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Legal Protection for Investors in the Establishment of Hotel Tourism Accommodation in Karangasem Regency

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ABSTRACT: The form of legal protection for investors is by providing convenience in this case, for example, the provision of facilities and local governments to investors to facilitate every investment activity in order to encourage increased investment in the region. Based on the background of the problem that has been described above. Then several problems can be formulated as follows 1) How is the regulation of legal protection for investors in the establishment of tourism accommodation Hotels in Karangasem Regency? 2) What are the obstacles faced by investors in the construction of tourism accommodation Hotels in Karangasem Regency? This research is normative legal research, the research approach used in this study is the legislative approach, sociological approach, comparative law approach, and case approach. In terms of data arranged systematically, then analyzed qualitatively so that it is expected to get a clear picture of the problems faced. After qualitative analysis is carried out, the data will be presented descriptively qualitatively and systematically. The regulation of legal protection for investors in establishing hotels in Karangasem Regency, is regulated in matters related to licensing by the government has been regulated in Article 2 of Government Regulation of the Republic of Indonesia Number 5 of 2021 concerning the Implementation of RiskBased Business Licensing. The obstacles faced by investors in building hotels in Karangasem Regency, namely regulatory obstacles, the first obstacle is regarding licensing regulations, tax obstacles, land dispute obstacles, human resource qualification obstacles, infrastructure obstacles.

KEYWORDS: Legal Protection, Investor, Investment, Tourism, Accommodation.

I. INTRODUCTION

Tourism continues to be developed as a key sector of development in Bali to support the local economy, considering that the region lacks major natural resources such as oil and gas, forest products, or manufacturing industries. Bali's appeal as a tourist destination both for international and domestic visitors is supported by its rich natural environment and local culture (E. Maryani, 2019). The growth of the domestic tourism market has encouraged investors to develop new tourist destinations aimed at local travelers. Villages have become an attractive option, as they often possess unique natural, cultural, and historical wealth (I Wayan Wesna Astara, 2023). In the context of the existence of tourism and ecotourism from historical, sociological, and legal perspectives, it essentially represents a form of human need aimed at the well-being of humanity (Wayan Wesna Astara, 2025).

The development of the tourism sector requires supporting facilities such as accommodations (hotels, villas), restaurants, travel agencies, money changers, infrastructure, and attractive tourist destinations. In the development of tourism in a region, the provision of these facilities is a crucial part, including the construction of hotels as accommodation facilities. In Bali, tourism development is expected to continue emphasizing local cultural values to align with existing policies. As an industry, tourism must be designed with consideration for the interrelated economic, social, and cultural aspects within society.

Bali has two village governance systems: the traditional village (desa adat) and the administrative village (desa dinas). During the Reform Era in Bali, these two types of villages emerged, known as village dualism desa adat and desa dinas (I Wayan Wesna Astara, 2024). The dualism of village governance in Bali between desa adat (customary village) and desa dinas (administrative village) is one of the unique characteristics that influences tourism development in the region. Karangasem Regency is one of the areas where the tourism sector continues to grow, particularly in Bugbug Village. The variety of natural tourist destinations in this village makes it a strategic location for investors to build accommodation facilities such as resorts, hotels, and villas.

Efforts to develop villages in Bali as tourist destinations have been underway since the colonial era, driven by researchers' interest in the unique characteristics of Balinese villages. In the process of developing tourist villages, government involvement is crucial. The government must collaborate with tourism actors such as tour guides and travel agencies to explore a village's unique features before designating it as a tourist village (I Made Suwitra, 2021).

Bugbug Village has a variety of tourism potentials that can be developed, both in terms of natural and cultural tourism. Its natural potential includes rich flora and fauna, landscapes, and natural phenomena that can attract tourist interest. Meanwhile, its cultural potential covers customs, arts, and traditional ways of life, which can be packaged into cultural tourism activities aimed at learning about the cultural heritage of a region (Nyoman S. Pendit, 2003). However, from a spatial planning perspective, the development of tourism accommodations in Bali often overlooks comprehensive spatial planning. There is a mismatch between the construction of tourism facilities and the designated land functions for example, developments along coastal boundaries that disrupt ecosystems and reduce the natural function of beaches as barriers against abrasion.

The rapid development of tourism accommodation areas in Bugbug Village, Karangasem, along with increased construction across various sectors, has driven the use of land owned by the local community and customary village for business purposes such as the development of tourist attractions, resorts, hotels, and guesthouses. Spatial changes resulting from globalization have influenced the community's perspective on local values. However, the rapid growth of the tourism area has not been matched by a governance system that maintains environmental balance. The construction of resorts and hotels along cliff edges to capitalize on scenic views has also had a negative impact on the sustainability of the coastal environment and the livelihoods of traditional fishermen.

The main issue arising in the Bugbug Village area is the opposition by segments of the local community to the construction of tourism accommodations such as resorts and hotels on customary village land. This resistance stems from alleged violations of sacred zone boundaries as stipulated in the Decree of the Central Board of Parisada Hindu Dharma Indonesia Number: 11/Kep/I/PHDIP/1994 on the Bhisama (sacred decree) of Temple Sanctity. The decree outlines that major temples such as Sad Khayangan, Dang Khayangan, and Khayangan Tiga have specific sanctity radii, known as daerah kekeran, which must be preserved. For example, the sanctity radius for Sad Khayangan temples is at least 5 km, for Dang Khayangan at least 2 km, and for Khayangan Tiga, it follows traditional measurements known as Apenimpug or Apenyengker. Construction that disregards these sanctity boundaries is seen as a violation of the local community's spiritual and cultural values.

Based on the Decree of PHDI on the Bhisama of Temple Sanctity, several members of the Bugbug Customary Village have opposed the construction of tourism accommodations in an area they believe still falls within the sacred zone of Pura Bukit Gumang, which is classified as a Dang Kahyangan temple. The resort development by PT. Starindo Bali is located approximately 900 meters from the temple, thus violating the minimum sanctity radius of 2,000 meters as stipulated. Tensions peaked on August 30, 2023, when residents held a protest at Tanah Aron Field in Amlapura. The protest escalated into an incident involving arson at the project site, which was subsequently reported to the Bali Regional Police by the company, citing damages exceeding two billion rupiah. As a result, ten individuals were named as suspects. This conflict has affected investor risk perception in Karangasem Regency, despite the fact that the tourism sector has otherwise been a proven driver of economic growth, income circulation, and improved community welfare.

Given the important role of the tourism sector in driving economic growth, it is not surprising that over the past decade, many countries both developed and developing have sought to position themselves as destinations for foreign investment. From the investor's perspective, global market openness offers opportunities to invest capital in various countries to gain profits. Meanwhile, host countries hope that the presence of investors will contribute to national development through active participation in economic activities (Aminuddin Ilmar, 2010).

Tourism is a key driving force in economic and social development. This sector contributes to economic growth by increasing income, creating employment opportunities, attracting investment, and boosting service exports. Beyond its economic benefits, tourism also plays a role in preserving cultural heritage and supporting the development of infrastructure and public facilities. In Indonesia, the tourism sector contributes to national economic growth and raises the gross domestic income. Globally, tourism has become one of the industries with the most significant growth potential in the modern era (I Made Adnyana, 2013). Tourism is one of the largest industries in the world, as reflected in the increasing number of tourist arrivals and the revenue it generates, including in Indonesia. The government has positioned this sector as a symbol of economic development due to its significant contribution to both regional and national income. In addition to serving as a driver of economic growth, tourism also plays a key role in job creation and reducing unemployment (Aniesa Samira Bafadhal, 2018).

As a comparison, tourism in Singapore is largely man-made, yet it has grown rapidly thanks to innovation and the use of advanced technology. Despite not relying on natural beauty, Singapore has successfully turned tourism into an economic driver through aggressive promotional strategies, particularly targeting neighboring countries. The Singaporean government actively builds the country's tourism image through branding efforts, notably with the slogan "Passion Made Possible," launched on August

24, 2017. This slogan reflects the spirit and character of the Singaporean people. The success of Singapore's tourism sector is also supported by strong public backing and a conducive investment climate, resulting in minimal social conflict during its development (Rudi Hermawan, 2019).

Theoretically, Indonesia holds great potential as an investment destination, including in the tourism sector. However, in practice, various issues often arise that create legal uncertainty. Legal certainty is a crucial element for investors it entails the existence of regulations that are consistently enforced and provide protection for invested capital, business actors, and the investment activities themselves. Without strong legal guarantees, investor interest may decline due to perceptions of high risk (Refnaldy Maulana, Eduardus Bayo Sili, 2022).

Increased investment in the tourism sector and the creation of added value can stimulate national production growth, generate more employment opportunities, and ultimately enhance public welfare. Capital accumulation is a key determinant in the pace of economic growth for a country or region. Through capital expansion, labor specialization can improve, thereby boosting productivity and, in turn, strengthening investment appeal. However, the investment climate is shaped by a range of complex factors beyond purely economic considerations. In addition to streamlined licensing procedures that are fast, simple, and secure, political stability and regional security are also critical to ensuring that investors feel confident and comfortable in committing their capital (Bachruddin Saleh Luturlean, 2019).

Within the structure of the national economy, the tourism sector holds significant potential to increase state revenue through foreign exchange earnings. However, tourism development requires substantial capital, which must come not only from the government but also from the private sector, local communities, and foreign investors. Ideally, this funding need should be met by domestic capital capacity, in line with Article 33, paragraph 4 of the 1945 Constitution of the Republic of Indonesia, which emphasizes the principles of self-reliance, equity, and sustainability within an economic democracy.

That article implicitly affirms the vital role of the private sector in national development. Unfortunately, one of the main challenges hindering investment inflows is legal uncertainty. Without clear legal certainty namely the existence and enforcement of regulations that protect capital, business actors, and investment activities the investment climate becomes unfavorable. Therefore, the formulation and implementation of laws and regulations directly related to investment and tourism are crucial to creating an investor-friendly environment. (Amiruddin, 2006).

The Tourism Law, specifically Article 22, stipulates that tourism entrepreneurs are granted several rights protected by the state. These rights include: equal opportunity to conduct business in the tourism sector; the right to form and join tourism associations; legal protection in the operation of their businesses; and access to facilities in accordance with prevailing laws and regulations. This provision underscores the important role of entrepreneurs in the development of the tourism industry while also providing legal assurances to ensure a healthy and competitive business climate.

Legal protection is closely linked to the principle of justice, as the primary aim of law is to achieve fairness within society. This aligns with the view of Soediman Kartohadiprodjo, who stated that the essence of law lies in the pursuit of justice. In civil law, there are two types of legal subjects: natural persons (natuurlijk persoon) and legal entities (rechtspersoon). A natural person is an individual legally recognized as capable of acting, while a legal entity is a group of individuals or other legal bodies recognized as a legal subject. Legal entities are further classified into two categories: public legal entities (publiek rechtspersoon) and private legal entities (privaat rechtspersoon) (Soediman Kartohadiprodjo, 1987). According to Satjipto Rahardjo, legal protection is realized by granting individuals the authority to act lawfully and proportionately in pursuit of their interests. In this regard, law does not merely regulate behavior, but also recognizes and safeguards the rights and interests of both individuals and legal entities (Philipus M. Hadjon, 1987).

According to Philipus M. Hadjon, legal protection is a subjective condition indicating that certain legal subjects must have access to resources to ensure the continuity of their existence. This protection is guaranteed by law to empower legal subjects in an organized manner within decision-making processes both politically and economically especially in the distribution of resources at individual and structural levels. Hadjon distinguishes legal protection into two forms: preventive legal protection, which aims to prevent rights violations by allowing the public to raise objections before a decision is made; and repressive legal protection, which is provided after a violation or dispute has occurred, usually through judicial mechanisms. In the context of investment, legal protection for investors includes various facilitative measures such as the provision of facilities and support from local governments to ease the investment process. The ultimate goal is to create an orderly and regulated investment climate, in line with the three fundamental values of law: certainty, benefit, and justice. Although these values often conflict in practice, they should ideally be realized in a balanced manner. (Sudikno Mertokusumo, 1984).

In addition to legal protection, legal certainty is a crucial aspect that must be promptly addressed to foster a healthy investment climate. In this context, the enforcement of the rule of law is absolutely essential. Investors pay close attention to the consistency of regulations and policies, including those in the tourism industry. Unfortunately, many view investing in Indonesia as still facing serious challenges due to weak legal certainty and inconsistent legal protections. Therefore, legal safeguards for investors particularly in the establishment of tourism accommodations such as hotels play a vital role in attracting and retaining investment interest. This issue is especially relevant and strategic in regions like Karangasem Regency, which is emerging as a growing tourist destination.

Based on the above background, it is essential to conduct a further study on the legal protection framework for investors in the establishment of hotel tourism accommodations, as well as the challenges investors face in developing such accommodations in Karangasem Regency. The purpose of this research is to examine and analyze the legal protection regulations for investors in establishing hotel tourism accommodations in Karangasem Regency, and to identify and analyze the obstacles encountered by investors in the development of hotel tourism accommodations in the region.

II. RESEARCH METHOD

The type of research used in this study is empirical legal research, which is a method used to obtain the truth by comparing existing legal norms (das Sollen) with their implementation or the actual conditions in society (das Sein). This approach allows researchers to assess the effectiveness of legal regulations by observing how they function in practice. (Bambang Sunggono, 2007). This study adopts empirical legal research, which is chosen based on the observed gap between legal norms and their implementation in investors' efforts to develop tourism accommodations in Bugbug Village, Karangasem Regency. This gap has even led to social and legal conflicts between the community and investors. The research employs a combination of the statute approach, sociological approach, and case approach. These methods allow for a comprehensive analysis of the legal framework, social dynamics, and specific disputes that have arisen in the region.

III. RESULT AND DISCUSSION

A. LEGAL PROTECTION FRAMEWORK FOR INVESTORS IN THE ESTABLISHMENT OF HOTEL TOURISM ACCOMMODATIONS IN KARANGASEM REGENCY

Tourism is a modern industry capable of driving economic growth through job creation, income generation, and the stimulation of other sectors. Its development brings economic, social, and cultural benefits, but if not properly managed, it can also lead to problems. Therefore, tourism development requires a comprehensive study to ensure sustainability and maximize its benefits. In addition to expanding employment opportunities, tourism also fosters patriotism and social tolerance. To optimize its role, a well-directed and well-planned tourism service development mechanism is necessary.

According to Article 14 of Law No. 10 of 2009 on Tourism, tourism encompasses a variety of travel-related activities supported by facilities and services provided by the community, businesses, and both central and regional governments. This industry involves an integrated interaction of economic, social, cultural, political, security, and environmental sectors, making tourism a multidimensional phenomenon. As a human activity rooted in travel, tourism generates physical needs such as transportation and accommodation, while also fostering socio-cultural interaction between tourists and local communities. The state's objective in developing tourism is to create employment, increase foreign exchange earnings, preserve national culture, and promote regional development, all while ensuring environmental sustainability (Happy Marpaung dan Herman Bahar, 2002).

The tourism sector plays a significant role in attracting investment to Indonesia, particularly through hotel and transportation services. The government continues to develop this sector as a pillar of national development, as it has proven capable of supporting the economy even during global crises. Law No. 10 of 2009 on Tourism states that tourism development aims to promote equitable business opportunities, increase benefits, and enhance preparedness for changes at various levels. Article 14 outlines the types of tourism businesses, including tourist attractions, accommodation, food and beverages, travel services, entertainment, and spas. Article 15 emphasizes that all tourism businesses must be registered with the government, with procedures governed by ministerial regulations.

Article 14 of Law No. 10 of 2009 on Tourism, which includes accommodation services, stipulates that business development in this sector requires permits regulated by statutory provisions. A permit, in both broad and narrow senses, is a legal administrative instrument issued by the government to regulate public activities in an orderly manner. According to Sjachran Basah, a permit is an administrative legal act of the state that produces concrete provisions based on conditions and procedures established by law. Prajudi Admosudirjo defines it as a form of dispensation from a legal prohibition, while Van Der Pot views a permit as a decision that allows actions that are not inherently prohibited by law (Amri Pratama, 2019).

Licensing is the granting of legal authorization by the government to individuals or business actors to carry out specific activities, either in the form of permits or business registration. Its primary function is to serve as an administrative tool for regulating and controlling public activities. In the context of development especially in the tourism sector licensing is a crucial aspect governed by public law at both central and regional government levels. From the government's perspective, the purpose of licensing is to enforce regulations to maintain order and to serve as a source of regional revenue used to support development financing (Adrian Sutedi, 2019). Licensing holds significant meaning for both the government and the public. From the public's perspective, a license provides legal certainty and rights, and grants access to facilities once legality over a building or activity is obtained. A license itself is an administrative decision issued by an authorized official or agency and carries various characteristics such as being discretionary or mandatory, beneficial or burdensome, temporary or long-term, personal or property-related.

In the context of government administration, based on Law No. 23 of 2014 on Regional Government, tourism is an optional governmental affair that must be carried out by regional governments in accordance with their local potential. This matter falls under concurrent governmental affairs, which form the foundation of regional autonomy. Furthermore, the implementation of business licensing is now regulated by Government Regulation No. 5 of 2021 on Risk-Based Business Licensing. This regulation establishes a licensing system aimed at simplifying procedures and improving the investment climate. Business actors are required to meet basic requirements—such as spatial conformity, environmental approval, and building function feasibility according to their respective sectors, so that business activities can lawfully commence and be monitored transparently.

The implementation of licensing in the tourism sector is governed by Regulation of the Minister of Tourism No. 4 of 2021, which stipulates that risk-based tourism business licensing is conducted through an integrated electronic system (Online Single Submission/OSS). This aligns with Government Regulation No. 5 of 2021, which comprehensively regulates risk-based licensing. The development of tourism as a driver of economic growth must be accompanied by regulations that support improved service quality and the preservation of environmental sustainability at tourist destinations (I.N Urbanus dan Febianti, 2017).

Based on an interview with Desak Putu Juniati, a Functional Licensing Officer at the Karangasem Regency Investment Office, the current licensing procedure for tourism accommodation businesses uses the risk-based Online Single Submission (OSS) system. OSS is an integrated electronic business licensing system aimed at simplifying and accelerating the licensing process for business actors. Within this system, the Indonesian Standard Classification of Business Fields (KBLI) is used to specifically identify the type of business. Business licensing refers to Government Regulation No. 5 of 2021 at the national level and Government Regulation No. 6 of 2021 for implementation at the regional level.

The growth of the hotel industry demands the creation of a comfortable and high-quality environment to attract customers. Hotel products consist of two types: tangible products (such as rooms, restaurants, spas, and other facilities) and intangible products (such as service, comfort, and ambiance). The standardization of hotel businesses aims to ensure service quality and management practices that meet guest satisfaction. With advancements in information technology, travelers can now easily assess and share their experiences regarding the services they receive. Therefore, hotels must regularly evaluate their performance to consistently deliver positive experiences that foster tourist loyalty (Yerik Afrianto SInggalen, 2023).

Hotel business standards play a vital role not only in ensuring service quality and guest experience but also in providing comprehensive protection for guests, business owners, workers, communities, and the environment. These standards cover aspects such as safety, health, security, comfort, and environmental sustainability. Their implementation is especially crucial in Bali, where maintaining the reputation of Indonesian tourism and building tourist trust in the quality of accommodation are of paramount importance.

In the process of establishing a hotel, fulfilling requirements such as the Building Construction Permit (previously known as IMB, now referred to as the Building Approval or Persetujuan Bangunan Gedung – PBG) is mandatory. This process involves a series of procedures and verifications to ensure that construction plans align with spatial planning, environmental regulations, and safety standards. It serves as a regulatory instrument to prevent negative impacts on the environment or surrounding communities. There are various types of hotels, tailored to specific needs and locations:

1) City Hotel – Located in city centers, ideal for business travelers.
2) Motel – Roadside accommodations for travelers on long journeys.
3) Resort Hotel – Found in tourist destinations like beaches or mountains, focused on leisure and relaxation.
4) Guest House – Simple, affordable lodging often run by local residents.
5) Apart Hotel – A hybrid of apartment and hotel, offering full facilities and flexible rental systems.

Although Bali is renowned as a premier tourism destination and actively promotes itself globally, uncontrolled and massive development poses a serious challenge. Many new buildings fail to comply with spatial planning regulations, environmental standards, and official permit requirements particularly in strategic tourism development zones. The pressure from high tourist demand has led some tourism business operators to disregard legal provisions in order to meet market needs, even at the cost of damaging the traditional values and natural environment that are the very essence of Bali's appeal.

In this context, Law No. 28 of 2002 on Buildings serves as the legal foundation that comprehensively regulates the function, requirements, and implementation of building construction. The law emphasizes principles of utility, safety, balance, and harmony with both the environment and society. Therefore, all parties including the government, private sector, local communities, and foreign stakeholders are obliged to comply with this regulation in the development and utilization of buildings. Violations of these provisions not only carry legal consequences but also pose long-term harm to Bali's identity, both culturally and environmentally (Adrian Sutedi, 2017).

The Building Construction Permit (IMB), now known as the Building Approval (Persetujuan Bangunan Gedung or PBG), along with the Usage Permit, serves as a crucial instrument for regulating and controlling construction in accordance with legal and spatial planning frameworks. These permits are essential not only for legal legitimacy but also as references in dispute resolution and as safeguards to ensure buildings do not harm the environment, urban aesthetics, or public safety. Unfortunately, in Bali, many buildings violate these regulations without firm enforcement from the authorities. Despite longstanding public complaints, responses often remain confined to legislative discourse. Legal enforcement of spatial violations—especially in densely developed areas like the Badung coastline should be a government priority as part of responsible territorial management. In accordance with Law No. 28 of 2002, hotel development must meet three key requirements:

1) Administrative: including building approval and legal land ownership status.
2) Technical: covering construction safety, comfort, layout, and structural reliability.
3) Ecological: requiring environmental balance; major impacts must be supported by an Environmental Impact Assessment (AMDAL) to ensure sustainability.

The Building Construction Permit (IMB), which has now been integrated into the Building Approval system (PBG) under the latest regulations, serves as proof that a development such as a hotel has met administrative, technical, and ecological requirements. When construction is carried out in accordance with the law and without conflicts in licensing, the owner is entitled to obtain a Certificate of Proper Function (Sertifikat Laik Fungsi or SLF). Conversely, failure to meet these requirements can lead to criminal penalties and administrative sanctions.

In Bali Province, one of the main prerequisites for obtaining a tourism business license is the Spatial Utilization Activity Conformity (Kesesuaian Kegiatan Pemanfaatan Ruang or KKPR). KKPR ensures that the location and business activities align with spatial planning, zoning allocations, and environmental protection. This requirement is regulated under Article 14 paragraphs (1)–(4) of Government Regulation in Lieu of Law (Perppu) No. 2 of 2022 on Job Creation, which mandates that Detailed Spatial Plans (RDTR) must be available in digital form, accessible to the public, and integrated into the electronic licensing system (OSS). Under these provisions, regional governments including the Province of Bali are obligated to prepare digital Detailed Spatial Plans (RDTR) to enable business actors to obtain legal permits. The absence of an RDTR or non-conformity with spatial utilization plans becomes a major obstacle in establishing hotels or other tourism facilities. Therefore, tourism development must not only focus on promotion, economic growth, and cultural aspects, but also rely on a licensing system that is orderly, professional, and grounded in sustainable spatial planning. Regional governments must be proactive not only in service delivery but also in spatial organization, which forms the foundation for a well-managed and environmentally conscious tourism sector (M.T Deritasari U.D Hananto dan Indrajaya, 2014).

Law, as a system, cannot function effectively in isolation; it requires support from political, economic, social, and cultural dimensions. For the law to be meaningfully enforced in society, it must be formulated as a binding regulation, legitimized by legislative bodies, and applied universally without exception. In the context of developing tourism accommodations such as hotels, legal control is exercised through a licensing system. Every construction activity must be grounded in an official government permit, which serves as a regulatory instrument to ensure order, safety, and the prevention of illegal buildings. Such permits also represent tangible expressions of administrative state decisions, as they can only be issued by authorized state administrative officials. Permits carry three key characteristics:

1) Concrete – Directed at a specific object and location, based on the applicant's request.
2) Individual – Applicable solely to the named applicant.
3) Final – Grants the applicant full rights to proceed with construction as specified, with legal consequences for violations. Through this licensing system, the state fulfills its function of regulating and supervising development activities, ensuring all actions align with the law and the public interest.

The government relies on the role of bureaucracy to regulate societal development through an organized licensing system. In hotel development as a form of tourism accommodation, business actors are required to consider the designation of strategic areas in accordance with Law No. 10 of 2009 and must register their businesses. The licensing process is carried out via the OSS system in accordance with Government Regulation No. 24 of 2018, which covers business and operational permits based on stated commitments. The Building Construction Permit (IMB), now regulated under Law No. 28 of 2002 and Government Regulation No. 16 of 2021, must also be fulfilled. Additionally, regional licensing authority is outlined in Bali Governor Regulation No. 46 of 2022, which establishes a permit mechanism through the OSS Risk-Based Approach (OSS RBA) system and services provided by the DPMPTSP.

Permits are granted to citizens as a means of supporting economic activity, particularly in boosting Local Own-Source Revenue (Pendapatan Asli Daerah or PAD) and attracting investment. Licensing is considered vital to regional development, with direct impacts on community welfare. Beyond creating order and preventing uncontrolled construction, permits function as a key governmental control tool. An effective, accessible, fast, and transparent licensing system is expected to serve as a strategic instrument for development planning. Therefore, strict oversight of the financial function of these permits is essential to ensure that regional income aligns with the permits issued.

The issuance of permits provides legal certainty for business actors in developing tourism accommodations. According to Peter Mahmud Marzuki, legal certainty is reflected in both written and unwritten rules that are general in nature and serve as behavioral guidelines within society. These rules function as both limitations and references for individuals in taking action, and their implementation demonstrates the presence of legal certainty (Peter Mahmud Marzuki, 2008). According to Hans Kelsen, legal certainty stems from a system of norms rules that prescribe what ought to be done (das sollen). These norms are the result of conscious human action and serve as behavioral guidelines within society. General legal rules limit individual actions within the community, and their consistent application creates legal certainty (Rato Dominikus, 2010). Based on an interview with Putu Suma Gita, legal counsel for PT Detiga Neano Resort Bali and PT Starindo Bali Mandiri, it was explained that the hotel development in Bugbug Village, Karangasem, has complied with legal requirements. This is evidenced by the possession of RiskBased Business Licensing through a Business Identification Number (NIB) registered under PT Detiga Neano Resort Bali, issued by the Minister of Investment/BKPM on April 12, 2022, and April 14, 2023, complete with its attachments.

The role of the government and investors is crucial in the development of tourism accommodations, as their collaboration results in agreements that drive the sector’s growth. This partnership benefits not only both parties but also the surrounding community, which gains opportunities to start small businesses and access employment. Such developments support the goals of a rule-of-law state, namely upholding human rights and equality before the law, as enshrined in Article 28D paragraph (1) of the 1945 Constitution. According to Satjipto Rahardjo, legal protection is a form of safeguarding human rights, ensuring that people can enjoy their rights. The law must be capable of balancing individual and societal interests. In Soedikno Mertokusumo's view, legal protection stems from the nature of law itself, which regulates social relationships in a fair and balanced manner. Generally, legal protection aims to preserve the public interest by regulating and limiting conflicting interests (JH Sinaulan, 2018).

Since the late 1990s, investment protection principles have evolved into two main standards: absolute and relative. The absolute standard obliges host states to treat investors fairly and equitably, regardless of how they treat investors from other countries. In contrast, the relative standard bases investor treatment on how investors from other countries are treated, using that as a benchmark. To create a secure investment climate including in the tourism sector countries like Indonesia are required to provide legal protection for both domestic and foreign investors. Tourism-related investment stimulates economic growth by increasing demand for services and generating employment. Therefore, the government's role is crucial in ensuring legal certainty and protection so that the business climate remains conducive. Without clear regulations, the investment potential especially in property and hotel accommodation can decline. Effective regulation is thus essential to support sustainable sectoral development.

Legal protection in Indonesia takes two forms: preventive, aimed at preventing violations through regulations, and repressive, which enforces the law through sanctions. Law enforcement agencies and non-litigation mechanisms (such as mediation or arbitration) are tangible expressions of this protection. Investors in the hotel accommodation sector are guaranteed legal certainty and security, as stipulated in Article 30 paragraph (1) of Law No. 25 of 2007 on Investment. This law serves as a legal foundation supporting investment stability and Indonesia's participation in global economic cooperation. Furthermore, Article 22 of Law No. 10 of 2009 and Article 26 paragraph (5) of Bali Provincial Regulation No. 2 of 2012 grant tourism entrepreneurs including hotel investors legal protection, equal business opportunities, association membership rights, and access to business facilities. These provisions affirm that investors in the tourism sector are legally safeguarded in carrying out their business activities. (Asharin Sindy Safirah, 2024).

Bali is renowned as Indonesia’s leading tourist destination due to its natural beauty, rich culture, and diverse attractions. The island offers a wide range of experiences from nature and cultural tourism to relaxation and entertainment making it a magnet for tourists with varying preferences. As such, local governments must develop comprehensive and sustainable tourism policies. These policies should integrate social, cultural, economic, foreign relations, and legal protection aspects, especially for investors. Investment facilitation and incentives in the tourism sector must be accompanied by clear legal protection. While this approach supports regional investment growth, it also requires the government to exercise discretion carefully. Legal protection for investors is critical, as it directly affects investor confidence and the volume of investment despite the fact that such protections are not yet detailed in a single, dedicated law.

Investment plays a crucial role in tourism development, as it requires substantial funding from various sources ideally from domestic investors, in line with the spirit of Article 33 paragraph 4 of the 1945 Constitution. Investment in this sector drives industrial growth, job creation, and regional development. However, legal uncertainty such as regulatory ambiguity often hinders investment. Clear and consistent regulations are essential, particularly in licensing, which must ensure both protection for investors and a balance between resource use and national interests. Investment law is not merely about granting permits; it also guides investments to ensure they generate public benefit. In tourism, social and environmental responsibilities are equally important. Legal protection for investors, especially in the hotel accommodation sector, is vital to guarantee their rights and interests. This protection should be both preventive through clear, accessible rules and repressive, through enforceable sanctions against violators.

Based on an interview with I Nyoman Jelantik (Jro Bendesa Adat), a perbuatan melawan hukum (unlawful act) lawsuit was filed against an investor at the Karangasem District Court due to the leasing of Padruen Desa land 20,000 m² belonging to Pura Segara without communal approval (persetujuan komunal) from all krama desa as required under the village's awig-awig (specifically, Palet 5, Pawos 28, point 5). As the traditional leader mandated by the community, he considered the lease a violation of customary law. In contrast, I Nyoman Purwa Ngurah Arsana (Kelihan Desa Adat 2020–2025) stated in a separate interview that the land lease was conducted under the authority granted by the Prajuru Desa Adat through an official meeting on December 30, 2021. He also noted that part of the land had already been leased by the previous kelihan, and the hotel in question has since been operating. The lawsuit against them was dismissed by the court, and there were incidents of damage to hotel property, which were reported to the Bali Regional Police (Polda Bali). He denied any violation of the sanctity of Pura or protected forest zones, asserting that no official findings were issued by the relevant authorities.

Etymologically, politics is related to policy or policing, derived from the Dutch politiek and English politics, both of which trace back to the Greek politika, meaning matters concerning the state. Its root word, polis, refers to a city state, highlighting how politics has historically been tied to state governance. Meanwhile, according to Soedikno Mertokusumo, law is the set of rules or norms that apply within a society and can be enforced through sanctions. From this perspective, legal politics (politik hukum) can be understood as the state's policy in designing and forming law to match current social conditions and advance shared ideals. Legal politics reflects the state's intention in shaping the direction of legal development. The relationship between politics and law is causal: politics acts as the independent variable influencing the law, while law is the outcome of political processes as the dependent variable.

According to Mahfud MD, legal politics is essential as the foundation for drafting regulations that reflect the living values within society and align with national ideals. Legal politics is the effort to formulate laws that suit the social conditions and needs of the community at a particular time. As an activity, legal politics involves selecting social goals to be achieved through law, determining the best methods to reach those goals, deciding the appropriate timing for legal reforms, and potentially developing standard patterns in legal decision-making. (Moh Mahfud MD, 2020). In the context of hotel investment in Bali's tourism sector, legal politics plays a crucial role in establishing regulations that provide certainty and legal protection for investors. With well-directed legal politics, the goal of creating a safe and conducive investment climate can be achieved through laws that guarantee security and legal certainty for investors.

B. CHALLENGES FACED BY INVESTORS IN THE DEVELOPMENT OF HOTEL TOURISM ACCOMMODATIONS IN KARANGASEM REGENCY

The tourism industry plays an important role in driving economic growth through increased income, job creation, investment, and exports. In addition, this sector supports cultural preservation as well as the provision of infrastructure for the community. Tourism has become a strategic sector in Indonesia's economic development, with significant contributions to GDP and the reduction of unemployment rates. Since 2018, the government has made tourism a part of the national economic strategy due to its potential as a source of foreign exchange and regional wealth.

The function of capital plays a crucial role in driving economic growth. Capital accumulation, especially in the form of investment in the real sector that produces goods and services, is a key factor in boosting the economy of a country or region. The term "investment" itself originates from the English word investment. According to Henry Campbell Black, investment means a purchase made to acquire goods or other assets (Henry Campbell Black, 1990). Investment plays an important role in the development of the tourism sector because it requires large capital sourced from the public sector, private sector, local communities, and international funding. However, ideally, such financing should rely on domestic capital capacity, in accordance with Article 33, paragraph 4 of the 1945 Constitution of the Republic of Indonesia, which emphasizes the vital role of the private sector in national development. Article 1, paragraph (1) of Law Number 25 of 2007 concerning Investment defines investment as all forms of investment activities carried out by domestic and foreign investors in Indonesia. Article 1, paragraph (3) further explains that foreign investment includes investments made by foreign parties, either fully or in partnership with local investors.

Through this investment, it is expected to open opportunities for increased production capacity, job creation, and national income growth.

The Indonesian government's seriousness in developing the tourism sector is reflected in the opening of opportunities for foreign investment as regulated in the Investment Law. This law affirms the government's commitment to providing equal treatment for both domestic and foreign investors. To encourage optimal investment outcomes, the government also undertakes deregulation, offers incentives for pioneering businesses or those in certain regions, and opens sectors that require large capital and foreign expertise.

On the other hand, the implementation of tourism investment must remain aligned with the principles outlined in Article 5 of the Tourism Law, such as respect for human rights, preservation of culture and the environment, empowerment of local communities, and upholding religious values and life balance. Tourism investment is not only about profit but also carries moral and social responsibilities. Although the types of businesses in tourism are broadly open, Article 14 of the Tourism Law regulates specific activities, such as tourist attractions, accommodations, travel services, as well as spas and water tourism. The presence of foreign investors is very important for Indonesia's economy because they can provide positive impacts, especially in driving economic growth. However, their involvement also requires serious attention from the government, considering the potential for conflicts between foreign investors, local investors, and the government. Therefore, it is important to examine the roles and dynamics of foreign investors' involvement in investment activities in Indonesia (Reksoprayitno, 2004).

Supporting sectors of tourism, such as restaurants, transportation, the creative industry, and hospitality, also experience competing interests but provide significant multiplier effects on economic growth and job creation. Although Indonesia has great potential as an investment destination, in practice it still faces various challenges, one of which is legal ambiguity. Legal certainty is essential to protect investors and their capital, as well as to create a healthy business climate. Conversely, legal uncertainty is one of the main obstacles to new investments and risks hindering the progress of the tourism sector and the overall economy (Aniesa Samira, 2018).

Legal certainty in investment refers to the availability of applicable and reliable regulations for investors to protect their rights, ensure the security of capital, and facilitate smooth business operations. In the context of Indonesia, regulations related to investment and tourism are very important to create a sense of security and attract investor interest. High expectations for foreign investment are based on its ability to drive comprehensive and sustainable economic growth, especially in the tourism sector. This aligns with Article 3, paragraph (2) of the Investment Law, which states the main objectives of investment, including increasing economic growth, creating employment, strengthening national competitiveness, developing technology, and improving community welfare. Investment, as a form of capital placement aimed at generating profit, heavily depends on legal clarity. Unfortunately, legal uncertainty, such as regulatory ambiguity, remains a major obstacle to the investment climate in Indonesia. Therefore, creating a conducive legal environment is a key factor in attracting and retaining investment.

Legal certainty is a crucial foundation for creating a stable and attractive investment climate because it guarantees investors' rights, capital security, and the continuity of business operations. In the context of Indonesia, although regulations in the investment and tourism sectors exist, their implementation still faces various challenges, especially in investment collaboration with foreign parties in the tourism sector. Evidence shows that the involvement of foreign investors has a significant impact on the advancement of the tourism industry. However, five main obstacles often hinder smooth investment:

1) Regulations – Overlapping and frequently changing licensing systems are considered inefficient and confusing for investors.
2) Taxation – The tax regime is perceived as unfriendly to investors, thus reducing investment interest.
3) Land disputes – Unclear or contested land status poses a serious barrier to tourism projects.
4) Human resource quality – The lack of trained workers in the tourism sector hampers operations and the development of quality services.
5) Infrastructure – Limited infrastructure in potential tourist destinations makes investors hesitant to commit capital.

Besides these five issues, other technical obstacles that may seem minor can also significantly impact the investment climate. Therefore, it is crucial for the Indonesian government to promptly identify and resolve these barriers to create a conducive and mutually beneficial investment environment for all parties.

The licensing process is a key element in the legal system of investment because it involves aspects of allocation and exploration that are directly related to a country's economic, political, and social sovereignty. The primary function of licensing is as a control instrument to ensure that investment activities are not exploitative and are conducted legally through valid contracts or agreements. Investment permits should not be granted indiscriminately but must go through strict evaluation based on clear criteria. The authority to approve or reject permits is an integral part of the state's role in guiding investments to align with constitutional objectives: the greatest prosperity of the people. The Investment Law functions not only as an administrative permit but also as a legal guideline that guarantees investments are carried out responsibly.

In the tourism sector, investment generally includes the provision of tourism services, utilization of tourist sites, and other supporting business activities. Therefore, technical and legal aspects in tourism regulations also need careful attention. Besides simplifying the licensing process to make it faster, easier, and more secure, the government must also ensure regional stability and security to attract foreign investors (A. Yusuf, 2016). Article 12, paragraph (5) of the Investment Law states that the government has the authority to designate business sectors open for investment based on several national interest criteria, such as the protection of natural resources, strengthening MSMEs and cooperatives, supervision of distribution, technological advancement, and encouraging domestic capital participation and partnerships with certain business entities. This regulation aims to create a legitimate and stable legal foundation for investors, including foreign investors, so that they feel secure and comfortable in conducting their investment activities in Indonesia.

Legal certainty is a vital element in attracting foreign investors, especially if the principle of equal treatment with domestic investors is truly applied. This is expected to eliminate potential unfairness or discrimination while creating a healthy investment climate. Consistent and transparent law enforcement will strengthen the appeal of Indonesia’s tourism sector in the eyes of prospective international investors. Beyond regulatory aspects, the government is also expected to actively build communication and collaboration with tourism industry players. This includes providing investment support facilities such as infrastructure, fiscal incentives, and administrative ease, particularly in regions with high tourism potential that have not been optimally developed. Given the significant contribution of investment to national economic development, the government’s active role in creating an investor-friendly climate is essential to making Indonesia a prime destination for foreign investment in the tourism sector.

Based on an interview with I Komang Edy Wirawan, Junior Expert in Tourism and Creative Economy Functional Staff at the Karangasem Regency Tourism Office, it was revealed that the licensing process for tourism accommodations in Karangasem Regency, including in Bugbug Village, is conducted strictly and formally. Investors who have fulfilled all legal requirements are guaranteed to operate without disruption. The government, through the Tourism Office, only performs a monitoring function over these business activities.

Regarding the land dispute in Bugbug Village, mediation has been conducted between the customary village and the government, including discussions in the official forum of the Karangasem Regency Regional House of Representatives (DPRD). The meeting involved several regional government agencies such as the Licensing Office, Tourism Office, Civil Service Police Unit (Satpol PP), Public Works and Spatial Planning Agency (PUPR), and the National Unity and Politics Agency (Kesbangpol) to provide clarification on the licensing procedures and ensure the community receives clear information regarding the implementation of the tourism project. This is important so the public understands the process and legality of the development.

In the context of tourism accommodation development, investors are reminded to pay attention to the Bali Province and Karangasem Regency Spatial Plans (RTRW). These spatial plans regulate zoning, including tourism areas, green open spaces, and agricultural land. Development activities must comply with the designated zones. In this case, no violation of licensing provisions was found because the customary land leaseholder had obtained recommendations through the customary village meeting (paruman adat).

In theory, Indonesia has great potential as an investment destination, but in practice, it is still marked by legal uncertainty. Legal certainty includes protection for investors, capital, and business activities through applicable regulations. To prevent uncertainty in tourism investment, the government must fulfill its responsibilities in accordance with the principles of good governance, which include the principles of legal certainty, transparency, and fair play in administrative decision-making. According to the Indonesian Dictionary (KBBI), vandalism is defined as an act of damaging valuable objects, such as works of art or natural beauty. Today, vandalism frequently occurs in urban areas, commonly in the form of scribbles or writings on walls and public facilities such as streetlights, bus stops, or vehicles. Although authorities have taken enforcement measures, such behavior remains widespread. Generally, vandalism includes acts of scribbling (graffiti), cutting, and destroying. In legal terms, public facilities are protected under various regulations, including provisions in the Indonesian Criminal Code (KUHP).

Vandalism is an act of damaging public facilities as regulated in the Indonesian Criminal Code (KUHP), particularly in Articles 406, 408, 489, and 410. According to Webster’s Dictionary, vandalism is the deliberate and malicious destruction of someone else's property. Such acts may include graffiti, removal, destruction, theft, and cutting. The impact is not only material loss, but also a decline in aesthetic value and tourism appeal, which negatively affects the local economy. Despite the existing legal basis, weak enforcement and the lack of effective sanctions have allowed vandalism to remain prevalent. Therefore, law enforcement officers must uphold the principles of accountability and good governance in applying the law within the tourism sector (Agus Dwiyanto, 2008).

Following the enactment of the Tourism Law, Indonesia gained global recognition for its rich cultural heritage and historical legacy. This law serves as the legal foundation for managing the tourism sector, encompassing various businesses that provide goods and services to meet the needs of tourists. As such, tourism is closely linked to the provision of public facilities. As a social phenomenon, tourism involves interaction among tourists, business actors, government authorities, and local communities. According to Ethika's theory, tourism development is influenced by five key factors: social, economic, psychological, geographical, and cultural. The Tourism Law also emphasizes the principle of sustainability, highlighting the importance of preserving natural, social, and cultural resources to ensure long-term tourism development.

A community-based tourism approach emphasizes the active role of local residents in sustainable development. However, vandalism poses a serious obstacle as it damages public facilities that are meant to benefit the community. Tourism that relies on social resources can serve as a counterbalance to the dominance of large-scale business actors by promoting broad-based community collaboration. To address the impacts of vandalism, the application of good governance principles as outlined in the Law on Government Administration is essential in law enforcement. The phenomenon of antagonism within the irritation index reflects tensions between local residents and tourists, which, if left unaddressed, can lead to hostility and disrupt tourism activities. Vandalism is often triggered by environmental factors or personal motives, including protest expressed in destructive forms.

According to Goldstein, vandalism is an act intended to damage another person's property. Subjectively, it is related to the authority of the state and the legal instruments that establish criminal penalties for such actions. Meanwhile, objective criminal law encompasses the regulation of prohibited behavior, identification of offenders, and imposition of punishment. These aspects are governed by substantive or material criminal law; however, their implementation including prosecution and the imposition of sanctions is constrained by the applicable legal provisions (Joseph Goldstein dalam Yesmil Anwar, 2009).

Damaging public facilities can be categorized as a criminal offense, as it fulfills key legal elements such as the existence of an offender, fault, and a violation of the law. The principle of legal certainty requires the state to uphold justice, fairness, and clear regulations in public policy. This principle has two dimensions: materially, a government decision remains valid even if flawed, until annulled by a court; and formally, the decision must be communicated clearly to ensure public comprehension. Acts of vandalism may be prosecuted under Articles 406 and 408 of the Indonesian Criminal Code (KUHP), depending on the object damaged, including public facilities. As an alternative to conventional law enforcement, a restorative justice approach may be applied emphasizing healing, accountability, participation, and the principle of fair play to resolve offenses such as vandalism in a just and responsible manner.

The principle of fair play emphasizes that citizens must be given ample opportunity to seek justice and present their defense before any administrative decision is made. Transparency is also essential in governance, enabling the public to access accurate and hoax-free information while ensuring the protection of individual rights. In the spirit of good governance, local governments can prevent vandalism through specific regulations such as regional bylaws (Perda). Prevention can also be realized through three main strategies: public participation to enhance monitoring in areas vulnerable to vandalism, regular outreach and education as a form of quality public service, and consistent law enforcement and supervision to uphold legal certainty and justice in the public sector, including tourism.

Based on an interview with Desak Putu Juniati, a Functional Officer for Licensing Arrangement at the Investment Office of Karangasem Regency, one of the main obstacles in tourism accommodation investment is the centralization of licensing authority at the national level. When conflicts arise within the community, local governments lack the authority to make decisions and are limited to tracking the status of permits. The public often mistakenly believes that permits are issued by local authorities. On the other hand, efforts to provide legal protection by regional governments are also limited, as they hold no authority except in cases involving spatial planning violations or regulations from the Ministry of Public Works and Housing (PUPR). The role of local governments is mainly to provide assistance and facilitate audiences with the Regent.

As a developing country, Indonesia requires substantial investment to support its development. Investment can be made by individuals or legal entities in the form of capital, assets, or expertise. Due to limitations in the state budget, the private sector implicitly acknowledged in Article 33 paragraph (4) of the 1945 Constitution plays a crucial role in development. Consequently, the government opens opportunities for both domestic and foreign investors. Investment not only drives economic growth but also creates employment, increases demand for local raw materials, generates foreign exchange and tax revenues, and facilitates the transfer of technology and knowledge. Investment agreements serve as an important instrument to attract foreign investment and provide legal protection for investors, in line with international economic practices.

Theoretically, Indonesia holds great potential as an investment destination; however, in practice, it still faces issues related to legal uncertainty. Legal certainty refers to the existence of regulations that guarantee protection for investors, their capital, and business activities through both national and regional laws. In the tourism sector, investment plays a vital role in supporting infrastructure provision and the development of tourist destinations. Tourism also makes a significant contribution to foreign exchange earnings, regional income, job creation, and business growth across various areas. With its multiplier effect on other sectors such as transportation, hospitality, and the creative industries, tourism can serve as a powerful driver of national economic growth (Dwi Setyadhi, 2009).

In a system of governance, the aspects of authority and business management are essential elements in achieving national objectives. The government holds a unique position as the executor of state power and is subject to administrative law, which not only regulates governmental authority and the execution of duties but also safeguards the administrative rights of citizens. The implementation of government policy requires clear public and administrative legal regulations. According to Soerjono Soekanto, power is the ability to influence others, while Bagir Manan defines power as the legitimate right to act, and authority as the right based on legal rules to carry out specific actions that produce legal consequences. Within the framework of public policy, the process includes issue identification, formulation, implementation, and evaluation. As stated by Nugroho, policy issues contain both problems and objectives that motivate government action, and evaluation is conducted to assess the policy's effectiveness and determine whether revision or termination is necessary.

Policy formulation is a crucial stage in the public policy process, involving the identification of public issues, the development of alternative solutions, and the selection of the most suitable option. In the context of tourism—which is dynamic and involves multiple sectors—policy must consider not only economic aspects but also its social impacts. Legal certainty is vital for attracting investment, including in the tourism sector, and the state is obligated to provide legal protection for investors as a form of support for national development. As stated by R. La Porta, legal protection enables investors to assert their rights through regulation and transparent information. Legal protection can be preventive, through regulatory frameworks, and repressive, through law enforcement by institutions such as the courts or police. The Investment Law aims to provide equal treatment for all investors, and the government promotes investment through various strategies, including deregulation, incentives, and opening access to specific sectors (R. La Porta, 1999).

Investors in the tourism sector are granted legal protection as stipulated in the Investment Law, including preventive safeguards to avoid legal violations. With this legal framework in place, Indonesia is expected to better navigate global economic dynamics and foster international cooperation, while creating a fair, certain, and efficient investment climate. Local governments also facilitate investment in potential tourism areas; however, the legal protection that accompanies such efforts requires authorities to exercise caution when using discretionary powers. Therefore, strengthening the legal protection system is crucial to ensuring investment sustainability. Legal reform is also aimed at rebuilding public trust through high-quality regulations, professional law enforcement, and a strong legal culture. These efforts are realized through concrete programs such as improving public services, institutional restructuring, and enhancing human resources, particularly in support of the tourism sector, which is regarded as the second key pillar of the economy after agriculture.

Indonesia's tourism potential—marked by natural beauty and uniqueness must be supported by improved service quality, particularly in providing legal protection for investors. This is essential to create a sense of security and attract greater investment. One form of protection and facilitation provided is the establishment of Special Economic Zones (SEZs), as regulated under Government Regulation No. 40 of 2021, which requires spatial conformity, clearly defined boundaries, and a minimum land control of 50%. SEZs offer various incentives to investors, including in the areas of taxation, land rights, immigration, imports, and labor. To promote sustainable growth in the tourism industry, synergy between domestic investment (PMDN), foreign investment (PMA), and micro, small, and medium enterprises/cooperatives (UMKMK) is essential. The government also provides strategic facilities such as fiscal incentives, streamlined licensing procedures, and legal guarantees under the Investment Law, all aimed at strengthening the investment climate in this sector.

IV. CONCLUSIONS

Based on the discussion of the main issues outlined above, the researcher may draw the following conclusions:

1) The legal framework for protecting investors in the establishment of hotel tourism accommodation in Karangasem Regency is primarily governed by licensing regulations set by the government, as stipulated in Article 2 of Government Regulation of the Republic of Indonesia No. 5 of 2021 concerning Risk-Based Business Licensing. The implementation of tourism licensing is further regulated through the Regulation of the Minister of Tourism and Creative Economy / Head of the Tourism and Creative Economy Agency No. 4 of 2021 concerning Business Activity Standards in the Implementation of Risk-Based Business Licensing in the Tourism Sector. In relation to provisions requiring tourism entrepreneurs to register their businesses with the central or local government, reference is made to Articles 5 and 6 of Government Regulation No. 24 of 2018 concerning Electronically Integrated Business Licensing Services.
2) The challenges faced by investors in developing hotel tourism accommodation in Karangasem Regency include several key regulatory and practical barriers. First, regulatory constraints specifically, the licensing regulations in Indonesia are often considered ineffective and inefficient. Second, tax-related issues remain a recurring concern among investors, particularly in the tourism sector. Indonesia's tax system is perceived as less favorable to investors, with a taxation regime that offers limited flexibility, discouraging many from pursuing investment in the country. Third, land disputes are a persistent challenge,

as land ownership in local areas is frequently subject to unresolved conflicts, which hinders investment activities. Fourth, there are issues related to the qualifications of human resources. As widely recognized, human capital plays a critical role in driving tourism development in Indonesia. Fifth, infrastructure constraints represent a significant concern. Despite Indonesia's vast natural wealth and beauty, which position it as a major tourism asset, the lack of adequate infrastructure demands serious and strategic attention from the government.

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