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The Impact Of Social And Economic Changes Of Digital Nomadic On Tourists And The Local Community In Canggu

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Abstract

This research focuses on the social and economic impacts of digital nomad tourism in Canggu, a popular destination in Bali. Digital nomads, who integrate work and travel, are influencing the local economy and social structure. While tourism theoretically enhances local infrastructure and boosts the economy, the reality in Canggu presents different challenges. The influx of digital nomads has led to economic benefits for some, particularly in sectors like hospitality and services. However, local residents face rising property prices and living costs, creating an uneven distribution of economic advantages. Socially, digital nomad tourism has shifted interpersonal interactions from face-to-face communication to digital platforms, affecting traditional social values and cohesion. Additionally, environmental issues, such as water pollution due to insufficient waste management in local businesses, are emerging concerns. Conflicts between local communities and investors also arise, as some business deals breach initial agreements. The research highlights the need for a more holistic and inclusive approach to digital nomad tourism development in Canggu. This approach should address social, cultural, and economic factors while ensuring that the benefits are distributed more equitably across the local community. Infrastructure improvements must support both digital nomads and local residents while maintaining environmental sustainability. The findings suggest that while digital nomad tourism has potential, its development must be carefully managed to balance economic growth with the social and environmental well-being of Canggu's local community.

Keyword: Digital Nomad, Social, Economy, Canggu

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INTRODUCTION

Tourism activities impact both the economy and society. The tourism sector is closely linked to various potentials that significantly support productive economic sectors. Essentially, the social impacts of tourism result from the social interactions between tourists and local communities. These impacts affect social aspects such as education, mass media, transportation, communication, and other development sectors, which serve as channels for social and cultural changes, as well as internal dynamics within society (Suwena and Widyatmaja, 2017). Canggu Village is a favorite destination for tourists located in North Kuta, Badung Regency. Canggu Village is near Seminyak and Kuta areas, making it a frequently visited destination. This proximity makes Canggu easily accessible to tourists. The well-maintained roads to Canggu Village allow tourists to travel by car or motorcycle (Prabawati, 2020). Bali has become a popular hub for digital nomads. It is a workplace that continuously upgrades its facilities to accommodate digital nomads, both new arrivals and returning ones. Two popular locations in Bali are Ubud and Canggu (Sari & Adikampana, 2022). Digital nomadic travel is a style of vacation that combines a "play and plug" lifestyle with travel. "Plug" refers to the ability to establish a new workspace or domain when moving to a new location and quickly blending in as locals with internet-connected devices, while "play" refers to the ability to immerse themselves as locals in the new place.

This has indirectly impacted the social and economic life of the local community. The influx of tourists, particularly digital nomads, has led to social interactions between tourists and local residents. These interactions can bring about changes in the community's values and life patterns, potentially leading to shifts in social behavior, religion, morals, and language (Pratiwi, 2017). The consumer behavior of the local population reflects changing attitudes and lifestyles. Therefore, it is feared that the development of digital nomadism may bring more negative impacts to the local community. This concern is supported by the research of Jaya & Mahagangga (2018), which found that tourism in Canggu Village has caused conflicts between local residents and investors, as some investors violated initial agreements made with the local community.

The study by Wahyundaria & Suanarta (2020) also highlights that the development of tourism in Canggu Village has revitalized the local economy, leading to the emergence of businesses such as hotels, cafes, restaurants, and laundries. However, these businesses have caused environmental pollution, particularly water contamination, which affects the people of Canggu Village due to the lack of wastewater management systems. This water pollution has altered the social life of Canggu's residents. This research also analyzes the economic impacts

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of digital nomadism, including how it affects the tourism sector, local industries, and income distribution within the local community. By understanding the social and economic changes brought about by the digital nomad phenomenon in Canggu, stakeholders, including local governments, tourism industry players, and the local community, can make informed decisions to maintain environmental balance, as well as economic and social sustainability in the region.

LITERATURE REVIEW

Digital Nomadic

According to Mouratidis (2018), the term "digital nomadic" comes from the word "digital," which means involving or relating to the use of computer technology, and "nomad," referring to individuals who wander from one place to another without boundaries. Makimoto (2013) states that digital nomads represent a new lifestyle where people are free from time and location constraints, thanks to the advancement of smart mobile devices and high-speed communication networks. Essentially, digital nomads differ from regular tourists in the way they work and are often found in coworking spaces.

Social Change

Changes that occur within organizations or social institutions that affect their social systems are referred to as social changes (Soemardjan, 1991). Based on this explanation, we can say that social change is the shift that occurs due to alterations in the social structure and organization of a community. Social change can influence behavior, environment, values, norms, technology, and beliefs. These changes can impact a large portion of people in their interactions within certain communities, especially those in their immediate surroundings.

Tourism Economic Changes

The concept of economics can be described as a set of rules governing family relationships. A more in-depth definition refers to the field that studies human behavior in making decisions, meeting needs that are relatively unlimited by limited purchasing power, and interacting with others to achieve prosperity and well-being (Deliarnov, 2003). There are eight major categories of tourism's impact on the local economy, including foreign exchange earnings, community income, job opportunities, prices, benefit distribution, ownership and control, development, and government revenue.

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Social Impact

The interaction between tourists and the local community in tourism activities will result in social impacts. These impacts can have both positive and negative outcomes. The negative impact of tourism on the surrounding community is the shifting or changing of local lifestyles to follow those of visitors or tourists, especially among teenagers and children, such as in language use, clothing styles, and other behaviors (Yusuf & Hadi, 2020).

METHOD

This research employs a qualitative research method, specifically using an exploratory research approach. The method aims to provide a description of the research object based on actual data and facts. The study involves key informants such as the village head, village secretary, digital nomadic tourists in Canggu, and local tourism stakeholders in Canggu. The data collected is intended to determine the social and economic impacts of digital nomads on the local community and tourists in Canggu Village through observations, interviews with informants, and documentation. Data analysis follows the Miles and Huberman model, as explained by Sugiyono (2015), where qualitative data analysis is conducted interactively and continuously until the data is saturated. The activities include data reduction, data display, and conclusion drawing (verification).

RESULT AND DISCUSSION

The aim of this research focuses on social and economic impacts. However, during the course of the study, two additional themes emerged that are also worth discussing: the impact on infrastructure, which is also related to economic effects, and the impact on the nomadic community itself. Canggu Village has developed into one of the main destinations for digital nomads, bringing significant changes in social interactions, cultural values, and the local economic dynamics. The findings reveal that digital nomad tourism in Canggu has led the local community to become increasingly dependent on social media, abandoning traditional economic practices and adopting a more modern lifestyle. Social interactions have shifted from direct communication to communication through digital platforms, which has also altered local lifestyle patterns and cultural values.

In addition to social impacts, Canggu's economy has also undergone a significant transformation, with locals transitioning from agriculture to the tourism sector, renting out properties, and utilizing social media for business marketing, which in turn has significantly increased their income. However, this growth has also resulted in rising property prices and the

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cost of essential goods, posing challenges to the local community's well-being.

The impact on the digital nomad community itself is also significant. Digital nomads benefit from improved infrastructure and rich cultural interactions, but they also face challenges such as rising living costs and increasing competition in the local market. The village authorities have tightened supervision and control to ensure safety, yet rising property prices and essential goods costs remain an issue for the digital nomad community in Canggu.

This research highlights a significant discrepancy between theory and practice in the impact of digital nomad tourism development in Canggu Village. Theoretically, digital nomad tourism is expected to provide evenly distributed positive impacts socially, economically, and infrastructurally for both the local community and digital nomads. However, findings in the field show that the actual development does not fully align with these theoretical expectations. Socially, instead of strengthening social relationships through digital media, the opposite has occurred: the local community has experienced a shift in values and social interaction from face-to-face to digital interaction. This shift, although it offers easier communication, reduces the intensity of interpersonal relationships and potentially weakens the strong social cohesion previously found in the local community.

This study underscores the mismatch between theoretical expectations and reality in the development of digital nomad tourism in Canggu. Theoretically, the growth of digital nomad tourism is expected to improve the quality of life and provide equitable economic benefits. However, in practice, only a few benefit, while many local residents face rising living costs and property prices.

Infrastructure also faces issues, with unregulated construction, such as the haphazard installation of cables and provider towers, disrupting connectivity and adding to the burden on the local community. From the perspective of digital nomads, the hope for a free lifestyle is also hindered by rising living costs and intense competition in the local market.

CONCLUSION

This research suggests the need for a holistic approach in developing digital nomad tourism in Canggu, which includes attention to the social, cultural, and economic impacts on the local community. Enhancements in digital infrastructure should be balanced with efforts to maintain social interaction and community cohesion. The government needs to ensure a more equitable distribution of economic benefits and improve infrastructure to meet the needs of both digital nomads and local residents. Thus, Canggu can evolve into a sustainable and beneficial digital nomad destination for all.

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