

ABSTRACT

Dugderan is a tradition held annually in Semarang City to welcome the holy month of Ramadan. Dugderan tradition is one of the tourist attractions of Semarang City that has historical and cultural values, so this tradition needs to be preserved and developed. The aim of this study is to identify the positive and negative externalities of Dugderan Tradition, to the economic value of Dugderan Tradition, visitors' willingness to pay (WTP), and transaction costs of Dugderan Tradition development, and recommend strategies for Dugderan Tradition development. This study analyzes and describes the data collected using a combination of quantitative and qualitative methods. The sampling technique used were accidental sampling for 100 respondents and purposive sampling for four key persons.

Dugderan tradition has a positive impact on the community's economy and can increase cultural promotion in Semarang City. However, there are still some negative impacts, including traffic congestion, noise and crowds, and increased amount of rubbish. The estimated total economic value of Dugderan Tradition is Rp698,500,000. The largest economic contribution comes from the culinary business with an estimated total income of 550 million rupiah or 78.7%. Most of visitors are willing to pay for improvements to Dugder Market, with an average WTP value of visitors is Rp6.644. The transaction costs for the development of Dugderan Tradition are charged to Semarang City Culture and Tourism Office and Semarang City Government. Recommendations for strategies that can be implemented include enforcing regulations related to security, order, and cleanliness, adding game rides, involving the younger generation in the Dugderan Procession, and creating Dugderan tour packages that can be sold to tourists.

Keywords: externalities, total_economic_value, willingness_to_pay, dugderan, semarang.