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**The Dilemma of Tourism-Based Livelihoods:
Uncovering the Development Patterns in Southern Bali**

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Abstract

This study examines the phenomenon of tourism development in Bali, as one of Indonesia's most prominent tourism destinations. The concept of gentrification was used to explore the story about how the local community is being displaced due to tourism expansion. Moreover, this study seeks to capture how displacement in gentrified areas is attributed to income inequalities among residents, highlighting the inequitable distribution of tourism benefits. This research is essential as the tourism industry is one of the cornerstones of Indonesia's economy, and the national government has announced to development of other tourism areas across the country. The primary question addressed is how tourism in Bali impacts the social livelihoods of local communities, while also providing the discussion about the long-term consequences of this development. To capture the complexity of this phenomenon, this study adopts a mixed-methods approach by combining both quantitative and qualitative data. Quantitative data are collected through close-ended surveys and the distribution of tourist accommodation. On the other hand, qualitative data are gathered to provide a deeper understanding from the perspective of local communities. The findings reveal a substantial level of dependency of tourism among local people, as most of the businesses are tied to this sector. However, despite the massive growth of development, it is not necessarily translated into an improvement in the community's quality of life, as over-reliance creates a high level of vulnerability to internal and external shocks, impacting both short-term and long-term well-being. In conclusion, this study seeks to address whether tourism genuinely benefits the local communities, or merely creates a paradox of development.

Relevance to Development Studies

The tourism phenomenon has substantially driven land transformation, shifting from the previous focus on agriculture now serving tourists. Simultaneously, the local community has become increasingly reliant on this industry, creating an economic dependency that traps them within this sector. This study seeks to explore this phenomenon by examining the dynamics of local communities engaged in tourism. By providing a broader perspective of tourism gentrification and delving specifically into tourism-based livelihoods and land transformation, this study is relevant to development studies because provides a comprehensive overview to inform future tourism policy implications.

Keywords

Tourism, gentrification, income inequality, local development, tourist infrastructure, land transformation.

Chapter 1

Introduction, The Tourism Dilemmas

1.1 Key Issues: Tourism in Bali

Bali takes precedence in discussions about tourism, as it is often used as a primary example in travel discourse. This significant result arises from the fact that, for many decades, tourism played a crucial role as the main machine in Bali's economy (Pitana, 2010, p. 142). Compared to other regions in Indonesia, Bali emerged as the most frequently visited island by international visitors in 2018, with over 80% of all foreign tourists choosing to Bali as their destination (Kementerian Pariwisata dan Ekonomi Kreatif Republik Indonesia, 2021). Because of this significant role in attracting international visitors where potentially contributing to currency conversion into rupiah, Bali has been labeled by the national government as a model for tourism development.

The achievements of Bali's tourism industry have inspired the creation of a national program initiative known as 'the 5 New Bali', which prioritizes tourism development in North Sumatra, Central Java, Lombok, Sulawesi, and Bangka Belitung. The program allocates approximately \$275 million to infrastructure improvements aimed at attracting tourist to explore these emerging destinations (Batarags, 2021). The investment in tourism infrastructure is not without justification. Many discourses highlight the beneficial effects of tourism, including its positive impact on local and national income. Tourism contributes to creating employment opportunities for the local community and is predicted to enhance local economic growth (Suyadnya, 2021, p.171). Bali, in particular, relies heavily on the tourism sector, with approximately 80% of its economy linked to travel and tourism (Batarags, 2021).

Although tourism has the potential to enhance the quality of life by providing employment opportunities and increasing local incomes, however, it also produces unintended effects for the long-term sustainability of local residents (Gladstone and Préau, 2008, p.138). Especially for profit-driven tourism industry, where a capitalist mindset drives the development process, gentrification is often triggered. This phenomenon was initially driven by economic changes and shift in urban development (Ibid, 144). This transformation, according to Bahri and Widhyharto (2021, p. 79), may result in the marginalization of local communities in their own places. Gentrification in Bali is closely linked to the creation of tourist attractions, where tourism infrastructure is inadequate to fulfil the needs of the local community (Suyadnya, 202, pp. 178 – 179).

'Cultural' is the characteristic that the local government aims to emphasize in Bali's tourism sector. Therefore, many aspects of development highlight local traditions for tourist consumption (Pitana, 2010, p. 139). Consequently, the high demand for tourism has led to the transformation of local cultural experiences into more standardized and more 'international' forms. Many regions, especially in the southern areas, offer tourist-friendly facilities that provide 'a Western sensation' like nightlife entertainment (Suyadnya, 2021, p. 178). According to Bahri and Widhyharto (2021, pp. 78 - 79) argue that the benefits of tourism are not equitably distributed, resulting in significant harm to both local society and the ecosystem. This tourist-driven development has occurred extensively, raising concerns about its potential to undermine the resilience of the region.

The Central Bureau of Statistics in Indonesia has released a report indicating a yearly increase in tourism accommodations, with majority of hotels concentrated in Badung (BPS Bali, 2023). This number only represents one particular category accommodation. Meanwhile, The Bali Villa Association (BVA) mentions significant growth in the number of

villas, especially private villas. This expansion has been facilitated by the implementation of an investment policy utilizing the Online Single Submission system, which expedites the approval process, thereby ensuring that villa rental businesses are now formally recognized under the law (Fachri, 2023).

An example of a “super-gentrified” district in Badung is Kuta village, as indicated by the high levels of investment in land acquisition, commercial ventures, and residential development (Suyadnya, 2021, p. 169). Historically, during the colonial period, Kuta was characterized as a poor village primarily inhabited by farmers and fishermen. However, it has transformed into an international district where many foreigners reside and establish business (ibid, pp. 169 – 179). Three sub-districts — Canggu in North Kuta, Kuta in Central Kuta, and Nusa Dua in Benoa, South Kuta— are defined as regional strategic tourism areas. Therefore, these three district are prioritized for tourism infrastructure development (Dinas Pekerjaan Umum, Penataan Ruang, Perumahan dan Kawasan Permukiman Provinsi Bali, 2020).

The renowned tourist destination is Kuta Beach, situated in the heart of Kuta. Since gaining popularity among tourists in the 1970s, Kuta Beach has attracted many of investors to establish the tourism-related business, including hotels and villas. This rapid growth has led to overcrowding and higher regional population density (Astawa, Suardani and Suardani, 2019, p. 82). Another example of this trend is the spatial development in Seminyak. Initially, according to the “Badung Regency Regional Regulation Number 26 of 2013 concerning the 2013-2033”, this area was designated for residential and commercial service purposes. However, due to the influx of tourists, then arose an urgency to modify the plan to accommodate the needs of the infrastructure. This shift has significantly impacted the local community and has the potential to cause spatial conflicts and disrupt the continuity of the urban plan (Buana, Wirawibawa and Agusintadewi, 2021, p. 8)

This land transformation in Bali from agricultural use to tourism infrastructure gained significant momentum during the New Order regime in 1990s. The new development scheme by the national elite required approximately a thousand hectares per year, benefiting mainly for elites, wealthy communities, and investors (Warren, 2009, p. 198). This transformation also attracted many foreigners to be involved in the development of the “paradise”, impacting the sharp increase in land prices (Wardana, 2015, p. 109). The consequences of this extensive development have marginalized the local society, making it difficult to afford their own land (Wardana, 2015, p.110).

While there has been extensive tourism research in Indonesia, particularly using Bali as a use case, notable gaps still remain. Previous tourism research has been conducted, for instance the ethnographic study by (Green, 2023), which highlights the sociocultural and political-economic from the perspective of foreigners residing in Bali. Another example of qualitative methodology is presented in the work by (Chong, 2020), which captures the local communities’ perspective as main stakeholders in Bali’s tourism industry. This research captures the broader impact of socio and cultural within the host communities. There are also studies that capture in more localized nuanced. Such as a research conducted by (Mudana *et al.*, 2023), which focuses on Balinese art and culture specifically in Kuta Village. The research examines how these cultural elements impacted in the tourism industry and contribute to the village’s status as a leading global tourist destination. Another site-specific study is the project in Gianyar Regency by (Vipriyanti, Arini and Rustiadi, 2024), which emphasizes the coastal land-use development and proposes environmental risk mitigation. Furthermore, the analysis of the economic impact and its relation with tourism has been addressed for instance by (Yang and Hung, 2014; Patera, Sukarsa and Wiranatha, 2016). Research by Patera *et al.* (2016) examines the relationship between tourism and the local economy in Bali, while Yang and Hung (2014) focus on the implications of tourism in China.

Both of the studies indicate that tourism has a positive impact on the local economic and social landscape.

Building on previous research, this study seeks to capture a significant gap by employing a multi-dimensional lens to reveal the complexities of the tourism industry. By utilizing a quantitative methodology combined with a qualitative perspective, the discussion aims to focus specifically on the southern areas of Bali, which exhibit significant impacts from tourism.

1.2 Problem Statement

The rapid development of the tourism industry in Bali has significantly transformed the socio-economic, cultural landscape, and led to development plans that primarily focus on enhancing tourist satisfaction. According to (Uğur, 2017, p. 55), the advantages of tourism largely benefit only the local or international elites. What began as an effort to preserve the cultural identity of Bali by incorporating it into the development plans has now been exploited by elites to leverage their profits. As a result, the development has become disproportionately focused on capitalists' interests rather than standing for the welfare of the local society.

Understanding sustainability should consider a multidimensional perspective, including the "promotion of social well-being" (Uğur, 2017, p. 53). For instance, measuring only GDP is not necessary; one should talk about the whole story of the growth of tourism, but take into account the equitable distribution of tourism advantages from the local perspective and infrastructure planning, which is also essential. It aligns with the definition of sustainable tourism by the World Tourism Organisation, in which one of the points highlights "the involvement of local communities" (Ibid, p.54).

1.3 Research Objective

This research paper seeks to understand the broader implications of tourism-driven economics that could lead to the transformation of land use and its broader impact on the socio-economic conditions of the local community. The research will explore the three different tourism districts in Bali, where they have different characteristics of development. Moreover, by this research, it also aims to assess to what extent the tourism-led infrastructure impacts the accessibility of housing for local residents and the resulting long-term impact on the local community.

1.4 Research Question

Based on the identified problem, this paper will elaborate the primary research question:

How does tourism-driven development in Bali affect the economic conditions and land accessibility for local communities?

This main question will be further elaborated into two sub-questions, which include:

1. How does the impact of tourism development affect the distribution of local people's income in three different sub-districts?
2. How has the expansion of tourism accommodations impacted land prices and contributed to the displacement of local communities?

3. What are the long-term socio-economic consequences for local communities arising from land ownership and accessibility issues caused by tourism-driven gentrification?

Through these questions, the research aims to provide a comprehensive analysis of the relationship between tourism and its impact on local people's well-being including income distribution, access to housing, and the long-term impacts.

Chapter 2

Theoretical Framework

2.1 The Snowball Effect of Tourism

Tourism has brought progressively significant influences on Asia's economy. As tourism regulations have become more simplified, the development of tourism has rapidly transformed both concrete observation and socio-cultural practices in an area (Katahenggam & Wee, 2020, p. 999). In terms of tangible outcomes, the tourism industry undeniably plays a critical role in bolstering national economies. According to a report by the World Travel and Tourism Council (2024), the tourism sector contributes approximately 9.1% of the global GDP. Additionally, increasing levels of global tourist participation drive higher tourist expenditure, which accelerates global economic growth (Antara & Sumarniasih, 2017, p. 34).

However, the debate within tourism discourse also highlights the negative aspects of this industry. For instance, the paradigm that focuses solely on tourism as a profit generator has resulted many critiques from scholars and local communities. The development of tourism industry often neglects to take into account the interconnectedness of various factors that aim to distribute benefits to local residents (Uğur, 2017, p. 54). Unfortunately, the revenue generated by tourism is often scattered among investors and elites (Ibid. p. 55). As a result, a massive rejection of the tourism industry occurred, this sort of resistance also happened due to the influx of tourists exceeding the capacity of the region and it disrupted the local community's way of life (Mihalic, 2020). For instance, the anti-tourism movement in Berlin where local communities feel frustrated and are striving to assert their entitlement to the urban environment (Uğur, 2017, p. 60). Another example is in Barcelona, where protests have highlighted the imbalance in development. Despite tourist arrivals increasing significantly, the employment rate within this sector has remained limited (Hughes, 2018, p. 474).

In the Global South, tourism has emerged as highly popular industry because the significant potential to attract foreign currency. According to Becken (2014), as cited in Neef (2021), 46 of 50 "Least Developed Countries" (LDCs) in 2010 relied heavily on tourism to support their economies. This reliance stems from both the number of international tourist arrivals and investment of capital by foreign investors. However, few studies highlight the unfavorable results of the tourism, arguing that the unequal power distribution exacerbates the dependency of developing nations on the central economies of the Global North. This dynamics makes this industry a modern form of colonialism, perpetuating the role of master and servant that were deeply embedded in the colonial era (Neef, 2021, p. 5). Broadly speaking, Gibson (2019) as cited in Neef (2021, p. 15) highlights several consequences of tourism development in Global South regarding the issues of land acquisition, dispossession, and displacement. All these impacts are driven by surplus of capital and the rise in global mobility.

These examples will be further examined in this chapter, alongside theories about gentrification from various perspectives. The theories help to contextualize the tourism industry beyond its role as a short-term economies provider, but at the same time potentially reinforcing inequalities within class structures. Moreover, the theoretical framework will shape the research findings, providing a deeper understanding of the role of tourism, particularly in Bali.

2.2 Gentrification and Tourism: Interconnected Dynamics

The theories about gentrification was first articulated by Ruth Glass – an sociologist and urban planner – in 1964. She describes the phenomenon as the transformation of inhabitant composition in particular area, where neighbourhoods previously dominated by the lower-income communities shift to accommodate middle and upper class residents (Suyadnya, 202, pp. 166 – 167).

This theory was initially observed in London and then evolved to encompass many cases, especially within the context of the tourism industry. In the areas where tourism drives infrastructure revitalization, one of the unforeseen repercussions is gentrification – a term introduced by Glass to describe the displacement of the local community, which alters the economic and social structure of these areas. The definition has been expanded by many scholars to depict this phenomenon. For instance, Davide Ley in Gladstone and Préau (2008, p. 8) defines it as “recolonization” by wealthier classes occurring in urban areas. This transformation happens due to a massive influx of newcomers investing in these areas. (Suyadnya, 2021, p. 164)

In the “peripheral economies”, where areas depend on tourism as a main driver for local development, Cocola-Gant (2018) asserts that tourism gentrification plays a crucial role. In these areas – where characterized by limited availability of well-paying professional jobs – it is unlikely that gentrification will occur. However, when these areas become tourist destinations, it will increase the spending capacity of visitors, which can attract investors to develop tourist infrastructure like resorts or vacation homes. In other words, locals may be displaced not by other residents, but because the demands of the tourism industry (ibid., pp. 281).

Both tourism and gentrification as are two sides of the same coin that are deeply interrelated with each other and unlock the post-industrial landscape (Cocola-Gant, 2018, p. 284). A breathtaking landscape is the main attraction for tourists to visit and becomes a destination place for wealthy people after retirement. Hines (2010) in Cocola Gant (2018), refers to this phenomenon as “permanent tourism” (ibid., p. 284). The shift from traditional economies, such as farming activity, to a “post-productivist rural economy” that focused on serving the middle-upper class with leisure activities became a common development model in tourism-dependent areas (ibid., pp. 284).

2.3 Gentrification Causes and Consequences

The negative consequences of gentrification will be strongly felt by the local community who have long resided in the affected area. Due to the transformation of the neighborhood’s class structure, which is more focused on serving only for tourists, simultaneously leads to the gradual voluntary relocation of the local inhabitants over an extended period of time (Gladstone and Préau, 2008, p. 138). This sort of displacement by choice, as observed by Gladstone and Préau, (2008), occurs because local people no longer feel comfortable living in their spaces. This happens because of many reasons, such as the desire to escape from overcrowded spaces or the inability to afford the escalating cost of daily needs.

This conscious dislocation will shape people’s consumption patterns, as displaced residents seek their needs in non-tourism areas, resulting in a distinct separation within tourist and non-tourist zones. This division raises questions about the genuineness of tourism experiences, especially in the destination that emphasize their cultural heritage as the main tourist attraction. This happens, for instance, in Venice, where modernity more dominated the experiences rather than cultural authenticity (Uğur, 2017, p. 60)

While some scholars suggest that gentrification may increase job availability, however, according to Meltzer and Ghorbani (2017, p. 53) argue that this conclusion remains ambiguous. The creation of working opportunities does not necessarily guarantee that the local workers, who are the primary intended beneficiaries, will fill these positions. In contrast, the position might be occupied by newcomers or skilled workers from other regions.

According to Brown-Saracino (2017, p. 518), another consequence of gentrification, as noted by many scholars, includes the relocation of long term residents, disputes between newcomers and longtime residents due to cultural background differences, the transformation of communal become privatization spaces, replacement of longstanding institutions that once served the needs of previous residents. Tourism is a significant driver that lead to gentrification phenomenon, often leading to displacement of the local community. Cocola-Gant (2018, p. 282) in the paper divided gentrification consequences into three types of displacement; residential, commercial, and place-based displacement.

2.3.1 Residential Displacement

The escalation of land use is closely linked to the rising price of properties (Logan and Molotch, 2007, in Cocola-Gant, 2018, p. 287). In the tourism areas, the growing demand from visitors, especially those seeking for accommodation, has stimulated the development of facilities like hotels, villas, and other complementary infrastructure. This condition often leads to residential displacement, a process in which the area previously designated for community housing now is converted into tourist accommodations (Ibid., p. 287). Investors with capital perceive this trend as a promising opportunity. They are attracted to purchasing land and establishing tourist accommodations. This creation of short term rental options tends to generate higher profit rather than providing a long term accommodation. As a result, this phenomenon exacerbates the accessibility for local communities in accessing affordable houses (Ibid, p. 287).

2.3.2 Commercial Displacement

When tourism becomes a consumption-driven activity, it often leads to commercial displacement. According to (Cocola-Gant, 2018), other than accommodation, tourist areas require retail facilities and other amenities, such as markets, restaurants, and entertainment venues. However, this development compels local and small businesses to be excluded from the competition, as they are unable to keep up with the rising land rent prices and expansion of the larger businesses with greater financial resources (ibid., p. 287) . The reason of local people's relocation is not solely attribute to the condition of housing market, another contributing factor is the inadequate facilities for local needs, as the tourist demands are prioritized instead (Cócola Gant, 2015, p. 3)

2.3.3 Place-based Displacement

The last category of displacement, according to Cocola-Gant (2018) is place-based displacement. This category describes the condition where people experience a nuanced form of dispossession, not just physically, but also emotionally and culturally. This sense of displacement creates a gap between the local resident and their neighborhood because the area has been transformed and dominated by tourists. As a result, they might feel the neighborhood no longer supports their identity (Cocola-Gant, 2018, pp. 288-289).

2.4 Paradox of Local Economic Growth and Gentrification

By shifting certain areas to become more attractive spaces for tourism by serving needs of the middle and higher classes, this can, on one side, drive significant local economic growth (Cocola-Gant, 2018, p. 283). Moreover, Cocola Grant also acknowledges that there will be long-term negative impacts. Due to a lack of spending power, gentrification helps bridge the income gap through the arrival of tourists in these areas. As a result, gentrification can be understood as the process of “expansion of capitalism” (ibid., p. 285).

These of the two cases are examples of how tourism in a city can be leveraged for economic recovery while simultaneously leading to negative consequences for local communities. Cuba shifted its strategy to attract capital to the city after the Soviet Union's disintegration by activating its tourism potential. This initiated the revitalization of La Habana Vieja, but consequently caused the relocation of the local communities (ibid., p. 285). Same experiences occurred in Lisbon during the crisis in 2008. The country promoted “liberalization of the housing market” with the intention of increasing income levels, however, it ultimately led to similar long term consequences as seen in Cuba. (Ibid; pp. 285).

The ambition to achieve the highest potential of tourism while driving the local economic growth, but also creates consequences such as land grabbing and skyrocketing land prices (Neef, 2021, pp. 51), which ultimately worsen gentrification and displace vulnerable communities. This phenomenon created protests and resilience from the local community against the development of tourism that occurred in Indonesia. In 2016, opposition from civil society arose when the local governor in Nusa Tenggara Barat gave approval to establish a luxury hotel in one of the last open-access beaches, leading to the exclusion of the local community (ibid., pp, 56 – 57). The civil society questioned the transparency of the land transaction, and considered it as an act of corruption. This case illustrates where efforts to develop tourism at the same time lead to community exclusion and social unrest.

The power held by elites to acquire land for tourism development in the name of economic growth illustrates the failure of the land governance system, which could exacerbate inequalities and disempower marginalized communities. According to a quote from the World Travel and Tourism Council in Neef (2021) mentioned that sixteen of the twenty fastest tourism growth countries are coming from the Global South. Moreover, he further elaborates that these countries still lack an effective “land governance system” (ibid., p, 7).

2.5 Economic Dependency in Gentrified Tourism Areas

Tourism dependence refers to a region that is closely tied to the hospitality industry, usually measured through economic indicators, with GDP being used as a common tool to assess the level of development (Dioko, 2022, p. 490). Scholars often define this dependency by focusing on the extent to which the local economy, specifically household-level jobs, is linked to this sector, such as work in hotels or other tourism-related industries (Chang, Choong and Ng, 2020, p. 218). Other than the job categorization, the characteristics of a region heavily dependent on tourism can be seen by the amount of tourist accommodation (Dioko, 2022, p. 490). The local response to this dependence may vary.

As stated by Harril (2004) in Chang, Choong and Ng (2020, p. 218), communities that experience the economic advantages from tourism tend to give greater support for this sector development. However, the debates also exists regarding to what extent this reliance generates positive or negative consequences. The notion about “traditional economic resource dependence” posits that areas with few of resources may generate income primarily

through tourism. However, another theory argues that such dependence leads to high risk and creates economic instability (Dioko, 2022) p. 493.

The increase in international tourist arrivals has a significant positive impact on fiscal growth, with the effects extending to other domains as well (Watson and Deller, 2022, p. 1196). Moreover, positivist claims suggest that the region heavily reliant on this sector tends to recover more quickly after economic shock, as tourism demands increase after the expense delay during the crisis (ibid. p. 1197). This is further reinforced by the statement from Dioko, (2022, p. 492) who argues that both tourism and economic growth are closely interconnected.

However, an opposing argument suggests that relying on a single sector could decrease the resilience of the regional economy. For instance, during a recession, people's consumption will prioritize essential needs, overspending on entertainment (Watson and Deller, 2022, p. 1208). This reliance is due to a distinct approach. If other traditional industries, such as agriculture, produce goods that are sent directly to end customers. Tourism, in contrast, customers come and experience the offerings within the local area (ibid, 1194). Another perspective is presented in the research conducted by Chiu and Yeh (2017), as cited in Dioko (2022, p. 493). They argue when a region heavily relies on tourism, but also its resident frequently travel outside, leading to a "trade deficits" in travel services. For this pattern, they suggest that regions should consider developing another industry to ensure more balanced economic growth. Moreover, additional research provides a different perspective regarding on tourism dependency. Regions that rely heavily on international tourists become more vulnerable to crises compared to areas that primarily serve local visitors as their customer base (Watson and Deller, 2022, p. 1195).

Employment conditions can be used as an indicator to measure the area's fiscal durability. A research by Ringwood et al. (2019) as cited in Watson and Deller (2022, p. 1195), suggests that a district's ability to recover quickly after a crises correlates with a higher resilience score. Conversely, slower recovery of employment conditions is associated with lower scores. Another indicator is the poverty rate and housing condition, as individuals with limited income often move easily to alternative accommodations (ibid, p. 1206). Both studies provide a common conclusion: the diversification of industry enhances the resilience of the regions.

Chapter 3

Research Methodology

3.1 Study Areas

Given that the majority of tourist accommodation in Bali —approximately 76.34%— are located in Badung (BPS Provinsi Bali, 2024), and the southern region of Bali plays role as the canter of tourism development, therefore this study focuses on three from the total six district within Badung: North Kuta, Central Kuta, and South Kuta.

Three of these districts exhibit distinct behaviors based on their tourism characteristic. For instance, in the North Kuta, Canggu has emerged as highly popular destination, as evidenced with the massive development of tourist accommodation. A significant number of rice fields have now been converted into tourist accommodations, including hotels and private villas with a range of price options, which has contributed to increased traffic congestion in the area (Paulo, 2024)

Table 3. 1 Study Areas

District	Capital District	Total Area (km ² /sq.km)	Number of Villages
(1)	(2)	(3)	(4)
North Kuta	Kerobokan	33,86	6
Kuta	Kuta	17,52	5
South Kuta	Jimbaran	101,13	6

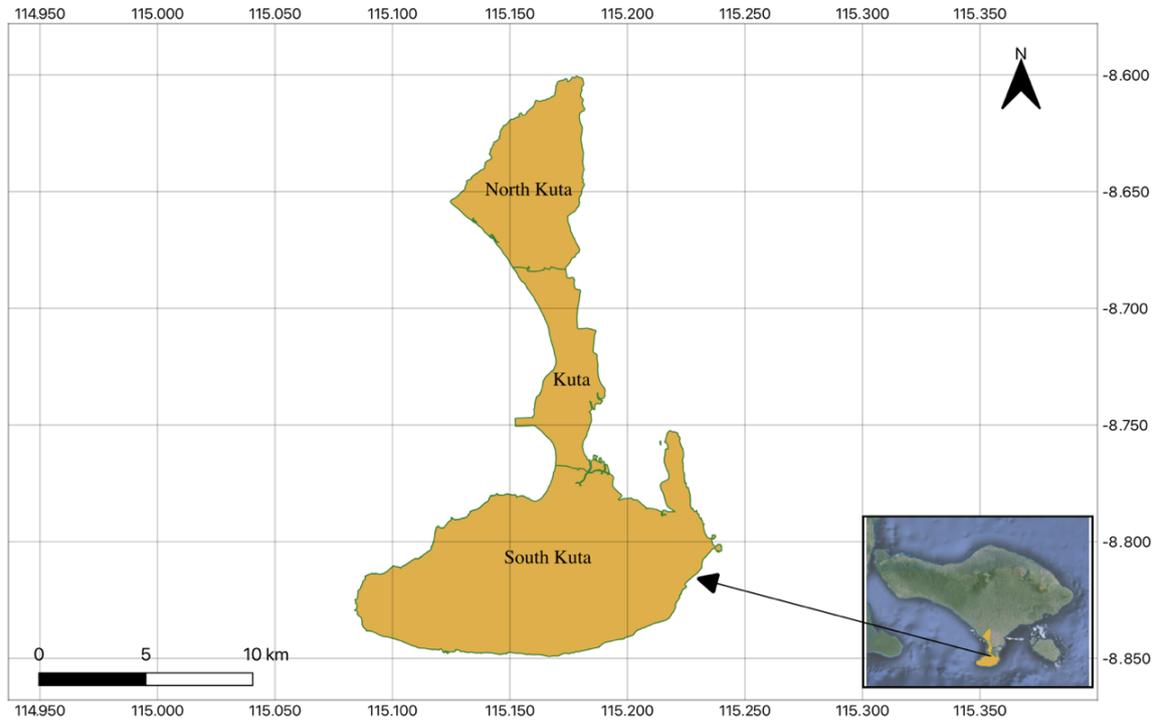
Source: BPS Badung Regency, 2024.

The Kuta central is the area where the airport is located, serving as the gateway for international and local tourists. As a hub of tourism, Central Kuta has undergone significant development. Kuta has become the iconic that represents Bali tourism (Mudana et al., 2023 p. 1835). There are many tourist attractions, modern shopping malls, and other supporting services. However, compared to other regions, Kuta has less integration of the Balinese culture that is embedded in the tourism practices (ibid., 1832 – 1835).

Moreover, the character of South Kuta is quite different from both of the previous districts. The Capital District of South Kuta is Jimbaran, other than Jimbaran, the well-known destination is Nusa Dua where located in the Benoa District. In 1987, the Nusa Dua area was prepared to accommodate the high-end tourist by constructing a luxurious resort (Hanna, 2016, p. 177). Furthermore, most of the international events that attract global elites are typically held in Nusa Dua. For instance, the recent G20 summit and World Water Forum were hosted in Nusa Dua (Negara, 2022; World Water Forum, 2024).

Figure 3. 1 Study Area

Study Area: Kuta (Badung Regency)

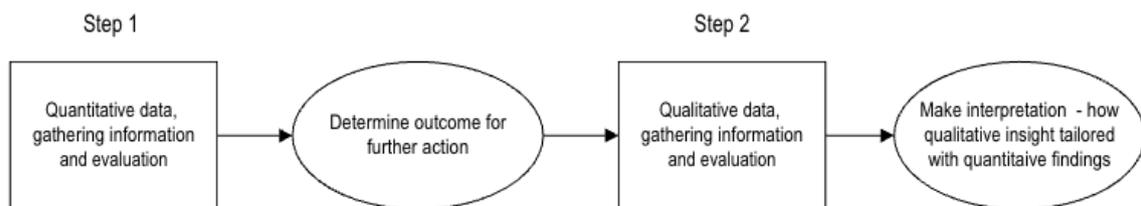


Source: Author, 2024.

3.2 Research Methodology

The methodology employed in this research is a mixed-methods approach, which integrates both quantitative and qualitative analysis. The approach was chosen to produce a more comprehensive explanation of the research questions. One key advantage of this method is the ability to elaborate on quantitative output through open-ended questionnaires or explanatory sequential as the core method (Creswell and Creswell, 2018, p. 340). Moreover, by using the combination of both quantitative and qualitative data, it could address complex questions also intrigued by the potential to draw broader conclusions (Agyeiwaah, 2022, p. 26)

Figure 3. 2 Explanatory Sequential (Two-Phase Design)



Source: Creswell and Creswell, 2018.

3.2.1 Quantitative Methodology

The first step in the explanatory sequential in mixed-methods approach involves gathering the quantitative information. In this research, the data was collected using two of the research tools. The first device involves conducting a survey aims to obtain information about the overall socio-economic conditions of the population. The second methodology includes collecting maps location of tourist accommodations within the study areas. The quantitative data were collected through two types, from closes ended survey and Google Maps data extraction via SerpAPI

Close-Ended Surveys

A survey was distributed to the local community in the selected study areas; North Kuta, Central Kuta, and South Kuta. By administering the survey to the representative sample, the data were collected from the total of 119 respondent from 17 villages within the district to reflect the condition of each border. Respondent were selected randomly with the basic requirement should be a local population indicates by having the national identity. Table 3.2 shown the information collected in the close-ended survey.

Table 3. 2 Close-Ended Survey Dataset

Dataset	Information
(1)	(2)
Name of the district	District where respondent resides
Name of the village	Specific villages where the respondent lives
GPS Coordinate	The geographic coordinates of the respondent's house
Type of occupation	Type of job, including detail information about the job's name
Impact of tourism on income	A response indicating whether the respondent has experienced any impact from tourism (Yes) or has not experienced any impact (No).
Type of job	Information on whether the respondent has social insurance (indicating as a formal worker), lack insurance (indicating as an informal worker), or is an entrepreneur
Duration of work duration in a week	Question consists of five type of answers explain the range of working duration
Additional employment	Indicates whether the respondent have additional job other then the main occupation (Yes) or does not have additional occupation (No)
Income range	Five income option ranging from IDR 1.000.000 to above 9.000.000
House Style	Three options of housing category
Income percentage for housing rent	Percentage of income allocated for housing rent

Source: Author, 2024.

Google Maps data extraction via SerpAPI

Spatial analysis is utilized in this paper to examine the current distribution of tourist accommodations in the study areas. Data extracted from Google can include latitude and longitude coordinates, which can be visualized using spatial visualization tools, like QGIS. According to the book ‘*Google Visualization API Essentials*’, Geographic Information System (GIS) refers to a computer-based system that stores data then represents it to picturize a location on the earth’s surface (Alfiansyah and Azhar, 2018, p. 2). Moreover, QGIS, the tools that were applied in this study, is an open-source platform developed through community-based efforts, with the aim of fostering collaborative creation (Moyroud and Portet, 2018)

This study collect information on tourist accommodation registered in Google maps, including hotels and villas. The data extraction is performed using SerpAPI (<https://serpapi.com/>), chosen for its legal safety considerations. Detail of the variable that extract can be seen in Table 3.3

Table 3. 3 Dataset Extracted from Google Maps

Dataset	Information
(1)	(2)
Name	Name of hotels/villas registered on Google Maps
GPS Coordinate	Latitude and longitude coordinates of the accommodation
Rate per night	Lowest price per night
Hotel Class	Hotel class of the property (e.g. 5-star hotel)
Location rating	Location rating of the property (for instance, 1.8 is indicates poor location, while 4.8 is excellent location)

Source: Author, 2024.

After the process cleansing to eliminate the redundant data, then the overall data about the amount of hotels and villas that success to be collected by using SerpAPI could be seen in Table 3.4.

Table 3. 4 Total extracted data from SerAPI

Sub District	Number of Hotels and Villas
(1)	(2)
North Kuta	
Kerobokan Kelod	455
Kerobokan Kaja	27
Desa Tibubeneng	329
Kerobokan	308
Desa Dalung	47
Desa Canggu	385
Kuta	
Kuta	200
Seminyak	398

Sub District	Number of Hotels and Villas
(1)	(2)
Legian	306
Tuban	46
Kedonganan	60
South Kuta	
Jimbaran	295
Tanjung Bena	236
Pecatu	281
Unggasan	243
Kutuh	116
Benoa	236

Source: Author, 2024.

3.3.2 Qualitative Methodology

The quantitative result, which represent the broader community, are complemented by quantitative insight that explain the phenomenon in the perspective of individuals.

Sampling Techniques

The sampling methods applied both stratified random sampling and purposive sampling. The stratified random sampling was used to ensure the representation of sample that come from three different districts, with the minimum is three participants from each district. Additionally, purposive sampling applied to ensure the respondent were local residents currently employed in either formal or informal sector.

Data Collection Methods

To collect these insights, interview were conducted in August 2024 through semi-structured interviews. A total of ten respondents were recruited for this study, including people from tourism or non-tourism industry. This diversification was important to gain the perspective from key player in both sectors. The interview conducted around 20 to 45 minutes of each respondent, and were using mixed the Indonesian and local language. The detail of the respondents' information are provided in Table 3.5.

Table 3. 5 Respondent of the study

Code	Occupation	Category	Age	District	Villages
(1)	(2)	(3)	(4)	(5)	(6)
NK01	Farmer	Non tourism industry	72	North kuta	Dalung
CK01	Private Employer	Tourism Industry	25	Cental Kuta	Kuta
NK02	Surfing Instructor	Tourism Industry	38	North Kuta	Kerobokan
NK03	School Staff	Non tourism industry	43	North Kuta	Dalung

Code	Occupation	Category	Age	District	Villages
(1)	(2)	(3)	(4)	(5)	(6)
CK02	Massage Therapist	Tourism Industry	55	Cental Kuta	Kuta
CK03	Travel Agent	Tourism Industry	62	Cental Kuta	Kuta
CK04	Street Food Vendor	Non tourism industry	65	Cental Kuta	Tuban
SK01	Retailer	Tourism Industry	26	South Kuta	Jimbaran
SK02	Water Recreation Agent	Tourism Industry	30	South Kuta	Tanjung Benoa
SK03	Entrepreneur	Non tourism industry	22	South Kuta	Tanjung Benoa

Source: Author, 2024.

Data Analysis

The interviews were recorded, transcribed into English, then analysed using ATLAS.ti as a media for coding techniques. The step for doing the coding are based on the explanation by (Heracleous and Fernandes, 2019). Initial steps began with open coding techniques. This steps carried through analysing important sentences and make initial codes by using participants' direct expression. After that, by implement the inductive reasoning, the codes were organized into broader themes. Then implemented axial coding to organize and connect the themes into more structured context by considering relevant literature.

3.3 Ethical Consideration

To ensure all the respondents felt comfortable during the research process, this study adhered to follow the ethical guidelines. Firstly, before the interview start, respondents were informed about the research objective and procedure, including the information about requirement for recording while interview process. Secondly, participants also have a right to not participate or withdraw in the middle of the process without any consequences. Thirdly, consent are conducted verbally after explain all the steps, and the process will continue after receiving agreement from the respondents. And the last is participants' confidentiality was strictly maintained by replacing their names with a code. This aims protect their identities. Moreover, all the collected data was only restricted for the research team only.

3.4 Positionality

As the researcher that responsible for this study, it is important to acknowledge my positionality and how it effect during the process, from data collection to insight generation. I am an Indonesian, and my parents are both from Java Island, they both immigrated from Java to Bali in 1990. I was born and raised in Bali, however I not fully immersed myself to the Balinese culture, which is deeply intertwined with Hinduism, the religion practiced by most locals in Bali. Moreover, my master program in Institute International of Social Studies (ISS) has provided me with new perspective on tourism, which may also shape the assumption I bring into this research.

To minimize biases during qualitative interviews, which require a deep understanding about the social behaviour of the local people, therefore this study involved by the local people that was raised in Bali and engaged in Balinese cultural practices. Their responses helped to reflect

and verify the hypothesis that I made. And to mitigate further biases in overall result, I try to always made a conscious effort to question and reflect the way I thinking and use the theory as a foundational framework. By reflecting on my positionality, the result of this study aim to produce an objective findings without overshadowing the voices of participants.

Chapter 4

Analysis of Economic Conditions in Gentrified Tourism Areas

4.1 Dependency, Inequality, and Gentrification

Bali historically relied on agriculture as the main driver of its local economy, however over the past decade, it has shifted predominantly to this hospitality sector (Hanna, 2016; Pitana, 2010). This socio-economic transformation has been encouraged by the state as a strategic solution and part of the development approach to attract both local and international tourists, as well as investor, with the goal of generating employment opportunities (Fagertun, 2017). As a result, now tourism has become a fundamental aspect of Balinese culture (Pitana, 2010, p. 142). This transformation has fostered a high level of dependency within local communities, as approximately 80% of the local economy is reliant on the tourism sector (Bataragas, 2021). Especially in the coastline areas, due to their natural beauty, the local government prioritized this areas for tourist development. For instance, the location in Kuta, Nusa Dua, Legian where predominantly located in the southern part of Bali (Vipriyanti, Arini and Rustiadi, 2024, p. 2).

Despite the economic contribution generated through this tourism industry, several challenges have emerged, prompting critical discussions among experts regarding the inequalities it perpetuates, which only serve few elites. While initially, tourism was intended as a machine for enhancing the well-being of the local community by generating labour opportunities, however, Suryawardani (2015) highlights the leakage of economic benefits, which has been detrimental to the local community. This questioning about the future well-being condition of the local community (Fagertun, 2017), especially considering that dominant workers in tourism come from low skilled workforce and are classified in lower socioeconomic status (Suharto et al., 2020, p. 2) The dependency of the people on this sector may generate profit, on the other hand, also leads to various forms of exploitation, including excessive use of human resources. This is because due the fact that this sector is dominated by informal workers (Fagertun, 2017, p. 119)

This chapter focuses to examine the economic condition in Bali's tourism areas using the perspective of local society, especially related to their income levels and working hours, while taking into account the fluctuation of seasonal dynamics within this industry. The objective of this chapter is to analyse the dual effect of the tourism industry by combining both the quantitative and qualitative data, allowing a comprehensive assessment on the tourism impact in the southern Bali. To understand the dynamics, this chapter will be divided into few sections. Following section 4.2 provides an overview of tourism development in Bali, emphasizing the transformation of certain areas into gentrified spaces. In section 4.3 presents an analysis of local dependency, drawing from quantitative questionnaire complemented with qualitative interviews. Lastly, in section 4.4 delves into more specific regions, examining income level conditions at the village level for more a detailed and holistic understanding.

4.2 Tourism Development and its Role in Driving Gentrification in Bali

In her book, *Brief History Of Bali*, Williard A. Hanna (Hanna, 2016) wrote about the early history of Balinese tourism. It began in the 1920s when visitors started coming to Bali, with

the number increasing gradually until approximately reached 250 guests by 1940. During that time, the main provider of transportation was steamship and provided by a Dutch company called KPM (*Koninklijke Paketvaart-Maatschappij*). Bali starting to become a destination for elite expatriates spending their few tranquil days of relaxation.

The primary industry in Bali was similar to its neighbour, Java island, where agriculture dominated the local economy. However, around 1990, significant changes occurred because the ambition of Indonesia's second president Soeharto, who aimed to achieve food self-sufficiency. Under his leadership, the national government supported by the international organization afforded chemical fertilizers, pesticides and farm techniques. As a result, the farming process became more efficient and doubled the agricultural output. However, this effectiveness causes problems in the environment and the livelihood of indigenous communities who have had to transform because their skills are no longer utilized. Local people tried to adapt and began developing their hidden tourism potential which was discovered in 1920s (Hanna, 2016, pp 170 – 174).

After the inauguration of Indonesia's second president, large-scale development of tourism infrastructure had begun. A French consulting firm, the Société Centrale pour l'Équipement Touristique Outre-Mer (SCETO), was hired by government to design a world-class tourism roadmap in Bali. SCETO proposed to build 4.800 hotel rooms in the Kuta and Sanur areas, as well as the additional development in Nusa Dua, which at the time was located far from the city centre and inhabited primarily by fisherman. They proposed the peripheral location in order to minimize the degradation impact on local culture. To response this matter, elite local leaders suggested to apply a solution as now understood as 'cultural tourism'. This discussion lead to the establishment of the luxurious golf resort, which faces to the holy temple known as Tanah Lot, which offered a captivating silhouette during the sunset for wealthy tourists (ibid., 174 – 175)

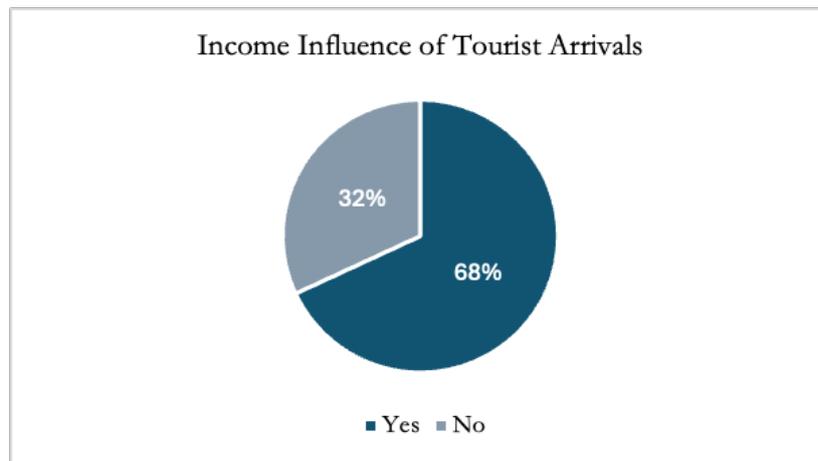
Following the era of Soeharto in 1990s, Bali's local government gained the autonomy to obtain the power to gather its own taxes which impacted on land transformation. The taxes given to the local people who were previously dominated by the farmers are determined by the market price (Cole and Browne, 2015 as cited in Neef (2021, pp. 51-52). As a consequence, local farmers have been unable to afford the rising of prices and taxes, especially for those who stay in tourist areas. Many of them prefer to lease their land for long-term contract, which restricts future generations in the families from accessing their land (Ibid, pp 51 – 52). While these developments may contribute to local economic growth, however also resulting the transformation of socio-economic and trigger land dispossession problems for the local community. A noticeable transformation of the Bali is evident along the beachfront areas. Many media for instance Al Jazeera reported about the area's development into rows by bars and large hotels (Neubauer, 2019).

4.3 Local Dependency on Tourism in Bali

Many countries leverage tourism as a growth strategy to boost national income, given its significant potential for expansion (Giampiccoli and Mtapuri, 2020, p. 1). Additionally, primary source of profit from tourism derived from foreign exchange generated through tourism services, following the fact that this industry placed as the biggest voluntary redistribution of resources from upper to lower class (Yang and Hung, 2014, pp 883). As this relationship between two class structure occurs, then it will creates economic dependency, for instance, case about tourism in Bali where local community are heavily rely on this sector as the main source of income.

This dependency, moreover, creates supportive standpoint from the local community. According to quotes from Harrill (2004) and Chen & Chen (2010) in Chang, Choong and Ng (2020, p. 218), mentioned that people's behaviour is influenced by their income conditions, if they perceive economic benefit from tourism, they will tend to contribute effectively to this industry development. In Bali, tourism reflects a scenario in which people show their support for tourism development initiatives. This might be because, based on the data obtained from close-ended questionnaire regarding the relationship between income and tourist arrivals, the result presented in Picture 4.1 indicates that almost 70% from the sample in the southern area of Bali claimed that their income is affected by the fluctuation in tourism.

Figure 4. 1 Income Influence of Tourist Arrivals



Source: Author, 2024.

This situation aligns with many stories of the local residents, reflecting both their past and current experiences and highlighting their dependency on tourism, which influenced their lives economically. These narratives picture how many socio-demographic segments in Bali benefit from the presence of tourism. For the first time when asked their opinion about tourism for the people who live in the tourist areas, most of the ten of respondents said same story. They really depend and seem to feel grateful with the existence of the tourism sector in their place. They felt tourism helps them to gain more income rather than when they are not involved in the hospitality activity. An example is one of the workers in the South Area of Bali, he is now working as a formal worker in one of the water sports providers in the coastal areas, Tanjung Beno. Compared to the past 10 years, now he feels their income increasing.

“My earnings have grown compared to 10 years ago when I was working at the airport. The increase in income is primarily because I was not involved in tourism back then, but now I am” (SK02).

This dependency seems to be further reinforced by the experiences of Covid-19 tragedy that really hit the Balinese at that time. As illustrated by one of the residents that have extensive working experience working in the Kuta Beach, previously this respondent or coded as CK02 worked in the beach as a beach cleaner but now she also has a new side job which working as a beach masseur, job that are commonly found in Kuta Beach area.

“In the past, having no money was a common issue, but now there is a gradual improvement. During the COVID-19 pandemic, when the beach was closed, the individual was unable to work as usual. They relied solely on their sweeping job, earning IDR 700,000, which was insufficient to cover their needs. This shortfall forced them to borrow money. The lack of tourist activity during the pandemic significantly impacted our income, where it is highlighting the essential role tourism plays in our financial stability”

The way respondents express gratitude is because the opportunities brought by tourism aligns with the positivist theory that highlights the benefit of gentrification argued by scholars. According to Meltzer and Ghorbani (2017, p. 52), despite the negativity, gentrification can also offer benefits by generating prospects and improving living standards. This occurs because once businesses are established in the areas, it making easier for locals to find employment in their neighbourhood (ibid, p. 53). When local residents are involved in the tourism business sector, they can derive advantages from it, however, when the business ceases operations, it can directly impact their well-being. However, these of the advantages may not be sustainable for the long term. The discussion about long term impact will be elaborated in Chapter 6.

4.4 Income Levels and Distribution in Tourism Areas: Power Inequality

While tourism can generate significant income for the people and foster a high dependency level on the sector, however, the benefits are often distributed unequally, reflecting the broader issues of power inequalities. The criticism that failure to prioritize the local community, as evidenced by minimal compensation and lack of involvement of the residents (Yang and Hung, 2014, p. 883). Tourism in Bali, especially through tax from hotels is generating significant income for local government by 71.20% from the total tax revenue (BPS Badung Regency, 2024). However, a study by Ningrum and Arif (2023, pp. 234 – 235) resulting contradictory findings, indicating that high local government budget does not necessarily improve human welfare improvement in Bali. That is a consequence of prioritizing tourism infrastructure rather than addressing crucial human needs, which makes this dilemma leave the local population in vulnerable conditions in the long term.

Bali’s income levels are not well distributed and often lack of fairness. Based on the survey within 119 local people that the result can be seen in Table 4.1, which shows that the income level falls within the range IDR 1.000.000 until 3.000.000. This income range is slightly below the standard of Regional Minimum Wage (UMR) set by the government in Badung region, where the minimum salary of people is IDR 3.316.628 (Idris, 2024). As the indication if the income levels are relatively low, it is important to compare also with average expenditure. Based on the data by BPS Badung Regency (2024), the monthly expenditure per capita in 2023 is IDR 2.196.165 which represents individual needs and does not account for the total of household earnings.

Table 4. 1 Income Range of Balinese Local People

Working Hours per Week	Income Range (IDR) (in million rupiahs)						
	0 - 1	1 - 3	3 - 5	5 - 7	7 - 9	Above 9	Total
Below 10 hours	3,36%	9,24%	6,72%	0%	0%	0,84%	20,17%
10 - 20 hours	0,84%	0,84%	0,84%	2,52%	0%	2,52%	7,56%
20 - 30 hours	0,84%	3,36%	0,84%	0,00%	0%	0,84%	5,88%

Working Hours per Week	Income Range (IDR) (in million rupiahs)						Total
	0 - 1	1 - 3	3 - 5	5 - 7	7 - 9	Above 9	
30 - 40 hours	2,52%	17,65%	10,08%	2,52%	0,84%	2,52%	36,13%
Above 40 hours	2,52%	8,40%	7,56%	5,88%	2,52%	3,36%	30,25%
Total	10,08%	39,50%	26,05%	10,92%	3,36%	10,08%	100%

Source: Author, 2024.

The tourism sector is classified by Suharto et al. (2020) into three classes of workers: owner, professional, and low-level workers. Although owners even make up below 2% of the total workforce, but they the control approximately 70% of the resources (Suharto et al., 2020, pp. 2-6). The marginalized class structure, mentioned by Suharto as “proletariat class”, consists of individuals living in struggling work conditions and low wages this class becomes dominant which constitutes approximately 44% of the sample consisting of 789 workers in Bali working tourism industry (ibid, pp.2 - 6).

The narrative from the beach masseur exemplifies the proletariat class, in which the income just sufficient to cover their daily basic needs, leaving little opportunity to accumulate their money. This middle-aged woman feels despite an increase in number of tourist and her income, however, she is unable to save significantly because the rising price of basic necessities. This situation symbolizes the challenges faced in gentrified areas.

“With tourism flourishing and the number of visitors rising, everything has become more expensive In this area. whereas in other villages, prices remain lower. Due to the high costs here, many people are hesitant to invest.” – CK02

To manage the situation where the income, some of them are preferred to have another side jobs. As explained by Meltzer and Ghorbani (2017, p. 53) when the economy in a particular area increases than it will generate another job opportunities that did not exist previously. However, the consequences of this growth lead to the increase of price in the basic necessities. For example, a quotation from a surfing instructor who also has a side job and works as a traditional music player at the hotel illustrates his dual role.

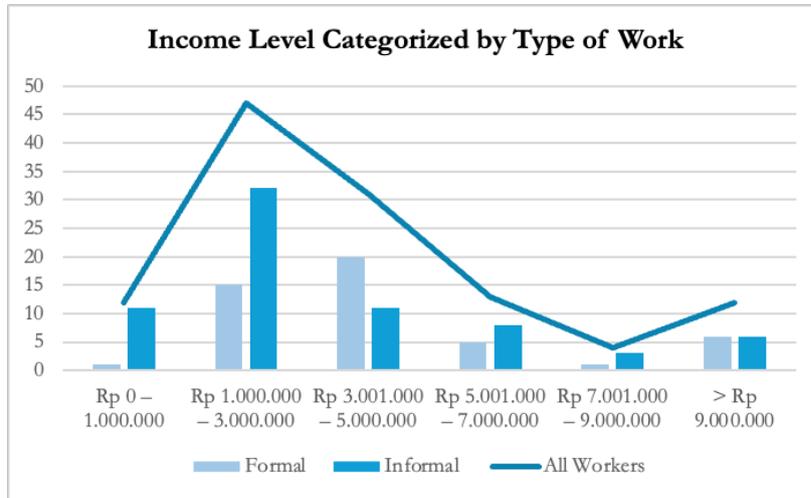
“...Right now, it's still a bit insufficient, but fortunately, my wife also works, so we manage to make ends meet. Saving money is occasional; sometimes, when we're a bit short, my wife helps cover the gap.” – SK02

However, the urgency of having a side job raises concerns about tourism’s long term economic sustainability. As prices rise dramatically, people are forced to work additional hours to survive in the fast-paced era of modern capitalism.

The Graph in Picture 4.1 illustrates the employment condition in tourism areas, whereas dominated by informal workers. Almost 40% of the workers are informal, earning below the minimum wage. Compared to formal workers typically dominated within the range of IDR 3.000.000 to IDR 5.000.000. Informal workers are vulnerable in the uncertain conditions especially related to job insecurity, like the condition during COVID-19.

“During COVID-19, our income really dropped. We had no income at all because the tourism sector was closed for 2.5 years. The decline in income also affected consumption” – CK02

Figure 4. 2 Income Level Categorized by Type of Work



Source: Author, 2024.

This informal economy that dominates working conditions in tourism has become a topic of concern, especially when COVID-19 has impacted Bali and placed workers in more vulnerable conditions. A report released by the International Labour Organization (ILO) predicts approximately 50% of people working in the informal economy have high levels of vulnerability (Fagertun, 2017); 119. The reliance on informal employment could limit their ability to improve their economic condition and potentially trap them in a cycle of instability.

Chapter 5

Tourism and Local Livelihoods: Impact of Tourist Accommodation on Local Communities

5.1 Tourism-Driven Development

The massive development of tourism infrastructure in Bali has significantly influenced the access to affordable housing for the local community, exacerbating inequality and contributing to the dislocation of long-term residents (Gladstone and Préau, 2008, p. 138). This tourism-driven development has been described as something that ‘out of control’ (Fagertun, 2017, p. 109). The statement reinforced with the claim from (Hanna, 2016), who pointed out that the supply of hotel accommodation exceeded the demand, with private villas becoming a popular trend among real estate developers. As a result, land prices are rising because many elites are interested in owning “a piece of paradise” (Wardana, 2015, p. 109).

While the Balinese have generally embraced tourism, there is a concern regarding what many perceive as a process of “losing their own island” (Fagertun, 2017, p. 108). According to research conducted by Arcana and Wiweka (2016, p 468), while local communities perceive development in their area as generating opportunities, however, it also has adverse impacts because it alters traditional land use practices. The transformation of land use is a substantial issue. Historically, land in Bali was mostly dedicated to farming activities, such as functioning as rice fields (Wardana, 2015, p. 110). This transformation has been driven by the development of tourist areas. Jimbaran, for instance, is a region located in tourist areas in South Kuta. Many hotels and villas have been established there, leading to an increase in property taxes, consequently prompting the villagers to give ownership of their land (Fagertun, 2017, p. 116).

The examination of the impact of tourist accommodation establishments will be elaborated in this chapter, particularly the development of villas and hotels in southern regions of Bali. The quantitative part will provide a general view of these impacts, while the qualitative portion will support the argument and highlight the phenomenon occurring in the local community, especially how residents maintain and access their land. This chapter will be divided into four sub-chapters. Sub-chapter 5.2 will elaborate the spatial distribution of the tourist accommodations. Sub-chapter 5.3 examines the cause-and-effect of relationship of tourist accommodation development in the perspective of the local community. Finally, the last chapter will reflect on the development that has already taken place.

5.2 Spatial Distribution of Hotels and Its Impact on Local Income

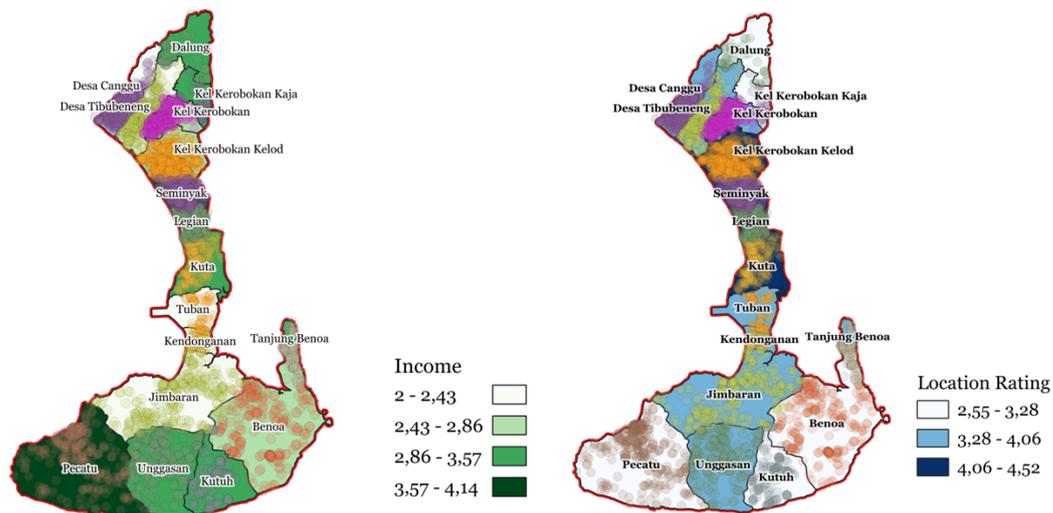
Understanding spatial distribution of tourist accommodation is important to visualizing the context and assessing the development conditions in particular areas. The concentration of tourist accommodation could contribute on creating disparities in income distribution, influenced by the characteristic of the areas. This section examines how is the distribution of tourist accommodation and explores both the positive contribution and challenges faced by the local communities in one district. In this study, Badung was selected as the focus area because of the significant concentration of hotel growth, covering approximately 64.3% of the total tourist accommodation development in Bali (Arcana and Wiweka, 2016, p. 457). This significant quantity is a consequence of the increased number of tourist arrivals.

Mukhtar (2015) as cited in Husein and Aisyah (2023, p. 983) indicating if Badung is the primary of tourist destination. Therefore, this research highlights the spatial distribution of hotels and villas across three districts; North Kuta, Kuta, and South Kuta – which experience high tourism demand.

The accelerated rise of tourism in Badung makes this area becomes the wealthiest region in Bali, however Patera, Sukarsa and Wiranatha (2016, p. 85). This indicates that persistent poverty continues to exist within the local community in this area. Such a paradox raises important question regarding the distribution of power, access and wealth, especially within the context of tourism accommodation development.

According to the Picture in 5.1, there is a notable imbalance in the distribution of tourist accommodation. The number of hospitality services is more centralized in North and Central Kuta rather than the South area of Kuta, despite the fact that the southern has a larger land area. For instance, in Seminyak, regardless its limited land area, the area is predominantly occupied by tourist, whereas in Pecatu, tourist place are concentrated along the coastline.

Figure 5. 1 Hotel Distribution, Income Level, and Location Rating



Source: Author, 2024.

The data illustrated in image indicates that local people income, marked by the darker green colors, does not directly correlate with the number of accommodations. For instance, while in Canggu characterized by higher concentration of tourist accommodation, the income level in Dalung is comparatively higher. This could suggest that factors other than hotels are influencing local people’s income. This is in line with the findings by Mautang and Surasmi (2023, pp 189 – 190) that concludes if the “Room Occupancy Rate” does not considerably have a positive effect to the local original income. Instead the variable of number of accommodation, another factor with the potential impact on local economic growth is tourist spending behaviour (Husein and Aisyah, 2023, pp 988 – 989). The lack of connection within people income and hotel distribution is also reinforced by the concept of tourism leakage mentioned by Suryawardani (2015), who stated that if benefits of tourism are primarily felt by the investor from outside Bali.

On the right side, areas marked with blue colour are depicted about distribution of hotel based on their average location ratings. Areas with high location ratings are predominantly located in the central regions. This likely due to the extensive development of tourism related facilities. In Contrast, region like Pecatu exhibit lower hotel location rating, which can be attributed to the limited availability of such facilities. However, these location rating do not

appear correlate with local income. For instance, in Jimbaran, although the average of hotels have high location rating, but the local people income is low compared to other villages. The higher location rating may depicts the gentrified condition, as these areas evolve into destination with fully developed tourist amenities. This could also indicates that these areas have a high land price.

Figure 5. 2 Density Conditions in Seminyak and Canggu, Comparison in 2002 and 2022



Source: Author, 2024.

From the interview, people argued if now the tourist areas that were previously concentrated in Central of Kuta now spread to other neighborhoods, such as Seminyak and Canggu. Seminyak, as shown in Figure 5.1, is home to the majority of hotels with high average location ratings. Furthermore, also in Figure 5.2, illustrates that Seminyak has undergone substantial development. The building density depicted in Figure 5.2 is influenced by the number of tourist accommodations. This transformation is highlighted by one local respondent, who noted that, compared to 10 years ago, land has become increasingly scarce, especially along main roads. Spas and restaurants have replaced many areas, while now hotels dominate the beachfront area.

5.2.1 About Kuta

Kuta is one of the most renowned tourist destinations in Bali, Indonesia, internationally recognized for its iconic three S's: sea, sand, and sun (Mudana et al., 2023, p 1831). This natural beauty attracts many visitors to come and alters the characteristics of livelihood in Kuta (Ibid. p. 1834). Based on the data released by the Indonesian Statistic Institution (BPS Badung Regency, 2024) the highest population density in Badung Regency is located in Kuta

region. Kuta Region consists of five villages which are Kedonganan, Kuta Villages, Legian, Seminyak, and Tuban. Kutas has evolved significantly from its origins as a “traditional fishing village” into one of the most Bali’s tourism hubs (Anggraini, 2017). This transformation is picturized as an uncontrolled development resulting in communities and ecological concerns. (ibid. p. 51). Due to its advantageous location because of the existence of an international airport, this area becomes the primary entry point for tourism (Patera, Sukarsa and Wiranatha, 2016, p. 85). Therefore, this sub-district has massive infrastructure improvement that appeals to tourists, such as “hotels, restaurants, spas, villas, malls” (Astawa, Suardani and Suardani, 2019, p. 82) and is a famous area for surfing enthusiasts (Anggraini, 2017, p. 52). This location attracts investors yet also results in challenges like traffic jams, overdevelopment, and high population density (ibid. p 82). In the Kuta district, the areas that have the highest rate of local income is in Seminyak, which there known for its concentration of local handicraft shops.

5.2.2 About North Kuta

According to BPS Badung Regency (2024), North Kuta is nominated as the second biggest population in Badung district after Kuta. The population in North Kuta increased by 6.97% from 2000 until 2010, which aligns with concurrent growth in tourist activities (Arcana and Wiweka, 2016, p. 464). This growth is also reflective of the issues faced one of which concerns land. The perspective of the local people is generally positive on employment opportunities; in contrast, their local perception of ecological matters reveals a sense of disappointment, especially related to land ownership issues (ibid. p. 468). In the Canggu area, various media have reported on the transformation of land occurring there. For instance, Al Jazeera wrote an article entitled “Paradise Paved: Bali rice Fields Disappear Beneath Hotels, Bars”, highlighting a shift from a green region to private villas as the domination (Neubauer, 2019). Canggu has become a focal point for real estate development, driven by the demand for commercial properties, as the local people observed during the interview:

“Yes, there is a significant difference. There used to be a lot of greenery in Canggu, but now many buildings have replaced the open spaces. The allure of tourism has led people to convert their farmland into commercial properties, like shophouses, especially in tourist-heavy areas. This shift affects the socio-economic landscape of the region. – CK03

5.2.3 About South Kuta

One of the popular and promising regions for tourism development in Bali is South Kuta. Due to its exotic scenery, which is characterized by majestic cliffs and warm coastal air, it offers an ideal ambiance for the tourist. This district’s potential is leveraged by the national government to establish an exclusive concept for tourist development. If non-star hotels are usually found in Kuta Villages, high-end hotels are mostly located in South Kuta, particularly in areas like Nusa Dua and Jimbaran (Antara and Sumarniasih, 2017, p. 38)

The value of land in tourism-oriented areas is influenced by the views it offers. For instance, properties in coastal areas in Nusa Dua, which feature a unique geographic landscape, are more valuable rather than those located in the city. This dynamic also benefits affluent individuals and investors who seek to establish what is commonly referred to as exclusive tourism. Nusa Dua is located in Benoa - South Kuta, where the government collaborated with The World Bank, making this area as the center of all of the “new international standard hotels,” which impacted the economics of large-scale tourism development (Rodenburg, 1980): 181. Because of that, it has significantly contributed to making South Kuta one of the

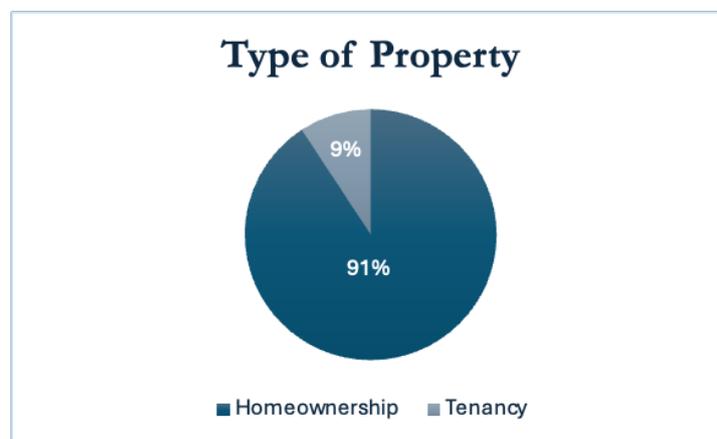
largest local revenue sources in Bali, especially through hotel taxes (Patera, Sukarsa, and Wiranatha, 2015, p. 6). Because of the focus on exclusive tourism, large-scale development in Nusa Dua has resulted in the concentration of affluent individuals in the areas (Rodenburg, 1980, p.186). As a result, displacing the original residents.

“In my view, tourism significantly impacts land prices. Land close to the beach is more expensive. For instance, hotels with beach views can charge higher rates, making land in areas like Nusa Dua much pricier” – SK03

5.3 Housing Accessibility and Income Interconnections in Gentrified Areas

When tourism is deeply entrenched in neoliberal policies that advocate for private property rights and free market principles, it could potentially pose a substantial threat to society’s well-being by undermining community land ownership (Giampiccoli and Mtapuri, 2020. p. 3). The lack of effective tourism planning has resulted in excessive demand, especially for resources, where land is becoming a critical asset. This contributes to an increased desire among landowners to capitalize on their properties by leasing or selling their assets, which leads to local cultural decline rather than fostering long-term sustainable growth (Mikulić et al., 202, p. 2). Furthermore, from the perspective of local residents, a key factor that should take into account regarding housing accessibility is their income, as it defines if tourism — serving as their source of revenue— whether improves their quality of life or exacerbates existing challenges (ibid., p. 5)

Figure 5. 3 Housing Types in Bali



Source: Author, 2024.

Based on the survey result, it shows the majority of residents in Bali own land. This indicates that they are not required to pay regular rent cost because they have constructed homes on their own land. The value of land transcends mere ownership, and it is embedded in people’s mindset. They are obligated to preserve what their ancestors have given to them. For instance, the response from the older generation where the answers are mostly similar to other respondents.

“My grandfather feared karma, and my parents always told me to hold on to our land. Because I still strongly adhere to my parents' words, which I consider sacred, I continue to maintain and keep my land”
- NK01

Another local people echo this sentiment, saying:

“My principle is that once I buy land, I will never sell it because I think of my children and grandchildren. So, it's important to keep the land for future generations”. – CK04

In other cases, when they have no land to build on, some prefer to stay with their extended family in a single property – picture the scarcity of affordable land. This happened, for instance, from the story of small street-side shop owners who live near coastline areas in Jimbaran, where land is highly demanded especially for building tourist accommodation.

“I live in my own house, which is conveniently close to the beach. The house accommodates 4 heads of families: my uncle, my aunt, myself, and my uncle” - SK01

In Bali, which consists of multiple holiday seasons, a key bottleneck is the inflationary barriers and economic instability. This results in a significant income gap within the local community, which is further explained in Chapter 4, where the low-income condition and high uncertainty faced by the local community are elaborated. This situation renders tourism becomes “counterproductive” to local residents (Mikulić et al., 2021, pp. 10 – 11). Although tourism serves as a significant income generator, the increase in land prices has outpaced the financial gains. While in the past land was relatively accessible, but currently, even with an income, local people find that land prices have increased beyond what is considered as affordable.

“It has a huge impact. I still wonder if the prices could go back to what they were 10 years ago so that I could afford to buy land. Right now, my income is not enough to buy land. It's simply not possible for me to purchase any.” - SK02

Historically, local people owned the majority of Bali's land. However, as a consequence by the rising of property prices, many locals have been forced to voluntarily relocate to less desirable areas. For those fortunate enough to inherit land from their ancestors, they either use the land as a family home or rented out to the investor. In the current people's perspective, renting is an option that is more financially attractive compared to doing traditional farming activities. In contrast, for those without any land access, owning a house is largely untannable. Even if they were able to acquire a home, it would often require leaving their families or abandoning important cultural practices, as noted by local residents.

“It's possible to buy a home, but it would be far from family and their traditional temples (sanggah). This means relying on personal transportation. Residents are often displaced due to development by foreigners.”- SK01

Chapter 6

The Dilemma of Short-Term Economic Gains vs Long-Term Impact

6.1 Tourism is an Economic Boon or Burden?

Tourism development does not yield a single answer regarding whether it generates positive outcomes through the process or imposes negative consequences for society. On one hand, the prevailing narrative suggests that tourism could stimulate the economic development. However, there is insufficient evidence that tourism could immediately eradicate poverty in the household level. This is largely due to the fact that the advantages of tourism are often diminished along with the class structure (Giampiccoli and Mtapuri, 2020, p 3).

Especially concerning land as an asset, local people's perspective towards tourism mostly are predominantly positive. Residents benefit from increasing land prices by leasing their property to the investor. Even though they do not possess capital to invest directly in the form of fresh money, leasing provides a means for them to engage in the tourism business and generate passive income through it. The influx of tourists arrival and investors has become a crucial source of income for these communities, creating a significant dependency on tourism. This sentiment is echoed in the following quotation from an older resident.

“Since I am a positive thinker, I appreciate the people who come to Bali. They provide passive Income for us. I remain positive and value their presence. I hope that the community will become more prosperous” – NK01.

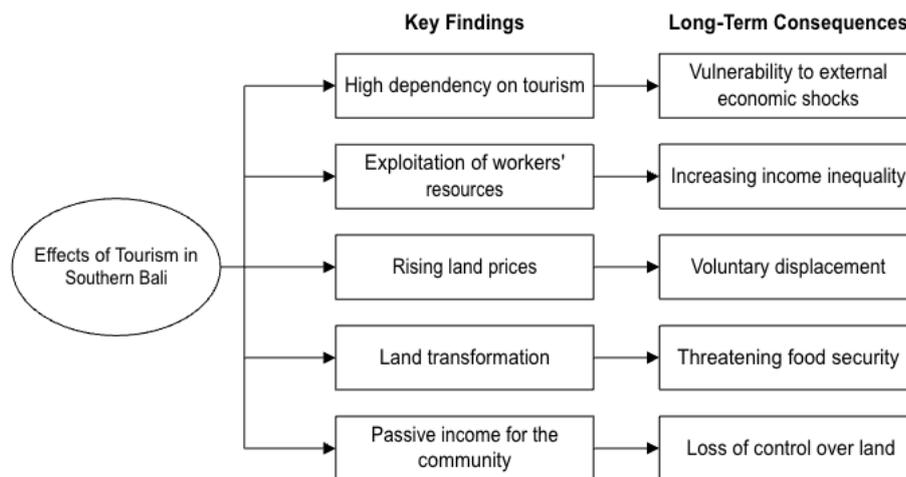
Before tourism became the main of industry, most of local residents worked as farmers. Along the way, the allure of earning higher incomes in a quick time with less physical demands has become increasingly appealing. This shift in people's perspective is rapidly gaining traction among grassroots communities as they see the 'success story' from their peers. One respondent, code as NK03, with told how the landscape of their neighborhood had changed dramatically over the past three to four years. Behind her house, land that once thrived as a rice field had been transformed into a villa and it was managed by the foreign investor. Many locals opt to lease their land instead of managed by themselves, as some of them lack capital and knowledge, preventing their land from remaining idle. This story illustrates a broader trend, as more resident try to adapt to their circumstances by pursuing quicker, more promising methods to fulfill their basic needs amid rising living costs.

The idea of leasing local land has become a phenomenon in Bali tourism areas, where the potential for higher economic returns has led many landowners to prefer granting the land ownership within the time frame stated in the agreement rather than selling their property outright. One resident, identified by the code SK01, reflected on this trend, expressing that if they were unable to afford the rising land cost, they would choose to rent out their land instead of selling it. This condition brings them an advantage, as they are not required to allocate their income for land acquisition because having inherited property from their ancestors. This condition makes them freed from the financial burden of purchasing real estate.

6.2 The Hidden Narrative, Long-Term Consequences of Tourism

The phenomenon related to gentrification in tourism areas has raised significant concern due to its impact on the transformation of the urban landscape and local communities. Moreover, beneath the surface of the economic growth and a promise of create employment in tourism areas, there is a hidden narrative that highlights the long term consequences of tourism development that may not experienced by the local communities at this time. From the five key findings, it is possible to create five critical implications. Firstly, the vulnerability to external economic shocks arises from an overdependency that produces unresilient economic foundation. Secondly, the ‘trickle down’ effects of the tourism benefit where make it disproportionately distribute, especially affecting the proletariat class workers. Thirdly, where long-time residents experience voluntary dislocation because increasing cost of necessities in the tourism areas. Fourthly, the reduction in a food production as the impact of land-use transformation from rice fields become tourist accommodations. And lastly, cultural degradation and loss of control over land as many people decide to lease their land to investors.

Figure 6. 1 Key Findings and Long-Term Consequences



Source: Author, 2024.

6.2.1 Vulnerability to Economic Shocks

Overdependency to only a particular industry makes an area increasingly vulnerable to external uncertainties. As the dependency level rises, it will decrease the ability to withstand challenges and sustain the local economy (Watson and Deller, 2022). In contrast, a more diversified economic sector enhances resilience and positively impacts on poverty levels (ibid. pp. 1206 – 1208). Not only influenced by external factors, tourism also exhibits a strong dependency on internal factors, indicating highly susceptible to crisis (Antonakakis, Dragouni and Filis, 2015, p. 152).

Two examples of the internal and external crisis that severely affected Bali’s economic condition and impacted the welfare of the local community are the Bali bombing and COVID-19 pandemic. Following the terrorist attack targeting tourist locations in 2002, the effect of it was felt in months until years afterward, as a consequence is the decline in tourist

arrivals (Gurtner, 2016, pp. 11). Additionally, employment decreased by 4.9%, with some districts, the World Bank estimating, even more severely declined that 30% people lost their jobs (Pambudi, McCaughey and Smyth, 2009). The same effects were observed during the pandemic. This external factor impacted in the loss of approximately 32%, which translates to around 820.000 workers facing heightened vulnerability (Sun *et al.*, 2021).

The story during pandemic left an impact on the local people's mind, many of them experienced struggled with the minimum of income. One resident, coded as NK02, who is directly works in the tourism industry, vividly described the hardship faced during the time. He said he had no income for almost 2.5 years due to pandemic, whereas it is significantly impacted on his level of consumption. This condition reflects the economic devastation felt by many grassroots level.

6.2.2 Increasing Income Inequality

Based on the research findings regarding to the economic impact due to tourism, majority of the respondents agree that their income is heavily influenced by the tourism sector. Undeniably, this industry creates opportunities by generating employment for local community in tourism area. However, a critical point of consideration is the extent to which this economic growth truly benefits the local community and whether it leads to sustainable long-term affluence for those who are involved or trapping community in what so called as a 'paradise'.

Capitalist extraction that dominates business in the tourism sector and is prioritized more into economic growth, often marginalizes local communities, leaving them behind in the process. As mentioned by Suryawardani (2015) related to tourism leakage — where potential of income is owned by another country because resources, including human and basic necessities, are imported from abroad, especially for the exclusive destination that attracts elite class. As a consequence, plans to use tourism as an employment generator often benefit only middle and upper class, and leaving many locals engaged in low-wage with unskilled labor position (Fagertun, 2017, p. 120). The issue of inequality in employment opportunities within tourism sector is further highlighted by the shift in workforce demands as the business expands. When the enterprise grow, then the need for skilled labour increases, which makes it difficult for local communities — who may lack specialized skills — to engage in the system (Meltzer and Ghorbani, 2017, p. 53)

The paradox of economic growth in tourism is evident in the reality of what so called as “trickle down” to the community, often in limited and insufficient amounts (Uğur, 2017, p. 55). The injustice produced by tourism is often rooted in neoliberal concepts, especially in developing countries. In these contexts, instead of delivering benefits for local people, tourism seems to be against the local community through exploitative practices (Giampiccoli and Mtapuri, 2020, p. 2). In Bali, according to Cole and Browne (2015) in Neef (2021, p. 54), this massive exploitation of local resources has been attributed to a “lack of accountability”. It is because approximately eighty-five percent of tourism enterprises are under the ownership of non-Balinese communities. This phenomenon was exacerbated during the disaster periods. Neef, (2021, p. 218) explains that when basic prices are dramatically declined, investors take this opportunity to extract resources from vulnerable communities, which worsens existing inequalities.

6.2.3 Voluntary Displacement

Numerous scholars highlighted the impact of gentrified areas is displacement of the long-term-residents (Liang and Bao, 2015; Cocola-Gant, 2018; Cocola Gant, 2015; Arbaci and Tapada-Berteli, 2012; Gladstone and Préau, 2008). For local community perspective, land represents a crucial assets, often used as a source of income by leasing or, in more urgent case, people decide to sell it. Based on the interviews reveal multiple reasons influencing the decision to voluntarily relocate. However, this paper categorized into two primary motivations: firstly, people are seeking for the additional income and secondly, to secure emergency fund during economic hardship.

In people mindset, it is considered fortunate for individuals who have inherited lands passed down through generations. In the past, mostly community primarily used their land for subsistence farming, such as rice cultivation. However, because the dominance of the tourism industry as an economic engine at the local level, then various conditions have emerged that pressured locals to shift away from traditional agricultural activities. As discussed in the Chapter 4.2, the condition includes is the shift of farming methods and raising of prices taxes. This financial strain has prompted many locals to convert their farmland into tourist accommodation, reflecting Bali's economy relies on tourism sector and increasing the needs of development facilities that catering tourists. This transformation seems promising, as it offers the potential to immediate revenue growth. Because people lack of income, many individuals consider partnering with investors, often transferring partial ownership of their land.

Another factor is because the high demand for tourist accommodations, particularly in coastal areas. Properties with scenic views command higher prices, this situation compels individuals to make a sacrifice by sell their land and voluntarily relocate to more affordable and less tourist-centric areas. This trend is exemplified by one of the respondents that lives near the coastline.

“Yes, I have. I've thought about selling the assets I own and looking for less expensive land. The consideration arises because land prices have become quite high. – NK02

Second motivations for voluntary relocation are captured during period of crisis, like Bali Bombing and COVID-19 pandemic, which increased the vulnerability condition of local. Because limited income is insufficient to cover their daily needs, people tend to sell their assets at low prices. The condition attracts investors who recognize the high potential of future returns as discussed in the previous section about ‘increasing income inequality’. Furthermore, another significant consequence of this crisis is relocation of the long-term residents because they have to sell their land assets. This condition is captured by the fluctuation of land prices during times of economic uncertainty

“Before the Bali bombings, land prices were over 1 billion IDR. After the bombings, the prices dropped significantly, and during COVID, the price for land outside Kelan (one of the street names) even fell to around 300 million IDR per are. However, now it's back up to over 1 billion IDR” – CK04

6.2.4 Threatening Food Security

Tourism in Bali has led to the transformation of agricultural land into hospitality infrastructure, resulting in major changes to the socio-economic patterns of the region. The condition has rendered farmers vulnerable, as the expansion of tourism resulting land

ownership among local residents is limited. Consequently, local farmer are compelled to find other sources of revenue from different sectors (Artini et al., 2020, p. 20). When economic value given by tourism industry continues to grow, on the other hand, the contribution of the agricultural sector in Bali has declined (ibid. p. 22). This fact is in line with the notion cited in Ambelu, Lovelock and Tucker (2018, p. 1751), who said according to many scholars both of tourism and food resilience influence each other. However, whether the relationship between both of the sectors constitutes mutualistic or parasitic symbiosis remains an important question.

Positivist theory argues that tourism will enhance to an increase in agricultural yield, which is positively correlated with food supply (ibid., p. 1756). This is because tourists require reliable access to food, prompting the agricultural sector to accommodate their needs. In contrast, there are also studies that challenge this theory, presenting a variety of counterarguments. The contest for resource utilization between tourism and agriculture — such as land used, labour, and other resources — may marginalize agriculture production and threaten food security (Ibid. p. 1756).

The inflation driven by tourism raises costs in agricultural sector, simultaneously limiting local food production and making it challenging to meet the tourism demands. As a result, tourism has to rely more on imported goods, which escalates economic leakage and reduces the potential benefit for the local community (Torres, 2003, p. 556). These preferences to choose import the food rather than utilize the local product are mostly occur in the high-end hotel (Suryawardani, 2015; Torres, 2003). Over-reliance on imported goods, however, may possibly lead to issues such as rising food prices and supply shortages, as the process cannot be controlled locally and the bargaining power increasingly favors foreign suppliers (Rozaki, 2021, p. 157). As a consequence, this may exacerbate the socio-economic gap in Bali.

6.2.5 Loss Control Over Land

The tourism boom in Bali has triggered to a transformation of land that was previously dedicated for traditional farming and other cultural practices within local society. This land, now is being repurposed to accommodate the needs of tourism sector. This trend is characterized by the growing preference for many locals to gain passive income by leasing their land to the investor, allowing them to earn quick income in the era of high tourism trends. However, there will be long term impacts that may lead to adverse consequences, including, consciously or unconsciously, eroding the cultural traditions that rooted in the Balinese community and diminishing their ability to maintain control over their island (Sumarja et al., 2023, p. 203).

Granting land ownership, especially to non-native residents, may result in adverse effect for the local community. For those who choose to lease their land to outsiders, even with a formal deed of agreement, may result in dissimilar understanding between the lessee and the kessor, leading to conflict and legal issues (Nahak and Budiarta, 2021, p. 592). The differing objectives among locals communities, who adhere to the cultural practices and believe that land is not solely for commercial use and hold an otherworldly connection with humanity (ibid., p. 589) contrast sharply with the investor mindset, which prioritize capital and business expansion. An example of this can be observed during the resort establishment near the holy temple in 1994, when local residents opposed the project. This opposition arose because sense of exclusion felt by community in response to the development, which aimed to utilize important and sacred temples as a exotic backdrop to attract tourist. Local contended that building a resort near the temple was controversial, as this development negatively impact to their cultural tradition (Chin and P Hampton, 2020, p. 320). The case highlight if local

perspective and participation is needed during the development process to foster sustainable and harmonious growth, ensuring that the local community remains as the primary owner and key stakeholder of the land

The other case is when people not physically displaced, they may still encounter various forms of resource restriction. The natural resources previously used for communal benefit may become inaccessible to the local community due to tourism development (Neef, 2021), p. 191). For example, the socio-economic transformation happened in the coastline area, where in South Kuta it previously used by fisherman to gain income through fishing, and now is occupied by elites to construct the luxury hotel. Now, fisherman can no longer access their area and are compelled to shift from their customary livelihoods. Such of development reflects a broader pattern where economic interest often overshadow the local needs, where the consequences is creating tension between growth and long-term community welfare.

6.3 What is Next? The Future of ‘Five New Bali’

Government intervention is essential to regulate the dynamics in tourism industry, which involves a diverse and interconnected networks of stakeholders. However, behind the established regulations, implementation challenges and failures can still arise. For instance, research finding indicate that in Bali’s tourism areas, the benefit of this industry growth have not primarily reached vulnerable communities, often prioritizing elite interest instead. This condition may lead to adverse long-term effects on social and economic equity. For policy interventions to be effective, during the policymaking process must involve local communities as key stakeholders (Aguinis et al., 2023, p. 2). He further emphasized that, rather than employing a “top down” approach, it is essential to address the needs of local communities. This applies not only in the planning stage but also during the policy communication. This process should not limited to formal channels, but also focus on building trust and relationship among stakeholders (Ibid., p.2). The case is further illustrated by policy examples initiated by the United Nations, where failed to be implemented due to lack of consideration for local contexts (Ibid., p.2).

Under President Joko Widodo, who was elected for two terms from 2014 to 2024, the Indonesian government established a tourism development agenda focused on creating Five Super Priority Destinations. This programs is a refinement of the earlier program called “10 new Balis”, which narrows the focus from 10 to only 5 priority destinations across Indonesia, aiming to expand and diversify the country’s tourism (Ramadhan and Kusumah, 2022, p. 30) which now still dominates in Bali. Five of the destinations have different characteristics, with each of them having a particular central areas, such as “Lake Toba in North Sumatra, Borobudur Temple in Central Java, Mandalika in West Nusa Tenggara, Labuan Bajo East Nusa Tenggara, and Likupang in North Sulawesi” (ibid. p. 32). These areas, according to Ramadhan & Kusumah (2022, p.32), already demonstrate remarkable potential as tourism destination, however, they still lack the necessary facilities to support tourists.

According to the Ministry of Tourism and Creative Economy, the development of this Five Super Priority Destination will be focused of two key aspects: include physical and non-physical development. The physical aspect will prioritize “amenity, accessibility, and attraction”, while non-physical development will emphasize human resource capacity and marketing strategies. Through this development, government aims to increase tourism’s contribution to the Gross Domestic Product (GDP) and boost the number of tourist arrival (Kementerian Pariwisata dan Ekonomi Kreatif, n.d.)

The decades - long tourism development in Bali offers valuable lesson, providing critical perspectives that benefit for the future of tourism development in Indonesia, especially for

the five super priority destinations. The findings highlight the importance of sustainable, inclusion and involvement of local communities as a tourism model. Due to the high significance on one particular industry, Bali faces challenges in resilience, making it vulnerable to both internal and external factors that impact the sustainability and well-being of local communities. According to Neef (2021, pp. 220 – 221) he suggests to achieve tourism that is sustainable, inclusive, and crisis-resilient, it is necessary to align with other essential local sectors that based on community needs, for instance agriculture. This approach could support both the local and tourist livelihoods. Agriculture, traditional industry that deeply embedded in many aspect of Indonesian culture. This sort of industry have to support and coexist with tourism rather than be displaced by it. Combination of multi kind of industries, in this way, can enhance the city's resilience to economic fluctuation. Additionally, the benefits of foreign exchange generated by international tourist arrivals should be utilized, particularly in empowering local products. This approach can help to reduce the economic leakage primarily associated with high-end tourism development and enhance the positive impact for local communities.

In addition, in terms of economic and social livelihoods, Bali's tourism sector has, in some cases, placed local communities in a vulnerable and unstable situation. This condition is illustrated by the findings indicating that the income level is predominantly in low level, a problem worsened by economic shocks like COVID-19, where some individuals have no income at all. Although the community values the tourism sector, income distribution remains inequitable, which lead to voluntary displacement over the long term. This as a sign the need to redesign policies that promote equitable economic development to avoid this negative side of tourism development. The benefit sof tourism are currently skewed in favor the investors and professionals (see Chapter 4.4), often leaving behind the individuals in the proletariat working. The development solely on physical renovation, according to Arbaci and Tapada-Berteli, (2012, p. 307), does not effectively address the poverty problems. Such efforts must be complemented by “people-based social intervention”. Therefore, future tourism development should prioritize support for these communities, for instance, by fostering local and small-to-medium enterprises. By focusing on empowering local communities, tourism can more equitably distribute the economic benefits and ensure local communities receive the advantages. Furthermore, empowering the local communities by providing the access to higher-skilled is also essential, as it can help to reduce the income gaps.

The rapid development of tourism are also trigger to the circumstances where people are interested to give the ownership of their area, either temporarily or permanently. This trend leads to the phenomenon of local exclusion, which over time lead to the erosion of traditional spaces and weakened community cohesion. Moreover, this sort of displacement causes cultural and social fragmentation within local communities. To develop other regions as a tourism center, a state has to implement a well-defined policy that includes active engagement with local groups and vulnerable communities (Neef, 2021, pp. 220 – 22). The policies have to limit the negative impact of over-tourism, such as regulating the infrastructure development, and ensuring that tourism does not overpower the local life that cause displacement.

Bali's tourism experience provides a precious lesson for other tourism development plan, particularly for five super priority region in Indonesia. The focus must shift from its previous emphasis solely on the economic sector to include the critical relationship with other stakeholders, for instance, the local communities (Uğur, 2017, pp. 57 – 58). The community itself, not merely acts as a land provider but also be actively involved in other steps of tourism development, including planning, implementation, and maintenance. Such involvement ensures fair distribution and impact on poverty reduction, also cultural heritage and

environmental preservation (Sumarja et al., 2023, p. 203). The community should not merely act as a land provider but must also be actively involved in all stages of tourism development, including planning, implementation, and maintenance. Such involvement ensures a fair distribution of tourism benefits, contributing to poverty reduction, cultural heritage preservation, and environmental protection (Sumarja et al., 2023, p. 203).

Chapter 7

Conclusion

This study examines the dilemma associated with gentrified tourism areas in Southern Bali, where a high density of tourist accommodation exists. Tourism in Bali has led to substantial economic dependency; however, findings indicate that a large proportion of local communities have income levels below acceptable standards, suggesting that the benefits of tourist are not equitably distributed among local communities. Additionally, tourism has contributed to rising land prices. Local communities take this opportunity by leasing or selling their land, which, over time, has led to the displacement of local residents.

While tourism provides a source of income for the community, but inflationary barriers have made it increasingly difficult for local communities to maintain access to their land. As the increasing tourism activity impacts to higher cost of essential needs, and the local people income from tourism-related activities is often insufficient to keep pace with these rising living costs. Another insight reveals that, despite the immediate economic benefit offers by tourism, the long terms impact may be less favorable, especially for local people. Potential future risk include reduced resilience during global disruptions, widening income gap, local people displacement, threats to food security, and loss of control over land.

The result emphasizes that tourism must align with local community to foster long term sustainability. This finding suggests that policymakers involved in tourism development have to consider several key points. First, it is essential to create an environment that support traditional industries, such as agriculture, allowing them to thrive alongside tourism and reducing tourism leakage. Second, the development of tourism should not only on infrastructure development but also include “people-based social intervention” to support local communities. Furthermore, to mitigate cultural erosion in gentrified areas, policies should actively involve local communities and ensure tourism refrains disrupt local life.

While this study presents an overview of the current condition of tourism in Bali and offers recommendations for future tourism development, there are few limitations to consider. First, in this paper does not take into account for the uneven development of tourism in Bali across districts. A comparative study between tourism in southern Bali and northern Bali could provide a more comprehensive strategy for tourism development. Additionally, incorporating the perspective from international tourist would further enrich the insights. Future research could address these limitations to offer more holistic understanding of the gentrification phenomenon in tourism areas.

In conclusion, while tourism in Bali has the potential to create high level of dependency among local community, however the focus on for long-term impact development must prioritize their well-being. For instance, the benefits of tourism should be distributed equitable for the local residents, and address the needs of this people rather than only catering the tourists. Additionally, land acquisition for tourism infrastructure should be carefully planned with active involvement of local individuals to prevent displacement and marginalization in the long term. By fostering collaboration among communities, government and the private sector, an inclusive tourism framework could generate benefits for all stakeholders while ensuring preservation of Bali’s heritage and building more resilient tourism planning

Appendices

Appendix 1: Closes-Ended Survey

Character:

- Respondents are local residents of Bali (with a Bali ID card) and currently employed.
- Sampling is conducted randomly.
- Each subdistrict has a minimum representation of 7 people.

List of Questions:

1. In which district do you currently live?
 - a. North Kuta
 - b. Kuta
 - c. South Kuta
2. In which subdistrict do you currently live?

North Kuta District	Kuta District	South Kuta District
a. Kel Kerobokan Kelod	a. Kuta	a. Jimbaran
b. Kel Kerobokan	b. Legian	b. Kedonganan
c. Kel Kerobokan Kaja	c. Seminyak	c. Tanjung Benoa
d. Tibubeneng Village	d. Tuban	d. Pecatu
	e. Canggu Village	e. Ungasan
	f. Dalung Village	f. Kutuh
		g. Benoa

3. Where is your residential address?

4. Are you currently working in the tourism sector?
 - a. Yes
 - b. No
5. Is your income affected by the number of tourists arrival?
 - a. Yes
 - b. No
6. If you work as an employee, does your workplace provide health insurance or other social benefits?
 - a. Yes
 - b. No
 - c. I am not an employee

7. How many hours do you work per day and how many days per week?
 - a. <10 hours per week
 - b. 10–20 hours per week
 - c. 20–30 hours per week
 - d. 30–40 hours per week
 - e. >40 hours per week

8. Do you have a side job (that generates income) besides your main job?
 - a. Yes
 - b. No

9. What is your approximate average monthly income range?
 - a. 0 – 1,000,000
 - b. 1,000,000 – 3,000,000
 - c. 3,001,000 – 5,000,000
 - d. 5,001,000 – 7,000,000
 - e. 7,001,000 – 9,000,000
 - f. >9,000,000

10. What type of housing do you currently live in?
 - a. House
 - b. Boarding house
 - c. Apartment
 - d. Other

11. If renting, approximately what percentage of your income do you spend on rent for your housing?
 - a. 0–25%
 - b. 26%–50%
 - c. 51%–75%
 - d. 76%–100%

Appendix 2: List of Interview Questions

Name:

Phone number:

Questions to Understand Respondents' Background

1. Are you currently working in Bali and do you have a Bali ID card (KTP of Bali)?
2. In which area/subdistrict do you currently live?
3. What is your daily occupation?
4. How many hours do you work in a day and how many days in a week?
5. Is your monthly income consistent, or does it vary depending on the season? If it varies, could you explain how?
6. What is your approximate monthly income?
 - a. 0 – 1,000,000
 - b. 1,000,000 – 3,000,000
 - c. 3,001,000 – 5,000,000

- d. 5,001,000 – 7,000,000
- e. 7,001,000 – 9,000,000
- f. >9,000,000
- 7. Do you live in your own house or rent a property?
- 8. If renting, approximately what percentage of your income is spent on housing?
 - a. 0 - 20%
 - b. 21% – 40%
 - c. 41% – 60%
 - d. 61% – 80%
 - e. 81% – 100%
- 9. How many families live in your household?
- 10. Does your workplace provide health insurance or other social security benefits?

General Questions

1. How long have you been living in Bali?
2. Could you describe your daily activities?

The Impact of Tourism on Respondents' Economic Conditions

3. Do you feel the impact of tourism? Please explain why.
4. Compared to 5 or 10 years ago, has your income and consumption increased or decreased? What factors do you think influenced these changes?
5. Is your income proportional to the price of basic necessities? For example, five years ago you might have been able to save, but now you cannot (or vice versa).

Impact on Land and Property Prices

6. What type of housing do you currently live in (e.g., house, boarding house, apartment, etc.)?
7. How did you acquire your current residence? (e.g., purchase, rent, inheritance, etc.)
8. Are you aware of how land and property prices in your area have changed in recent years? If yes, can you explain?
9. What is your opinion on the increase in land and property prices due to the development of tourism?
10. Has the increase in land and property prices affected your ability to find or maintain housing or land in Bali?
11. Have you ever considered selling your land or moving out of your residence? If so, can you share your story?
12. In your opinion, has there been a change in the use of rice fields or housing for the development of properties or tourism facilities?
13. What are the current challenges faced by Bali residents in owning housing?

Future Perspectives

18. What are your hopes for the future of tourism in Bali concerning the well-being of the local community?
19. What do you expect from the government or authorities to ensure that tourism does not negatively affect public access to housing?

Additional Information

12. Do you have any experiences you would like to share related to land and tourism in Bali?

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