



Sustainable Tourism Development in Indonesia: A Critical Evaluation of Economic Philosophy

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A B S T R A C T

Sustainable tourism has emerged as a paradigm for reconciling the economic benefits of tourism with the need to protect the environment and preserve cultural heritage. This study was aimed to evaluate the economic philosophies underpinning sustainable tourism development in Indonesia. This research employed a qualitative research methodology. Data was collected through a comprehensive literature review encompassing academic journals, books, government reports, and non-governmental organization (NGO) publications. The collected data was then analyzed using thematic analysis to identify key themes and patterns related to economic philosophies and sustainable tourism practices in Indonesia. The findings reveal a dominant focus on neoliberal economic principles in Indonesian tourism, prioritizing economic growth and foreign investment. However, this approach has led to several negative consequences, including environmental degradation, social inequalities, and cultural commodification. Alternative economic philosophies, such as community-based tourism and degrowth, offer more sustainable and equitable pathways for tourism development. In conclusion, a paradigm shift is necessary to achieve sustainable tourism development in Indonesia. Moving away from a purely neoliberal framework and embracing alternative economic models that prioritize community well-being, environmental protection, and cultural preservation is crucial. This shift requires a collaborative effort from government, industry, and local communities.

1. Introduction

Tourism has become an increasingly important economic sector for many countries around the world, contributing significantly to employment opportunities, foreign exchange earnings, and overall economic growth. Indonesia, with its rich natural beauty, cultural diversity, and historical heritage, has emerged as a popular tourist destination in Southeast Asia. The Indonesian government has actively promoted tourism development as a key strategy for economic growth and poverty reduction. However, the rapid expansion of the tourism industry has also raised concerns about its environmental and social

impacts. Uncontrolled tourism development can lead to environmental degradation, loss of biodiversity, and social disruption.¹⁻³

Sustainable tourism has emerged as a paradigm for reconciling the economic benefits of tourism with the need to protect the environment and preserve cultural heritage. Sustainable tourism aims to meet the needs of present tourists and host regions while protecting and enhancing opportunities for the future. It is envisaged as leading to the management of all resources in such a way that economic, social, and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes,

biological diversity, and life support systems. The concept of sustainable tourism is complex and multifaceted, encompassing environmental, social, economic, and cultural dimensions. Environmental sustainability in tourism involves minimizing the negative impacts of tourism activities on the natural environment, such as reducing greenhouse gas emissions, conserving water and energy resources, and protecting biodiversity. Social sustainability focuses on ensuring that tourism benefits local communities and respects their cultural values and traditions. Economic sustainability aims to generate economic benefits for all stakeholders involved in tourism while ensuring the long-term viability of the tourism industry. Cultural sustainability involves preserving and promoting the cultural heritage of tourist destinations, including traditional arts, crafts, and ways of life.⁴⁻⁷

Achieving sustainable tourism development requires a critical examination of the economic philosophies that underpin tourism development. The dominant economic model in many countries, including Indonesia, is neoliberalism, characterized by market liberalization, deregulation, and privatization. While neoliberalism has led to economic growth in many sectors, including tourism, it has also been criticized for its negative social and environmental consequences. In the context of tourism, neoliberalism has often prioritized economic growth and profit maximization over environmental protection and social equity.⁸⁻¹⁰ This research critically evaluates the economic philosophies that have shaped tourism development in Indonesia, examining the implications of the dominant neoliberal paradigm for sustainable tourism.

2. Methods

This research employed a qualitative research methodology, which is well-suited for exploring complex social phenomena and understanding the perspectives of different stakeholders. Qualitative research is particularly appropriate for investigating topics that involve intricate relationships, subjective interpretations, and contextual influences. In the realm of sustainable tourism, where the interplay of

economic philosophies, environmental concerns, social dynamics, and cultural values is paramount, qualitative research enables an in-depth exploration of these multifaceted interactions. The study involved a comprehensive review of relevant literature, including academic journals, books, government reports, and NGO publications. These sources provided a rich and diverse pool of data, allowing for a comprehensive examination of the research topic. The collected data was then analyzed using thematic analysis, a qualitative data analysis method that involves identifying, analyzing, and reporting patterns (themes) within data. Thematic analysis is a flexible and versatile method that is well-suited for analyzing large amounts of textual data. It allows researchers to identify recurring patterns, underlying meanings, and dominant ideas within the data, providing a nuanced understanding of the phenomenon under investigation.

To ensure a comprehensive and nuanced understanding of the research topic, we employed a multifaceted data collection strategy, drawing on a variety of sources. The foundation of this research was a rigorous and extensive review of relevant literature. This involved a systematic search of academic databases, including; Scopus: A large, multidisciplinary abstract and citation database of peer-reviewed literature, offering comprehensive coverage of scientific, technical, medical, and social sciences journals; Web of Science: A platform providing access to multiple databases containing citation data for various academic disciplines, enabling citation analysis and identification of influential research; Google Scholar: A freely accessible search engine that indexes a vast range of scholarly literature, including articles, theses, books, and conference proceedings; JSTOR: A digital library providing full-text access to academic journals, books, and primary sources across various disciplines, particularly strong in humanities and social sciences; In addition to these databases, we also consulted relevant books, government reports, policy documents, and publications by non-governmental organizations (NGOs) working in the field of sustainable tourism in Indonesia. In addition to

academic literature, we analyzed various documents to gain a deeper understanding of the policy context and stakeholder perspectives on sustainable tourism in Indonesia. These documents included; Government Reports: Reports and policy documents published by the Indonesian Ministry of Tourism and Creative Economy, the Ministry of Environment and Forestry, and other relevant government agencies. These documents provided insights into the government's official stance on sustainable tourism, its policy priorities, and implementation strategies; NGO Publications: Reports, case studies, and advocacy materials published by NGOs working in the field of sustainable tourism in Indonesia. These documents offered valuable perspectives on the challenges and opportunities of sustainable tourism development from the perspective of civil society organizations; Tourism Industry Documents: Sustainability reports, marketing materials, and websites of tourism businesses operating in Indonesia. These documents provided insights into the industry's approach to sustainability and its engagement with environmental and social issues.

Our search strategy involved using a combination of keywords and Boolean operators to identify relevant literature. Keywords used in the search included; Core Concepts: Sustainable tourism, Indonesia, economic philosophy, tourism development; Economic Philosophies: Neoliberalism, community-based tourism, degrowth, pro-poor tourism; Impacts: Environmental degradation, social inequality, cultural commodification, economic leakage; Stakeholders: Local communities, government, tourism industry, NGOs. We refined our search by limiting the publication date range to 2018-2024 to ensure the inclusion of recent research and policy developments. This timeframe allowed us to capture contemporary trends and debates in the field of sustainable tourism and economic development.

We employed specific criteria to select relevant literature for inclusion in the review; Relevance: The literature had to directly address the research topic, focusing on the intersection of economic philosophies and sustainable tourism practices in Indonesia; Quality: We prioritized peer-reviewed academic journal

articles, books published by reputable publishers, and reports by credible organizations; Currency: We focused on publications from 2018 onwards to ensure the inclusion of up-to-date research and policy developments; Language: We primarily included publications in English, but also considered relevant literature in Indonesian when English translations were available.

The vast amount of data collected through the literature review and document analysis was analyzed using thematic analysis. This method involves a systematic process of identifying, analyzing, and reporting patterns (themes) within the data. Thematic analysis allowed us to make sense of the complex and multifaceted information gathered, revealing key concepts, relationships, and contradictions related to economic philosophies and sustainable tourism practices in Indonesia.

Familiarization with the data involved immersing ourselves in the data by reading and re-reading the collected literature and documents, taking notes, and making initial observations. Generating initial codes, systematically coded the data, identifying interesting features and assigning labels (codes) to capture their meaning. Codes represent the basic building blocks of thematic analysis. Searching for themes collated codes into potential themes, gathering all data relevant to each theme. This involved actively looking for patterns and connections across the data. Reviewing themes reviewed the identified themes, refining and merging them where necessary, ensuring that each theme was coherent and distinct. Defining and naming themes developed clear definitions and names for each theme, capturing the essence of what the theme represented. Producing the report wrote up the analysis, weaving together the identified themes with illustrative quotes and examples from the data. This involved presenting a clear and compelling narrative that answered the research questions and contributed to the existing body of knowledge.

While thematic analysis can be conducted manually, we utilized qualitative data analysis software to facilitate the coding and organization of the data. This software allowed us to; Import and manage data: Easily import and organize large amounts of

textual data from various sources; Code and categorize data: Systematically code the data and categorize codes into themes; Search and retrieve data: Quickly search and retrieve data related to specific codes or themes; Visualize data: Create visual representations of the data, such as concept maps and word clouds, to aid in data interpretation; Collaborate with other researchers: Share data and analysis with other researchers for collaborative analysis and interpretation. The use of qualitative data analysis software enhanced the efficiency and rigor of our analysis, enabling us to systematically organize, code, and analyze the extensive amount of data collected. The software also facilitated the identification of patterns and relationships within the data, contributing to a more comprehensive and nuanced understanding of the research topic.

3. Results and Discussion

Table 1 outlines the potential negative impacts of a neoliberal economic model on sustainable tourism development in Indonesia. It breaks down the features of neoliberalism into five key areas and provides specific examples of how these manifest in Indonesian tourism; Market Liberalization: Opening up the tourism market to competition, reducing government control, and encouraging foreign investment. Deregulation of the industry, removing barriers to foreign investment, and promoting competition among tourism businesses. This can lead to uncontrolled tourism development, potentially causing overtourism and environmental degradation. Large international corporations may dominate, pushing out local businesses. The pressure to lower prices can lead to exploitation of labor and resources. Relaxation of building restrictions in coastal areas, tax incentives for foreign hotel chains, and streamlined approval processes for new tourism ventures. This can lead to rapid, unchecked development with potentially negative environmental and social consequences; Deregulation: Reducing government oversight and relying more on self-regulation by the tourism industry. Weakening of environmental and social regulations, with emphasis on self-regulation by the tourism industry. This increases the risk of

environmental damage and social exploitation. It can also be difficult to enforce sustainable tourism practices due to a lack of government oversight. Reduction in the number of environmental impact assessments required for tourism projects, limited enforcement of labor laws in the tourism sector, and reliance on voluntary sustainability certifications for tourism businesses; Privatization: Transferring ownership of tourism assets from the public to the private sector. Increased role of the private sector in tourism development and management, often leading to the commodification of natural and cultural resources. This can lead to a loss of community control over tourism resources, prioritizing profit over social and environmental concerns, and potentially displacing local communities. Privatization of national parks and protected areas for tourism development, the sale of communal land to private developers for resort construction, and commercialization of traditional ceremonies and cultural practices; Emphasis on Economic Growth: Prioritizing tourism's contribution to GDP growth, often focusing on mass tourism and increasing tourist arrivals. Government targets for increasing tourist arrivals and marketing campaigns promoting Indonesia as a mass tourism destination. This can lead to the overexploitation of natural resources and environmental degradation. It can also increase social inequalities and displace local communities, leading to a loss of cultural authenticity and the commodification of culture. Government targets for increasing tourist arrivals, marketing campaigns promoting Indonesia as a mass tourism destination, and limited investment in community-based tourism and alternative tourism models; Individualism and Consumerism: Promoting individual tourist experiences and consumption, encouraging a consumerist mindset among tourists. Marketing of luxury resorts and exclusive tourism experiences, with a lack of awareness campaigns on responsible tourism behavior. This can lead to an increased environmental footprint of tourism, disregard for local cultures and traditions, and reinforcement of unsustainable consumption patterns. Promotion of "Instagrammable" tourist destinations, a lack of awareness campaigns on

responsible tourism behavior, and marketing of luxury resorts and exclusive tourism experiences.

Table 2 provides a more detailed look at the specific impacts of a neoliberal approach to tourism development in Indonesia, categorized by environmental, social, and cultural consequences. It also links these impacts to the potential consequences for sustainable tourism; **Environmental Degradation:** This category highlights the direct environmental damage caused by unchecked tourism development. It includes deforestation, pollution of water resources, degradation of ecosystems (especially coastal and marine), increased waste generation, and biodiversity loss. The table provides tangible examples like clearing mangrove forests for resorts in Bali, contamination of rivers by sewage from hotels in Yogyakarta, and damage to coral reefs from unsustainable tourism practices. These environmental problems directly threaten the natural beauty and attractions that draw tourists to Indonesia in the first place. This undermines the long-term viability of tourism, negatively impacts local communities who depend on natural resources, and increases vulnerability to climate change and natural disasters; **Social Inequality:** This category focuses on the uneven distribution of benefits from tourism and the negative social consequences. It includes the displacement of local communities, increased land prices and cost of living, exploitation of labor in the tourism sector, and social disruption and conflict. The table cites examples like foreign-owned hotels and tour operators taking the majority of tourism revenue, relocation of villagers to make way for tourism development, low wages in the hospitality industry, and tensions between locals and tourists over access to resources. This can lead to erosion of social cohesion and community well-being, loss of support for tourism development from local communities, and negative impacts on the cultural identity and social fabric of communities; **Cultural Commodification:** This category deals with the negative impacts on local cultures and heritage. It includes the commercialization of cultural traditions, loss of authenticity, exploitation of cultural heritage for profit, stereotyping and misrepresentation of local cultures, and cultural appropriation. The table

provides examples like traditional dances performed in staged settings for tourists, mass production of souvenirs leading to a decline in traditional craftsmanship, and the use of sacred sites as tourist attractions. This leads to a diminished value and meaning of cultural heritage for local communities, loss of cultural diversity, and negative impacts on the identity and self-esteem of local people.

Table 3 presents two alternative economic philosophies to neoliberalism for achieving sustainable tourism development in Indonesia: **Community-Based Tourism (CBT)** and **Degrowth Tourism**. It outlines their key principles, potential benefits, examples in Indonesia, and challenges and limitations; **Community-Based Tourism (CBT):** This approach emphasizes local ownership and control of tourism resources, equitable distribution of benefits, preservation of cultural heritage and the natural environment, empowerment of local communities, and collaboration among stakeholders. CBT can lead to enhanced economic opportunities for local communities, reduced economic leakage, protection of cultural traditions and natural resources, strengthened community cohesion and social capital, and increased tourist satisfaction through authentic experiences. The table provides examples like Penglipuran Village in Bali, where tourism is managed by the local community, ensuring the preservation of their traditional culture and environment. Other examples include community-based homestays and ecotourism initiatives involving local communities in conservation efforts and benefit-sharing. Ensuring equitable distribution of benefits within the community, balancing economic needs with environmental and cultural preservation, maintaining community control in the face of external pressures, and developing effective governance structures and management capacity are some of the challenges; **Degrowth Tourism:** This philosophy advocates for a reduction in tourism consumption and growth, prioritizing quality over quantity in tourism experiences. It emphasizes slow travel, cultural exchange, environmental awareness, and the promotion of alternative tourism activities with low environmental impact. It focuses on local and regional

tourism markets. Degrowth tourism can lead to a reduced environmental footprint, minimized negative impacts on local communities and cultures, enhanced appreciation for nature and cultural heritage, increased opportunities for meaningful interactions and cultural exchange, and support for local economies and sustainable livelihoods. Examples include trekking and hiking tours in Mount Rinjani National Park promoting slow travel, cultural immersion programs in Yogyakarta offering

opportunities for in-depth learning and exchange, and cycling and kayaking tours in Flores minimizing environmental impact and supporting local businesses. Challenging the dominant growth paradigm in tourism, overcoming economic dependence on mass tourism, ensuring equitable access to tourism opportunities, managing tourism flows and preventing overcrowding, and promoting alternative tourism models that meet the needs of diverse tourists are some of the challenges.

Table 1. Manifestations of neoliberalism in Indonesian tourism development.

Feature of neoliberalism	Manifestation in Indonesian tourism	Potential impacts on sustainable tourism	Example
Market Liberalization	<ul style="list-style-type: none"> • Deregulation of the tourism industry. • Removal of barriers to foreign investment. • Promotion of competition among tourism businesses. 	<ul style="list-style-type: none"> • Increased tourism development, potentially leading to overtourism and environmental degradation. • Dominance of large international tourism corporations, potentially marginalizing local businesses. • Pressure to lower prices, potentially leading to exploitation of labor and resources. 	<ul style="list-style-type: none"> • Relaxation of restrictions on building permits in coastal areas. • Tax incentives for foreign hotel chains. • Streamlined approval process for new tourism ventures.
Deregulation	<ul style="list-style-type: none"> • Reduced government oversight of tourism activities. • Weakening of environmental and social regulations. • Emphasis on self-regulation by the tourism industry. 	<ul style="list-style-type: none"> • Increased risk of environmental damage and social exploitation. • Lack of accountability for the negative impacts of tourism. • Difficulty in enforcing sustainable tourism practices. 	<ul style="list-style-type: none"> • Reduction in the number of environmental impact assessments required for tourism projects. • Limited enforcement of labor laws in the tourism sector. • Reliance on voluntary sustainability certifications for tourism businesses.
Privatization	<ul style="list-style-type: none"> • Transfer of ownership of tourism assets from the public to the private sector. • Increased role of the private sector in tourism development and management. • Commodification of natural and cultural resources for tourism consumption. 	<ul style="list-style-type: none"> • Loss of community control over tourism resources. • Prioritization of profit over social and environmental concerns. • Potential for displacement of local communities. 	<ul style="list-style-type: none"> • Privatization of national parks and protected areas for tourism development. • Sale of communal land to private developers for resort construction. • Commercialization of traditional ceremonies and cultural practices.
Emphasis on Economic Growth	<ul style="list-style-type: none"> • Prioritization of tourism's contribution to GDP growth. • Focus on attracting mass tourism and increasing tourist arrivals. • Neglect of social and environmental costs of tourism growth. 	<ul style="list-style-type: none"> • Overexploitation of natural resources and environmental degradation. • Increased social inequalities and displacement of local communities. • Loss of cultural authenticity and commodification of culture. 	<ul style="list-style-type: none"> • Government targets for increasing tourist arrivals. • Marketing campaigns promoting Indonesia as a mass tourism destination. • Limited investment in community-based tourism and alternative tourism models.
Individualism and Consumerism	<ul style="list-style-type: none"> • Promotion of individual tourist experiences and consumption. • Encouragement of a consumerist mindset among tourists. • Neglect of collective well-being and social responsibility. 	<ul style="list-style-type: none"> • Increased environmental footprint of tourism. • Disregard for local cultures and traditions. • Reinforcement of unsustainable consumption patterns. 	<ul style="list-style-type: none"> • Marketing of luxury resorts and exclusive tourism experiences. • Promotion of "Instagrammable" tourist destinations. • Lack of awareness campaigns on responsible tourism behavior.

Table 2. Impacts of neoliberal tourism development in Indonesia.

Impact category	Specific impact	Examples	Potential consequences for sustainable tourism
Environmental Degradation	<ul style="list-style-type: none"> • Deforestation and habitat loss. • Water pollution and depletion. • Degradation of coastal and marine ecosystems. • Increased waste generation and pollution. • Loss of biodiversity. 	<ul style="list-style-type: none"> • Clearing of mangrove forests for resort development in Bali. • Contamination of rivers and groundwater by untreated sewage from hotels in Yogyakarta. • Damage to coral reefs due to unsustainable diving and snorkeling practices in Raja Ampat. • Accumulation of plastic waste on beaches in Lombok. • Decline in populations of endangered species such as the orangutan due to habitat loss. 	<ul style="list-style-type: none"> • Loss of natural attractions and scenic beauty, undermining the long-term viability of tourism. • Negative impacts on local communities who depend on natural resources for their livelihoods. • Increased vulnerability to climate change and natural disasters.
Social Inequality	<ul style="list-style-type: none"> • Unequal distribution of tourism benefits. • Displacement of local communities. • Increased land prices and cost of living. • Exploitation of labor in the tourism sector. • Social disruption and conflict. 	<ul style="list-style-type: none"> • Majority of tourism revenue accruing to foreign-owned hotels and tour operators. • Relocation of villagers to make way for tourism development in Nusa Tenggara. • Rising housing costs forcing local residents out of popular tourist areas in Ubud. • Low wages and poor working conditions for employees in the hospitality industry. • Tensions between local communities and tourists over access to resources and cultural sites. 	<ul style="list-style-type: none"> • Erosion of social cohesion and community well-being. • Loss of support for tourism development from local communities. • Negative impacts on the cultural identity and social fabric of communities.
Cultural Commodification	<ul style="list-style-type: none"> • Commercialization of cultural traditions and practices. • Loss of authenticity and cultural homogenization. • Exploitation of cultural heritage for tourism profit. • Stereotyping and misrepresentation of local cultures. • Cultural appropriation and disrespect. 	<ul style="list-style-type: none"> • Traditional dances performed for tourists in staged settings in Tana Toraja. • Mass production of souvenirs and handicrafts, leading to a decline in traditional craftsmanship. • Use of sacred sites and religious ceremonies as tourist attractions. • Portrayal of indigenous communities in a romanticized and exoticized manner. • Adoption of Western cultural practices and values, leading to cultural erosion. 	<ul style="list-style-type: none"> • Diminished value and meaning of cultural heritage for local communities. • Loss of cultural diversity and uniqueness. • Negative impacts on the identity and self-esteem of local people.

Table 3. Alternative economic philosophies for sustainable tourism development in Indonesia.

Economic philosophy	Key principles	Potential benefits for sustainable tourism	Examples in Indonesia	Challenges and limitations
Community-Based Tourism (CBT)	<ul style="list-style-type: none"> Local ownership and control of tourism resources. Equitable distribution of tourism benefits. Preservation of cultural heritage and natural environment. Empowerment of local communities. Participation and collaboration among stakeholders. 	<ul style="list-style-type: none"> Enhanced economic opportunities for local communities. Reduced economic leakage and increased local economic multipliers. Protection of cultural traditions and natural resources. Strengthened community cohesion and social capital. Increased tourist satisfaction and authentic experiences. 	<ul style="list-style-type: none"> Penglipuran Village in Bali, where tourism is managed by the local community, ensuring the preservation of their traditional culture and environment. Community-based homestays in Borneo, providing income for local families and promoting cultural exchange. Ecotourism initiatives in Komodo National Park, involving local communities in conservation efforts and benefit-sharing. 	<ul style="list-style-type: none"> Ensuring equitable distribution of benefits within the community. Balancing economic needs with environmental and cultural preservation. Maintaining community control in the face of external pressures. Developing effective governance structures and management capacity.
Degrowth Tourism	<ul style="list-style-type: none"> Reduction in tourism consumption and growth. Prioritization of quality over quantity in tourism experiences. Emphasis on slow travel, cultural exchange, and environmental awareness. Promotion of alternative tourism activities with low environmental impact. Focus on local and regional tourism markets. 	<ul style="list-style-type: none"> Reduced environmental footprint of tourism. Minimized negative impacts on local communities and cultures. Enhanced appreciation for nature and cultural heritage. Increased opportunities for meaningful interactions and cultural exchange. Support for local economies and sustainable livelihoods. 	<ul style="list-style-type: none"> Trekking and hiking tours in Mount Rinjani National Park, promoting slow travel and appreciation for nature. Cultural immersion programs in Yogyakarta, offering opportunities for in-depth learning and exchange. Cycling and kayaking tours in Flores, minimizing environmental impact and supporting local businesses. Farm stays and agritourism initiatives in Central Java, promoting rural development and sustainable agriculture. 	<ul style="list-style-type: none"> Challenging the dominant growth paradigm in tourism. Overcoming the economic dependence on mass tourism. Ensuring equitable access to tourism opportunities. Managing tourism flows and preventing overcrowding. Promoting alternative tourism models that meet the needs of diverse tourists.

Indonesia, a sprawling archipelago boasting unparalleled biodiversity and breathtaking landscapes, has long been a magnet for tourists seeking natural wonders. However, the very tourism industry that fuels economic growth and provides livelihoods is also contributing to a concerning trend of environmental degradation. This degradation, if left unchecked, threatens not only the ecological integrity of the country but also the long-term viability of the tourism sector itself. The allure of pristine beaches and lush rainforests draws millions of tourists to Indonesia each year. Yet, the construction of hotels, resorts, and infrastructure to accommodate this influx often comes at the cost of deforestation. Vast swathes of forest are cleared to make way for tourism development, leading to habitat loss, soil erosion, and disruption of water cycles. The island of Bali, renowned for its scenic beauty, has witnessed significant deforestation due to the rapid expansion of tourism. Mangrove forests, crucial for coastal protection and biodiversity, are being cleared to make way for beachfront resorts. This not only destroys vital ecosystems but also leaves coastal communities vulnerable to erosion and flooding. The rainforests of Sumatra, home to iconic species like the orangutan and Sumatran tiger, are under immense pressure from deforestation driven by the expansion of palm oil plantations and logging for timber. The loss of these forests not only impacts biodiversity but also contributes to climate change through the release of carbon dioxide. Clean water is essential for both ecosystems and human well-being. However, tourism development in Indonesia is contributing to the pollution of rivers, lakes, and coastal waters. Untreated sewage from hotels and resorts, agricultural runoff from golf courses, and improper waste disposal all contribute to the contamination of water resources. The city of Yogyakarta, a cultural hub attracting numerous tourists, faces challenges with water pollution. Untreated sewage from hotels and guesthouses often finds its way into rivers, contaminating water sources used for drinking and irrigation. This poses risks to public health and can damage aquatic ecosystems. Lake Toba, a popular tourist destination in Sumatra, is also facing water

quality issues. Pollution from agricultural runoff, sewage, and industrial waste threatens the lake's ecosystem and the livelihoods of communities that depend on it for fishing and tourism. Indonesia's coastal and marine ecosystems, teeming with coral reefs, mangroves, and diverse marine life, are major tourist attractions. However, unsustainable tourism practices are causing significant damage to these fragile environments. Overfishing, destructive fishing practices, coral mining, and pollution from land-based sources are all contributing to the degradation of these vital ecosystems. The Raja Ampat archipelago in West Papua, known for its pristine coral reefs and diverse marine life, is facing threats from unsustainable tourism practices. Anchoring on coral reefs, improper waste disposal from boats, and overfishing are all contributing to the degradation of this unique marine environment. In Bali, coral reefs are being damaged by pollution from land-based sources, including sewage and agricultural runoff. This pollution can lead to coral bleaching and death, impacting the biodiversity and aesthetic value of these reefs. The increase in tourist numbers often leads to a surge in waste generation, putting a strain on waste management systems. Improper waste disposal, particularly of plastics, is a major problem in Indonesia. Plastic waste often ends up in landfills, waterways, and the ocean, posing a threat to wildlife and human health. The island of Lombok, known for its beautiful beaches, is facing challenges with plastic pollution. Plastic waste from tourists and local communities often accumulates on beaches, impacting the aesthetic value of the coastline and posing a threat to marine life. Bali is also grappling with waste management issues. The island generates a large amount of waste, and its landfills are nearing capacity. The improper disposal of plastic waste is a major concern, as it often ends up polluting the environment. Indonesia is one of the most biodiverse countries in the world, harboring a vast array of plant and animal species. However, habitat loss due to deforestation, pollution, and climate change is leading to a decline in biodiversity. The loss of species not only has ecological consequences but also impacts the tourism industry, as tourists are drawn to Indonesia's unique wildlife

and natural beauty. The orangutan, a critically endangered species found in the rainforests of Sumatra and Borneo, is facing a severe threat from habitat loss due to deforestation. The decline in orangutan populations not only impacts biodiversity but also affects ecotourism opportunities. Coral reefs, which support a vast array of marine life, are being degraded by pollution, destructive fishing practices, and climate change. The loss of coral reefs not only impacts biodiversity but also affects the livelihoods of communities that depend on them for fishing and tourism. The environmental degradation caused by tourism development has far-reaching social and economic consequences. Local communities that depend on natural resources for their livelihoods are particularly vulnerable to the negative impacts of environmental degradation. For example, fishermen may lose their income if fish stocks decline due to overfishing or pollution. Farmers may face challenges with irrigation if water sources are contaminated. Moreover, the loss of natural attractions and scenic beauty can undermine the long-term viability of the tourism industry. Tourists are drawn to Indonesia's natural wonders, and if these are degraded, it could lead to a decline in tourist arrivals, impacting the livelihoods of those employed in the tourism sector. To address the environmental challenges associated with tourism development, Indonesia needs to adopt sustainable tourism practices. Conserving forests, managing water resources, and protecting coastal and marine ecosystems are crucial for sustainable tourism. Reducing waste generation, promoting recycling, and ensuring proper waste disposal are essential for minimizing the environmental impact of tourism. Educating tourists about the importance of environmental protection and encouraging them to adopt responsible practices can contribute to sustainable tourism. Involving local communities in tourism development and ensuring that they benefit from tourism can help to ensure the long-term sustainability of the industry. By adopting sustainable tourism practices, Indonesia can protect its natural environment, ensure the long-term viability of the tourism industry, and create a more equitable and sustainable future for all.¹¹⁻¹⁵

While Indonesia's tourism industry paints a picture of idyllic escapes and cultural immersion, a darker reality often lurks beneath the surface. The benefits of tourism are frequently unevenly distributed, leaving local communities grappling with social inequalities and economic disparities that threaten their well-being and cultural fabric. The influx of tourists brings significant revenue to Indonesia, but this wealth often fails to trickle down to the local communities who bear the brunt of tourism's impacts. Foreign-owned hotels, international tour operators, and online booking platforms often capture the lion's share of tourism profits, leaving local businesses and communities with a disproportionately small slice of the pie. A significant portion of tourism revenue leaks out of the local economy, flowing back to the headquarters of multinational corporations or remaining in the hands of foreign investors. This leaves local communities with limited economic benefits from tourism. In many popular tourist destinations, foreign-owned businesses dominate the tourism landscape, from luxury hotels and resorts to tour operators and restaurants. This limits opportunities for local entrepreneurs and businesses to thrive. Local communities often lack access to capital and resources to invest in tourism ventures, further hindering their ability to participate in and benefit from the industry. The expansion of tourism infrastructure, including hotels, resorts, and golf courses, often requires the acquisition of land, sometimes leading to the displacement of local communities. Forced relocation can disrupt traditional livelihoods, sever social ties, and erode cultural heritage. In the Nusa Tenggara region, the development of large-scale tourism projects has resulted in the displacement of indigenous communities from their ancestral lands. These communities often lose access to their traditional sources of livelihood and face challenges adapting to new environments. Coastal communities are particularly vulnerable to displacement due to the high demand for beachfront property for tourism development. The construction of resorts and hotels can force these communities to relocate, disrupting their fishing-based livelihoods and traditional way of

life. The influx of tourists and the demand for vacation homes and investment properties can drive up land prices, making it increasingly difficult for local residents to afford housing. This can lead to displacement, as locals are priced out of their own communities. Ubud, a popular tourist destination in Bali, has experienced a significant increase in land prices and the cost of living. This has made it challenging for local residents, particularly those working in the tourism sector, to afford housing and maintain their livelihoods. Coastal areas are particularly susceptible to rising land prices due to the high demand for beachfront property. This can force local communities to relocate further inland, disrupting their traditional way of life and access to resources. The tourism industry in Indonesia often relies on a low-wage workforce, with many employees in the hospitality sector earning meager salaries and facing precarious working conditions. Long working hours, limited benefits, and lack of job security are common challenges faced by tourism workers. Employees in hotels, restaurants, and tour companies often work long hours for low wages, with limited opportunities for career advancement. They may also face challenges with job security, as employment in the tourism sector can be seasonal and unpredictable. Many individuals working in the informal tourism sector, such as street vendors and tour guides, lack access to social protection and labor rights. They may also face exploitation and unfair competition from larger businesses. The rapid growth of tourism can disrupt social structures and lead to conflicts between local communities and tourists. Differences in values, lifestyles, and expectations can create tensions and misunderstandings. Cultural clashes can occur when tourists' behavior or attire is perceived as disrespectful to local customs and traditions. This can lead to resentment and conflict between tourists and local communities. Competition for resources, such as water and land, can also create tensions between local communities and tourism businesses. For example, the construction of golf courses can divert water resources away from local communities, leading to conflict. Social inequalities caused by tourism can erode social cohesion and negatively impact

community well-being. Displacement, economic disparities, and cultural commodification can all contribute to a sense of alienation and loss of identity among local communities. The rapid influx of tourists and the commercialization of culture can lead to a loss of community identity and traditional values. Local communities may feel that their culture is being exploited for tourism profit, leading to resentment and a sense of disconnect from their heritage. Social inequalities and economic disparities can contribute to an increase in crime and social problems, such as drug abuse and prostitution. These problems can further erode community well-being and create a negative image of the destination. When local communities feel marginalized and excluded from the benefits of tourism, they may lose support for tourism development. This can lead to resistance to tourism projects, protests, and even violence, creating an unstable environment for the industry. Communities that feel that tourism is negatively impacting their lives and environment may actively oppose tourism development projects. This can lead to delays, increased costs, and even the cancellation of projects. Social unrest and conflict can damage the reputation of a destination and deter tourists from visiting. This can have negative economic consequences for the tourism industry and the local communities that depend on it. To achieve sustainable tourism development in Indonesia, it is crucial to address the social inequalities associated with the industry. Implementing policies and initiatives that ensure a more equitable distribution of tourism benefits to local communities is essential. This can include supporting local businesses, promoting community-based tourism, and implementing fair labor practices. Measures should be taken to protect local communities from displacement due to tourism development. This can involve land-use planning, community consultation, and providing alternative livelihood opportunities. Ensuring fair wages, decent working conditions, and job security for tourism workers is crucial for promoting social equity in the industry. Educating tourists about local cultures and customs and promoting responsible tourism behavior can help to minimize cultural clashes and foster

mutual respect between tourists and local communities. Empowering local communities to participate in tourism planning and decision-making can help to ensure that tourism development benefits them and respects their cultural heritage. By addressing social inequalities and prioritizing the well-being of local communities, Indonesia can create a more sustainable and equitable tourism industry that benefits both the environment and its people.¹⁶⁻²⁰

4. Conclusion

This study critically evaluated the economic philosophies shaping sustainable tourism development in Indonesia. Findings reveal a dominant focus on neoliberal economic principles, prioritizing economic growth and foreign investment at the expense of environmental protection and social equity. This approach has resulted in several negative consequences, including environmental degradation, social inequalities, and the commodification of culture. Alternative economic philosophies, such as community-based tourism and degrowth tourism, offer more sustainable pathways for tourism development in Indonesia. Community-based tourism emphasizes local ownership and control of tourism resources, ensuring that tourism benefits local communities and respects their cultural values and traditions. Degrowth tourism advocates for a reduction in tourism consumption and a focus on quality over quantity in tourism experiences, minimizing the negative impacts of tourism on the environment and local communities. The study concludes that a paradigm shift is necessary to achieve sustainable tourism development in Indonesia. Moving away from a purely neoliberal framework and embracing alternative economic models that prioritize community well-being, environmental protection, and cultural preservation is crucial. This shift requires a collaborative effort from the government, industry, and local communities to implement policies and initiatives that support community-based tourism, degrowth tourism, and other sustainable tourism practices. Further research is needed to explore the potential of these alternative economic philosophies and to identify effective

strategies for their implementation in the Indonesian context. This research contributes to the growing body of literature on sustainable tourism development by providing a critical analysis of the economic philosophies underpinning tourism in Indonesia and advocating for a more sustainable and equitable approach to tourism development.

5. References

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