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The Impact of Tourism Development on the Social and Economic Conditions of the Community in Nusa Lembongan Island

*Anita Carolina Wijaya\*, Heri Puspito Diyah Setiyorini*

Prince of Songkla Univeristy, Phuket Campus, Thailand

Correspondence: E-mail: s6630100027@phuket.psu.ac.th

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| **A B S T R A C T** |  | **A R T I C L E I N F O** |
| The tourism industry is an economic sector that experiences rapid growth compared to other economic sectors. The emergence of numerous job opportunities, ranging from accommodation services, restaurants, tourist services, to souvenir businesses, has effectively aided the government in reducing high unemployment rates in the country. The contribution of foreign exchange to the national and regional treasury, which continues to flow, is also one of the positive impacts resulting from the rapid development of the tourism industry. This article shows tourism provides impact on society and the government on the island of Nusa Lembongan are seen from eight aspect among others : impact increasing of foreign exchange, impact toward local community income that increasing before tourism exist, impact toward higher prices than the real prices, impact toward employment for opportunity to local community, ownership and control of tourism accommodation, the distribution of benefits and advantage against indigenous village, development in general are seen from 4A tourism and government income of tax viewed from PHR.  © 2020 Fakultas Pendidikan Ilmu Sosial |  | ***Article History:***  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  ***Keyword:***  *Development Social Tourism,*  *Economic in Tourism..* |

**1. INTRODUCTION**

Tourism is a set of activities related to the tourism industry, with various dimensions and involving various disciplines, which emerge as a response to the needs of individuals and nations. It involves interactions between tourists and the local community, fellow tourists, government, local government, and business owners. Tourism, on the other hand, is a journey undertaken by an individual or group of people to a specific destination for the purpose of recreation, personal development, or to explore the unique attractions of the visited location for a temporary period (Netto, 2009).

When considering the global context, the year 2014 saw an excess of 1,135 million tourists crossing international borders, showcasing notable growth following the global economic crisis and despite various challenges (WTO, 2014). Additionally, the tourism industry yielded a substantial revenue of $1,245 billion in the same year. According to The World Travel & Tourism Council's 2013 report, this sector was responsible for generating 4.7 million new job opportunities, contributing to a total of nearly 266 million jobs, which amounted to approximately 1 in 11 jobs worldwide.

Similarly, the tourism industry in Bali is growing very rapidly. The number of tourists visiting Bali has been increasing every year from 2012 to 2016, with a total of 18,867,027 foreign tourists and 35,796,801 domestic tourists (Bali Provincial Tourism Office, 2017). In addition, tourism contributed 3.5% directly to the total employment in 2014 and forecast to support 804,000 jobs (9.5% of total employment) by 2024 (World Travel and Tourism Council, 2014). Therefore, the tourism is considered as one of the biggest and fastest growing sectors of the world and positively affect the social and economic development of the country through foreign currency inflows, development of infrastructure facilities, employment generation, regional development and bring new management and educational experiences.

The increasing number of tourist arrivals has driven both the local community and regional government to enhance the development of the tourism sector. The growth of the tourism industry in Bali is not limited to the mountainous areas but is also rapidly expanding in coastal regions, as evidenced by places like Nusa Penida, located in the Klungkung Regency.

The Nusa Penida District is one of the four districts within the Klungkung Regency and comprises Nusa Penida Island, Nusa Lembongan Island, and Nusa Ceningan Island. Nusa Lembongan Island is the second-largest island after Nusa Penida and boasts a variety of potential resources and tourism attractions, including mangrove forests, cliff-lined western coast (Dream Beach), seaweed cultivation, marine tourism, and the availability of tourism facilities (accommodation, infrastructure, and superstructure).

Nusa Lembongan is one of the small islands in Bali whose economy relies on the tourism sector. Consequently, based on this, an investigation into the development of tourism in a tourism region is crucial to understand the extent of the impact it creates.

**2. LITERATURE REVIEW**

**2.1. THE TOURISM INDUSTRY**

Defining the tourist industry is difficult. Tourism means different things to different people, because it is an abstraction of a wide range of consumption activities which demands products and services from a wide range of industries in the economy. For example, (OECD 1991) observes that "tourism is a concept that can be interpreted differently depending on the context. 'Tourism' may cover the tourists, or what the tourists do, or the agents which cater to them, and so on." Similarly, (WTO 1995) defines tourism as "the activities of persons traveling to and staying in places outside their usual environment for no more than one consecutive year for leisure, business and other purposes", while at the same time (WTO 1996) states that "tourism is thus a rather general term, which can refer to the consumption of tourists, to the production units supplying goods and services particularly to tourists, or even to a set of legal units or of geographical areas related in a way or other to tourists."

To summarize in more concise terms, tourism can be defined as a set of socio-economic activities carried out either by or for tourists. Those carried out by tourists correspond to what tourists do, while those carried out for tourists correspond to what other socioeconomic institutions do to support the needs of tourists. What is worth emphasizing is that tourism so defined is neither a pure demand-side phenomenon nor a pure supplyside one (United Nation and World Tourism Organization, 1993).

Tourism has of late made fast strides in the country. The primary purpose of promoting tourism in developing countries has been to earn foreign currency. The avenues of employment by way of promoting tourism comes the next. It also serves as a potent instrument for eliminating poverty, for ending unemployment, for promoting dialogue among civilizations and for providing channels in which streams of different culture could meet and mingle and create a new ethic-scope on which a fair, just, humane and enlightened order could he built for the entire human race."

Tourism plays an extremely important role in the economic and social development of most countries in the word. It is the largest generator of employment and its services range from travel, accommodation, catering and maintenance of culture and traditions especially the handicraft industry and to preservation of eco-system.

**2.2. Economic Impact of Tourism**

Tourism offers significant economic advantages to a region or country, primarily through the creation of employment opportunities and the generation of revenue at various scales, including international, national, regional, and local levels. Additionally, tourism can have a positive impact on regional and local economies by injecting money into both urban and rural areas. This, in turn, fosters the growth of new businesses and enhances the overall image of the region or area (Cooper et al., 1993).

**2.2.1. Impact of Tourism on Income Creation**

An essential economic aspect of the tourism industry is that income earned in residents' areas is subsequently spent in the places they visit, as observed by Holloway and Robinson in 1995. Tourism effectively acts as a mechanism for transferring a substantial amount of money from economically prosperous "income generating" countries to those designated as "income receiving" countries. The money injected by tourists tends to circulate through various levels of the economy.

Quantifying the income generated by tourism is a challenging task, often lacking a high degree of precision. However, the most common approach to estimating tourism's economic impact is by evaluating the "multiplier effect" within a destination. The money spent by tourists multiplies as it moves through different sectors of the economy. Initially, a tourist's expenditure benefits the local economy, benefiting local tour operators, shop owners, hotels, taxi drivers, and so on.

Consequently, the money expended by tourists generates income several times over its original spending, a phenomenon referred to as the "multiplier effect." International tourism, in particular, significantly bolsters a country's economy by generating a multiplier effect that amplifies the initial dollars spent by tourists.

This multiplier effect of tourism can be assessed through the following dimensions:

1. Sales multiplier
2. Output multiplier
3. Income multiplier
4. Employment multiplier

**2.2.2. Employment Generation Effects of The Tourism**

Another major direct economic effect of tourism relates to employment (Inskeep,

1991). The unemployment impact of tourism is diffused widely over the economy affecting almost all parts of the services and other sectors. The tourism industry is highly labor intensive service industry and hence, it is a valuable source of employment. It provides employment several times more than normal manufacturing industries. Several type of business firms such as hotels, motels, restaurants, transport agencies, travel agents, tour operators, gift shops, car and rickshaw drivers, guide etc. flourish from tourism.

Tourism generates employment for a substantial number of people, spanning from unskilled positions to highly specialized roles. Additionally, there are supporting industries, both small and large, which directly or indirectly cater to the needs of the tourism sector by providing goods and services required by tourists. The following list ranks various businesses in terms of their employment contribution, with the top employers listed first:

1. Food service
2. Entertainment
3. Accommodation
4. Automobile transportation
5. Public transportation
6. Travel arrangers

**2.2.3. Infrastructure Development and National Contribution**

Tourism plays a crucial role in fostering the development of essential infrastructure and amenities. These assets are not only utilized by tourists but also benefit the local population. The economic significance of tourism in a nation's economy is exemplified by its contributions to infrastructure growth (Mathieson & Wall, 1982).

When a country experiences an influx of tourists, it leads to a heightened demand for various infrastructure facilities. It is imperative for the government to encourage private sector involvement in the establishment of tourist-oriented infrastructure. It is equally important to pursue a well-planned approach to infrastructure development to prevent issues like congestion, overcrowding, and environmental harm. This is where the government's role becomes indispensable.

Tourism significantly boosts a nation's income. Whether it's international tourism or domestic tourism, both have a comparable impact on the national income (Mill, 1990). Examples of how tourism promotes investment opportunities within a country include the construction of lodging facilities, the development of urban areas for tourism purposes, the installation of necessary infrastructure, the expansion of tourist transportation, and related equipment. When tourists make payments for services and goods in another country, these transactions are recorded as national travel receipts for that particular nation.

**2.3. Social Impact of Tourism**

Tourism can have a varied impact on the social and cultural aspects of a particular region, influenced by the cultural and religious characteristics of that area. The way tourists interact with the local community is a crucial factor that can either positively or negatively affect the host community's customs, traditions, and standards (Mathieson & Wall, 1982).

Here are some potential outcomes of this interaction:

1. Local communities may have the opportunity to interact with individuals from diverse backgrounds and lifestyles, leading to the adoption of improved practices inspired by the tourists.
2. The development of local facilities and infrastructure to support tourism can enhance the overall quality of life, offering benefits like better education, healthcare, employment opportunities, and increased income.
3. Increased availability of cultural and social events, such as entertainment and exhibitions, can enrich the lives of local residents.
4. The improved sports and leisure facilities created for tourists can also be utilized by local people, especially during the off-peak tourist season.
5. Tourism can aid in the conservation of local cultural heritage, reviving traditional crafts, architectural traditions, and ancestral heritage.
6. Declining urban areas may experience a revitalization, potentially reversing the flow of people from rural to urban areas as tourism-related jobs become available.
7. There can be an upsurge in youth exchange programs, village tourism initiatives, home exchange programs, and voluntary work opportunities overseas.

**3. METHOD**

This research was conducted on Nusa Lembongan Island, Nusa Penida District, Klungkung Regency. The scope used to define this research is the impact of tourism on the social and economic conditions of the community on Nusa Lembongan Island, as seen from:

1. The impact of tourism on the income of the people on Nusa Lembongan Island.
2. The impact on employment opportunities for the people on Nusa Lembongan Island.
3. The impact on the prices of basic necessities on Nusa Lembongan Island.
4. The impact on the distribution of benefits/profits for the Traditional Village and the people on Nusa Lembongan Island.
5. The impact on ownership and control of tourism accommodations on Nusa Lembongan Island.
6. The impact on overall development as seen from 4A on Nusa Lembongan Island.

The types and sources of data in this research use qualitative data (Slat, 2013), consisting of interview results presented in descriptive writing and a general overview of the research location. The quantitative data (Kusmayadi, 2000) in this study consists of data on the number of tourists visiting Bali and Klungkung Regency, the population distribution on Nusa Lembongan Island, and accommodation data on Nusa Lembongan Island. There are two sour The data collection techniques used include three methods: observation (Sugiyono, 2012), interviews (Bungin, 2007), and library research (Suwintari, 2012). To determine informants in this research, purposive sampling technique is used. Purposive sampling is a method of selecting informants based on specific considerations that are determined in advance by the researcher according to the research's status and interests (Sugiyono 2010). ces of data: primary data and secondary data (Moleong 2005).

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The data analysis technique in this research involves using qualitative descriptive data analysis by following these steps: data collection, data reduction, data presentation, and verification or drawing conclusions (Moleong 2005).

**4. RESULTS AND DISCUSSION**

The rapid development of tourism in Nusa Lembongan provides an alternative source of livelihood for the local community, thereby helping to reduce poverty in the region. The positive impacts of tourism on the economic conditions, according to Leiper cited in (Nurhidayati, 2011), include labor absorption, individuals whose livelihood depends on the tourism sector, income from tourism-related businesses, the multiplier effect of tourism economic activities on the overall economic activities in an area, the utilization of tourism facilities by the local community, job creation, and the planning of tourism attractions that can be developed in the region.

The population density on Nusa Lembongan Island is 705 people per square kilometer, distributed across two villages, namely Jungutbatu Village and Lembongan Village (Klungkung Regency Population and Civil Registry Office, 2016).

The development of tourism on Nusa Lembongan Island undoubtedly has both positive and negative impacts on the local community, such as improvements in the economic status of the people, changes in livelihoods, education, and more. The impacts resulting from the development of tourism on Nusa Lembongan Island on the social and economic conditions of the local community are as follows:

1. Impact on the income of the community on Nusa Lembongan

The uneven development of tourism on Nusa Lembongan has resulted in income disparities among the local population. This is because tourism development has primarily occurred in coastal areas and limited tourism attractions, causing many residents in the central parts of the island to not experience significant benefits from tourism. Before the advent of tourism on Nusa Lembongan, the majority of the local population worked as seaweed farmers and fishermen, earning around Rp.1,000,000 to Rp.2,000,000 per seaweed harvest. Laborers involved in seaweed binding earned approximately Rp.900,000 to Rp.1,000,000 per harvest, with a wage of Rp.4,500 per kilogram, and each laborer would typically bind up to 200 kilograms per harvest.

After the emergence of tourism, many locals opted to work in the tourism sector, as it offered higher incomes compared to their previous livelihoods. Those working in tourism typically earned in line with the Regional Minimum Wage (UMK) of Klungkung Regency, which was approximately Rp.1,991,529 per month, and with additional service-based income, they could earn between Rp.4,000,000 and Rp.5,000,000 per month. However, individuals not employed in the tourism sector, particularly those over 60 years of age, continued to work in jobs such as construction labor, selling souvenirs, or fishing, which typically yielded around Rp.400,000 per week.

1. Impact on employment opportunities

Before tourism, the majority of the local population on Nusa Lembongan worked as seaweed farmers, fishermen, or construction laborers. After the onset of tourism, employment opportunities became more diverse, including positions as waiters/waitresses in restaurants or bars, hotel or villa employees, homestay and lodging business owners, transportation services such as motorbike rentals, speedboat or ferry personnel, opening small shops, restaurants, or stores, tour guides, surfing and diving instructors, and various other tourism-related jobs.

The introduction of tourism provided greater job opportunities for the working-age population (between 18-50 years old), offering employment in hotels, restaurants, transportation services, and other tourism-related sectors. However, for the elderly population, they had to seek alternative employment opportunities to support their livelihoods, such as working in construction, souvenir trading, or other non-tourism-related sectors.

1. Impact on prices

The impact most felt by tourists and local residents due to tourism is the increase in household and staple food prices. Basic food items like rice, sugar, coffee, and spices are usually priced at double their original cost. For instance, a kilogram of rice priced at Rp.10,500 on Nusa Lembongan is sold for Rp.21,000, and canned beverages priced at Rp.8,000 are sold for Rp.12,000.

The difficulty in sourcing packaged food and beverages is due to the high number of small shop or store owners, while the supply from wholesalers providing packaged food and drinks on Nusa Lembongan is limited. The limited presence of wholesalers, coupled with the challenges in transportation, has led to increased demand as the primary factor for rising prices on Nusa Lembongan. Basic necessities and food items are typically purchased from Bali, mainly from markets like Kumbasari Market or Badung Market, by wholesalers. These wholesalers then transport the goods from Padang Bai to Nusa Penida Island and further to Nusa Lembongan by motorized boats.

1. Impact on the distribution of benefits/profits to Traditional Villages and the Community on Nusa Lembongan

The distribution of benefits or profits refers to the allocation of gains between investors, business owners, and tourism service providers to the local community or a region. In tourism, the distribution of benefits or profits pertains to how tourism can contribute to the development and economy of a region.

The development and progress of tourism in a tourist destination should ideally benefit all stakeholders involved. However, the unplanned development of tourism on Nusa Lembongan has resulted in a lack of anticipation by the Traditional Villages in managing tourism in their areas.

As of now, the Lembongan Traditional Village and Jungutbatu Traditional Village have not established policies related to the distribution of benefits or profits from tourism service providers on Nusa Lembongan. The business owners and tourism service providers on the island primarily pay taxes and levies to the local government. Accommodation providers such as hotels, villas, restaurants, and resorts in Nusa Lembongan pay mandatory taxes to the Klungkung Regency government, including Hotel Tax, Restaurant Tax, and Entertainment Tax.

Thus, up to this point, tourism accommodation providers on Nusa Lembongan have only made voluntary contributions to the Traditional Villages, and the timing of these contributions is uncertain.

1. Impact on the ownership and control of tourism accommodations on Nusa Lembongan

The impact of tourism on Nusa Lembongan has made it a potential market for tourism businesses and service providers to establish tourism facilities in the area. Currently, 85% of tourism accommodations on Nusa Lembongan are owned by local residents, such as homestays, lodges, bungalows, small shops, stores, restaurants, and bars. The remaining 15% are owned by Indonesian investors or foreign investors.

1. Impact on overall development

The development and progress of tourism on Nusa Lembongan have had a positive impact on the development of tourism support facilities, tourism institutions, accessibility, and tourist attractions. This development has led to improved infrastructure, increased tourism-related business opportunities, and enhanced access to and attractiveness of tourist destinations on the island, such as

* Attractions

Tourist attractions on Nusa Lembongan Island are still quite limited to this day. Typically, the majority of tourists who visit Nusa Lembongan come to enjoy the beauty of the beaches and marine diversity, experience natural attractions, or simply seek tranquility. The tourist attractions that are often visited by tourists on Nusa Lembongan include Jungutbatu, Songlambung, Tanjung Sangiang, Pemuntalan, Batu Belek (Devil Tears), Underground House (Goa Gala-Gala), Mangrove Point (diving and snorkeling spot), Blue Corner (diving, Mola-Mola, and Manta spot), and Shipwreck & Lembongan Bai (diving spot).

Most of the tourist attractions and destinations on Nusa Lembongan are managed by tourism business owners and service providers who are from Nusa Lembongan itself. For instance, the underground house attraction (Goa Gala-Gala) is located within a local resident's house and is managed privately. Mangrove Point is managed by a group providing traditional boats or small boats while also renting snorkeling equipment.

As for beach destinations such as those along Jungutbatu Village, Songlambung Beach, Tanjung Sanghyang Beach, and Pemuntalan Beach, there are usually no entry fees. However, attractions like the Underground House, Mangrove Point, diving spots, Blue Corner, and Shipwreck may charge admission fees or fees for equipment rental and speedboat services.

* Accessibility

The accessible routes to reach Nusa Lembongan Island are by using a Ferry, speedboat, and motorboat with crossing routes from Padang Bai to Nusa Penida to Nusa Lembongan, Sanur to Nusa Lembongan (Jungutbatu Port, Tanjung Sanghyang, and Mushroom Beach).

* Amenity

Tourism support facilities on Nusa Lembongan Island are also being enhanced, including healthcare facilities, financial services, police and tourism task forces, traffic signs and direction indicators, ports, and tourism accommodations. Currently, the available facilities on Nusa Lembongan Island include accommodation facilities (hotels, restaurants), healthcare facilities (private clinics and community health centers), security facilities (police stations, task forces), and financial and banking facilities (ATMs and banks).

* Ancillarity

The presence of tourism on Nusa Lembongan Island has actively engaged the local community in developing tourism in their area. With tourism on Nusa Lembongan Island, the local community hopes that the opinions of the people in tourism development can be considered by forming tourism organizations or communities. Currently, there are two tourism institutions on Nusa Lembongan Island: POKDARWIS (Tourism Awareness Group) located in the village of Lembongan, overseeing four traditional Banjar Adat or hamlets, namely Bajar Kawan, Kanjar Kaja, Banjar Kelod, and Banjar Kangin. Additionally, there is the village of Jungutbatu, which also oversees four Banjar Adat, including Banjar Kaja, Banjar Kelod, Banjar Kangin, and Banjar Kawan.

**5. CONCLUSION**

Based on the research findings on the impact of tourism on the community in Nusa Lembongan Island, it was determined that the most significant impact is on the income of the local population among the eight aspects studied. The development of tourism on Nusa Lembongan Island has had a substantial effect on the income of the local community. Before the advent of tourism, the local residents had incomes ranging from Rp. 900,000 to Rp. 2,000,000 per month, while after the introduction of tourism, the income of the community increased to between Rp. 6,000,000 and Rp. 8,000,000 per month.

Conversely, the smallest impact of tourism on Nusa Lembongan Island is related to the distribution of benefits and profits. This is due to the lack of policies governing profit-sharing between investors and owners of tourism service businesses with the Traditional Village, resulting in the benefits or income for the Traditional Village not being well managed.

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