

Problems of Tourism Leakage in Badung Regency due to Foreign Tourist Invasion

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Abstract

Purpose: Bali Province, a popular tourist destination, is facing challenges due to the "Foreign Tourist Invasion." This term refers to foreign tourists dominating the local economy by establishing illegal businesses, such as restaurants, tour services, and money changers. These operations often evade taxes and negatively affect local enterprises.

Research Methodology: This study employed a qualitative descriptive approach using a case study method. Data were collected through in-depth interviews, direct observations, and document analysis in tourism hotspots, such as Kuta, Seminyak, and Nusa Dua.

Results: The study reveals that tourism leakage is caused by the weak enforcement of regulations, the dominance of foreign-owned businesses, and minimal local community involvement. Consequently, most tourism revenue benefits foreign investors rather than local residents.

Conclusion: To mitigate leakage, this study recommends strengthening community-based tourism (CBT), supporting local SMEs, enforcing tourism-related regulations, and diversifying tourism markets to include more domestic travelers.

Limitations: The study's findings are geographically limited to major tourist zones in Badung Regency and rely on qualitative data, which may not fully capture broader statistical patterns across Bali, Indonesia.

Contributions: This study provides strategic insights for policymakers and tourism stakeholders by highlighting the need for structural reforms in tourism governance. It also raises awareness of the long-term socioeconomic implications of unmanaged tourism and advocates for sustainable, inclusive tourism development rooted in local participation.

Keywords: *Invasion, Impact, Tourism, Travelers*

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1. Introduction

1.1 Background

The tourism industry in Badung Regency, Bali, is one of the main contributors to the region's economy. The regency is a major tourist destination that attracts many international tourists, the majority of whom come from Europe, Australia, and Asia. However, the phenomenon of increasing foreign tourist arrivals has led to tourism leakage, which indicates that much of the revenue from the tourism sector does not benefit local communities. As a world tourism destination, Bali is supported by the availability of infrastructure, including an international airport that provides easy access to Bali and main roads that provide access to various tourism facilities and attractions within the region (Suryawardani, Bendesa, Antara, & Wiranatha, 2014).

One of the strengths of Bali tourism, as mentioned above, is the local culture of the Balinese people. Culture becomes the value of life and attraction for outsiders. Tourism and local culture have a strong reciprocal relationship. As one of the popular tourist destinations in Indonesia, Balinese culture covers various aspects such as art, tradition, religion, and customs, and has become a major attraction for tourists from all over the world. For example, tourists are attracted to Bali because they have a desire to witness various traditional ceremonies, traditional dances, gamelan music, sculpture, and architecture firsthand. In this context, the local culture is the main tourism product offered to visitors. Cultural festivals, such as Hari Raya Nyepi, Galungan, and Kuningan, often take center stage and are promoted as part of cultural tourism packages. Tourism has greatly contributed to the local economy, but it has also impacted the sustainability of the culture (Sari, Pandrianto, Azeharie, Sukendro, & Irena, 2024).

Although tourism has brought about development for Bali's economy for many years, the economic impacts of tourism development have not been proven to be fully beneficial for the Balinese community. Tourists' expenditures have not completely become income of Bali's economy because some portions of tourists' expenditures leak out of the destination in the form of payment for imported products and services, payment of wages for foreign employees, and profits transferred to foreign owners. Leakage occurs when an industry imports both consumption and resources from other countries to support its growth. Leakage can be defined as losses from the national income flow generated during the transition from the local/national consumption income cycle to the spending chain. Import can be seen as a leakage that limits the positive impact of tourist expenditure on a destination. Therefore, there is a need to ascertain the current amount of leakage from tourism in Bali. Although the scope of tourism is relatively wide, this study focused on the accommodation sector only, as most of the foreign tourists' expenditures in Bali have been on accommodation. Therefore, the objective of this study is to calculate the amount of tourism leakage from the accommodation sector in Bali. The results of this research are expected to provide a better understanding, awareness, and positive responses from the government and stakeholders to improve the economic impact of tourism on the Balinese community (Suryawardani et al., 2014).

Tourism leakage occurs when most of the revenue generated from the tourism sector flows to outsiders, such as international operators and large companies that control accommodation and tourist attractions. This causes economic inequality and reduces the competitiveness of the local tourism sector (Sharpley 2020). Along with the growth of the tourism sector, the phenomenon of foreign tourist "invasion" further exacerbates dependence on the international market. The phenomenon of foreign tourist "invasion" refers to the domination or dominance of the presence of international tourists in a particular tourist destination, which can cause imbalances in the tourism sector and local economy. In the context of Badung Regency, Bali, this phenomenon is increasingly evident with the increasing number of foreign tourists arriving and the dependence on international markets.

Badung Regency is one of the most visited areas by foreign tourists in Bali. Since 2017, there has been a significant annual increase in foreign tourist arrivals to Badung, with an average growth of approximately 7-10% per year (Sharpley, 2020). Based on data from the Badung Regency Tourism Office in 2023, the number of foreign tourist arrivals to Bali in 2023 reached approximately 6.3 million, of which around 70-80% of the total visited the Badung area, especially the Kuta, Seminyak, and Nusa Dua areas. Based on data from Bali Tourism, approximately 80% of foreign tourist spending in Bali is diverted to international facilities that do not provide direct benefits to the local economy. Based on a report by, around 60% of Bali's total tourism investment is foreign-originated, with the main focus on hotel and resort development and the culinary industry. Although the tourism sector accounts for approximately 50% of Bali's GRDP (BPS, 2023), the direct impact on Kemenparekraf (2020) local communities is still limited. Much of the revenue from the tourism sector flows to large and foreign companies. A survey by Utama, Suardhana, Sutarya, and Krismawintari (2024) showed that around 70% of local people in the main tourist areas, such as Kuta and Seminyak, are not directly involved in the tourism sector, even though they live in tourism hubs. These problems are examples of the impact

of the "invasion" of foreign tourists. Therefore, it is important to further examine this phenomenon to find the right solution to overcome tourism leakage in Badung Regency.

This research case study was conducted in Badung Regency because the data indicated that the highest tourism leakage was in Badung Regency. This statement is supported by previous research by Suryawardani et al. (2014), who stated that in their research on tourism leakage in the accommodation sector in Kuta, Sanur, and Nusa Dua, the highest leakage was in 4 and 5 star hotel chains at 55.3 percent, followed by 4 and 5 star non-chain hotels at 15.7 percent. The highest source of leakage from imports of alcoholic beverages was 64.1 percent, followed by imports of food products and food ingredients at 20.5 percent, and foreign workers in Bali tourism accommodation.

This study aimed to identify the factors causing tourism leakage in Badung Regency. The second purpose is to analyze the impact of foreign tourist invasion on the local economy. This study also aims to provide policy recommendations to reduce tourism leakage and increase the sustainability of the tourism sector in Badung Regency. The contribution of this research is to raise awareness among all stakeholders of Bali and Indonesian tourism to enforce the rules for tourists who violate the rules so that it does not just stop at deportation. Another contribution of this research is to provide suggestions related to strategic and collaborative steps to open the 'dark space' of the possibility of Humphrey at various points and tourism activities that have the potential to violate regulations, which only exploit the wealth of Indonesia's tourism resources and do not provide maximum benefits for the economy and local communities.

1.2 Problem Formulation

Based on the above background, the problem formulations in this study are as follows:

1. What are the factors causing tourism leakage in the Badung Regency?
2. What is the impact of the foreign tourist invasion phenomenon on Badung Regency's local economy?
3. What efforts can be made to reduce tourism leakage in the Badung Regency?

1.3 Objective

The objectives of this study were as follows:

1. Identify the factors causing tourism leakage in Badung Regency.
2. Analyze the impact of foreign tourist invasion on the local economy.
3. This study provides policy recommendations to reduce tourism leakage and increase the sustainability of the tourism sector in Badung Regency.

2. Literature review

2.1 Definition of tourism

In accordance with Law No. 10 of 2009 concerning Tourism, what is meant by tourism is defined as various kinds of tourism activities supported by various facilities and services provided by the community, entrepreneurs, the government, and regional governments. Tourism is all activities related to tourism and is multidimensional and multidisciplinary in nature that emerges as a manifestation of the needs of each person and country and the interaction between tourists, the Government, Regional Government, and Entrepreneurs (Astina & Artani, 2017).

2.2 definition of tourist

Referring to Law No. 10 of 2009 on Tourism, what is meant by a tourist is a person who carries out tourism activities. Tourism is a travel activity carried out by a person or group of people by visiting a certain place for recreational purposes, personal development, or studying the uniqueness of the tourist attractions visited in a temporary period. The principles of tourism planning within the scope of local, regional, national, and international can be formulated as follows: Tourism development planning must be a unity with regional or national development of the country's economic development. b. This requires an integrated approach. c. This must be under the coordination of the overall physical planning of the area. d. The physical planning of an area for tourism purposes must be based on research on its

geographical factors, not just administration. e. Pay attention to Ecological factors should be considered. f. Not only do we pay attention to problems from an economic perspective, but also to the social factors that arise. g. In tourism planning in areas near industrial areas, it is necessary to pay attention to the provision of entertainment facilities to anticipate the short working hours of workers in the future. h. Tourism is the form it takes, and the purpose of development is to improve the welfare of many people without distinguishing between race, religion, and nation. Therefore, tourism development must pay attention to the possibility of increasing cooperation with other nations under the principle of mutual benefit (Astina & Artani, 2017).

2.3 Tourism Leakage

Tourism leakage refers to revenue flows from the tourism sector that do not benefit the local communities. This often occurs in developing countries that rely on tourism as their main source of income (Blake, 2022). Sharpley (2020) showed that leakage can occur when tourism management is controlled by foreign companies or international operators that do not involve many local actors. Suryawardani et al. (2014) define tourism leakage as: (i) import goods and services for consumption or investment in tourism; (ii) payments for foreign tour operators and agencies; (iii) payment to foreigners for management contract and royalties; (iv) profits which are paid to foreign stakeholders; (v) interest paid for external credits in the tourism sector; (vi) exchange costs for tourism investment; (vii) advertising in international marketing and promotion expenditures; (viii) commissions paid to foreign banks, credit cards and for agency used by tourists; (ix) savings of foreign employees; (x) education abroad and training costs of tourism employees; (xi) saving of employers, employees, and entrepreneurs; and (xii) taxes paid to government. The cause of imported products entering a destination is incapability of a destination in producing product which fulfil standard of product quality needed by foreign tourists

2.4 Foreign Tourist Invasion

Foreign tourist invasion refers to the dominance of international tourists who change the consumption patterns and preferences of the tourism market. This can lead to imbalances in management and profit distribution (Toubes, Gössling, Hall, & Scott, 2017). Research by Khan, Hassan, Fahad, and Naushad (2020) suggests that foreign tourists often carry a higher preference for international facilities than those managed by local communities, leading to economic leakage.

2.5 Changing the Paradigm of Tourism Development Overtourism

Economics and environmental sustainability. The concept of tourism carrying capacity is instrumental in this context; it defines the maximum number of tourists a destination can accommodate without inflicting harm on its physical, economic, or sociocultural environments. Exceeding this threshold can lead to severe consequences, such as pollution, infrastructure strain, and sociocultural disruption. Addressing overtourism necessitates a sustainable approach that enhances the quality of life of residents while preserving environmental integrity. Vandana Shiva's ecofeminist perspective offers valuable insights into combating overtourism by advocating for a return to feminine principles that prioritize life-affirming practices. This paradigm shift emphasizes local wisdom and equitable power dynamics between tourists and host communities. Additionally, the notion of hype-overtourism highlights efforts to restore community presence while promoting longer tourist engagement through unique experiences. Thus, tackling overtourism requires a multidimensional analysis encompassing environmental, social, economic, and cultural factors, alongside sustainable tourism management strategies (Sutanto & Setiadi, 2020).

To mitigate overtourism effectively, several strategic interventions can be implemented by government bodies, tourism managers, and local communities as follows: a) Regulating the number of tourists: Implementing daily visitor quotas or seasonal tourism taxes can help alleviate overcrowding while protecting local environments. b) Promoting sustainable practices: Emphasizing renewable energy use, waste management solutions, and community involvement in decision-making processes can minimize the negative impacts on both culture and the environment (Suasapha, 2022). c) Diversifying destinations: Encouraging the exploration of lesser-known areas can distribute tourist traffic more

evenly across regions (Suasapha, 2022). Moreover, fostering local community participation in tourism planning enhances acceptance and ensures that development aligns with community needs, striking a balance between economic growth and cultural preservation. Educating tourists about ethical travel practices is crucial; raising awareness of their impact on local environments encourages responsible behavior during their visits. By implementing these strategies collectively, stakeholders can work towards achieving sustainable tourism that benefits all parties involved while safeguarding Bali's unique cultural heritage for future generations (Utama et al., 2024).

2.6 Tourism Communication

Effective communication is a key factor in creating interest, building a positive image, and increasing public awareness of the potential of tourist destinations to drive tourism success. The right communication can build brand awareness of a destination and strengthen cultural identity, which, in turn, will increase the number of tourist visits. Tourism communication not only plays a role in promotion but also serves as a tool to build strong relationships between destination managers, local communities, and tourists. This relationship is important for maintaining the sustainability of tourism and ensuring that the social, cultural, and environmental impacts of tourism activities are well managed. To create sustainable tourism, communication plays an important role in spreading messages related to the importance of environmental preservation, local culture, and tourists' social responsibility. Efforts to create sustainable tourism must be supported by several factors, namely, (1) local community involvement, (2) special tourist education, and (3) crisis and reputation-based management. First, Local Community Involvement ensures that the community is involved in the tourism development process and receives economic benefits from tourism activities. In addition, local communities can be involved as communication agents who promote local culture and traditions to tourists. Second, tourist education is needed so that tourists understand their responsibilities towards the environment and local culture, which is an important aspect of maintaining the sustainability of tourist destinations. Tourists should respect the ecosystems and cultures they visit and engage in sustainable tourism. Third, communication is crucial in managing crises that may arise due to natural disasters, political issues, or other social problems. A quick and transparent response through crisis communication can help restore the reputation of an affected tourist destination (Sari et al., 2024).

3. Research methodology

This study used a qualitative approach with a descriptive method. Researchers conducted case studies in several major tourist destinations in Badung Regency, such as Kuta, Seminyak, and Nusa Dua, which have high levels of foreign tourist visits. Data collection techniques included in-depth interviews with local tourism industry players, destination managers and local communities. Researchers also conducted direct observations and documentation to obtain more in-depth data.

4. Results and discussions

4.1 Descriptive Statistical Analysis of Variables

Badung Regency is one of the most visited areas by foreign tourists in Bali. For example, data from dispar.badungkab.go.id (2023) show that the number of foreign tourist arrivals to Bali in 2023 reached approximately 6.3 million, of which approximately 70-80% of the total visited the Badung area, especially the Kuta, Seminyak, and Nusa Dua areas. Badung receives around 4.5 million foreign tourists, which means almost 75% of the total foreign tourist arrivals to Bali. Since 2017, there has been a significant annual increase in foreign tourist arrivals to Badung, with an average growth of approximately 7-10% per year (BPS, 2023).

Foreign tourists tend to spend their money on sectors controlled by international operators, such as star hotels, international restaurants, and large shopping centers. Based on data from Wiweka and Chevalier (2022), approximately 80% of foreign tourist spending in Bali is diverted to international facilities that provide no direct benefit to the local economy. Approximately 60% of star-rated hotels in Badung are owned by international chains, which affects the distribution of less profit to the local community. Data from balihotelsassociation.com (2023) show that only 20-25% of the revenue generated by star hotels in Badung is left for the local economy. Foreign tourists prefer international restaurants or warungs that

have international standards, which causes economic leakage as most of the restaurant's revenue flows to foreign owners.

Most of the investment in Badung's tourism sector comes from foreign firms. According to a report by Kemenparekraf (2020), around 60% of Bali's total tourism investment comes from foreigners, with the main focus on hotel and resort development and management. In Badung, many foreign investors have majority stakes in star hotels and luxury resorts, shifting their profits overseas. Foreign investment in Bali's tourism sector in 2022 was recorded at around USD 1.2 billion, and most of these funds were concentrated in Badung, especially in tourist hubs such as Kuta and Nusa Dua. Many hotels, restaurants, and travel agencies in Badung are managed by international companies. According to a report by the Indonesian government (Kemenparekraf, 2020), around 60% of Bali's total tourism investment comes from foreigners. Furthermore, data from dispar.badungkab.go.id (2023) show that around 60% of star-rated hotels in the Kuta and Nusa Dua areas are owned by international companies. This contributes to significant economic loss. According to balihotelsassociation.com (2023), only 20-25% of the revenue generated by star hotels in Badung is left for the local economy.

Local communities are still less involved in tourism management. BPS (2023) notes that approximately 60% of workers in Bali's tourism sector are contract workers or permanent employees working in large tourism facilities managed by foreign investors. Only about 10-15% of workers are involved in businesses owned by local communities, such as small warungs, community-based lodging, and handicraft products. According to Julianti, Sugiantari, Suharyanti, and Udytama (2023), most revenue from the tourism sector, especially from international hotels and restaurants, does not return to local communities in the form of business opportunities or employment. Foreign tourists tend to spend money in international facilities such as large shopping centers, luxury restaurants, and attractions that do not directly involve the local economy (Liu, Shao, De Sisto, & Li, 2021). Research shows that more than 70% of foreign tourists' spending in Bali does not contribute to the local economy.

4.2 Impact of Tourism Leakage

The main impact of tourism leakage is the low distribution of income received by local communities. For example, Setiawan (2023) shows that outflowing tourism sector revenue hinders the growth of the small and medium enterprise (SME) sector in Badung. Although the tourism sector accounts for approximately 50% of Bali's GRDP (BPS, 2023), its direct impact on local communities remains limited. Much of the revenue from the tourism sector flows to large and foreign companies. Survey results by Utama et al. (2024) show that around 70% of local people in the main tourist areas, such as Kuta and Seminyak, are not directly involved in the tourism sector, even though they live in areas that are the center of tourism. In addition, around 30-40% of the jobs created in the tourism sector only involve lower-level local workers (such as hotel and restaurant staff), while management and profits are largely controlled by foreign investors.

The influx of foreign tourists has strained the local transportation system, with many opting to rent vehicles without proper licenses, leading to an increase in traffic violations and accidents (Apriola & Elfira, 2024). Accommodation facilities are also under pressure, as the demand for services exceeds the supply, resulting in potential safety and quality issues (Khan et al., 2020). The dominance of foreign tourists triggers cultural homogenization, a process in which cultural uniqueness is lost due to the influence of foreign tourists, leading to a loss of local identity. This reduces the authenticity of the local traditions. Many traditional businesses have been displaced by foreign-based businesses that cater to the preferences of international tourists. Cultural homogenization can also eliminate local traditions and customs.

The phenomenon of foreign tourist invasion also affects the environmental carrying capacity of the Badung Regency. With the increasing number of tourists, tourist areas such as Kuta and Seminyak are experiencing pressure on their infrastructure and environment. Based on data from dispar.badungkab.go.id (n.d.), the daily carrying capacity of Badung's tourist destinations, such as Kuta Beach, has reached more than 10,000 people, which exceeds the environmental carrying capacity limit

and causes damage to the beach ecosystem and the surrounding environment. In recent years, local communities have begun to feel the injustice of foreign tourists' dominance in major tourism areas. Based on interviews with several locals in Kuta and Seminyak (2023), many complained about the high cost of living due to inflation triggered by the high demand for goods and services purchased by foreign tourists, as well as fewer opportunities for local small and medium enterprises (SMEs). This has led to social and economic disparity. Approximately 60% of the interviewees felt that the tourism sector has increased socio-economic inequality between large (usually foreign) business owners and small businesses run by local people (Utama et al., 2024).

4.3 Leakage Mitigation Strategy

One of the government's top priorities is to increase the involvement of local communities in the tourism sector to ensure that the benefits of the sector can be enjoyed by local communities, not just by foreigners or large investors. An approach to tourism that involves local communities in the decision-making process and ensures that they benefit from tourism activities. This concept is important in the context of the query because it offers a potential solution to the problem of tourism invasion in Badung Regency. Community-based tourism can empower local communities and promote cultural preservation. Community participation in tourism planning is advocated as a way to implement sustainable tourism. This model was applied in a case study in Palawan, Philippines, where indigenous communities previously initiated a community-based ecotourism project (Okazaki 2008). Community-based tourism is often presented in the literature as a sustainable livelihood for Indigenous communities living in environmentally rich and vulnerable areas. This study examines 1) the potential benefits of IK for conservation through tourism, 2) how IK is transmitted to tourists, and 3) the impact of community-based tourism on communities and their use of IK (Varumo, 2016).

However, villagers' involvement in decision-making processes in community-based tourism is limited, other than Village Authorities. A key contribution to the research literature is the exploration of gaps in the literature regarding the informal economy and supply chains for community-based tourism (Singbandith 2016). The Badung Regency Government, through the Badung Regency Tourism Office, is implementing a local community-based tourism village program that aims to reduce dependence on large foreign-managed companies. According to the (BPS, 2023), several tourist villages, such as Penglipuran and Tenganan, are starting to receive greater attention from the government and private sector to develop tourism potential managed by local communities, with an emphasis on preserving local culture and nature. The government also provides training and assistance to local small and medium-sized enterprises (SMEs) to develop tourism products that meet market demand, including handicrafts, local culinary products, and homestays. This program is implemented in collaboration with institutions such as the Bali Tourism Board (BTB) and the Ministry of Tourism and Creative Economy (Kemenparekraf, 2020). Reliance on foreign investment, which often leads to economic leakage, has been a major focus of the government's efforts to reduce the impact of foreign tourist dominance. Stricter restrictions on foreign investment in the tourism sector aim to ensure that profits generated are more widely enjoyed by local communities.

The Indonesian government, through the Investment Coordinating Board (BKPM) and the Bali Tourism Office, has introduced a regulation that requires partnerships between foreign investors and local businesses. The dispar.badungkab.go.id (2023) introduced new regulations that require foreign investors to partner with local businesses in the ownership and operation of large-scale accommodations and restaurants. The government has also begun to limit the amount of foreign land ownership in the tourism sector in favor of broader local partnerships. These restrictions are in place to reduce the influence of foreign domination on the development of large tourist properties, which can exacerbate social and economic inequality.

To reduce dependence on foreign tourists and increase the resilience of Bali's tourism sector to global fluctuations, the government has focused on developing domestic tourism. One important step is to optimize the potential of the domestic tourist market, which has not been fully explored yet. The "Wonderful Indonesia" program promoted by the Ministry of Tourism and Creative Economy

Kemenparekraf (2020) aims to increase the number of domestic tourists to Bali, targeting the market segments of families, young travelers, and halal tourism. According to Kemenparekraf (2020), domestic tourism is showing a positive trend, with a 15% increase in domestic tourist arrivals to Bali by 2023 after being promoted through various digital channels and social media. The government has also started to improve infrastructure that can enhance the domestic tourist experience, such as improved public transportation, more affordable accommodation, and the development of new tourist destinations outside the main areas, such as Kuta and Ubud. As the number of foreign tourists increases, the pressure on natural resources and the environment grows. Bali government has taken steps to protect Bali's natural and cultural preservation from the negative impacts of over-tourism

This approach to tourism prioritizes environmental conservation, social responsibility, and cultural sensitivity. This concept is important in the context of the query because it offers a potential solution to the problem of tourism invasion in Badung Regency. Sustainable tourism practices can help reduce the negative impact of tourism. This concept, which is still being developed, has the potential to stimulate the implementation of sustainable development through an interdisciplinary, holistic, and integrative approach that incorporates various aspects of existing tools (Liu et al., 2021). It takes the reader through all aspects of sustainable tourism, from the emergence of the paradigm to sustainability issues across all types of tourism and all components of the industry (Khan et al., 2020). The achievement of sustainable tourism is an ongoing process that requires constant monitoring of impacts to advance the preventive or corrective actions needed to reduce negative effects on tourist areas (Apriola & Elfira, 2024).

The government, through the Bali Environment and Forestry Agency, launched a sustainable tourism management program that prioritizes the preservation of Bali's nature and culture. The program includes the use of renewable energy in hotels, reduction of plastic waste, and community-based waste management in the area. To prevent environmental damage due to over-tourism, the government has begun to impose limits on the number of visitors to several natural tourist destinations, such as Kuta Beach and West Bali National Park. This approach is expected to maintain Bali's natural tourism attractiveness without damaging its ecosystem. The government has also introduced several policies aimed at mitigating the social impact of excessive foreign tourist arrivals. These include regulations governing the behavior of foreign tourists and their interactions with local communities.

Government policies and regulations are aimed at managing tourism activities and ensuring that such activities are sustainable and responsible. This concept is relevant to the question as it highlights the need for effective policies and regulations in Badung Regency to prevent tourism invasions. Tourism policies and regulations can help mitigate the negative effects of tourism. The Bali government has introduced a Tourism Regional Regulation (Perda) that regulates the number of tourists who can visit certain tourist areas and limits foreign tourists' access to sensitive cultural sites. This policy aims to maintain a balance between tourism and cultural preservation in the area. The Bali government has also introduced a higher Tourism Tax for star hotels and large tourist facilities owned by foreign investors. This tax revenue is used to finance projects that support the sustainability of the tourism sector and improve the quality of life of local communities. The protection and conservation of cultural heritage sites and traditions ensure their preservation for future generations. This concept is important in the context of the request, as it highlights the need to preserve cultural heritage in Badung Regency in the face of tourism invasion. The preservation of cultural heritage can promote cultural tourism and community empowerment. Evaluation of the social, economic, and environmental impacts of tourism on local communities and destinations.

This concept is relevant to the question because it highlights the need to assess the impact of tourism in Badung Regency. Tourism impact assessments can inform sustainable tourism planning and policymaking. The encyclopedia focuses on all aspects of tourism and has been prepared to provide all possible ways and means for sustainable tourism development in modern times (Khan et al., 2020). Appropriate Tourism Impact Assessment (ATIA) offers a pragmatic way to assist decision-makers, project developers, and affected communities, thus moving the tourism industry in developing countries

towards sustainability (Candia & Pirlone, 2021). The planning and management of tourist destinations to ensure that they are sustainable, responsible, and beneficial to local communities. This concept is important in the context of the query because it highlights the need for effective destination management in Badung Regency. Destination management can help mitigate the negative effects of tourism. Although this concept is easy to understand in theory, it is difficult to implement because it involves effective cooperation between private and public actors in the tourism industry (Sutama, Dewi, & Rahayu, 2024). Therefore, the originality of this paper is based on the interpretation of the model, which enables a logical sequence of steps in tourism destination management that leads to sensible management, thus enabling sustainable governance (Errichiello and Micera, 2021).

In this study, analysis and intervention proposals have been put forward through the use of three methodological tools (value chains, Delphi, and focus groups), enabling policymakers and tourism destination managers to make the best decisions, focusing their resources and efforts on factors that contribute more to the generation of value perceived by customers, the provision of sustainability, and, consequently, improving the efficiency of their interventions (Pulido-Fernández & López-Sánchez, 2016). The link between tourism and community development highlights the potential for tourism to contribute to local economic development and community empowerment. This concept is relevant to this study as it highlights the potential benefits of tourism in Badung Regency. Tourism can contribute to community development if it is managed sustainably.

A review of the relevant tourism and community development literature suggests that collaborative networks may provide a viable way to assist CBT in achieving greater benefits for local communities (Sutama et al., 2024). Management of tourist taxes and revenues to ensure that they benefit local communities and promote sustainable tourism. This concept is important in the context of demand, as it highlights the need for effective tourist taxation and revenue management in Badung Regency. Tourist taxation and revenue management can drive sustainable tourism development (STV). The relationship between tourism and environmental conservation highlights the need to protect the environment and promote sustainable tourism practices. This concept is relevant to this study as it highlights the importance of environmental conservation in Badung Regency. Tourism can contribute to environmental degradation if it is not managed sustainably. The involvement of stakeholders, including local communities, in tourism governance and decision-making ensures that their needs and concerns are addressed. This concept is important in the context of this study as it highlights the need for stakeholder engagement in preventing tourism invasion in Badung Regency. Tourism governance and stakeholder engagement can promote sustainable development. An innovative tourism approach that prioritizes sustainability, community empowerment, and cultural preservation offers an alternative to mass tourism. This concept is relevant to the request because it highlights the need for an alternative tourism model in Badung Regency. Alternative tourism models can promote sustainable tourism development and reduce the negative impacts of it.

5. Conclusion

5.1. Conclusion

Tourism leakage in Badung Regency is caused by a high dependence on international operators, the dominance of foreign tourists, and low involvement of local communities in the tourism sector. This leads to an unequal distribution of profits and lowers the potential of the local economies. Based on the results of this study, the solutions or suggestions provided to overcome tourism leakage in Badung Regency are by developing agriculture, livestock, fisheries, and local craft industries, optimizing the use of local products, empowering local communities, and developing the local wine industry.

This momentum raises awareness among all stakeholders of Balinese and Indonesian tourism to enforce the rules, not just stopping at deportation. Strategic and collaborative steps are needed to open up the 'dark space' of the possibility of other leaks at various points and tourism activities that have the potential to violate regulations, only exploiting the wealth of Indonesian tourism resources and not providing maximum benefits for the local economy and community.

This research can be a momentum to evaluate the direction of Indonesian tourism development to consistently develop community-based tourism (CBT). The practice of this concept is close to the good intentions of tourism objectives stated in Law 10/2009 concerning tourism. Article 4 states that tourism aims to: 1. increase economic growth; 2. Increase people's welfare; 3. Eliminate poverty; 4. Overcoming unemployment; 5. Preserving nature, the environment, and resources; 6. Advance culture; 7. Raise the nation's image; 8. Foster a sense of love for the country; 9. Strengthening the identity and unity of the nation and; 10. Strengthening international friendships.

CBT simply provides the widest possible opportunity for communities around tourist attractions to access decent employment opportunities and conduct business, both trade and other services, taking advantage of the arrival of tourists. In the development stage of tourist destinations, the application of CBT is evident when local communities are invited to consider the impact of projected changes in their residential environment when visited by many people from within and outside the country. Thus, Bali tourism will become a national example as a destination that provides significant economic benefits for local communities, improves their quality of life of local communities, and prioritizes the preservation and sustainability of nature and local culture.

5.2 Limitations

a) Limited Geographic Coverage

This study focused on the main tourist areas in Badung Regency, such as Kuta, Seminyak, and Nusa Dua. The findings may not fully represent the conditions in other areas of Bali that have different tourism characteristics.

b) Limitations of Quantitative Data

This research relied on qualitative methods, including interviews, observations, and document analysis. The results may lack depth in providing a broader statistical picture of tourism's economic leakage.

c) Research Time

The research was conducted in the post-pandemic period, when many tourism policies and trends were still recovering. These data may not fully reflect leakage patterns under normal pre-pandemic conditions.

d) Unexplored Social and Cultural Aspects

This research focuses on the economic aspects of tourism leakage. The impact of changes in the cultural values of local communities has not been explored in depth.

5.3 Suggestion

a) Increasing Local Community Involvement

Policies that encourage local communities to participate in the management of tourist destinations and the provision of tourism facilities can reduce leakage. For example, local economic empowerment programs through entrepreneurship training and providing access to communities in tourism business management are recommended.

b) Promoting Sustainable Tourism

Develop more sustainable and environmentally friendly forms of tourism, with more attention to the welfare of local communities, such as community-based tourism (CBT).

c) Tourism Market Diversification

Local governments can introduce and promote domestic tourism as an alternative to reduce their dependence on foreign tourists. Based on (BPS, 2023), the number of domestic tourists to Bali has increased by 15% over the last five years.

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