A2 and A3 do not influence A1, showing that they are more influenced by Tourism Revenue than they are able to influence it. The Local Economy (A4) only influences itself and is influenced by all other elements, as shown by a 1 in columns A2 and A4. This confirms that the Local Economy is the most influenced element in this structure, and changes in the other elements will significantly impact the local economy.

Canonical Matrix

The Canonical Matrix provides further insights into the relationships and interactions between the key elements analyzed, namely Tourism Revenue (A1), Job Opportunities (A2), Investment and Infrastructure (A3), and Local Economy (A4). This matrix not only shows the influence of one element on another but also identifies the Driving Power and Dependence of each element.

Table 5 Canonical Matrix

##	A1	A2	A3	A4	DriverPower	Rank	Dependence	Hirarki
## A1	1	1	1	1	4	1	1	3
## A2	0	1	1	1	3	2	4	1
## A3	0	1	1	1	3	2	3	2
## A4	0	1	0	1	2	3	4	1

Tourism Revenue (A1) has the highest Driving Power with a value of 4, indicating that this element has the greatest influence among all the other elements. With low Dependence (value 1), A1 is seen as an independent element and the main factor driving the entire system. Its hierarchy in the third rank shows that while A1 has the highest driving power, its role in the overall system is strategic.

Job Opportunities (A2) and Investment and Infrastructure (A3) have the same Driving

Power (value 3), meaning both have significant influence but less than A1. These two elements also have high Dependence (value 4), showing that they are highly influenced by other elements, especially Tourism Revenue. In the hierarchy, A2 and A3 occupy the first and second ranks, indicating their importance but also their dependency on other elements.

The Local Economy (A4) has the lowest Driving Power (value 2), indicating that this element has the least influence on other elements. However, with high Dependence (value 4), A4 is highly influenced by changes in the other elements, particularly A2 and A3.

In conclusion, the Canonical Matrix confirms the importance of Tourism Revenue (A1) as the main driving force in the system, while Job Opportunities (A2) and Investment and Infrastructure (A3) function as key elements that are heavily dependent on A1. The Local Economy (A4), while having the least influence, serves as an important indicator of balance and well-being in the overall eco-gastronomy system.

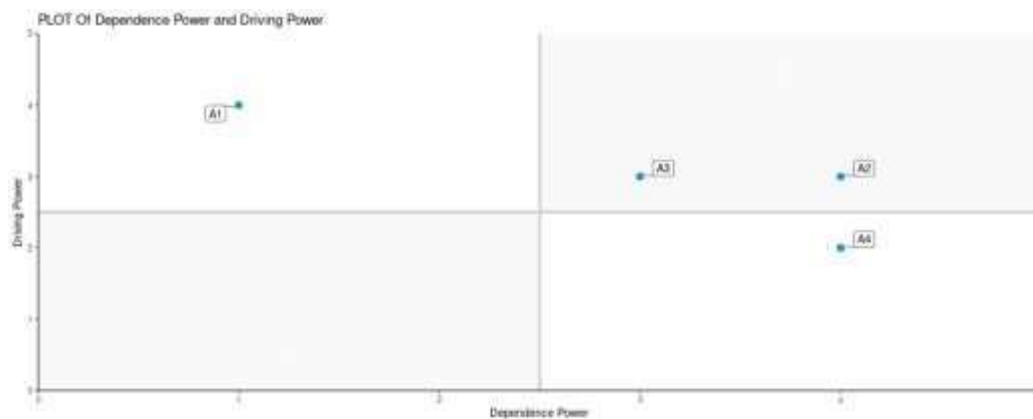


Figure 3. Dependence Power dan Driving Power

The analysis highlights the need to focus on increasing tourism revenue as a key strategy for developing an eco-gastronomy-based economy. Investment and infrastructure, as well as job opportunities, are critical but depend on the dynamics driven by tourism revenue. The local economy tends to follow the changes driven by these three variables.



is the most dominant variable, with strong influence (high Driving Power) and little dependence on other factors. This makes it the main driver in the system, affecting all other elements. Job Opportunities (A2) and Investment and Infrastructure (A3) also play key roles, but they are more dependent on Tourism Revenue, with A2 being particularly influenced by it. The Local Economy (A4) has the least influence and is more reactive to changes in the other variables. Therefore, development strategies should prioritize Tourism Revenue as the primary driver, with secondary focus on Investment, Infrastructure, and Job Opportunities.

Discussion

The economic impact of eco-gastronomy in Bangli Regency highlights four key aspects: local economy, tourism revenue, investment and infrastructure, and job opportunities. Tourism revenue emerged as the most dominant factor driving growth in other areas, such as job creation and local economic development. The multiplier effect theory in tourism suggests that revenue from eco-gastronomy can stimulate broader economic growth, influencing various sectors such as local industries and labor markets (Ma, 2023). However, while eco-gastronomy has the potential to improve local welfare, challenges like income inequality and the dominance of large asset holders persist. The investment and infrastructure sector faces issues of mismanagement and inadequate support, which hinders sustainable tourism development, aligning with the need for robust infrastructure management highlighted in tourism development theory. Job opportunities created by eco-gastronomy have contributed to local employment, but the economic benefits remain insufficient to reduce labor migration to more developed areas. Ultimately, the analysis concludes that focusing on enhancing tourism revenue, alongside transparent management, equitable distribution of benefits, and proper infrastructure investment, is crucial for the sustainable economic growth of the region.

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