

PROMOTING RESPONSIBLE ENTREPRENEURSHIP THROUGH LOCAL CREATIVE ECONOMY DEVELOPMENT IN LOMBOK'S TOURISM VILLAGES

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Abstract

This research examines the dynamics of the regional economy of rural tourism villages in Lombok, West Nusa Tenggara, in order to build a strategic framework for responsible entrepreneurship that connects macro-infrastructure development such as the Mandalika Super Priority Destination with the local creative economy. The study adopts a qualitative desk-study design and using thematic content analysis to synthesis academic literature, institutional reports, and comparative case benchmarks to assess the structural capabilities and constraints of the rural company ecosystem in Lombok. The findings show that despite rich cultural and topographical endowments, local micro-entrepreneurs are constrained by persisting bottlenecks such as a significant digital gap, institutional fragility of Village-Owned Enterprises (BUMDes), elite capture, and risks of ecological and cultural commercialization. The research proposes a four-pronged approach to address these vulnerabilities: spatial "Sea-to-Village" experiential circuits, youth-powered Village Digital Hubs with QR-code provenance tagging, traditional legal enforcement (Awig-Awig) to protect land and crafts, and government-backed green supply chains. The paper significantly adds value by providing a contextualised, actionable roadmap for policymakers, local institutions and community development practitioners to transform passive rural stopovers into resilient, ethically anchored creative hubs, thereby enabling inclusive and sustainable economic growth in emerging destinations in the Global South.

Keywords: Mandalika Super Priority Destination, Village-Owned Enterprise, Sea-to-Village

INTRODUCTION

The global paradigm of regional economic development has transformed considerably towards sustainable and community based models, from mass tourism models that often result in economic leakages and negative environmental externalities. For developing countries, the convergence of the creative economy and tourism has been acknowledged as a significant driver of structural transformation and poverty reduction (Richards, 2020). Tourism villages (Desa Wisata) are grassroots manifestations of this junction, providing a decentralized economic model that empowers rural communities by monetizing their natural riches, cultural legacy, and creative industries. But rapid commercialisation of rural tourism often leaves local communities exposed to systemic vulnerabilities such as environmental degradation, marginalisation of local artisans and uneven wealth distribution. Hence, the urgent necessity is to embed the concepts of "Responsible Entrepreneurship", a business model that values the Triple Bottom Line (profit, people and planet) through the development of local creative skills (Peredo et al., 2018).

Tourism in Indonesia is strategically positioned as one of the main drivers of regional economic development. The Ministry of National Development Planning (BAPPENAS) has clearly set the acceleration of the tourist and creative economy sectors in the National Medium-Term Development Plan (RPJMN) 2020-2024, which continues to affect regional strategies after the pandemic. One of the main pillars of the national strategy is the identification of Mandalika in Lombok, West Nusa Tenggara (NTB) as one of the Five Super Priority Tourism Destinations (Destinasi Pariwisata Super Prioritas/DPSP). The designation has resulted in enormous

infrastructural investment into the island to build strong forward and backward economic linkages across the area (BAPPENAS, 2021).

However, macro-economic interventions at the regional level need micro-level absorptive capacity to avoid economic disparity. The creative economy, dominated by local crafts (tenun weaving and ceramics, for example), culinary arts and cultural performances, is the crucial link between massive visitor inflows and grassroots economic engagement. The provision of accommodation and food and beverage sector contributed significantly to the region's Gross Regional Domestic Product (GRDP) with a high recovery growth rate of more than 10% after the reopening of international borders and the holding of international events such as the MotoGP, based on data from the Central Bureau of Statistics of NTB Province (BPS NTB, 2023). The difficulty however is how to disseminate this macro level growth down to the village level without harming the ecological and socio-cultural fabric of Lombok.

The local government of West Nusa Tenggara, in order to capture the spillover effect of DPSP Mandalika, launched an aggressive regional development program to establish and develop "99 Tourism Villages" in the province (Dinas Pariwisata NTB, 2022). Currently Lombok has various tourism settlements which are recognized both domestically and globally. For example, Desa Wisata Tetebatu at the foot of Mount Rinjani was nominated as the UNWTO Best Tourism Villages in 2021, which is a good example of the model of environment based tourism. The Green Village, Desa Wisata Bilebante, has also managed to make a successful transition from its previous existence as a sand mining area into an award-winning wellness and local culinary destination, while traditional villages such as Desa Sade and Sukarara continue to be centres for the creative industries of traditional Songket and Ikat weaving.

These programmatic successes are visible; however, empirical observations and recent assessments of the regional economies indicate structural bottlenecks. Many local actors within these tourism villages are subsistence micro-entrepreneurs and not growth-oriented, responsible enterprises. They are in a fierce price war, with no uniqueness in their products and no chance of gaining entry to the market beyond the actual arrival of tourists. There is also a general lack of environmental responsibility, such as sustainable waste management and the ethical sourcing of raw materials used in the production of products (e.g., natural dyes for weaving or sustainable extraction of clay for Banyumulek pottery).

From the perspective of regional economic growth, the lack of responsible entrepreneurship restricts the multiplier effect of tourism. When local creative actors are deficient in management competence, digital marketing literacy, and understanding of sustainable practices, the community does not extract higher value-added margins. Moreover, unsustainable economic practices undermine the assets of environment and culture that originally draw tourists to Lombok (Fatimah et al., 2021).

Therefore, the development of the creative economy in Lombok tourism villages cannot only depend on an increase in the volume of production, but a fundamental paradigm shift is needed towards responsible entrepreneurship. Responsible entrepreneurship in this context means the empowerment of local creative players to enhance their capacity to innovate their products in a sustainable way, to leverage tools of the digital economy to access the fair-trade market, and to adopt principles of the circular economy in their daily operations (e.g. zero-waste tourism, eco-friendly packaging, and fair labor practices in local cooperatives).

The multi-dimensional challenges require a synergistic intervention between academia, local government and the community. The International Community Service program was created as a targeted intervention to encourage responsible entrepreneurship among creative economy players in selected tourism settlements in Lombok. The initiative aims to maximize the contribution of the local creative economy to sustainable regional development through capacity building workshops, participatory rural appraisal (PRA) and technology transfer.

This article reports on the implementation, outcomes and socio-economic impact of the PKM programme. It aims to explore how the infusion of responsible entrepreneurship frameworks into

local creative industries (e.g. traditional weaving, pottery, and culinary arts) can help to promote business resilience, community income, and environmental and cultural preservation. Finally, this community service project's insight offers a repeatable framework for local governments, NGOs, and politicians to promote sustainable regional economic development in rising tourism destinations worldwide in the Global South.

LITERATURE REVIEW AND HYPOTHESIS FORMULATION

A. The Spatial Dynamics of Regional Economic Development and Tourism

Tourism has been included in the theoretical debate on regional economic development not just as a sectoral activity, but also as a spatial development instrument capable of reconfiguring economic geographies. Investments in macro-tourism usually concentrate capital in certain "cores" (e.g. Mandalika Super Priority Destination in Lombok) which is based on the Growth Pole theory (Perroux) and adapted to modern tourism by contemporary spatial economists. These cores generate large regional income aggregates, but they inherently risk creating a core-periphery dichotomy where the rural surrounding areas are subject to "backwash effects" – the extraction of labor, land, and capital to the center without adequate wealth redistribution (Wibowo & Kurniawan, 2023).

Recent literature suggests that to transform these backwash effects into positive "spread effects" (spillovers), regional economic policies must actively establish backward and forward linkages between the high-investment tourism enclaves and the rural peripheries. This conceptualization of alternative tourism development by Brohman states that in the absence of decentralized economic structures, tourism revenue is subject to high "leakage rates" where profits are repatriated to external investors rather than circulating locally. In the Lombok setting, the integration of rural villages into the larger tourism supply chain by local creative industries is an important structural intervention to democratize economic growth and to minimize spatial inequalities (Fatimah et al., 2021).

A. Community-Based Tourism (CBT): Empowerment vs. Elite Capture

Community-based tourism (CBT) has evolved as an alternative to mass tourism, proposing a decentralized approach based on local communities taking charge of planning, implementation and profit sharing. As per Higgins-Desbiolles (2018) theoretical frameworks, CBT is essentially a tool for social justice and economic sovereignty, which enables marginalized rural actors to monetize their endogenous assets (culture, landscape and daily life routines).

However, a close examination of recent CBT applications reveals systemic weaknesses. Purnomo et al. (2020) note the phenomenon of 'elite capture' in tourism villages, where the economic benefits of CBT are disproportionately captured by a small group of local elites who have the initial capital, political influence or digital literacy. Furthermore, many CBT programmes are not economically sustainable in the long run, due to limited administrative capability and market focused product development. This points to a significant theoretical lacuna: CBT frameworks tend to romanticize community cohesion and downplay the need for strong entrepreneurial skills. In order for CBT in the tourism villages of Lombok to move beyond subsistence level operations, it will need to be complemented by organized entrepreneurial capacity building that addresses economic sustainability and equitable distribution of benefits.

C. The Creative Economy as a Catalyst for Rural Industrialization

The convergence of the creative economy and rural tourism is a paradigm shift from agrarian-based rural economies to tertiary and experience-based economies [2]. Richards (2020) contends that the creative economy (cultural heritage, arts, crafts, gastronomy) enables destinations to

transcend the physical limitations of their natural resources by generating value through intellectual and cultural capital.

This change is a kind of “soft industrialization” in regional economic development. For example, Ikat and Songket weaving in the villages of Lombok (Sade and Sukarara for example) is no longer a cultural artifact, but is a high-value economic commodity. Weaver (2017) states that contemporary tourists are involved in the “Experience Economy” and are looking for authentic encounters rather than passive sightseeing. Consequently, the economic value of a creative product grows exponentially when the process of its creation is commodified as a tourist attraction (e.g., tourists paying to learn how to weave or make traditional pottery in Banyumulek).

However, Setiawan (2022) warns against the uncontrolled commodification of local culture, which can lead to the loss of authenticity and the exploitation of artisans. Mass production of innovative products in response to tourism demand results in loss of unique selling proposition (USP) and a “race to the bottom” in terms of pricing. Therefore, the development of a creative economy in tourism villages must be strategically differentiated, emphasizing on quality, narrative, and cultural preservation rather than output volume.

D. Deconstructing Responsible Entrepreneurship in Micro-Enterprises

The inclusion of “Responsible Entrepreneurship” is a theoretical and practical necessity to reduce the deleterious consequences of cultural commodification and environmental deterioration in rural tourism. Responsible entrepreneurship goes beyond the neoclassical profit maximization theories and is based on the Triple Bottom Line (TBL) approach that requires the simultaneous pursuit of economic viability (Profit), social equity (People), and environmental stewardship (Planet) (Peredo et al., 2018).

Responsible entrepreneurship has specific obstacles in the context of rural micro-enterprises. In contrast to multinational corporations with CSR departments, rural entrepreneurs work under severe resource constraints. Rahman (2023) defines responsible rural entrepreneurship through concrete, measurable actions: ethical procurement of local raw materials (e.g. natural, non-toxic dyes for textiles), implementation of circular economy principles (e.g. zero-waste tourism models in homestays) and fair labor compensation within local cooperatives.

Furthermore, the UNWTO (2021) specifically emphasizes that the resilience of post-pandemic tourism rests on the environmental and social awareness of micro-enterprises. Local creative actors in Lombok, when they exploit their environment, for example through unsustainable clay mining for pottery or generating uncontrolled plastic garbage from culinary activities, are directly destroying the primary assets that attract tourists. Thus, responsible entrepreneurship is not a philanthropy add-on, but a core survival strategy for tourism community.

E. Digital Transformation and Market Disintermediation

One of the most important aspects of modern regional economic development is the possibility of reducing transaction costs and eliminating exploitative intermediaries (middlemen) through digital transformation. The players of Lombok’s creative economy have traditionally been connected to the tourist market through travel agents or gallery owners headquartered in the cities and this is where the big profit leakages happen.

The use of digital economy tools (e-commerce, social media marketing, and digital payment systems) enables rural entrepreneurs to realize “market disintermediation,” i.e. direct interaction and transactions with domestic and international consumers. However, according to local economic commentators (Lombok Post, 2024), there is an enormous digital gap. Rural artisans lack the digital literacy to use these platforms well. Theories of technology transfer in rural settings suggest that capacity building must extend beyond the provision of hardware; it must include ongoing mentorship in digital branding, visual storytelling, and customer relationship management to build trust in virtual markets.

The literature confirms that the Mandalika project has immense macro-economic potential in Lombok, but the realization of sustainable regional development requires micro-level interventions. Tourism communities in NTB have successfully developed basic CBT infrastructure, but now find themselves at a difficult juncture between subsistence operations and sustainable growth.

The main limitation pointed out in international publications, national research and regional reports is the lack of a holistic entrepreneurial acumen, in conformity to responsible and sustainable practices. The local creative economy is vulnerable to external shocks, fierce price competition and ecological degradation. The program provides a direct response to the theoretical and practical deficiencies found in the literature, through targeted interventions focused on Responsible Entrepreneurship, including sustainable product creation, fair-trade digital marketing and TBL-oriented business models. Ultimately, by empowering these local creative actors, they become resilient and active agents of sustainable regional economic development instead of being passive recipients of tourism spillovers.

METHODS

A. Community Service Report Design

The study followed a qualitative design based on an extensive Literature Review and Desk Study. Given the goal of developing generalizable and scalable approaches to fostering responsible entrepreneurship in various tourism villages across Lombok, the field intervention was replaced by an in-depth analysis of secondary data. It took a conceptual approach to link the theoretical frameworks of regional economic development, creative economy and sustainable tourism into actionable strategic suggestions for local stakeholders.

B. Data Sources

The population in qualitative studies using literature is all literature that discusses tourism and economic development in Lombok. The sample is the literature that will be selected for analysis. The data sources for this analysis were purposefully chosen based on their relevance, credibility and year of publication (limited to the last 10 years, 2016-2026). The data sources considered were:

1. Academic Literatures: Articles from international and national journals about Community-Based Tourism (CBT), creative economy, and rural entrepreneurship in West Nusa Tenggara that have been reviewed by peers.
2. Institutional Reports (Grey Literature) Policy documents, strategic plans and statistical data of official institutions including the Ministry of National Development Planning (BAPPENAS), the Central Bureau of Statistics (BPS NTB) and the NTB Provincial Tourism Office
3. respectable Media and Case Studies: Case studies and journalistic reports from respectable sources that describe the present challenges and triumphs of various tourism settlements in Lombok.

C. Data Collection and Instrument Development

The data were collected by systematic documentation technique. The main instrument was the researcher as a critical analytical lens supplemented by Data Extraction Matrix.

1. Search Strategy Literature was obtained through academic databases (e.g. Scopus, Google Scholar, DOAJ) and official government portals with specific boolean keywords: ("Tourism Village" OR "Desa Wisata") AND ("Creative Economy" OR "Ekonomi Kreatif") AND "Lombok" AND "Responsible Entrepreneurship".

2. Inclusion/Exclusion Criteria (Instrument Specification) In order to assure the quality of the data, the inclusion criteria required that the documents experimentally or theoretically analyze the economic ecology of rural tourism in Lombok. Exclusion criteria included documents that only analyzed mass tourism in urban centers (for example, hotels in Mataram city) and reports that were outdated before 2016.

D. Data Analysis Techniques

Qualitative Content Analysis and Thematic Analysis (Miles, Huberman, & Saldaña, 2014, adapted for textual data) were used to analyze the secondary data collected. The analysis was conducted in the following stages:

1. Data Condensation: Relevant findings, policy gaps and empirical challenges of tourism villages in Lombok that were extracted from the selected documents
2. Thematic Coding: Structuring the extracted data into conceptual categories aligned with the Triple Bottom Line (TBL) framework of economic viability (e.g., market access, digital economy), social equity (e.g., capacity building, cultural preservation), and environmental stewardship (e.g., waste management, sustainable sourcing).
3. Strategy Formulation: To integrate the coded data and develop a comprehensive strategy framework. This step translated the theoretical gaps to the practical policy recommendations and empowerment models, adapted to the local context of Lombok.

E. Researcher Presence and Validity Check (Trustworthiness)

The researcher's participation in this qualitative desk-based study was indirect yet critical, functioning as the main instrument for synthesizing and analyzing the texts. To test the validity and reliability of the developed strategies, the study used:

1. Triangulation of sources: cross-verification of statements from academic publications with empirical statistics data from BPS NTB and policy realities in BAPPENAS reports. This ensured that the strategies developed were not only theoretically sound but also practical and in line with the national development objectives.
2. Theoretical Triangulation: The data will be evaluated by different theoretical frameworks (e.g., regional industrialization theories vs. sustainable tourism paradigms) in order to avoid bias and achieve a comprehensive strategic output.
3. Audit trail: To keep a clear and traceable record of the data extraction matrix and thematic coding process to ensure replicability and enable for impartial peer review.

RESULTS AND DISCUSSION

A. The Dynamics of Rural Regional Economic Development in Lombok

In terms of regional economic development, Lombok is currently undergoing a huge geographical and structural upheaval. Historically, the rural economy in West Nusa Tenggara (NTB) has been based on the primary sectors, including traditional agriculture, fishing and small-scale mining. However, the establishment of the Mandalika Special Economic Zone (KEK) and the determination of the Super Priority Tourism Destination (DPSP) have created a huge "growth pole" in the southern half of the island (BAPPENAS, 2021).

The macroeconomic metrics suggest rapid increase in infrastructure and regional GDP, but the literature shows a persistent risk of spatial inequality if the rural peripheries are not incorporated into the wider economic supply chain (Wibowo & Kurniawan, 2023). Currently, the “Tourism Village” (Desa Wisata) model is used as a strategic instrument in the rural regional development of Lombok to capture spillover effects of macro-tourism. Rural communities can go from producing primary commodities to high value tertiary sectors by integrating the local creative economy, such as traditional textiles, pottery and culinary arts, with the tourism sector (Richards, 2020). Theoretically, this structural change can stop the migration from urban to rural areas, retain capital in the village (thus reducing economic leakages) and democratize the distribution of wealth among micro-entrepreneurs (Purnomo et al., 2020).

B. Development of Tourism Villages in Lombok

The development of tourism villages in Lombok has grown dramatically in the last decade, strongly driven by the strategic policy of the NTB Provincial Government to construct “99 Tourism Villages” to support the Mandalika project (Dinas Pariwisata NTB, 2022). From the literature review, the trajectory of these settlements can be classified into three separate phases:

1. Phase 1: Passive Cultural Commodification (Before 2010s). The early tourism communities were mainly passive “stopover” places. There was little contact, tourists came just to see traditional houses or buy souvenirs. The economic benefit was heavily concentrated in the hands of foreign tour operators and some local elites and so had a substantial economic leakage (Higgins-Desbiolles, 2018).
2. Phase 2: Nature and Spot-Based Tourism (2015–2019) With the advent of social media, numerous communities have begun to utilize their natural settings as photo sites. This created quick short-term income, but there was no product distinctiveness and sustainability, resulting in many rural destinations being stagnant post-trend (Fatimah et al., 2021).
3. Phase 3: Era of Experiential and Creative Economy (2020-Present). Post-pandemic literature shows a trend towards qualitative tourism. Villages are gradually incorporating parts of the creative economy, providing tourists engaging activities such as weaving classes, pottery making and traditional cuisine programs. This age emphasizes the importance of “Responsible Entrepreneurship” for the preservation of environmental and cultural integrity (Rahman, 2023).

To comprehend the geography of rural tourism and creative economy in Lombok, it is needed to map the characteristics of significant tourism settlements. The desk study identifies a number of key villages that represent different economic focuses, historical trajectories and current developmental states.

Tabel 1. Main Tourism Villages in Lombok and Current Developmental States

Village Name	Location	Est. Start	Tourism Focus	Current Condition (As of 2026)
Tetebatu	East Lombok	1990s	Eco-tourism & Agrarian	Highly mature. Global recognition (UNWTO). Strong sustainable practices.
Bilebante	Central Lombok	2015	Green tourism & Wellness	Highly successful. Managed professionally by BUMDes. Model for culinary creative economy.
Sukarara	Central Lombok	1990s	Creative Economy (Songket)	High commercialization. Faces challenges in fair trade and needs transition to natural dyes.
Sade / Ende	Central Lombok	1980s	Indigenous Sasak Culture	Mass-tourism stopover. High risk of over-commodification and cultural degradation.
Banyumulek	West Lombok	1990s	Creative Economy (Pottery)	Recovering. Needs digital marketing capacity and sustainable clay sourcing.
Semabalun	East Lombok	2010s	Volcanic Agro-tourism	High domestic traffic. Struggling with environmental carrying capacity and waste management.

We describe below the distinctive dynamics of these settlements to provide further context to the methods formulated:

1. Desa Wisata Tetebatu (Lombok Timur) dianggap sebagai pelopor desa wisata di Lombok. Tetebatu is built on eco-tourism and agricultural landscapes. It is a well-developed CBT model with a high level of responsible business, where local homestays and guides are focused on ecological preservation, and has been nominated for the UNWTO Best Tourism Villages (UNWTO, 2021).
2. Desa Wisata Bilebante (Central Lombok) Nicknamed as the “Green Village” it is a notable structural change from a degraded sand mining area into a hub of wellness and eco-tourism. Bilebante is very successful since the institution management is strong with BUMDes as it is an excellent benchmark in community empowerment (Dinas Pariwisata NTB, 2022).
3. Sukarara Tourism Village (Central Lombok): The core of traditional Songket weaving in Lombok. Literature reports obstacles of responsible entrepreneurship while working economically. Artisans under price wars, exploited by outside middlemen and environmental issues because of the use of synthetic chemical dyes (Setiawan, 2022).
4. Banyumulek Tourist Village (West Lombok) Famous for its traditional terracotta pottery. The community declined when market trends changed and an earthquake struck in 2018. At present, it is struggling to modernize its creative products, has poor access to the internet market, and requires sustainable ways to collect raw materials (Rahman, 2023).
5. Desa Wisata Semabalun (East Lombok): An agro-tourism village located on the foot of Mount Rinjani. It is undergoing rapid commercial development but is under serious ecological stress particularly with respect to waste management and unregulated conversion of agricultural land to commercial accommodation (Fatimah et al., 2021).

Before developing a complete strategy for responsible entrepreneurship, it is important to analyze the existing ecosystem of tourism villages in Lombok. Based on the synthesis of literature and institutional reports, the internal capabilities (Strengths and Weaknesses) and external dynamics (Opportunities and Threats) of rural tourism in Lombok are mapped as follows:

A. Strengths (Internal Capabilities)

The internal strengths of Lombok's tourism villages are mostly derived from their endogenous assets, both real and intangible, which are the basis of the creative economy. It is also, The internal strengths of tourism villages in Lombok are located at the convergence of the uniqueness of geographical assets, cultural capital and rising grassroots institutions.

1. Topography and Spatial Diversity. Lombok has a rich yet constrained topography. Within a relatively narrow spatial radius the island offers volcanic mountains (Mount Rinjani/Semabalun), rich agrarian plains (Bilebante/Tetebatu) and rugged coastal regions (Mandalika/Sade). This topographical advantage allows tourism villages to develop clusters of a complementary creative economy instead of purely competitive ones (e.g. highland agro-tourism synergizing with lowland textile centers).
2. Strong Social Institutional Capital: In addition to formal government institutions, the indigenous customary rules (awig-awig) that historically regulate resource sharing and environmental protection also support the rural parts of Lombok. These institutional phenomena, linked with official grassroots organizations such as Village-Owned Enterprises (BUMDes) and Tourism Awareness Groups (Pokdarwis) constitute a solid foundation for collaborative economic management.
3. Real Creative Endowments and Abundant Cultural Capital Villages such as Sade, Sukarara, and Banyumulek have deep-rooted cultural legacy. Authentic creative products such as traditional Songket and Ikat weaving and one-of-a-kind terracotta ceramics cannot be easily duplicated by other regions.
4. Vast Natural Resources: Lombok offers a very compact geographical diversity so that villages can offer different attractions such as volcanic agro-tourism (Semabalun) and wellness eco-tourism (Bilebante) in close proximity.
5. New local institutional frameworks: understanding of community management is rising. The successful development of Village Owned Enterprises (BUMDes) and Tourism Awareness Groups (Pokdarwis) in certain of the villages shows that there is potential to manage common economic assets at the level of grassroots community.

B. Weaknesses (Internal Constraints)

Although rural micro-entrepreneurs have assets, they are constrained by systemic internal barriers that block the path to responsible entrepreneurship.

1. Institutional Bottlenecks and Governance Issues: BUMDes are in place yet literature points to their institutional fragility. They are typically excessively politicised by the local village administration or lack competent and transparent governance. This structural vulnerability often results in 'elite capture' where the economic benefits of tourism and creative industries are monopolised by a few well-connected people rather than empowering the wider community.
2. Lack of Sustainable Practices (Triple Bottom Line): Most of the communities are faced with the problem of the "Planet" component of entrepreneurship. Textile villages rely on

synthetic chemical dyes to color the fabrics, leading to pollution of local waterways and degradation of the region's environmental carrying capacity due to poor waste management.

3. Low Managerial and Digital Capacity: Most actors in the creative economy are operating at subsistence level and with rudimentary financial management. The absence of digital literacy hinders them from reaching bigger markets directly, and they are compelled to depend on local intermediaries (middlemen) leading to large profit leakages.
4. Lack of Product Differentiation (The Copycat Phenomenon) New tourism villages tend to copy successful neighbors without establishing their own Unique Selling Proposition (USP), resulting in market saturation and damaging price wars.
5. The Digital Divide in the E-Commerce Era Though the internet infrastructure in rural Lombok has been penetrated, there is a significant capacity deficit in the digital industry. Local craftsmen lack the digital literacy to understand e-commerce algorithms, digital branding or online supply-chain logistics (e.g., adequate packaging for national shipment). Hence they are still dependent on the old physical transactions.
6. Topographical Isolation and Logistics Costs: Villages in upland or topographically difficult places have far higher logistics and raw material procurement costs. This geographic barrier reduces their profit margins and makes their creative items less competitive in larger marketplaces.

C . Opportunities (External Catalysts)

The external environment has a great momentum for the structural change of the rural economy of Lombok.

1. Macro-Infrastructure and the Mandalika DPSP Mandalika's status as a Super Priority Tourism Destination serves as a huge regional growth pole. The international airport and MotoGP track have attracted local and foreign travelers, providing a huge captive market for rural innovative products.
2. GLOBAL TOURISM TRENDS CHANGE: The post-pandemic literature highlights a significant global shift away from mass tourism to experiential tourism, green tourism and wellness tourism. More than ever, tourists are willing to pay a premium for ethically sourced, community-made products and authentic cultural experiences.
3. Government Policy Support: Political will and financial support for rural development can be provided through initiatives such as the NTB Provincial Government's "99 Tourism Villages" program and various capacity-building grants from BAPPENAS.
4. E-Commerce & Digital Disintermediation The rapid growth of the digital sector, e-commerce platform (eg. Shopee, Tokopedia, or worldwide platform such as Etsy) and digital payment gateways (QRIS) provides a huge possibility for "market disintermediation". Now rural artisans can skip the exploitative urban intermediaries (middlemen) and adopt a Direct-to-Consumer (D2C) model that can significantly improve their profit margins and market reach.

D. Threats (External Risks)

The external risks, if unchecked, can threaten the sustainability of the tourism villages and isolate the local populations.

1. Over-Commercialization and Cultural Dilution: Artisans are compelled to compromise on quality for speed due to the huge tourism demand, resulting to commodification of cultural objects. Sacred customs might turn into little more than theatre for tourists.
2. Elite Capture and Spatial Inequality: The economic gains of tourism are likely to be disproportionately captured by external investors (who buy rural land for commercial accommodation) or a few local elites, with the rest of the population reduced to low-wage labor.
3. Topographical Hazards, Environmental and Ecological Vulnerability Lombok is situated in a very active geological zone. The infrastructure of rural tourism and the local creative economy are especially exposed to topographical hazards, such as the 2018 earthquakes, and climate-induced risks, such as highland landslides and agricultural tourism droughts. Uncontrolled commercial growth in ecologically vulnerable places (like the foothills of Mount Rinjani) is also threatening the long-term sustainability of destinations.
4. Digital Exclusion and Predatory Competition: Rural craftsmen who do not embrace e-commerce are threatened with digital marginalization by the burgeoning of the digital economy. Moreover, the threat of urban or foreign companies that mass-produce copycat "Lombok-style" textiles and aggressively sell them through e-commerce platforms at predatory pricing is growing, jeopardizing the livelihoods of legitimate weavers.

E. Strategic Framework and Operational Policies for Responsible Entrepreneurship

The strategy of Lombok tourism villages should be able to transform the results of empirical analysis into a regional framework that can be used as a guide to action. The strategy must be integrative and narrative, not partial. At the heart of this plan is to leverage the spatial diversity and cultural capital of Lombok to capture the macroeconomic momentum generated by the Mandalika Super Priority Destination. Rather than providing rural villages as isolated targets competing for mass tourism, regional planners should develop integrated topographical tourism circuits that smoothly link the center of coastal resorts with the agrarian plains and volcanic highlands. Immersive, experiential tourism itineraries can turn the daily life of local weavers in Sukarara, potters in Banyumulek and organic farmers in Bilebante or Sembalun into high-value experiential centers instead of passive souvenir marketplaces. Moreover, to protect these endogenous assets from predatory machine-made imitations and cultural over-commodification, local customary institutions need to formalize indigenous laws (awig-awig) together with official Geographical Indication registrations. This dual legal and cultural shield helps to protect the premium valuation of authentic craftsmanship, whilst preventing local artisans from engaging in destructive price wars.

Bridging the internal capacity gaps in these villages involves a combined intervention on digital inclusion and institutional governance. As many of the older artisans and traditional weavers do not have the technical literacy to use complex e-commerce platforms, the digital transformation strategy should not force digital adoption on individual micro-entrepreneurs. Instead, villages should set up community-run Village Digital Hubs overseen by digitally savvy local youth inside Tourism Awareness Groups (Pokdarwis) or youth organizations (Karang Taruna). These hubs are centralized narrative and e-commerce nodes that handle product photography, inventory management, and direct-to-consumer internet marketing for local artists. To promote transparency and build trust among consumers in virtual markets, all creative products sold via these hubs must be embedded with digital authenticity tags such as QR codes that delve into the artisan's personal story, the distribution of fair trade wages and eco-friendly sourcing methods. Simultaneously, the problem of institutional fragility necessitates structural restructuring within Village-Owned Enterprises (BUMDes). Mandatory dual-audit frameworks and legal earmarks for community welfare funds protect against elite capture, so that the economic gains from tourism and digital

sales reach the vulnerable segments of the community, including female artisans and elderly craftspersons.

In order to avoid the general problems of traditional rural development frameworks, the Lombok approach must draw direct tactical lessons from global and national tourism locations that have successfully negotiated similar core-periphery tensions, digital divisions, and cultural commodification concerns. The Sidemen region of Bali and the Sacred Valley of Peru are a key standard for spatial integration. Both destinations were at risk of becoming passive, low-value hinterlands dominated by the huge nearby tourist poles of Machu Picchu and Kuta/Seminyak, respectively (Knight & Cottrell, 2016). Sidemen responded by shifting from the sale of inexpensive, raw textiles to the production of “Masterclass Experiential Hubs” where international tourists pay a premium for multi-day weaving sessions (Paturusi & Utama, 2021). Lombok has to make this identical spatial model by rearranging settlements like Sukarara and Banyumulek. Instead of allowing tour buses to use these villages as twenty-minute souvenir stopovers on their way to Mandalika’s beach resorts, regional planners should curate integrated “Sea-to-Village Experiential Circuits” (Aimar & Scarpitti, 2020). Local artisans move up the value chain by turning traditional weaving and pottery making into immersive, paid educational experiences that capture significantly higher profit margins while dampening the pressure for mass production.

To address the acute institutional weaknesses and elite capture that characterize BUMDes in Lombok, they must adopt the radical communal governance methods pioneered in Mae Kampong, Thailand, and Desa Wisata Penglipuran, Bali (Dangi & Jamal, 2016). The community’s resistance to the corporate takeover in Mae Kampong was made possible through a mandatory revenue-pooling mechanism. Twenty percent of all revenue generated from homestay and eco-tourism activities is directly channeled to a village equity fund, which subsidizes healthcare, elderly care, and micro-loans for the non-tourism villagers (Kontogeorgopoulos et al., 2018). Penglipuran also enforced customary village law (Awig-Awig) to legally ban outside investors from purchasing village land, maintain local landownership, and follow traditional architectural rules (Suastha & Pitana, 2022). Lombok needs to institutionalize this dual-governance concept throughout its rural sector. Embedding Awig-Awig, which bans land grabs for commercial purposes from outside the area, within the law in cultural centers such as Sade and Sukarara. Requiring BUMDes to be transparent and to pool their income to be audited by two separate parties. The economic benefits of Mandalika should not be concentrated among a small number of local elites but should be used to build true financial resilience across the entire community.

To address the digital divide and the predatory machine-made factory replica threat to e-commerce platforms, Lombok can deploy the digital craft guild ecosystem successfully used in Chiang Mai, Thailand and the artisan provenance networks of Hoi An, Vietnam (Richards, 2020). Chiang Mai’s creative village initiatives addressed the digital literacy bottleneck among aging artisans by setting up youth-led digital incubators that handle the online marketing and international logistics for the craftspersons (Promsivapallop & Kannaovakun, 2020). Moreover, the craft cooperatives in Hoi An incorporated QR-code provenance tags into their items (Nguyen & Cheung, 2021). This can be copied by Lombok to construct Village Digital Hubs managed by the young in local Pokdarwis. These hubs would oversee the Direct-to-Consumer (D2C) channels and introduce a digital authenticity system, with each piece of Sukarara Songket or Banyumulek pottery bearing a QR-code tag. The tag connects internet shoppers directly to a digital ledger that includes the artisan’s personal video story, confirmation of fair-trade wage payments and environmental credentials. This technique of digital storytelling immediately neutralizes cheap, factory-made counterfeits by targeting ethically concerned global buyers who prefer verifiable cultural authenticity over low pricing.

Finally, to redirect the rural creative economy of Lombok toward ecological sustainability, it is necessary to emulate the green supply-chain transformations of Oaxaca, Mexico and Nglanggeran tourism village (UNWTO, 2021) in Yogyakarta. Oaxaca’s traditional textile sector managed to phase out toxic chemical dyes by establishing municipal botanical reserves for natural

indigo and cochineal, heavily subsidized by regional tourism taxes, which repositioned their textiles in the global luxury fair-trade market (Vazquez-Maguirre & Portales, 2018). Similarly, Nglanggeran conducted stringent zero-waste capacity-carrying audits to all the local vendors (Purnomo et al., 2020). Lombok should take a leaf out of the book and develop state-subsidized Indigofera and Sappanwood plant nurseries around Central Lombok to offer natural dyes at no or low cost to weaving cooperatives, with provincial green certificates for homestays and cafes. If Lombok can synthesize Sidemen's experiential clustering, Penglipuran's customary land protection, Chiang Mai's digital youth guilds, and Oaxaca's eco-supply chain subsidies, it will produce a deeply contextualized, highly resilient model of responsible entrepreneurship that will be a benchmark for emerging rural tourism destinations across the Global South.

CONCLUSION

The study explored the structural change of rural tourism villages in Lombok in the context of regional economic development and responsible entrepreneurship. The results show that the Mandalika Special Economic Zone (KEK) designation is a strong regional growth pole, but the economic benefits may be limited to high-investment enclaves unless periphery rural communities are aggressively integrated into the tourism supply chain. Qualitative desk study and comparative strategy analysis confirm that actors in the rural creative economy, from traditional weavers in Sukarara, potters in Banyumulek to agro-tourism entrepreneurs in Sembalun, are confronted with systemic bottlenecks such as digital marginalization, institutional fragility in Village-Owned Enterprises (BUMDes), cultural commodification and ecological degradation.

In response to these problems, the paper develops a multidimensional strategic framework, based on responsible entrepreneurship and on the Triple Bottom Line (TBL) approach. Blending international and national best practices, including Sidemen's experiential clustering, Penglipuran's customary protection, Chiang Mai's digital youth guilds, and Oaxaca's eco-supply chain subsidies, Lombok can shift its tourism villages from passive, low-value stopovers to resilient, high-value creative hubs. This eventually enables local micro-entrepreneurs to benefit from macro-tourism spillovers via youth-led e-commerce disintermediation, customary legal protection (Awig-Awig) and state-subsidized green inputs, all the while preserving the cultural and environmental integrity of rural communities.

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