

## Transformation a Poor Village into a Prosperous Tourist Destination in Indonesia

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### ABSTRACT

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A new leader has inspired young people to transform an agrarian village into a popular tourist destination. The goal of this research is to explain the process of transforming an agricultural village into a tourism village, including the role of the Village Head (VH) and other actors involved. This research was conducted in Pujon Kidul (PK) village, Pujon subdistrict, Malang Regency, East Java Province, Indonesia. Data was collected through in-depth interviews with innovators, small traders, and members of society at tourist sites. Apart from conducting in-depth interviews, secondary data was also utilized to examine how the innovative and entrepreneurial spirit of innovators can transform the traditional lifestyle of PK Village. This phenomenon can be explained by the Knowledge-intensive Innovative Entrepreneurship (KIE) framework, which highlights the significance of knowledge and innovation in entrepreneurial development. The study's findings enhance the KIE framework by reinforcing the significance of entrepreneurial leaders and real political support. Moreover, the government's policies that actively promote the growth of rural areas and tourism are external factors that encourage Village Heads to bring about social transformation. These policies have created an environment that nurtures the entrepreneurial spirit of all members of society. Contrary to popular belief, this article argues that village development from the grassroots level is an achievable goal.

## 1. INTRODUCTION

This paper uses two sets of field studies to illustrate how innovation and entrepreneurship can transform existing cultures in village communities into new one that has an impact on improving welfare. This study explains how knowledge, innovation, and entrepreneurship are important factors in successful transformation.

Before 2012, Pujon Kidul (PK) was a remote area within the Malang Regency and was considered one of the underdeveloped villages in East Java Province. The majority of the population relied on agriculture, including rice cultivation, vegetable farming, and animal husbandry, for their livelihood. Unfortunately, like many rural areas in Indonesia, the villagers in this community live below the poverty line [1-3], making it challenging to meet their daily needs. Consequently, the income earned was often insufficient to support a decent standard of living. The economic structure in Indonesia has prioritized the development of the agrarian sector, which has resulted in the local people's inability to afford higher levels of education for their children, including the previous PK village.

This Village has no iconic landscapes like heritage sites/ temples, waterfalls, canyons, caves, unique beaches, rows of large rocks, small islands, or other noteworthy features. With these not extraordinary conditions, PK managed to elevate

itself from one of the poorest villages in Malang Regency to one that has a high level of population welfare. This is different from various Indonesian tourist destinations which rely on natural beauty [4].

According to Malerba [5], transformation efforts initiated by Hartoko, the Village Head (VH), gained momentum after he discovered favorable opportunities and market conditions.

He successfully encouraged the community to transition from farming to tourism entrepreneurship in 2012 [6]. PK transformation turned a poor village into one generating IDR 1.2B per hectare in 2020, compared to the average Indonesian farmer's income of IDR 5 million. Due to the tourism sector, it has received the highest original village income in Malang district since 2016 with nearly ten times the achievement compared to 377 other villages.

The population of PK village has been rewarded by various government bodies like the Ministry of Villages, the Ministry of Social Affairs, the Ministry of Tourism and Creative Economy, and the Ministry of Environment during the years 2019 and 2020. Regarding Walker et al. [7], PK has carried out a social transformation that has developed local capacities to create fundamentally new systems through changes in ecological, economic, or social structures [8].

The accumulated economic improvement then has had a significant impact on the level of community welfare since 2018 as reflected in the Local Own-Source Revenue (LOSR)

which has increased more than 10 times. Before 2012 there were more than 1,000 people categorized as poor, and in 2016 it was reduced to 387 people and in 2018 it decreased again to 257 people. The authors ask, how can the spirit of innovation and entrepreneurship of innovators transform this village's traditional way of life into a new one?

This paper describes the process of transforming an agricultural village into a tourism village by outlining the role of the VH and the other actors involved. This study is in line with the argumentation of John Kotter [9] which stated that social change will fail if leaders do not play the role of driving change. In the literature review section, the authors discuss various studies and publications related to this topic and then determine a relevant theoretical framework related to the phenomenon in PK village. After describing the methodology used in this study, the authors describe the research findings by describing the legal standing, the role of pioneers of change, and environmental support for the changes made. The discussion and conclusion sections in this article will reflect on field findings with related concepts and arguments from previous literature.

## 2. THEORETICAL FRAMEWORK

In many ways, social transformation has had positive impacts on the welfare of citizens through various social innovations such as the development of art performance attractions as in Ecuador [10], the transformation of the main livelihoods which increases people's welfare as in PK village, East Java Indonesia [6], and other successful social transformations were found from field research in 7 regions including Asia, Africa, Latin America, and North America [11]. Given it requires social alliances to run a business in an effort to overcome social problems [12] and visionary and competent leadership is very important [13].

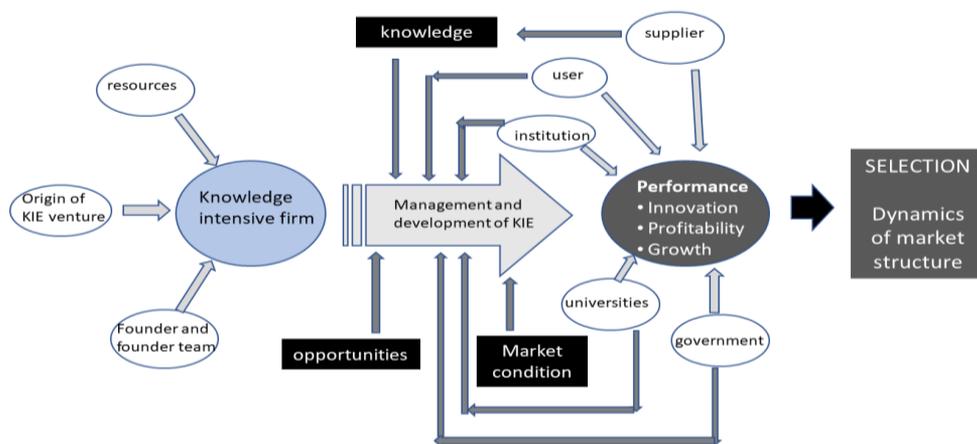
Leaders play a critical role in social transformation [9, 14] which is due to the encouragement of several conditions and can also be triggered by social enterprises [15]. To carry out social transformation a leader must have an entrepreneurial spirit. Entrepreneurship has been studied through several subjects related to economic development [16, 17]; economic sociology [18, 19]; innovations [20, 21]; poverty reduction [22, 23]; and environmental matters [24, 25]. The spirit of social entrepreneurship will succeed in alleviating poverty if it is supported by institutionalized leadership and policies [23] and

innovation [20, 21]. Social entrepreneurship and innovation share common overlaps [8] and both are influenced by the quality of public institutions [26, 27]. There are recognized differences in innovation forms, including building local capacity, disseminating a package, and building a movement [11]. And social entrepreneurship is an indicator of constructible social capital created from below [28]. The transformation of the livelihoods of PK residents who previously worked in agriculture to become workers in the tourism sector can be explained through the concept of Knowledge-intensive Innovative Entrepreneurship (KIE) by Franco Malerba [5]. McKelvey et al. [29] further stated that KIE must be based on governance from supportive political institutions.

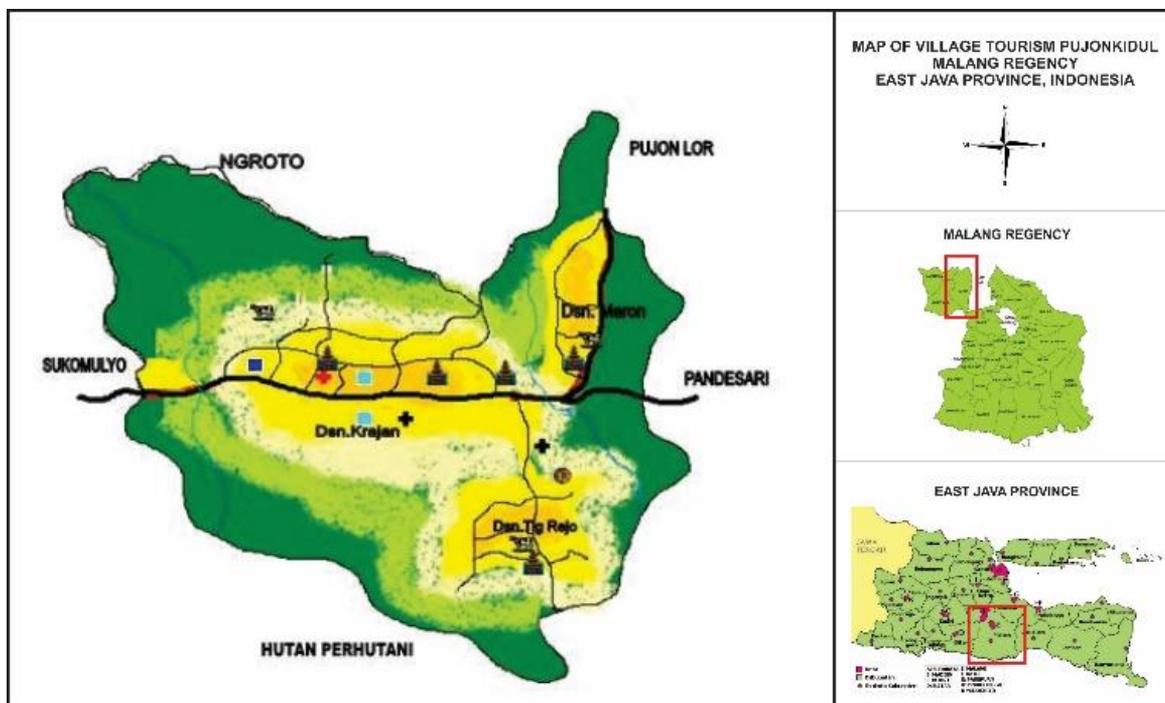
As shown in Figure 1, Malerba [5] describes KIE entrepreneurship as a process of learning and problem-solving that is carried out by the entrepreneur (either a founder or a founder team) with the aim of reaping the benefits of opportunity identification, creation, and exploitation. Essentially, this concept suggests that KIE entrepreneurship involves individuals and organizations operating within knowledge networks, as well as national, regional, and sectoral contexts. These networks and contexts play a crucial role in defining the complementary capabilities and financial support required, knowledge sources to be utilized, and the channels and opportunities for innovation that can be exploited or created.

An entrepreneur cannot achieve social innovation alone. Collaborative ideation and implementation with various parties is essential to transform an agriculture village into a tourist destination [8]. The newly elected VH had a wonderful chance to initiate an entrepreneurial innovation program with the support of like-minded younger individuals. He shared his knowledge with six youths who also saw a market opportunity in developing a tourist village. This group then made significant efforts to establish a business unit by utilizing the available resources in PK village.

The social transformation that was done by Hartoko and the innovators rejected the argument from Thaler and Attems [30] who stated that local actors and stakeholders often devote their energy to solving internal problems rather than carrying out basic social transformation. Apart from that, the efforts in developing villages could be carried out institutionally because it was the initiative of the VH. This research differs from that conducted by Firdaus et al. [6], which focused on the government's role in developing PK tourist villages.



**Figure 1.** A stylized process model of knowledge-intensive innovative entrepreneurship  
Source: Franco Malerba & Maureen McKelvey, 2020



**Figure 2.** Map of Pujon Kidul Village  
Source: Firdaus et al. 2021

### 3. DATA AND METHODS

Analysis of documents, including government regulations, and news in the mass media and on the Internet has helped the authors gain a general understanding of the success of the agricultural village that has been converted into a tourist resort. Then, the authors searched for data through field research for 1 month at the end of 2019.

The research conducted in this study used a qualitative approach and focused on a case Study of the Pujon Kidul (PK) Tourism Village in Pujon District, Malang Regency, Java Province, Indonesia.

The purpose of choosing PK as the case study locus was to gain a better understanding of village transformation by examining the various programs and processes taking place in the village [31-33]. This village was selected because it is currently undergoing a rapid transformation from an agricultural village to a tourist village, which is evidenced by the numerous awards and recognition it has received at the national level. In 2018, it was awarded for being the most innovative village in using village funds, and in 2023, it was recognized as a tourist village in the inspiring independent village category. This makes Pujon Kidul an ideal case study location for examining various programs, events, activities, processes, and individual groups [31].

PK Tourism Village is located in a mountainous area with an altitude of 1,200 meters above sea level. The majority of the population worked as farmers and dairy farmers due to the geographical conditions. To reach PK, it only takes 10-15 minutes by vehicle from Batu Tourism City. The distance from PK Tourist Village to Abdurrahman Salah Airport is only 40 km, which is closer than the district capital in Kepanjen, approximately 50 km away (see the map on Figure 2). Because of its strategic location (near the city of Batu and the airport), PK has the potential to become a popular tourist village among others that have been developed in Malang Regency.

The research process consisted of three field visits. The first

visit was conducted by the third author over a period of two weeks in September 2019. The second visit was conducted by the second author for three days in October 2019. The third visit was conducted by the first author for four days in June 2022. The data collection methods included in-depth interviews, document study, and observation. The in-depth interviews were conducted with key figures in the development of the tourism village, such as the village head, the chairman of the Village Representative, the Director of BUMDes Sejahtera (Village Owned Enterprises), and the head of the Tourism Awareness Group (Pokdarwis), as well as tourists and members of the local community. The interviews were semi-structured and took place at various locations, such as the village office, tourist locations, and the informants' homes. Relevant documents related to the transformation of the Pujon Kidul tourist village, such as village monographs, BUMDes reports, village development Blueprints, and scientific journals, were studied. Observations were made during the data collection process by observing residents' daily activities, tourist locations, livestock areas, and agricultural areas.

The data collected from interviews, which lasted between 1-1.5 hours, were transferred to a computer and transcribed word-for-word. The transcription results were grouped into relevant themes for this article. The theme grouping process began during the field data collection process. The thematic data was verified using document and field observation data. The interview data was compared to document data, specifically related to event occurrence times, which sometimes varied among informants. Themes that were relevant to the purpose of writing the article were then presented descriptively. The research data was analyzed and interpreted with reference to the theory used. This process follows the stages in qualitative research, namely reduction/verification, data display, and data interpretation [34].

## 4. RESULTS AND DISCUSSION

The population of Pujon Kidul, numbering around 4 thousand people, most of whom were farmers and dairy farmers, have transformed their livelihood activities and lives into tourism actors. This was started in 2012 and then became established two years later.

### Legal foundation

It is the Law of the Republic of Indonesia Number 22 of the Year 1999 that is used to establish Village-Owned Enterprises (Indonesia: BUMD) in Regional Governments. The BUMD law was then updated by the Law of the Republic of Indonesia Number 32 Year 2004. Furthermore, the legal basis is operationalized through Government Regulation Number 72 Year 2005 concerning villages. The Government of Indonesia establishes BUMD as one of the central government and local government programs to improve an independent economy in villages in order to provide benefits and welfare for all villagers.

Law Number 6 Year 2014 concerning Villages provides autonomy for villages to regulate their own resources and determine the direction of their own development. Villages are expected to be independent socially, culturally, economically, and even politically. Thus, villages are expected to be able to accelerate development in order to improve the quality of human life. Village autonomy also provides space for villages to have the initiative and creativity in tackling poverty, through the provision of basic needs, development of facilities and infrastructure, development of local economic potential, and sustainable use of natural resources and the environment, by prioritizing togetherness, kinship, and mutual cooperation. Of the many breakthroughs made by 74 thousand villages in Indonesia, economic activities of the tourism sector can directly or indirectly involve most of the community.

### Entrepreneur oriented leader

In 2011, Hartoko, who worked at a hotel in Malang City, felt compelled to run for the village head (VH) election. As a local resident of PK, he understood that the key to improving the economic status of rural communities was to make significant changes. Rural communities have traditionally relied solely on agricultural productivity, making it difficult to improve their overall welfare. It is therefore necessary to encourage villagers to shift away from being solely farmers or livestock breeders, and instead become dynamic entrepreneurs through innovation and creativity [35]. This approach is in line with the ideas proposed by Yan and Yan [36], which emphasize the interrelatedness of various factors.

Of course, this idea required a change in the culture of the community from being passive to active. An agrarian society dependent on natural and climatic conditions became a tourist village as an entrepreneurial culture developed. As an entrepreneur, he stressed the innovative nature of initiatives and core strategies and paid attention to every detail to ensure success [11].

In 2011, after being elected as VH, Hartoko took immediate strategic and tactical steps to achieve his goals. His strategic steps had two objectives: to restore the solidarity of the village community which was divided during the VH election, and to invite all parties to work together to achieve the welfare of the population by developing a tourist village. In his welcoming speech after being officially elected as the winner, he emphasized the importance of ending rivalries and conflicts

during the VH election campaign.

He did the mapping by visiting the residents of the 20 Neighborhood Associations and holding discussions by listening to the problems and aspirations of the villagers. People complained about infrastructure problems, garbage, juvenile delinquency, health, education and social welfare. After that he made tactical steps. He proposed the idea of social transformation by inviting villagers who mostly work as farmers to become tourism actors in their village. He promised to open up new job opportunities as well as improve the welfare of citizens. The idea received a warm welcome from residents who for decades had lived in poverty. In 2012, with the support of 6 youths, he carried out his campaign promises. He succeeded in optimizing the social capital in the village and demonstrating the character of a competent leader [28] to implement sustainable development [37]. He believed that social capital and stakeholder involvement are the keys to the success of tourism area sustainability [38].

After solving the problem of the availability of clean water which often causes conflict among villagers, he established a Village-Owned Enterprise (BUMDes) in 2015. The BUMDes then plays the role of managing clean water channels both in installations to people's homes and collecting monthly fees. He also issued a subsidy policy by giving lower prices to relatively poor families.

For tactical steps, he optimized village youths who had positive initiative and creativity by inviting them to design concepts and develop concrete steps to create a tourist village. A room in the village office was provided for a secretariat to assist in the development of a tourist village. He benefited greatly from the presence of pioneers near his office, as well as gained appreciation from the public for being able to channel the energy and ambitions of young people to move forward. Then he could also control and provide direction and technical support in making this happen. Thus, Hartoko succeeded in building charisma, which according to Max Weber is an incredibly vital concept of an entrepreneur [18, 19].

In February 2016, he encouraged BUMDes to start the Cafe Sawah business unit, which employs 136 young people. Three huts were established in the middle of rice fields on village treasury land which were previously managed by the village head. The village government injected IDR 60 million in capital by setting up this café which can accommodate 2,000 visitors every day. Although at first, many were against the idea, slowly but surely, Cafe Sawah became increasingly known after being uploaded on social media by tourists arriving from various areas outside Malang Regency.

Despite the Covid-19 pandemic, in 2020 BUMDes can still contribute Rp. 1.4 billion in PADes, namely by implementing the Health Protocol policy for managers and visitors. The Sawah Cafe and its tourist parking area contribute more than 90 percent (Rp. 8.96 billion) of BUMDes' total turnover. BUMDes turnover in 2020, amounted to 9.5 billion rupiah.

### Supportive environment

In reference to Malerba and McKelvey [5], the management and development of KIE was first put into practice in PK village by establishing BUMDes. The first concrete step carried out by this institution was to utilize vacant land and open a newly acquired area of 6 hectares for a tourist area: a playground for children and trail bike tracks for families, facilitating agro-tourism activities, such as milking cows, and horse-riding tours, and setting up a rice field cafe. The center

of the arena was built as a restaurant surrounded by shops selling souvenirs. These commercial facilities provide opportunities for more than 300 villagers to be directly involved in economic activities. Those who cannot be directly involved in the arena can still benefit economically by taking advantage of the large number of visitors who come through the service of dropping off and picking up guests using motorbikes or minibuses from tourist bus stops. Public transportation was provided by residents of PK because large buses were not allowed to enter the location since the roads were not wide enough. Therefore, they had to wait in the bus parking area about 1 km away from the location.

After being declared a tourism village, complementary cooperation between the villages led to the absence of conflicts or criminal acts, allowing for successful tourism and economic benefits for all residents. According to Eriksson [37], social capital is vital for sustainable social development. It explains that social entrepreneurship was utilized as an indicator of social capital constructed from the bottom-up [28]. This was achieved by leveraging the power of networks and institutions, as demonstrated in the IEC [5].

BUMDes had substantial knowledge and was able to utilize networks in the development of tourism areas, by obtaining assistance from one of the largest state banks in Indonesia (Bank BNI) in the form of infrastructure development such as paving roads and a farmer's hall pavilion. Bank BNI also provided socialization and training to the community regarding financial management and offered practical training on entrepreneurship. In 2015, Café Sawah (Rice field Café) along with scenic gardens was built using the APBDes budget of 50 million rupiah.

In 2017, the PK Village government again provided aid funds for the development of Café Sawah through BUMDes in the amount of IDR 150 million which was used to build a Water Balloon, Roudh Arena - a vehicle for visitors to ride horses, as well as an arrow playground. Along with these, BUMDes also formed a new tour guide unit which delivered education and expertise to all residents in improving their competence as tourism practitioners.

In 2018, a tourist arena was opened to pick fresh plants and vegetables with the aim of affording a special sensation for

visitors who were city dwellers and at the same time making it easier for them to get fresh vegetables and fruits directly from the area of agriculture. For the villagers of PK, this was a better method of selling agricultural products because they did not have to bring ones out of the village to the district market.

In the same year, Fantasy Land and Cultural Village were developed and built, which have increasingly provided many unique photo spots for visitors. This high number of visits ultimately provided benefits, not only for Village Original Revenue (PADes) managed through BUMDes but it had a direct impact on improving the community's economy, through various economic activities such as homestays, horse rentals, agricultural tours, livestock tours, and so on, which were managed in groups or independently by the community. In addition, the souvenir industry and food stalls also grew along with this development. The success of the PK tourist village was a major contribution from the champions as well as the success of community development in general [38, 39] in the use of technology as was done in Uganda [40], and sports development as developed in Tonga [41].

Until now, tourist destinations in PK have not produced environmental problems in the form of solid, liquid or air waste. In other words, ecotourism has been able to overcome the challenges of tourist areas that in some places have a negative impact on the environment. This is because they have implemented a concept that is environmentally friendly. Tourism in PK has even been able to achieve a balance between tourism activities and ecological health and has succeeded in overcoming market behavior which often ignores environmental sustainability as reminded by Buckley [42] that sustainability is as critical in tourism as in any other sector of the human economy, and equally difficult to achieve. So, the related stakeholders need to gain a more reflexive understanding of knowledge and management. This is required to better understand the implications of knowledge dissemination and action for sustainable tourism [43]. Additionally, a successful network between tourist destinations and the government is promising for the sustainable development of rural villages, as shown in China [44].

**Table 1.** Infrastructure developed to be Tourism Village

Matter	Availability	Positive Impact	Negative Impact
Legal Standing	V	Legitimate	X
Natural Capital	V	Can be optimized	X
Scenery Capital	V	Can be optimized	X
Pioneer	V	As prime movers	X
Leadership	V	As prime movers	X
Social capital	Only few who did not support	Legitimate	Politically none
Government support	V	Can be optimized	X
Corporate support	V	Can be optimized	X
Inhabitant participation	V	Can be optimized	X
Crime threats	X	As positive capital	X
Service culture	Minimal in the first years	Can be overcome through training and habituation	It takes time to master excellent service

Source: Created by authors

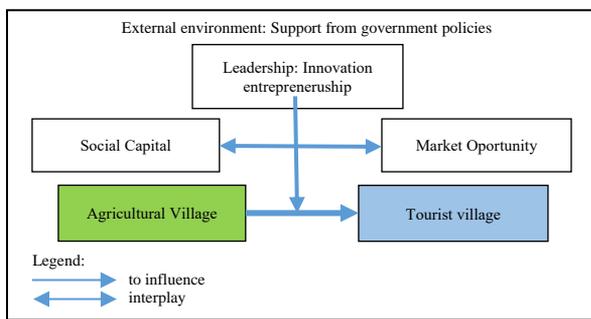
The availability, positive impact, and negative impact of infrastructure for an agricultural village to become a tourist village in PK can be seen in the Table 1 below that there were social and institutional infrastructures in PK village which had many positive aspects. For the transformation process to be

carried out effectively, these infrastructures are essential. On the other hand, the negative impacts appear to be insignificant.

Government policies played a significant role in driving the transformation by providing legitimacy for the village head and pioneers to achieve their goals. This was also a guarantee

for parties outside the PK village, especially the private sector to get involved in investing without having to worry about the occurrence of frauds or hazards that could cause the loss of their money. The most significant thing in realizing this was the development of market opportunities in line with the increasing demand of the Indonesian population, for carrying out tourism activities [45]. As the Minister of Tourism stated, tourism was one of the backbones of the economy's growth. In addition, the involvement and full support of PK villagers as a reflection of effective social capital was a crucial key to the success of the transformation process.

The Figure 3 illustrates the transformation process from an agrarian village to a tourist village influenced by strong leadership. Namely, VH is full of creativity and innovation and has an entrepreneurial spirit. This process can take advantage of market opportunities and community participation in the midst of policy support from the government. Social capital in the community and market opportunities were successfully optimized by VH in an effort to turn an agrarian village into a tourist village. The economic income of the population has increased is a guarantee of the success of social transformation [46].



**Figure 3.** Transformation model from an agriculture village to be a tourist village

As Boakye [46] found, the social and political environments in which economies operate immeasurably affect economic outcomes. As Kusumawati et al. [47] argued, the development of tourism for people activities has a positive impact on people's lives in the form of increasing social cohesion, reducing tension in the community, and developing a spirit of togetherness. In line with that, VH strengthened networks with various external parties, from both the private sector and the provincial government of East Java or ministries in Jakarta. The work program focused on budget management so that village activities could be directly related to the vision.

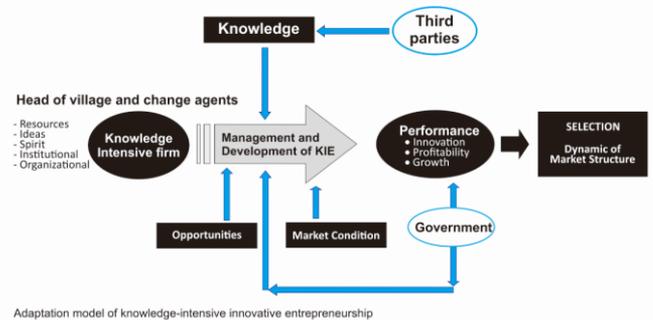
**Discussion**

A study conducted in PK village yielded results that corrected the KIE model by Malerba (see Figure 4). The crucial elements in transforming an agricultural village into a tourism village is management and development of KIE. VH plays an important role in the tourism sector by sharing their knowledge with young people (change agents) and village residents. Developing tourist villages that align with government policies to build independent villages and meet the community's needs for unique village travel experiences greatly helps in managing and developing KIE.

PK's success as a tourist village cannot be generalized as it has unique characteristics that cannot be easily replicated. There are at least seven successful tourist villages recognized by the Indonesian government, each with its own distinct

features. For example, Blekok Village in Situbundo cultivates tilapia in the village irrigation and is home to various types of mangrove plants and birds. In Umbulharjo Village, cultivating tilapia in irrigation channels has become a tourist attraction. The village of Kete Kesu in Toraja has become the most iconic tourist attraction due to the traditional village that embodies the concept of sustainable development with cultural preservation, particularly the burial ground on a rock cliff estimated to be 500 years old.

However, of course, the transformation process of PK village does not always run smoothly. It is necessary to prove the seriousness of the pioneers to realize these ideals in the first years of village head governance in early 2012-2013 when challenges began to arise in developing PK tourism village. Primarily, the problem is changing the culture of an agrarian society into a service culture. This is often a problem as experienced in Darap village and Pastanga village in India reported by Chaudhary and Lama [48]. In contrast to Malerba, this study does not find the role of universities as a significant element in the process of building KIE. And just the opposite, this research finds the pivotal role of social capital [20] as a critical element of the transformation process.



**Figure 4.** Transformation model from an agriculture village to be a tourist village

To achieve socio-economic success, it is crucial to receive macro-environment support, which has been resolved by national-level political backing. A tourist village is being built in accordance with the Village Law and National Government Regulation, and the VH has used this to reassure residents that the project aligns with national development policy. Moreover, as Shaw [49], PK's social transformation can be smoothly implemented with the political legitimacy of the pioneers of change.

The enthusiasm of the residents of PK towards developing tourist villages is influenced by various factors, primarily the news in mass and social media about the success stories of previously "poor" villages in different regions of Indonesia that have become more prosperous. The external environment, which portrays tourism workers leading a better life, acts as a source of inspiration and motivation for PK residents. The primary objective of building tourist villages is to escape poverty in the village, which has become more prevalent due to the advancement of communication technology that has drastically altered people's lives.

The entrepreneurial spirit shown by the VH and the pioneers gave positive results in line with the opinion of Moscardo [50] that entrepreneurs could be connected to tourism development outcomes. In addition, what is done in PK is in line with the statements of Khalid et al. [51] that high community empowerment enables communities to build successful

sustainable tourism development. What the village head and the pioneers did was a form of social entrepreneurs who were focused on social problems. They created innovative initiatives, built new social arrangements, and mobilized resources in response to those problems as outlined by Alvord et al. [11].

The VH and the seven young people managed to overcome the problems that generally occur in community development, where "the problem of participation is not that participation is impossible to achieve; but rather, that it is impossible to achieve for others" [52]. In light of the end of the VH's term at the end of 2022, there have been questions raised regarding the sustainability of the VH and whether it will undergo changes, which will later be answered by macro-environmental factors and subsequent leadership. Therefore, the Ministry of Tourism, Ministry of Villages, and Ministry of Home Affairs of the Republic of Indonesia should monitor and provide further development assistance to the PK tourism village, which has proven to have a positive impact on its citizens' welfare. What was done by VH and the innovators rejected the argument from Thaler and Attems [31] who stated that local actors and stakeholders often devote their energy to solving internal problems rather than carrying out basic social transformation. This study also criticizes the results of a study from Eversole [53] which showed that building sustainable participation was difficult.

It is important to note that the findings of this research cannot be universally applied to other agricultural villages that aim to undergo transformation. There are various internal factors within the village and external environmental factors, such as government policies and private sector interests, that are beyond control and can significantly impact the outcome of the transformation process.

## 5. CONCLUSION AND RECOMMENDATION

The study's findings indicate the success of PK's transformation process. VH, with the support of a group of young people, has transformed PK from a poor agricultural village into a relatively prosperous tourist destination, bringing about a significant social change by leveraging various available opportunities. Various innovations successfully fostered the entrepreneurial spirit in PK village, particularly by changing residents' livelihood patterns. By promoting good organization, these changes have also facilitated the social transformation process.

Rather than relying solely on natural conditions, they are now more proactive and guided by modern management principles. Four crucial factors play a vital role in facilitating a successful transition from farming to working in the tourism industry. These factors are: a national policy that prioritizes tourism development, capable and competent leadership in developing tourist villages, a young generation that is innovative and proactive, and an external environment that supports the tourism industry worldwide.

First, there is the consistency of national policies, which is the Regional Autonomy Law of 1999 complemented by the Government Regulation of 2005 which is the legal basis and umbrella for tourism development in rural areas by explicitly mentioning the existence and authority of the village as the smallest unit in the state bureaucracy. Furthermore, the Government Regulation Year 2014 provides village autonomy to prepare and manage its own budget and has given PK

village an opportunity to expand and use its creativity, market opportunities, and competencies. Second, with the emergence of a visionary leader, the process of transformation has measurable strategic directions and steps. Third, this ideal idea can be realized thanks to the dedicated work of seven young people who have the dedication and passion to bring about change. The fourth factor that is also relevant is environmental support from various parties, especially the national banking sector which funds infrastructure development in PK to become a tourist village.

The evolution of tourism and the impact of COVID-19 pandemic have brought about significant changes in both macro and micro aspects of rural areas. Therefore, it is important to take into account new variables while conducting similar studies. Additional research is required to identify social transformation patterns when transitioning from agricultural to tourist villages, as each has distinct characteristics.

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