

Analysis of the social and economic impacts of the Nusa Penida Festival on the local community

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ABSTRACT

This study aims to analyze the social and economic impact of the Nusa Penida Festival on local communities in Nusa Penida, Bali. This annual festival showcases the cultural, artistic, and marine tourism of Nusa Penida, as well as the promotional media of the destinations and community empowerment. This study used a qualitative descriptive method and a case study approach. Data were collected through a literature review by examining various relevant secondary sources, such as scientific articles, government reports, and media publications. The results of the study showed that the Nusa Penida Festival has a positive contribution to local communities. From a socio-cultural perspective, this festival strengthens community identity and pride, encourages social participation, and increases awareness of the importance of cultural preservation. From an economic perspective, this festival encourages micro, small, and medium enterprise (MSMEs) activities, creates job opportunities, and increases local economic turnover. However, challenges such as decreased visitors, overtourism potential, and environmental pressure must be a concern in future management. Therefore, the Nusa Penida Festival must be directed toward the principle of sustainable tourism that emphasizes collaboration between government, community, and industrial actors so that the benefits can be distributed evenly and sustainably.

Keywords: tourism events; social impact; economic impact; local community; Nusa Penida Festival.

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1. INTRODUCTION

Tourism events have been a strategic instrument for developing tourism destinations in various regions in Indonesia. Based on the Priority Program of the Ministry of Tourism for the Fiscal Year of 2025, the Ministry of Tourism and Creative Economy of the Republic of Indonesia (Kemenparekraf RI) determined event organization as one of the five national flagship programs to strengthen the competitiveness and image of Indonesian tourism on the global stage. In this report, until July 1, 2025, it was recorded that 32 events have been held out of 106 Nusantara Events registered in Event by Indonesia digital platform, an information system developed by Kemenparekraf as a medium for promoting and documenting national events. From the 32 events, there are more than 1.96 million visitors with a total economic turnover reaching IDR 352.97 billion.

As an international tourism destination, Bali actively supports this policy through the organization of various regional and international events. One of the flagship events that is consistently held is the Nusa Penida Festival, an annual festival showcasing the natural, cultural, and marine tourism potential of Nusa Penida. According to an interview with the Acting Regent (Pj) of Klungkung, I Nyoman Jendrika (in Suratan Bali, 2024), this festival was first held in 2014 and is held regularly every October. The 2025 festival will be the eighth implementation of the Nusa Penida Festival, after being halted for three years due to the Covid-19 pandemic (2020-2022). Through this festival, tourists not only enjoy the natural charm of Nusa Penida but also obtain in-depth experiences regarding the cultural richness, art, and traditions of the local community (Ginanti et al., 2025).

The development of MICE tourism through the Nusa Penida Festival not only introduces the natural beauty and cultural richness of Nusa Penida but also indirectly stimulates the local economy of Nusa Penida. Local community participation is an important element in this process because acceptance, support, and tolerance of local communities greatly contribute to the optimal development of tourism (Wijana, 2020). This involvement results in multiple effects, such as increased community income, the creation of new job opportunities, and the growth of supporting sectors, such as transportation, accommodation, culinary, and crafts (Citrawati, 2018).

This finding is in line with the study by Swandewi et al. (2024), who stated that the Tomohon International Flower Festival in North Sulawesi encouraged the growth of the local economy through increased tourism activities and the involvement of local MSME actors. A similar pattern can also be seen in sports events, such as the Paragliding Champion in Sumedang, West Java, which was proven to have a significant contribution to the local economy and strengthen the cultural identity of the local community (Rahma et al., 2025). On the other hand, tourism is not only oriented toward achieving economic profits but also plays an important role in maintaining, showing, and revitalizing cultures as the identity and character of the community (Mirayani et al., 2023). Thus, the support and active involvement of local communities in holding events are crucial factors in strengthening the social, cultural, and economic benefits of MICE tourism.

However, despite these benefits, the organization of this event presents complex challenges, particularly related to social, economic, and environmental sustainability for local communities. Cultural exploitation and the pressure of modernization can affect the community's social values, including shifts in lifestyle, norms, and traditional customs (Dinata et al., 2024). Moreover, increased tourists during the event often cause pressure on infrastructure and the environment, such as traffic jams, increased waste volume, and decreased public space quality. Presbury (in Arcana, 2014) emphasizes that MICE events can have negative impacts, such as cultural commodification and dissatisfaction of local communities and tourists, if they are not managed with sustainable principles.

The level and characteristics of the impacts vary depending on the event scale and the social characteristics of the local community. The active participation of the community in holding the event is an important factor influencing perceived social and economic benefits. Based on the above background, this study aims to analyze the socio-cultural and economic impact of the Nusa Penida Festival on local communities. The results of the study are expected to provide practical benefits for organizers and Nusa

Penida's communities in understanding and optimizing the socio-cultural and economic benefits of holding festivals sustainably.

2. THEORITICAL REVIEW

2.1 MICE Tourism

MICE Tourism, which is an acronym for Meetings, Incentives, Conferences, and Exhibitions, is one of the fastest-growing segments of the tourism industry and has a significant contribution to the economic growth of the host country. This sector has advantages in attracting business tourists and generating substantial income by organizing various professional and corporate activities (Singh, 2021). The MICE industry involves organizers and service providers that regulate and facilitate various events, such as meetings, conferences, exhibitions, and other events for business, academic, cultural, or social purposes (Wee et al., 2022). As a cross-sector industry, MICE plays an important role in powering activities in the trading, transportation, accommodation, culinary, information technology, and financial sectors (Seebaluck et al., 2013). With its complex and collaborative characteristics, MICE tourism is a strategic element in expanding connectivity between industry actors and strengthening destination image at both the national and global levels.

2.2 Sociocultural Impacts

Event organization can increase social capital by encouraging community participation and fostering a sense of togetherness. In Shiraz, various events are correlated with increasing social capital and community involvement (Azmi & Hashemi, 2020). Events also promote cultural exchange and diversity (Mehmood, 2023). MICE tourism provides opportunities for local communities to show and promote regional cultures through art performances, festivals, and cultural activities that are open to tourists (Arcana, 2014). Thus, the organization of events functions not only as a means of entertainment and destination promotion but also as a medium of preserving cultural values and strengthening the social identity of local communities.

2.3 Economic Impacts

Festivals and events have long been recognized as important instruments for developing the local economy, particularly through their roles in promoting tourism and stimulating local economic growth (Swandewi et al., 2024). A study conducted in Shiraz, Iran, showed that a cultural festival can provide a tangible economic impact by increasing community economic interactions and creating new job opportunities (Azmi & Hashemi, 2020). Moreover, a study in Águeda, Portugal, found that event-based tourism significantly contributes to economic growth and regional development (Mehmood, 2023). Similarly, the ITF Women's Tennis Championship in Seville results in direct and indirect economic benefits perceived by local communities (Hurtado et al., 2007). Conceptually, these findings show that the organization of events has a strong multiplier effect on the regional economy, both by increasing income circulation, creating job opportunities, and growing creative economic sectors. Therefore, the literature emphasizes that tourism events function not only as a medium for promoting destinations but also as an instrument for developing a sustainable local economy.

3. RESEARCH METHOD

This study used a qualitative descriptive method and a case study approach. A qualitative approach was chosen because it was considered the most suitable to understand the social phenomena deeply, while the descriptive method was used to provide a systematic overview of the impact of the Nusa Penida Festival on the socio-cultural and economic conditions of local communities in Nusa Penida. The research

data were obtained from various relevant secondary sources, including scientific journal articles, research reports, online media, and official publications discussing related topics. This step was performed to establish a comprehensive and in-depth analysis framework (Susanto et al., 2024). The data analysis technique used was content analysis, in which the data were processed by identifying initial codes during the open coding stage, followed by recontextualizing and grouping them into relevant categories and themes (Safitri et al., 2022). To maintain data validity and credibility, this study applied source triangulation, in which information was compared and verified from various references to obtain a more accurate and objective understanding of the phenomenon being studied (Arianto 2024). Moreover, literature sources were selected based on the level of credibility, publication reputation, and currency of information to ensure the reliability of the analysis results in answering the research problems.

4. RESULT AND DISCUSSION

4.1 Socio and Cultural Impacts

One of the main goals of the Nusa Penida Festival is to preserve and promote local cultures and traditions to the younger generations, as well as to both domestic and international tourists (Kemenpar RI, 2025b). This festival highlights various cultural and traditional activities, such as traditional dances, ceremonial rituals, and traditional competitions, which represent the identity of Nusa Penida's community. As a tradition that has been preserved since its first implementation, the festival opening always begins with a performance of 1,000 *Rejang Renteng* dancers accompanied by the *Mulang Pakelem* ritual at Devil's Tears Beach, Nusa Lembongan. Moreover, the festival also features *Baleganjur* performances, *Mekare-kare* (war dance), and various traditional art attractions that enrich the cultural experiences of visitors.

The organization of cultural events in tourism destinations is proven to be an effective method to increase tourist visits and introduce local culture to a wider audience (Pratama et al., 2024). According to Azmi and Hashemi (2020), tourism events play an important role in strengthening the cultural identity of the community and become a means of cultural exchange between the local community and tourists. Furthermore, Rahma et al. (2025) emphasize that events also function as a major medium for introducing and promoting local cultures because they can present local symbols and icons that represent the identity of a region. In this context, the Nusa Penida Festival is an important momentum to celebrate the cultural and natural richness of Nusa Penida, as well as to strengthen collective awareness of the preservation of traditional values (Kemenpar RI, 2025b).

In addition, support from local communities plays a significant role in the success of organizing a festival. Pitanatri et al. (2025) emphasized that community involvement can create tourist satisfaction while fostering the desire to visit again. The Regent of Klungkung, I Made Satria (in Tempo, 2025), states that the Nusa Penida Festival involves various elements of society, including local organizations, MSME actors, artists, cultural figures, communities, and educational institutions. This festival also serves as a platform for the community to showcase handicraft products, traditional cuisine, and creative works, highlighting the uniqueness of Nusa Penida's culture. Similar to Citrawati (2018), this kind of cultural event plays an important role as a means of socialization, exchanging experiences, and strengthening community awareness towards the preservation of local traditions.

However, despite its various social and cultural benefits, the festival also has the potential to generate challenges for the sustainability of the region. Ginanti et al. (2025) demonstrate that Nusa Penida is facing the overtourism phenomenon, causing pressure on the environment, such as erosion, pollution, and damage to the coastal ecosystem. Sudipa et al. (2020) add that since the organization of the Nusa Penida Festival in 2014, there has been an increase in the development of tourism facilities, which causes land conversion and a reduction of green areas, both in coastal and inland areas. This condition is in line with the warning of Damayanti et al. (2015), who emphasize the importance of developing Nusa Penida as a sustainable tourism area through spatial planning, environmental preservation, and development of eco-friendly public facilities.

Therefore, the organization of the Nusa Penida Festival must be directed towards the principles of sustainable tourism that balance cultural promotion and environmental preservation. The active involvement of local communities is a key factor in maintaining the authenticity of culture, strengthening social identity, and ensuring that this festival is not only an annual celebration but also a means of empowering the community and preserving Nusa's cultural heritage for future generations.

4.2 Economic Impacts

MICE tourism contributes approximately 7% of the total world tourism activity (Safaeva, 2020). Safaeva further explains that MICE tourists generally consume resources but have higher spending and tend to extend their stays for shopping or entertainment. Thus, these characteristics make MICE tourists a segment providing a significant contribution to the host country's economy.

The organization of the Nusa Penida Festival is expected to become a platform for cultural promotion and environmental preservation and a driver of economic growth for the local community. During the Nusa Penida Festival 2023 for three days, the number of visits reached 65,312, with a total transaction for product sales from MSME stands of IDR 575,008,875 (Widyati, 2023). This data indicates the high enthusiasm of the community and tourists for the festival's return after a three-year hiatus due to the COVID-19 pandemic.

However, the organization in 2024 experienced a significant decline. According to the official website of the Klungkung Government, the number of Nusa Penida Festival visitors was 22,741, consisting of 3,553 international tourists and 19,188 domestic tourists, with total economic transactions of approximately IDR 250 billion. Although the number of tourists declined by more than 50%, this did not reduce the local government's commitment to continue holding this festival in the following years as part of efforts to strengthen the identity and attractiveness of Nusa Penida.

Economically, the organization of an event in a destination plays a major role in driving local economic activities, which supports the development of the macroeconomy and increases community welfare (Swandewi et al., 2024). The event also strengthens supporting sectors such as logistics businesses, food and beverage providers, event organizers, and various other tourism services (Rahjasa, 2025). Moreover, this kind of festival encourages economic turnover through increased income of MSME actors who sell local products, such as handicrafts, traditional cuisine, and culture-based souvenirs (Pratama et al., 2024).

Tourism, as a multidimensional sector, has a wide impact because it correlates with almost all areas of economic activity, including transportation, accommodation, the creative industry, and education (Safaeva, 2020). Thus, the organization of the Nusa Penida Festival not only functions as a tourism activity but also as a catalyst for developing the local economy that encourages community participation, strengthens regional economic resilience, and fosters a cultural- and sustainable-based business ecosystem.

5. CONCLUSION AND RECOMMENDATION

Nusa Penida Festival has a positive impact on the social, cultural, and economic aspects of the local community. This festival is not only a means of cultural preservation and promotion, but also opens economic opportunities through the involvement of MSME actors and other tourism-supporting sectors. However, challenges such as declining visits, the potential for cultural commodification, and environmental pressure must be carefully addressed to ensure that this festival remains sustainable and has long-term benefits for the Nusa Penida community.

In the future, the organization of the Nusa Penida Festival must be directed toward the concept of sustainable tourism that emphasizes collaboration between the government, community, and tourism industry actors. Local governments are expected to strengthen policy support, infrastructure, and promotion oriented towards empowering local communities. Event organizers should actively involve the community in every activity to ensure that economic and social benefits are evenly distributed. Meanwhile,

the community is expected to maintain environmental preservation and local cultural values as the major foundation for the festival's sustainability.

Ethical Approval

Not Applicable

Informed Consent Statement

Not Applicable

Authors' Contributions

IAP contributed to the conceptualization of the study, determination of research objectives, and overall research design. She conducted the literature review, analyzed secondary data related to the Nusa Penida Festival, and drafted the main sections of the manuscript, including the discussion and conclusions. PAW contributed to the analysis of socio-cultural impacts, particularly in interpreting issues of community identity, participation, and cultural preservation. He also provided substantive input to strengthen the theoretical grounding of the study and reviewed the manuscript for conceptual clarity. NKSM contributed to the analysis of economic impacts, including MSME development, employment opportunities, and local economic circulation. She assisted in synthesizing findings, refining the discussion on sustainability challenges, and revising the manuscript to enhance coherence and academic quality.

Disclosure Statement

The Authors declare that they have no conflict of interest

Data Availability Statement

The data presented in this study are available upon request from the corresponding author for privacy.

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Notes on Contributors

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