



Strategic Governance of Natural Tourism for Sustainable Local Economic Growth in Palopo City

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[The author informations are in the declarations section. This article is published by ETFLIN in Sustainable Economy, Volume 2, Issue 1, 2026, Page 37-47. DOI: 10.58920/sustainecon0201611]

Received: 23 February 2026

Revised: 09 June 2026

Accepted: 30 June 2026

Published: 30 June 2026

Editor: Dwita Sakuntala



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Keywords: Natural tourism, Sustainable economic growth, Strategic governance, Community-based tourism, Local development.

Abstract: Natural tourism is recognized as a vital pillar for regional development. However, its optimization in secondary cities is frequently hindered by fragmented institutional execution and structural constraints, leaving high-potential natural capital under-utilized. This study aims to analyze strategic governance mechanisms for natural tourism development and to identify key opportunities and structural challenges influencing sustainable economic outcomes. A qualitative descriptive approach was employed, involving in-depth interviews with nine purposively selected informants, direct field observations at five major natural tourism sites, and document analysis. Data were analyzed using the interactive model of reduction, display, and verification. Analytically, the study highlights operational variations where progressive municipal branding and planning do not fully translate into localized capacity due to decentralized coordination gaps. The findings reveal that while tourism expansion generates vital local economic multipliers—such as micro-enterprise stimulation and regional revenue enhancement—its optimization remains heavily bottlenecked by fragmented infrastructure and low community integration. This research advances natural tourism governance discourse by shifting the analytical focus from descriptive strategy to a critical diagnosis of policy-execution gaps within resource-constrained secondary cities. This study demonstrates that long-term sustainability depends on establishing formalized multi-stakeholder platforms that bridge institutional design with local community adaptive capacity.

Introduction

Natural resource-based development remains a central pillar of regional economic transformation, particularly in developing economies where local assets constitute a primary driver of growth. Among these resources, natural tourism serves as a strategic economic catalyst. It directly expands local employment and entrepreneurship while generating essential regional revenue that stimulates secondary sectors such as agriculture, handicrafts, and local transit. Tourism not only contributes directly to regional income through visitor expenditures, but also indirectly activates related sectors such as agriculture, handicrafts, transportation, and small-scale trade (1, 2). In Indonesia, the tourism sector contributes approximately 4% to national GDP and plays a significant role in reducing unemployment and increasing community income (3). The enactment of Law No. 10 of 2009 concerning Tourism further emphasizes that tourism development aims to enhance economic growth, improve public welfare, alleviate poverty, and promote sustainable regional development (4). This legislative imperative, however,

often encounters severe operational challenges within peripheral municipal structures, where the translation of national strategy into localized economic returns remains highly uneven (3). Empirical scholarship indicates that sustainable regional transformation via tourism is heavily dependent on institutional alignment and resource mobilization capacities, variables that show extreme variance outside primary economic hubs (5). By critically evaluating these specific local governance dynamics rather than generalized national trends, this study fills a distinct empirical void in the current literature (7). Despite this national framework, disparities persist in the effectiveness of tourism governance at the local level, particularly in optimizing natural tourism potential to achieve sustainable economic outcomes.

South Sulawesi Province has been designated as one of Indonesia's priority tourism destinations outside Bali since 2006, reflecting the strategic importance of tourism diversification beyond traditional hubs (1). Within this regional context, Palopo City possesses substantial natural tourism assets, including waterfalls, rivers, and coastal attractions, which present considerable opportunities for

sustainable economic development. However, empirical observations indicate that several natural tourism sites such as Sungai Jodoh and Latuppa Waterfall have experienced limited development and uneven management attention (5). Although tourism governance is categorized as a concurrent governmental function under Law No. 23 of 2014 concerning Regional Government, local implementation often encounters structural constraints, including limited budget allocation, inadequate infrastructure, weak human resource capacity, and insufficient community engagement (6). These constraints hinder the optimal realization of tourism’s multiplier effects and reduce its contribution to locally generated revenue (PAD) (3). Consequently, the gap between tourism potential and actual economic performance remains a pressing development issue.

While existing literature extensively details the broad macroeconomic impacts of tourism, a significant research gap persists regarding how municipal governance frameworks dynamically align localized multi-stakeholder cooperation with sustainable economic targets, particularly within secondary cities facing severe resource constraints (1, 7). Prior scholarship remains overly macro-centric, frequently neglecting the operational frictions within localized municipal ecosystems. This study resolves this gap by providing a targeted strategic analysis of natural tourism in Palopo City through a qualitative, stakeholder-oriented lens that explicitly diagnoses operational variations within the sustainable development paradigm. Consequently, this research offers a dual contribution: theoretically, it extends sustainable governance models to resource-constrained secondary urban settings, and practically, it establishes an empirical blueprint for context-specific, evidence-based regional policy formulation.

Methodology

Research Design

This study adopted a qualitative descriptive research design to examine the strategy of natural tourism development in enhancing sustainable economic growth in Palopo City, Indonesia. A qualitative approach was selected because the research aimed to explore governance practices, stakeholder roles, and socio-economic dynamics within their natural setting. Qualitative

inquiry enables an in-depth understanding of social phenomena through interpretation of actors’ perspectives and contextual realities rather than statistical measurement. Moleong (2014) emphasizes that qualitative research seeks to understand phenomena holistically by describing events, behaviors, and interactions in their natural environment (7). Similarly, Sugiyono (2019) argues that qualitative methods are particularly suitable for examining policy implementation, development strategies, and community participation processes that require contextual interpretation (8).

The study focused on two primary analytical dimensions: first, the strategic framework adopted by local authorities in developing natural tourism, including infrastructure provision, institutional coordination, and income generation mechanisms; and second, the identification of opportunities and challenges influencing sustainable economic outcomes derived from tourism activities. These dimensions were examined through an interpretative analytical framework grounded in sustainable development principles.

Study Area and Research Period

The research was conducted in Palopo City, South Sulawesi Province, Indonesia, particularly at selected natural tourism sites such as Latuppa Waterfall, Sungai Jodoh, and coastal tourism areas including Labombo Beach. These locations were selected because they represent key tourism assets of the city and reflect varying levels of development performance. Fieldwork was carried out from April to May 2024. The two-month research period enabled intensive engagement with stakeholders, iterative data verification, and comprehensive observation of tourism activities.

Participants and Sampling Strategy

The study population consisted of stakeholders directly involved in tourism governance and economic activities surrounding natural tourism sites in Palopo City. Given the qualitative design, purposive sampling was employed to select information-rich participants capable of providing detailed insights into tourism development strategies and economic impacts. According to Moleong (2014), purposive sampling in qualitative research prioritizes depth of information over statistical representativeness (7).

Selection criteria included institutional authority in tourism management, direct operational involvement in

Table 1. Characteristics of research informants.

No	Name	Position/Occupation	Age
1	Sigit	Head of Tourism Office	50
2	Siska	Head of Destination Division	28
3	Kharin	Destination Staff	25
4	Markus Tarukallo (Mex)	Manager, Labombo Beach	56
5	Eki	Manager, Sungai Jodoh	53
6	Awaluddin	Village Head (Padang Lambe)	48
7	Puspa	Village Head (Marante)	45
8	Hasbiana	Local Business Owner (Batu Papan)	50
9	Murni	Local Business Owner (Latuppa Waterfall)	50

tourism sites, active engagement in tourism-related businesses, and willingness to participate voluntarily. A total of nine informants participated in the study, comprising government officials, tourism managers, village leaders, and local entrepreneurs. The composition of informants is presented in **Table 1**.

The selection of nine key informants was rigorously guided by the principle of informational redundancy and theoretical saturation rather than statistical representation, in line with established qualitative research paradigms (8, 9). In a localized municipal context like Palopo City, these nine individuals represent the exhaustive core of authorized policymakers, direct site managers, and localized enterprise leaders who possess the requisite institutional memory and operational oversight. To guarantee analytical rigor beyond general standards, data trustworthiness was operationalized through systematic multi-source triangulation (contrasting state, commercial, and community narratives) and an independent peer-review coding audit. This auditing process involved secondary blind-coding of the transcribed interview data to ensure that the emergent thematic clusters were strictly grounded in the empirical text, minimizing subjective interpretive bias.

Data collection continued until informational redundancy was achieved, indicating data saturation. This approach aligns with Sugiyono (2019), who states that qualitative sampling concludes when no substantially new themes emerge from additional data collection (8).

Data Sources and Research Instruments

The study utilized both primary and secondary data sources. Primary data were obtained through in-depth interviews, direct field observations, and documentation of tourism activities and infrastructure. Secondary data consisted of official government documents, tourism development reports, regulatory frameworks, academic literature, and statistical publications relevant to tourism and sustainable economic development.

In qualitative research, the primary instrument is the researcher, who directly engages in data collection and interpretation (7). Supporting tools included semi-structured interview guides designed to explore strategic planning, infrastructure provision, economic benefits, and development challenges; audio recording devices for ensuring transcription accuracy; field notebooks for systematic documentation of observations; and digital cameras for recording physical conditions of tourism sites.

Data Collection Procedures

Data collection followed a systematic procedure. Initially, formal authorization was obtained from relevant local government institutions. Preliminary visits were conducted to map tourism locations and establish rapport with stakeholders. Semi-structured interviews were conducted individually with each informant. The duration of each interview was determined by the depth of information required and continued until the researcher obtained comprehensive responses relevant to the research focus.

The interview protocol included structured thematic questions addressing strategic planning, budget allocation, income generation mechanisms, employment opportunities, and perceived development constraints. Open-ended probing questions were subsequently used

to explore emergent themes and contextual nuances. Interviews were audio-recorded with participants' consent and transcribed verbatim.

Direct non-participant observations were conducted at selected tourism sites to assess infrastructure adequacy, accessibility, sanitation conditions, visitor activities, and local economic interactions. Observational findings were systematically recorded to complement interview data. Documentary analysis was performed to examine tourism planning documents, administrative records, and development reports to verify and contextualize field findings. The integration of interviews, observation, and documentation strengthened methodological rigor through triangulation.

Data Validation and Trustworthiness

To ensure credibility and reliability, the study applied triangulation techniques as recommended by Sugiyono (9). Source triangulation involved comparing information obtained from government officials, tourism managers, village authorities, and local entrepreneurs. Method triangulation integrated interview, observation, and documentation findings to enhance consistency. Time triangulation was implemented through repeated visits and follow-up clarification with selected informants.

Member checking was conducted by summarizing key interpretations to selected participants to confirm accuracy. An audit trail documenting coding decisions, analytical processes, and thematic development was maintained to strengthen dependability and confirmability, consistent with the qualitative standards outlined by Moleong (7).

Data Analysis

Data analysis followed the interactive model of Miles and Huberman, as cited in Sugiyono (8), consisting of data reduction, data display, and conclusion drawing with continuous verification. Data reduction involved systematically coding interview transcripts and field notes to identify themes related to infrastructure development, institutional coordination, income distribution, employment generation, and development barriers. Irrelevant or repetitive data were eliminated to sharpen analytical focus.

Data display was conducted through thematic categorization and narrative matrices to facilitate interpretation of relationships between tourism strategies and sustainable economic outcomes. Conclusion drawing was performed iteratively by cross-examining patterns across data sources. Interpretive findings were validated through constant comparison and verification to ensure analytical consistency and credibility.

Ethical Considerations

All participants were informed about the objectives and scope of the study prior to data collection. Informed consent was obtained from each informant, and confidentiality was maintained by using names solely for descriptive institutional purposes without disclosing sensitive information. Data were stored securely and utilized exclusively for academic research. The research process adhered to institutional academic guidelines to ensure ethical compliance.

Results

Strategic Development of Natural Tourism in Enhancing Sustainable Economic Growth in Palopo City

The findings indicate that natural tourism constitutes a strategic sector in Palopo City's economic development framework. Tourism functions not only as a recreational activity but also as an economic driver capable of generating employment opportunities, increasing community income, and contributing to local revenue. Informants consistently emphasized that tourism yields both direct and indirect economic impacts. Direct benefits are experienced by visitors through leisure satisfaction, whereas indirect economic benefits are captured by local communities and service providers, including accommodation businesses, transportation services, food vendors, and micro-enterprises operating around tourism sites (*Sigit, Head of Tourism Office*).

Natural tourism in Palopo is distinguished from other forms of tourism such as religious or cultural tourism. As explained by the Head of the Tourism Office, natural tourism specifically refers to tourism activities centered on environmental beauty and natural landscapes. Several tourism sites in Palopo, such as Pantai Labombo, Sungai Jodoh, Bukit Sampoddo, and Batu Papan, were identified as not fully categorized as natural tourism destinations due to differences in ecological characteristics (*Sigit, Head of Tourism Office*). In contrast, tourism destinations that emphasize environmental conservation and scenic landscapes are classified as natural tourism. The study identified five primary natural tourism destinations in Palopo City, as summarized in **Table 2**.

As shown in **Table 2**, these sites represent the core natural tourism assets of Palopo. However, findings reveal that management practices remain uneven and insufficiently integrated. Although Palopo is widely recognized for its tourism potential, only a limited number of destinations are systematically developed and maintained.

Interviews with tourism managers further highlighted institutional and financial constraints. The manager of Pantai Labombo emphasized that although natural tourism should ideally remain environmentally authentic, budget limitations significantly hinder infrastructure development. Financial constraints restrict the construction of facilities and limit large-scale strategic improvements (*Markus Tarukallo, Manager Labombo Beach*). Similarly, the manager of Sungai Jodoh reported that road access remains inadequate and that maintenance resources are insufficient. Despite increasing

visitor numbers, infrastructure limitations reduce overall competitiveness compared to tourism destinations in other regions (*Eki, Manager Sungai Jodoh*).

The findings underscore the importance of stakeholder collaboration in tourism development. Effective tourism strategy requires coordination among government authorities, private sector actors, and local communities. Informants noted that when these three stakeholders cooperate, tourism development can generate sustainable economic impacts. For example, tourism growth stimulates local entrepreneurship through the establishment of food stalls, souvenir shops, and parking services, thereby increasing household income and contributing to local tax revenues (*Markus Tarukallo, Manager Labombo Beach*).

Local government strategies currently focus on infrastructure enhancement, facility improvement, and destination branding. According to Awaluddin (*Village Head Padang Lambe*), the government has initiated planning efforts to upgrade tourism facilities and develop additional attractions to increase visitor interest. These initiatives aim to stimulate both tourist arrivals and local business participation. Infrastructure expansion is expected to create multiplier effects by increasing visitor spending and strengthening local economic circulation.

However, the implementation of development strategies remains selective rather than comprehensive. While the Tourism Office has formulated plans for sustainable tourism development, execution is not evenly distributed across all sites (*Sigit, Head of Tourism Office*). One strategic direction emphasized by the Tourism Office is the integration of ecotourism principles to promote environmentally responsible development and enhance long-term sustainability.

Overall, the results demonstrate that although strategic planning exists, structural challenges, financial limitations, and uneven implementation reduce the effectiveness of tourism development in achieving optimal sustainable economic outcomes.

Opportunities and Challenges in the Development of Natural Tourism in Palopo City

Opportunities for Tourism Development

The findings indicate substantial opportunities for expanding natural tourism in Palopo City. Tourism is increasingly popular among both local residents and visitors, particularly with the growing influence of social media platforms that promote scenic destinations through digital content. The visibility of tourism sites on social media enhances destination branding and stimulates demand for nature-based recreation (*Sigit, Head of*

Table 2. Natural tourism destinations in Palopo City.

No	Natural Tourism Site	Subdistrict (Kelurahan)
1	Pantai Labombo	Salekoe
2	Air Terjun Latuppa dan Siguntu	Latuppa
3	Sungai Jodoh	Murante
4	Batu Papan	Padang Lambe
5	Bukit Kaja Angin	Batang

Tourism Office).

Natural tourism presents significant potential to generate employment and entrepreneurial opportunities. According to Awaluddin (*Village Head Padang Lambe*), tourism development creates economic space for local communities to establish businesses, including food stalls, small retail kiosks, and service-based enterprises. This economic diversification reduces reliance on traditional livelihoods and strengthens community resilience.

A local business owner at Batu Papan explained that the presence of tourism activities has substantially improved household income. Tourism-generated earnings contribute to family welfare and financial stability (*Hasbiana, Local Business Owner Batu Papan*). These findings confirm that tourism not only benefits government revenue but also directly enhances microeconomic conditions at the community level.

Moreover, the Head of the Destination Division emphasized that Palopo possesses considerable untapped tourism potential. If properly managed, these natural resources could elevate Palopo's status as a competitive tourism destination within the region (*Siska, Head of Destination Division*). Similarly, the manager of Pantai Labombo highlighted that the city's diverse natural landscapes offer significant prospects for expansion and branding. Proper investment and coordinated management could accelerate economic growth through tourism-driven industry development (*Markus Tarukallo, Manager Labombo Beach*).

Challenges in Tourism Development

Despite promising opportunities, tourism development in Palopo faces multiple structural challenges. One major obstacle is limited community awareness regarding the importance of tourism development. Several informants reported that segments of the community do not fully understand the long-term economic benefits of tourism, which affects participation and support (*Puspa, Village Head Marante*).

Negative perceptions and insufficient public engagement further complicate strategic implementation. Limited understanding of sustainable tourism principles reduces collaborative capacity between stakeholders. The Head of the Destination Division confirmed that community awareness remains one of the most significant barriers to successful tourism development (*Siska, Head of Destination Division*).

Financial constraints represent another critical challenge. Budget limitations restrict infrastructure expansion, facility maintenance, and promotional activities. As stated by Awaluddin (*Village Head Padang Lambe*), insufficient government funding reduces the ability to implement comprehensive development strategies. Infrastructure, accessibility, and facility improvement remain pressing concerns, particularly in remote tourism sites.

Accessibility issues significantly affect visitor experience. Poor road conditions and limited transportation infrastructure reduce competitiveness relative to other tourism destinations. Additionally, inadequate supporting facilities, such as sanitation systems and public amenities, constrain growth potential.

Competition from other regional tourism destinations further intensifies development pressure. Without strategic

differentiation and sustained investment, Palopo's tourism sector risks stagnation. Informants emphasized that unless integrated and long-term planning is implemented, many tourism potentials will remain underdeveloped.

Discussion

Strategic Development of Natural Tourism in Enhancing Sustainable Economic Growth

The findings indicate that natural tourism development in Palopo City is positioned as a strategic instrument for achieving sustainable economic growth. Tourism is recognized as a priority development sector due to its multidimensional economic effects, including employment generation, income distribution, poverty reduction, and environmental conservation (10). This strategic orientation aligns with Law No. 10 of 2009 concerning Tourism, which explicitly states that tourism development aims to increase national income, improve community welfare, reduce unemployment, alleviate poverty, and preserve natural and cultural resources (11). The legal foundation reinforces the institutional legitimacy of tourism as a core development sector and provides normative guidance for local government intervention.

Consistent with national regulatory frameworks, including Government Regulation No. 15 of 2011 concerning the National Tourism Development Master Plan, tourism is conceptualized as a multidimensional and multidisciplinary sector that integrates economic, social, cultural, and environmental components (12). The empirical findings in Palopo demonstrate that local government strategy is oriented toward strengthening infrastructure, improving destination management, enhancing promotional activities, and fostering stakeholder collaboration. These efforts reflect a recognition that tourism development requires coordinated governance rather than fragmented interventions.

One of the primary strategic pillars identified in the findings is infrastructure development. Infrastructure constitutes the foundational element that determines visitor experience and destination competitiveness. As argued by Syafrizal (13), tourism development is highly dependent on adequate infrastructure and supporting facilities. In Palopo, government intervention includes road improvements, enhancement of accessibility, construction of supporting facilities such as gazebos, public toilets, prayer rooms, and designated rest areas, particularly in destinations such as Batu Papan and Pantai Labombo. Infrastructure expansion not only increases visitor comfort but also strengthens local economic circulation by encouraging longer visitor stays and higher expenditure (14). This finding confirms the argument that physical infrastructure serves as an entry point for sustainable tourism growth.

Environmental management represents the second strategic component. Tourism sustainability depends heavily on environmental preservation, particularly in natural tourism destinations (15). The local government's role in maintaining ecological balance includes waste management, environmental monitoring, enforcement of environmental regulations, and promotion of conservation awareness among local communities. This strategic direction aligns with sustainable tourism principles that

emphasize the balance between economic benefits and environmental protection (16). As emphasized by Adisasmita Rahojo (17), sustainable development requires efficiency in resource utilization, ecological responsibility, and long-term environmental resilience. In Palopo, environmental protection efforts are not merely regulatory but also educational, aiming to increase public awareness regarding cleanliness and conservation.

Policy development and regulatory reinforcement constitute another critical strategic dimension (18). Tourism development requires clear regulatory frameworks to guide land use, investment patterns, and conservation standards (19). The findings show that local authorities attempt to formulate structured planning mechanisms, including strategic vision development, infrastructure prioritization, and monitoring mechanisms. Policy alignment with national tourism objectives ensures coherence between local initiatives and broader development agendas. It bridges the gap between grassroots community needs and broader socio-economic goals, such as job creation, infrastructure development, and biodiversity conservation, as outlined by UN Tourism principles (20).

Supervision and regulatory enforcement also emerge as important elements within the strategic framework to manage destination growth effectively (21). Regulatory enforcement ensures that tourism development does not compromise environmental integrity or violate spatial planning principles (22). Effective supervision protects tourism assets from degradation and prevents uncontrolled exploitation (23). Without regulatory control, tourism expansion risks undermining long-term sustainability.

Beyond infrastructure and governance, destination development strategies play a central role. The government seeks to enhance destination attractiveness through facility improvement and diversification of tourism experiences. Ayu Karlina (24) argues that tourism destinations require adequate facilities and innovative attractions to maintain visitor satisfaction and competitiveness. The empirical evidence from Palopo confirms that improvements in facilities such as gazebos, sanitation infrastructure, and scenic enhancements have increased visitor interest, although implementation remains uneven across sites.

Promotion and marketing strategies constitute another essential strategic component. Branding, promotional campaigns, participation in tourism expos, and media engagement are utilized to strengthen destination visibility (25). Branding efforts aim to differentiate Palopo's natural tourism assets from competing destinations. Marketing campaigns conducted by the Tourism Office through brochures, exhibitions, and digital media platforms contribute to expanding market reach. This approach reflects contemporary tourism marketing theory, which emphasizes integrated communication strategies and destination image building as determinants of tourist behavior.

Stakeholder partnership development is identified as a key strategic necessity. Tourism growth requires collaboration among government authorities, private sector actors, local communities, and small-scale entrepreneurs (26). The findings highlight that tourism development in Palopo increasingly involves local business

actors who operate food stalls, souvenir shops, and supporting services within tourism areas. Indah Dewi (27) emphasizes that community-based tourism enhances local economic resilience by integrating micro-enterprises into destination ecosystems. The presence of UMKM actors within tourism areas in Palopo demonstrates the economic multiplier effect generated by tourism expansion. This collaborative paradigm, however, remains sub-optimal in practice due to distinct structural impediments. Stakeholder collaboration has not been fully optimized because of an operational imbalance between centralized municipal authorities and grassroots actors. Power asymmetries persist, as local communities and small business owners are treated as passive beneficiaries rather than active partners in decision-making. In practice, the existing coordination mechanisms function on an ad-hoc and reactive basis. Communication occurs primarily during sporadic socialization events rather than through permanent, institutionalized channels. Consequently, this lack of structured engagement carries severe implications for tourism governance outcomes (28). It results in a highly fragmented development landscape where physical infrastructure projects lack localized maintenance, and a distinct deficit in community ownership undermines the long-term socio-ecological sustainability of the destinations (29).

Human resource development further strengthens the strategic framework. The government's initiatives to conduct training programs for tour guides, conservation officers, and sanitation staff aim to improve service quality and professional capacity. Community education programs are also implemented to raise awareness of tourism benefits and encourage active participation. Human resource capacity building is essential for ensuring service quality, visitor satisfaction, and sustainable management practices (30).

To evaluate tourism development success, the study refers to Oka Yoeti (31), who identifies key determinants such as the availability of attractions and accessibility. Palopo's natural tourism destinations offer diverse attractions, including waterfalls, rivers, beaches, and mountainous landscapes. This diversity strengthens destination competitiveness by accommodating varied tourist preferences. However, accessibility remains uneven, particularly in remote areas with inadequate road conditions. Accessibility improvements therefore remain integral to long-term strategic success.

Overall, the strategic framework implemented in Palopo reflects an integrated model of tourism development encompassing infrastructure expansion, environmental management, regulatory alignment, marketing innovation, stakeholder partnership, and human resource development. While implementation challenges remain, the strategic orientation demonstrates alignment with sustainable development principles that integrate economic growth, social inclusion, and environmental protection (32). Critically interpreted through the lens of Collaborative Governance Theory, which highlights how face-to-face dialogue, trust-building, and shared commitment dictate policy success, the empirical frictions identified in Palopo City expose a fundamental disconnect between normative policy design and operational capacity (33, 34). The local government's emphasis on infrastructure and regulatory formulation functions

primarily as top-down institutional signaling, which struggles to generate localized compliance or community ownership due to a lack of formal collaborative platforms (35). Rather than merely reiterating that funding or infrastructure is low, a critical synthesis indicates that Palopo's tourism governance exhibits characteristics of structural fiscal dependency constraints. Because the municipal Tourism Office depends strictly on centralized budgetary allocations, its strategic initiatives remain highly fragmented and episodic (36). This systemic vulnerability, reflecting local public finance imbalances common in secondary municipal structures, prevents the establishment of a self-sustaining tourism ecosystem, transforming public infrastructure investments into isolated interventions rather than an integrated sustainable engine (37).

The development of natural tourism in Palopo City presents both significant opportunities and structural challenges that determine the trajectory of sustainable economic growth. Tourism, particularly nature-based tourism, offers multidimensional economic advantages, yet its success depends on institutional readiness, community participation, and resource availability. The findings demonstrate that while Palopo possesses substantial tourism potential, effective optimization requires coordinated strategic action.

Opportunities for Natural Tourism Development

Employment Generation and Community Welfare

One of the most immediate and tangible opportunities identified is the expansion of employment opportunities. However, a critical evaluation of these positions reveals that the nature of these employment opportunities is predominantly informal, seasonal, and low-skilled, consisting largely of ticketing, parking services, basic sanitation, and informal food vending. This specific occupational structure raises significant concerns regarding their long-term sustainability (38). Because these positions are heavily dependent on fluctuating visitor numbers and seasonal weather conditions, they expose local workers to severe income volatility throughout the year. Consequently, while their contribution to local welfare is undeniable in providing immediate daily cash flow and shifting households away from extractive primary sectors (39, 40), these positions function primarily as safety-valve supplementary incomes rather than stable mechanisms for permanent socio-economic upward mobility.

These findings reinforce the argument that tourism functions as a labor-intensive sector capable of absorbing local workforce participation and enhancing community welfare. The economic multiplier effect observed in Palopo confirms that tourism income circulates within the local economy, stimulating small and medium enterprises (UMKM) and reducing dependence on non-sustainable sectors.

Local Economic Strengthening and Event-Based Promotion

The study further reveals that the Tourism Office has implemented programs designed to promote local economic products through tourism-related events and exhibitions. These activities serve dual functions:

strengthening destination branding and providing market access for locally produced goods. Through promotional events at regional and national levels, Palopo's tourism products and culinary specialties gain broader exposure.

Such initiatives align with the concept of community-based tourism, which integrates local economic actors into destination ecosystems. Hetty Krisnani (41) emphasizes that community-based tourism development enhances economic resilience by embedding local entrepreneurship within tourism structures. In Palopo, tourism events stimulate spending on food, transportation, entrance fees, and service activities, thereby reinforcing economic linkages between tourism and local production systems.

Regional Revenue Enhancement

Tourism development contributes to regional income through retribution mechanisms, including entrance tickets, parking fees, sanitation fees, and other service-based charges managed by the Tourism Office. Increased visitor flows directly correlate with increased regional revenue (42). This revenue can subsequently be reinvested into infrastructure improvement and destination management, strengthening long-term sustainability. The existence of structured revenue mechanisms demonstrates that tourism not only benefits individual entrepreneurs but also supports public finance capacity. Such fiscal contributions enhance the government's ability to fund development programs in other sectors, creating a broader economic ripple effect.

Institutional Collaboration and Stakeholder Integration

The findings also highlight the opportunity for strengthening institutional collaboration among government agencies, private actors, and local communities. Tourism development in Palopo increasingly involves cross-sector cooperation, including partnerships between the Tourism Office, village authorities, and business actors. Collaborative governance models improve resource allocation efficiency and reduce fragmentation in planning processes (43). This integration aligns with the principles of polycentric governance models, which posit that complex resource systems are managed most sustainably when multiple, overlapping centers of decision-making authority coexist and self-organize (44, 45). By distributing administrative responsibility among village leaders, municipal offices, and site managers, a polycentric structure prevents total reliance on a single bureaucratic center, thereby increasing institutional resilience and local adaptability (46).

The presence of tourism management groups and community participation initiatives indicates a shift toward participatory development models (47). These collaborative structures enable local communities to actively engage in decision-making processes and benefit directly from tourism growth.

Challenges in Natural Tourism Development

Limited Community Awareness and Participation

Despite significant opportunities, community awareness remains a critical barrier to sustainable tourism development. Several findings indicate that segments of the population do not fully understand the economic and environmental benefits of tourism. This limited awareness

affects participation levels and reduces collective responsibility in maintaining tourism assets.

Rahma Melyda (48) notes that community perception significantly influences tourism development outcomes. Without adequate understanding, residents may fail to support conservation efforts or may perceive tourism as an external initiative rather than a shared economic opportunity. This gap underscores the importance of continuous socialization, education programs, and awareness campaigns.

Financial Constraints and Capital Limitations

Budget limitations represent another structural challenge. Tourism infrastructure development requires substantial financial investment, particularly for road improvements, sanitation facilities, visitor amenities, and safety measures. Limited capital restricts the ability to upgrade facilities uniformly across all destinations, resulting in uneven development patterns and infrastructure gaps across sites (49).

The shortage of financial resources not only affects infrastructure but also limits promotional activities and marketing expansion. Ilham Junaid (50) argues that budget allocation constitutes a key determinant of tourism success, particularly in facility maintenance and destination upgrading. In Palopo, limited funding has constrained the expansion of certain promising destinations despite their high potential. It is critical to acknowledge the geographic and methodological boundaries of this study as an inherent limitation. While a multi-city comparative dataset or broader quantitative testing could offer wider regional generalizability, the current qualitative scope was deliberately restricted to Palopo City to capture highly nuanced, context-specific institutional governance dynamics that larger macro-level surveys typically obscure. This bounded research scope provides a concentrated diagnostic baseline, though future comparative studies are required to validate these localized governance patterns across diverse municipal profiles.

Infrastructure and Accessibility Deficiencies

Accessibility remains uneven across natural tourism sites. Inadequate road conditions, limited transportation connectivity, and insufficient public facilities reduce visitor comfort and may discourage repeat visits (51). While some destinations have undergone improvements, others still lack adequate supporting infrastructure.

Accessibility is a central determinant of tourism competitiveness. Destinations with poor access risk losing visitors to competing regions offering more convenient transportation and better amenities (52). Therefore, infrastructure investment remains a strategic necessity for achieving balanced development.

Institutional Capacity and Regulatory Implementation

Although regulatory frameworks exist, effective implementation requires strong institutional capacity. The coordination between different governmental units and stakeholders must be strengthened to avoid overlapping responsibilities and policy inefficiencies (53). Without consistent monitoring and enforcement, tourism growth may lead to environmental degradation or uncontrolled commercialization.

Furthermore, regulatory enforcement plays a critical role in ensuring sustainable resource utilization. Tourism expansion without proper environmental safeguards may undermine ecological integrity and compromise long-term sustainability goals (54).

Integrative Analysis

The interplay between opportunity and challenge defines the developmental trajectory of natural tourism in Palopo City. On one hand, tourism provides significant employment, revenue, and economic diversification opportunities. On the other hand, structural barriers particularly financial limitations, infrastructure gaps, and limited community awareness constrain optimal realization.

Addressing these challenges requires an integrated and collaborative approach that combines regulatory strengthening, financial investment, capacity building, and community empowerment. Tourism development must be approached not merely as an economic activity but as a comprehensive system integrating environmental stewardship, social participation, and institutional governance (55).

The findings ultimately suggest that Palopo possesses strong foundational assets for sustainable tourism development. However, long-term success depends on sustained commitment, inclusive planning, and effective management mechanisms capable of transforming potential into measurable economic and environmental benefits.

Conclusion

This study advances sustainable governance theory by demonstrating how resource-constrained secondary cities benefit from decentralized, polycentric governance models. These models offer a viable alternative to rigid top-down structures for optimizing natural assets. The sector has generated tangible benefits, including employment expansion, local income growth, and increased regional revenue, indicating its significant multiplier effects within the local economy. However, structural challenges particularly limited financial capacity, uneven infrastructure development, and insufficient community awareness continue to constrain optimal implementation. Ultimately, this study advances sustainable governance theory by demonstrating that resource-constrained secondary cities require decentralized, polycentric governance models rather than rigid top-down structures to optimize natural assets. From a policy perspective, these findings suggest a strategic realignment toward establishing a formalized Municipal Tourism Council that legally integrates private operators and local community associations into budget planning and asset co-management. Future research should transition from qualitative diagnoses to longitudinal quantitative tracking of local multiplier coefficients across varying administrative regimes. This will provide the empirical baseline needed to dynamically measure the long-term trade-offs between intensive economic optimization and ecological carrying capacities.

Declaration

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Conflict of Interest

The authors declare no conflicting interest.

Data Availability

Data supporting the findings of this study are available from the corresponding author upon reasonable request.

Ethics Statement

Ethical approval was not required for this study.

Funding Information

The authors declare that no financial support was received for the research, authorship, and/or publication of this article.

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Additional Information

How to Cite

APA 7th Edition: Sultan, M. N. & Ilham, I. (2026). Strategic Governance of Natural Tourism for Sustainable Local Economic Growth in Palopo City. *Sustainable Economy*, 2(1), 37-47. <https://doi.org/10.58920/sustainecon0201611>

Vancouver: Sultan MN, Ilham I. Strategic Governance of Natural Tourism for Sustainable Local Economic Growth in Palopo City. *Sustainable Economy*. 2026;2(1):37-47. <https://doi.org/10.58920/sustainecon0201611>

Harvard: Sultan, M. N. & Ilham, I. (2026) 'Strategic Governance of Natural Tourism for Sustainable Local Economic Growth in Palopo City', *Sustainable Economy*, 2(1), pp. 37-47. doi: 10.58920/sustainecon0201611

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