

Research Article

Local Economic Development Through Halal Tourism in Kambo Village

Muh Aynul Yaqin

Universitas Islam Negeri Palopo, Indonesia, e-mail: muh_aynul0124_mhs19@uinpalopo.ac.id

*Corresponding Author: muh_aynul0124_mhs19@uinpalopo.ac.id

Abstract: This research is motivated by the great potential for halal tourism development in Kambo Village, Palopo City, which has a wealth of natural mountains, waterfalls, clean rivers, and community gardens as tourist attractions. However, this potential has not been optimally utilized due to minimal management, the lack of directed regulations, and the lack of integration of local wisdom with halal tourism standards. This condition raises questions about how this potential can be developed effectively in accordance with sharia principles and the needs of Muslim tourists. The research problem formulation includes: (1) how the halal tourism potential in Kambo Village is reviewed from the aspects of nature, culture, and community readiness, (2) what is the role of the community and MSMEs in the halal tourism ecosystem, and (3) what are the dynamics of collaborative governance and integrative models for local economic development based on halal tourism. The research uses a qualitative descriptive method with a case study approach and deductive analysis. Data were obtained through observation, interviews, and document reviews related to regional spatial planning. The results show that Kambo has strong potential as a halal tourism area, but its development has not been maximized due to limited infrastructure, the absence of halal certification or standards, and minimal government facilitation and promotion. By strengthening regulations, increasing community capacity, and developing sharia-compliant facilities and infrastructure, Kambo has the potential to develop as a leading halal tourism destination in Palopo City.

Keywords: Collaborative Governance; Community Empowerment; Halal Tourism; Local Economic Development; Sharia Compliance

1. Introduction

Halal tourism has developed into a strategic sector in global economic development, along with the increasing number of Muslim tourists and awareness of the need for tourism services that comply with sharia principles. (Sugianto et al., 2024). The concept of halal tourism is not only limited to the provision of halal food, but also includes prayer facilities, Muslim-friendly accommodations, and a tourist environment that supports religious activities (Sofiah et al., 2023). In Indonesia, the potential of this sector is increasingly strong with the support of national policies through the Indonesian Sharia Economic Masterplan 2019–2024 (KNEKS, 2019) and integrated destination promotion in the "Wonderful Indonesia" program (Kemenparekraf, 2020). Indonesia has even been named the world's best halal tourism destination in recent years by the Global Muslim Travel Index (CrescentRating, 2023), demonstrating the rapid development of the halal tourism market at the national and global levels.

Kambo Village in Palopo City is one of the areas with significant potential for halal tourism development. The designation of Kambo as a tourist village through Mayoral Decree No. 130/II/2022 demonstrates a regional policy direction aligned with the national strategy. Geographically, this area is located in a pristine mountainous region, boasting abundant clean water sources, and a vibrant social and cultural life oriented towards Islamic values. Initial

Received: September 16, 2025;
Revised: October 20, 2025;
Accepted: December 15, 2025;
Online Available: December 16, 2025;
Current Ver.: December 16, 2025.



Copyright: © 2025 by the authors. Submitted for possible open access publication under the terms and conditions of the Creative Commons Attribution (CC BY SA) license (<https://creativecommons.org/licenses/by-sa/4.0/>)

findings from field observations and preliminary interviews indicate that this potential has not been matched by adequate infrastructure and institutional capacity. Challenges include limited worship facilities, the lack of sharia-compliant accommodations, a high reliance on non-digital promotion, and a suboptimal understanding of halal service standards among MSMEs. Because these findings are preliminary, this presentation is presented with caution and will be verified through empirical research data.

When compared with regions such as Aceh and Lombok which have successfully implemented the concept of halal tourism through regulations and strengthening the destination ecosystem. (Muharis et al., 2024) . Regions in Eastern Indonesia, such as Palopo City, are relatively under-represented in academic research. This situation indicates a research gap regarding how local economic development models based on halal tourism can be adapted to the diverse socio-cultural characteristics of communities. Previous research has revealed that the success of halal tourism is determined not only by infrastructure, but also by cultural acceptance, local leadership, and community participation (Zailani et al., 2019; Stephenson, 2014). This is relevant to the context of Kambo Village, which has its own unique culture and social system.

This study aims to analyze the potential for halal tourism in Kambo Village, identify local economic development strategies based on Islamic values, and develop an integrative model for halal tourism development that aligns with the social, economic, and cultural conditions of the community. This study is novel because it uses a qualitative, community-based approach, gathering in-depth data through interviews and observations. This approach aligns with Timothy and Nyaupane's (2009) view that effective tourism development must be grounded in the local context and involve the community.

From a theoretical perspective, this research integrates the concepts of Community-Based Tourism (Suansri, 2003), Governance-Based Development (Kooiman, 2003), sustainability principles (Sharpley, 2009), and the concept of a halal tourism ecosystem, as developed in recent studies (Çelik & Çengel, 2021). This multidisciplinary approach aims to design a halal tourism model that emphasizes not only economic value but also strengthening governance, local community involvement, and environmental sustainability (Jamal & Stronza, 2009; Okumus et al., 2018). In addition to its theoretical contributions, this research is also expected to provide practical recommendations for local governments, business actors, and tourism stakeholders in developing halal tourism as an effective instrument for local economic development.

To facilitate the flow of discussion, this article is structured into four parts: first, an explanation of the potential for halal tourism in Kambo Village; second, an analysis of local economic development strategies based on halal tourism; third, formulation of an integrative model for local economic development based on halal tourism; fourth, policy recommendations for the development of sustainable halal tourism.

2. Research Methods

This study employed a descriptive qualitative approach with field research methods to gain an in-depth understanding of the potential and model for local economic development based on halal tourism in Kambo Village, Palopo City. The qualitative approach was chosen because it comprehensively captures the social, cultural, and economic dynamics of the community (Creswell, 2014). The researcher served as the primary instrument, conducting

direct observations, in-depth interviews, and documentation as part of data triangulation to ensure the validity and credibility of the findings (Moleong, 2019).

The research location was selected purposively, namely the Kambo area and local tourism activity centers such as cafes and community tourism gardens, based on regional characteristics that are in accordance with the research objectives, namely as a tourist village with potential Islamic values (Palopo City Government, 2022).

The research respondents consisted of representatives from the Palopo City Tourism Office, tourism attraction managers, MSMEs, and domestic tourists. Data collection techniques included participant observation, semi-structured interviews, and visual and written documentation. Data analysis utilized data reduction, data presentation, and conclusion drawing for three main variables: halal tourism potential, local economic development, and the halal tourism and economic integration model (Sugiyono, 2019).

Data validity was maintained through triangulation of sources, techniques, and time (Patton, 2002) and validation with official documents and local statistical data. Data analysis followed the stages of data reduction, data presentation, and conclusion drawing (Miles, Huberman, & Saldana, 2014). This approach ensured the research yielded a holistic picture of halal tourism development strategies as an instrument for strengthening the sustainable local economy.

3. Results and Discussion

The Potential and Challenges of Halal Tourism in Kambo Village

Kambo Village boasts significant natural tourism potential, including panoramic mountain views, views of Palopo city, and agroforestry (durian and rambutan orchards) that could potentially serve as tourist destinations. Local products like patikala dodol (sweetened coconut milk), durian dodol (sweetened coconut milk), forest honey, and palm sugar offer the potential to become halal economic icons attracting Muslim tourists. This demonstrates Kambo's rich endogenous resources and potential foundation for tourism-based local economic development.

An interview with Mr. Dandi, SH, Head of the Tourism Awareness Group, revealed that the Kambo Village area has significant tourism potential due to its favorable geographic location. This area offers captivating natural scenery and numerous opportunities for development within the tourism chain. Current activities include MSMEs, culinary tourism, and camping, all contributing to the community's economic growth. Most residents have fruit orchards, such as durian and rambutan, which have become a major tourist attraction.

Public understanding of Muslim-friendly tourism development is quite good, as it aligns with the religious characteristics of the Cambodian people who uphold Islamic values. Tourist destination managers still have limited understanding of the concept of halal tourism and its supporting facilities. MSME culinary products also lack halal certification, requiring education in the form of mentoring and training from the authorities to support halal tourism development in the region.

This statement illustrates that the community is ready to support tourism development, but limited supporting facilities and a lack of understanding of the concept of Muslim-friendly tourism remain obstacles. Destinations seeking to develop halal tourism need to integrate religious values with overall destination readiness.

Strong natural potential and strong community support are insufficient, as infrastructure and halal service issues can potentially hinder development. Optimizing a destination's potential requires improving prayer facilities, providing appropriate accommodations, and standardizing halal food products to ensure the destination meets the needs of Muslim tourists. The integration of natural resources, community participation, and service readiness are crucial factors in achieving successful halal tourism development.

The Role of the Community and UMKM in the Halal Tourism Ecosystem

The economic activities of the Kambo community are dominated by the agricultural and micro-enterprise sectors, including the production of palm sugar, honey, dodol (durian and patikala), and culinary delights (kapurung, sarabba, etc.). These products have the potential to support halal tourism if packaged and promoted appropriately, and certainly have very promising product added value. This local economic activity reflects the theory of *Endogenous Development* (Todaro & Smith, 2015), which emphasizes the importance of utilizing local resources for sustainable economic growth.

A micro, small, and medium enterprise (UMKM) operator and manager of the Green Kambo tourist attraction noted that the majority of local residents rely on agriculture and small businesses, such as the production of palm sugar, honey, and dodol (a traditional Indonesian sweet made from palm sugar), which have been passed down through generations. These products have significant potential as souvenirs for tourists, but require improvements in packaging and development to compete in a broader market.

Home-based businesses that produce durian dodol, patikala, kapurung, and sarabba are generally only marketed within the village. Training and mentoring related to halal certification provide a new understanding that local products can be a vital part of supporting halal tourism. Development is carried out through targeted marketing and halal certification, which can increase consumer confidence. Continuous mentoring efforts are essential to connect community businesses with the halal tourism network.

Local business owners in Kambo Village demonstrated that the community's economy still relies on the agricultural sector and micro-enterprises that process local resources. Informants explained that most residents earn income through the production of palm sugar, honey, durian dodol (a type of sweet made from coconut milk), patikala (a type of fruit), and various traditional culinary delights such as kapurung and sarabba. These economic activities are skills passed down through generations and are a distinctive source of livelihood for the community. Informants also added that these local products are still marketed simply and within the local area.

In line with the concept of *Endogenous Development*, the Kambo community manages and utilizes the natural resources around them as the basis for economic activities. Informants stated that the community "uses what is available," indicating optimal utilization of local resources. Todaro and Smith (2015) emphasized that development based on local resources will be more sustainable because it involves the economic, social, and cultural structures of the local community. This is reflected in the views of informants who see local products as potential added value when linked to the development of halal tourism.

Furthermore, informants revealed that halal certification training and mentoring are crucial factors in enhancing their capacity as MSMEs. They believe that intensive training, particularly on packaging, marketing, and halal legality, will improve product competitiveness and increase tourist confidence. This view aligns with the principles of *Community-Based Tourism*

(CBT), where communities play a key role in managing tourist destinations (Suansri, 2003). Informants stated that the community is "ready to cooperate" provided they receive continued mentoring and adequate infrastructure support.

Interviewees also mentioned structural barriers hampering the development of local businesses, including inadequate tourism infrastructure, limited market access, and suboptimal promotional activities. Business owners noted that although the tourism sector in Cambodia is beginning to show growth and create job opportunities, its contribution to improving the local economy remains relatively small. This situation underscores the need for integrated training, promotion, infrastructure improvements, and strengthening marketing networks to ensure UMKM can truly become the mainstay of halal tourism development in Cambodia.

Overall, the interview results demonstrate that the community has the potential, readiness, and motivation to participate in halal tourism development. The main challenges remain related to increasing business capacity, institutional support, and providing adequate infrastructure. Connecting all these aspects has the potential to encourage sustainable growth of Kambo MSMEs and make a greater contribution to the halal tourism ecosystem in the region.

Community empowerment through halal training and certification strengthens the microeconomic foundation and destination readiness. To maximize impact, UMKM need support with marketing strategies, access to capital, and collaborative networks that enable the integration of halal products into the tourism sector. Thus, the role of communities and UMKM is at the heart of a sustainable halal tourism ecosystem.

Dynamics of Collaboration and Governance

Collaboration between the government, UMKM, youth communities, and local universities is beginning to form to manage halal tourism in Cambodia. The government acts as a facilitator, while the community is the primary implementer. This synergy demonstrates the importance of collaborative governance in community-based tourism development.

Halal tourism management must emphasize strong collaboration among various parties so that the benefits can be felt by the community. This perspective aligns with the principles of governance-based development, which place collaboration between the government, community, and business actors as the foundation for inclusive and adaptive development.

The success of this collaboration is determined not only by formal regulations, but also by communication mechanisms, coordination, and active community involvement. Government support in the form of regulations, incentives, and business mentoring is crucial to creating a sustainable halal tourism ecosystem where economic, social, and cultural benefits can be shared.

An Integrative Model for Halal Tourism-Based Local Economic Development

The research results produced an integrative model comprising four main components: empowering communities and MSMEs through halal training and certification, providing infrastructure and religious facilities, strengthening digital promotion and developing the image of halal destinations, and leveraging cross-sector partnerships involving the government, universities, and businesses. This model integrates social, economic, cultural, and environmental dimensions as a foundation for realizing sustainable tourism development.

Anwar Amsa, an MSME operating in palm sugar and traditional culinary production, explained that his products were previously marketed in a simple manner. After attending training and learning about halal certification, his understanding of its importance has

increased, particularly as it boosts the confidence of Muslim tourists. This certification guarantees that the production process complies with Sharia law, allowing tourists to feel safer and more confident in the product's quality.

The statement also emphasized that government support in the certification process and packaging assistance is essential for the accelerated growth of Cambodian MSMEs. Halal certification not only serves as a marker of compliance but also opens up opportunities for local products to enter the broader halal tourism market .

Dandi, a community leader and tourism development volunteer, explained that the concept of halal tourism is not only about the products offered, but also about tourist comfort. The availability of prayer rooms, clean restrooms, and halal food outlets are crucial. In Kambo, some of these facilities are available, but they are still limited and not evenly distributed across all tourist spots.

Worship facilities and dining services are deemed necessary, for example, by providing prayer rooms in areas around waterfalls and hiking trails, to provide a more peaceful and comfortable environment for tourists. Tourists frequently complain about the lack of prayer facilities, so this need should be prioritized. Basic infrastructure, such as road access and information boards, is considered crucial for improving tourist visits to make them easier and more conducive.

Sigit A.Md.Par, a tourism practitioner specializing in destination promotion, explained that promotion is a crucial element in tourism development. Kambo's tourism potential is considered under-recognized, despite the region's natural beauty conducive to the development of both eco-tourism and halal tourism. Events such as fruit, culinary, and cultural festivals are highly attractive and can become strategic opportunities if well-organized.

The use of social media is also considered highly influential, as photos, short videos, and tourist experiences have the potential to spread widely and increase public awareness of Kambo. Digital promotion is deemed necessary in a more targeted manner, for example, by strengthening Kambo's branding identity as a halal destination to provide tourists with a clear picture of the region's advantages.

Interviews with three key informants revealed strong support for an integrated model for halal tourism development in Cambodia, which includes empowering MSMEs, strengthening religious facilities, and optimizing digital promotion. All statements from the informants emphasized that halal tourism development must be implemented through interconnected strategies and cannot be implemented in isolation .

First, the empowerment and halal certification aspects are reflected in Anwar Amsa's statement, which emphasized that halal certification training and mentoring have a significant impact on improving product quality and consumer trust. Halal certification not only legitimizes products but also expands access to the halal tourism market, as Muslim tourists prioritize safe and sharia-compliant products. This view aligns with the theory of MSME empowerment in the halal tourism sector, which emphasizes the importance of capacity building and product standardization to increase added value and competitiveness (Battour & Ismail, 2016).

Second, Dandi's primary focus is on the infrastructure for religious services and supporting tourism facilities. He believes that the comfort of Muslim tourists can only be achieved if prayer facilities, such as prayer rooms, clean restrooms, and easily accessible halal food outlets, are available at tourist spots. The even distribution of facilities reflects a crucial

aspect of halal tourism services, namely the availability of facilities that support visitors' religious practices. This aligns with *Muslim-friendly tourism standards*, which emphasize the importance of religious facilities, cleanliness, and accessibility as indicators of destination comfort (Mohsin, Ramli, & Alkhulayfi, 2016).

Third, he emphasized the importance of digital promotion and branding strategies as key drivers for increasing destination visibility. He noted that local festivals and social media have a strong appeal in promoting Cambodia's tourism potential. This illustrates that utilizing digital media is a key instrument in expanding the halal tourism market and building a strong destination image. His emphasis on branding "Kambo as a halal destination" aligns with research showing that digital marketing and destination image significantly influence Muslim tourist interest (Henderson, 2016).

Overall, interviews with the three informants demonstrated that halal tourism development requires an integrative approach involving MSME training, development of religious facilities, promotional strategies, and cross-sectoral collaboration. The simultaneous implementation of these four components will strengthen destination competitiveness, improve community well-being, and support local economic sustainability. These findings support the view that halal tourism is a strategic sector capable of integrating social, economic, cultural, and environmental aspects within a sustainable development framework (Samori, Salleh, & Khalid, 2016).

4. Conclusion

The research results show that developing a local halal tourism-based economy in Kambo Village requires an integrative model consisting of four main components. First, empowering communities and MSMEs through training, mentoring, and halal certification demonstrates increased business readiness to meet the needs of Muslim tourists. Informants emphasized that halal certification increases tourist confidence and expands marketing opportunities for local products.

Second, the provision of infrastructure and prayer facilities, such as prayer rooms, Muslim-friendly restrooms, and halal food outlets, are crucial for ensuring tourist comfort. Informants consistently indicated that the availability of supporting facilities still needs to be strengthened to meet halal tourism destination standards.

Third, digital promotion and strengthening destination branding play a strategic role in increasing Kambo's visibility. Utilizing social media, holding local festivals, and strengthening cultural identity have proven effective in attracting tourists and strengthening Kambo's image as a halal destination based on local wisdom.

Fourth, cross-sector partnerships involving government, universities, and businesses are necessary to ensure the sustainability of tourism development programs. Such collaboration supports more structured planning and decision-making that aligns with community needs.

Overall, these four components are interrelated and need to be implemented in an integrated manner so that the development of halal tourism in Cambodia can be sustainable and make a real contribution to improving the local economy.

Reference

- Anwar, A. (2023). Personal interview. Kambo Village, Palopo.
- Battour, M., & Ismail, M. N. (2016). Halal tourism: Concepts, practices, challenges and future. *Tourism Management Perspectives*, 19, 150–154. <https://doi.org/10.1016/j.tmp.2016.05.008>
- Brundtland Commission. (1987). *Our common future: Report of the World Commission on Environment and Development*. United Nations.
- CrescentRatings. (2023). *Global Muslim Travel Index 2023*. CrescentRatings.
- Creswell, J. W. (2014). *Research design: Qualitative, quantitative, and mixed methods approaches* (4th ed.). Sage Publications.
- Hamzah, A., & Yudiana, I. (2020). Halal tourism development in Lombok: Strategy and implementation. *Indonesian Tourism Journal*, 15(2), 45–58.
- Henderson, J. C. (2016). Halal tourism: Market potential, development, and challenges. *Tourism Management*, 57, 204–216. <https://doi.org/10.1016/j.tourman.2016.06.007>
- Hirschman, A. O. (n.d.). [Work related to local economic development]. Publisher.
- Jamal, T., & Stronza, A. (2009). Collaboration theory and tourism practice in protected areas: Stakeholders, structuring, and sustainability. *Journal of Sustainable Tourism*, 17(2), 169–189. <https://doi.org/10.1080/09669580802495741>
- Karim, A. (2016). *Islamic creative economy: Principles and practices*. University Publishers.
- Kementerian Pariwisata dan Ekonomi Kreatif. (2020). *Wonderful Indonesia: Indonesian tourism destination promotion strategy*. Ministry of Tourism and Creative Economy.
- Komite Nasional Ekonomi dan Keuangan Syariah. (2019). *Indonesian sharia economic masterplan 2019–2024*. KNEKS.
- Miles, M. B., Huberman, A. M., & Saldaña, J. (2014). *Qualitative data analysis: A methods sourcebook* (3rd ed.). Sage Publications.
- Mohsin, A., Battour, M., & Ismail, M. (2016). Halal tourism: Concepts and opportunities. *Tourism Management Perspectives*, 18, 1–2. <https://doi.org/10.1016/j.tmp.2016.01.002>
- Moleong, L. J. (2019). *Metodologi penelitian kualitatif* (Rev. ed.). Remaja Rosdakarya.
- Muharis, M., Setiawan, M. A., & Syamsurrijal, S. (2024). Implementation of the Pentahelix strategy in the development of the Senggigi tourism area, West Lombok. *Journal of Social Sciences and Humanities*, 2(4), 397–408. <https://journal.ikmedia.id/index.php/jishum>
- Okumus, F., Altinay, L., & Arasli, H. (2018). The role of sustainable tourism practices in tourism competitiveness: Evidence from emerging markets. *Tourism Management Perspectives*, 26, 119–128. <https://doi.org/10.1016/j.tmp.2017.09.002>
- Palopo City Government. (2022). Data and information on Kambo Village. Palopo City Tourism Office.
- Patton, M. Q. (2002). *Qualitative research & evaluation methods* (3rd ed.). Sage Publications.

- Rahman, M. K. (2014). Halal tourism: Emerging market for global Muslim travelers. *International Journal of Tourism Research*, 16(3), 222–232. <https://doi.org/10.1002/jtr.1934>
- Sharpley, R. (2009). *Tourism development and the environment: Beyond sustainability?* Earthscan.
- Sofiah, S., Khumaidah, S., & Fauzan, F. (2023). Halal tourism from a stakeholder's perspective. *Journal of Islamic Economics*, 12(2), 431–448.
- Stephenson, M. L. (2014). Muslim travel and tourism: Cultural, religious, and economic dimensions. *Tourism Review International*, 17(3), 143–155. <https://doi.org/10.3727/154427214X14024558527460>
- Suansri, P. (2003). *Community-based tourism handbook*. Office of Tourism Development.
- Sugianto, S., Zuhra, S. A., & Alim, M. E. (2024). Contribution of the halal tourism sector to gross domestic product (GDP) in building a sustainable economy. *Mutawasith: Journal of Islamic Law*, 7(2), 118–133. <https://doi.org/10.47971/mjhi.v7i2.969>
- Timothy, D. J., & Nyaupane, G. P. (2009). *Cultural heritage and tourism in the developing world*. Routledge.
- Todaro, M. P., & Smith, S. C. (2015). *Economic development* (12th ed.). Pearson Education.
- Widagdyo, B. (2015). Halal tourism development strategy in Aceh: A case study. *Journal of Sharia Tourism*, 2(1), 12–25.