

Legal Protection for Bali Tourism Amid the Covid-19 Pandemic

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ABSTRACT

Tourism is a global business. Its development is directly proportional to the development of the world's economic capacity. Article 1 Paragraph 3 of Law Number 10 the Year 2009 concerning Tourism defines tourism as various activities. It is supported by various facilities and services provided by the community, business actors, government, and local governments. The role of tourism is quite strategic in the economic growth of a country. Especially in the province of Bali, tourism is a sector that contributes quite a lot of foreign exchange to the country, absorbs many workers, and reduces unemployment. By Article 5 of Law Number 10 of 2009 concerning Tourism, tourism necessarily needs to be organized by the principles used to regulate them. If the tourism business is run according to these principles, the functions and objectives of tourism by Articles 3 and 4 of Law No. 10 of 2009 will be achieved. This study aims to obtain and present information on legal protection measures that the Government has provided to micro, small and medium enterprises in the field of tourism services. The approach or method chosen is the normative-empirical research method. The results with the discussions how the governments do it as fast as possible is proof that the governments are present in every event. Regulations are used as stimulants such as in taxations, authorized to aid the entrepreneurs and those who moved in tourism. That stimulant was made to intensify the workers and the entrepreneurs in tourism that gave aid on tax payment in income tax and increased value tax.

Keywords: *Foreign Exchange, Tourism, Tourism Objective.*

1. INTRODUCTION

The tourism business is a source of foreign exchange for the country. Therefore, the tourism business should be appropriately managed by relying on the charm of tourist objects, infrastructure readiness, community friendliness, natural support, in a multidimensional perspective, and protection and legal certainty [1].

For the Province of Bali, which is bestowed with unique nature and culture, the tourism business holds an essential key in development that brings prosperity and prosperity because the tourism business is proven to be able to encourage the development of the people's economy and reduce the number of unemployed by absorbing a large number of workers. Unfortunately, the Covid-19 pandemic has had a significant impact on the world's tourism business, and the island of Bali is no exception. The Covid-19 pandemic has forced restrictions on community mobility and the closure of activities at various tourism business spots, entertainment, and recreational objects. People prefer to stay at home, while restaurants, hotels, and various tourism-supporting businesses are the dearth of

visitors. The pressure on economic growth began to be felt, and the contribution of foreign exchange from the tourism business, which was previously significant, slowly declined. Bali had been relying on tourism as the largest source of income, has felt the impact of Covid-19.

The impact of the decline in tourist visits, both international and domestic, on the tourism business in the country is enormous. Revenues from this sector continue to decline; many workers are forced to be laid off, and entrepreneurs in the tourism sector are screaming - they are waiting for government action to mitigate tourism problems. According to data from the Indonesian Ministry of Tourism, employment in 2019 reached 13 million people. The number increased by 3.17 percent compared to the years before 2020. Since the Covid-19 pandemic entered Indonesia on March 2, 2020 (officially delivered by the President of Indonesia), the tourism business has slowly begun to be affected. As a result, employment in the sector is slowly starting to decrease.

On March 18, 2020, the Ministry of Law and Human Rights of the Republic of Indonesia issued Regulation of

the Ministry of Law and Human Rights Number 8 of 2020 concerning Temporary Suspension of Visa-Free Visits on Arrival and Granting of Stay Permits in Forced Conditions. Then, the Government issued Regulation of the Ministry of Law and Human Rights Number 11 of 2020 concerning the temporary prohibition for foreigners to enter or transit in the territory of the Unitary State of the Republic of Indonesia, which came into force on April 2, 2020. The tourism business was hit hard even though the government had enlightened the prohibition with a Regulation of the Ministry of Law and Human Rights Number 26 of 2020. From the descriptions on the previous page, a problem needing to be investigated further arises, namely, "What is the legal protection for the tourism business in dealing with the impact of the Covid-19 pandemic?"

2. METHOD

Research is conducted to find the absolute truth of a problem under study. To discover the answers to the questions formulated for the present research, it was conducted by employing a normative-empirical legal research method, which is translated into a term of legal research equipped with empirical data [1]. The author used qualitative data in the form of written data, letters and numbers sourced from the literature, research results, and dissertations containing information, especially those directly related to the problems examined in this study. The data used in this study are in the form of legislation as primary legal material and previous scientific studies collected from journals as secondary legal material.

3. RESULT AND DISCUSSION

The tourism business is global, and each country globally is a tourist attraction that is its mainstay. For Indonesia, Bali is one of the internationally known tourist destinations. The island can be regarded as an indicator to measure the development of Indonesia's tourism business. It is undeniable that the Bali tourism business has a substantial contribution to the Indonesian economy. The existence of Bali tourism is highly dependent on foreign tourist visits. The level of tourist visits to Bali continues to show an encouraging increase. According to Antonius Purwanto, Bali has been visited by domestic and foreign tourists with an average increase of 15% every year, or around 800,000 tourists. In 2017 alone, the number of tourist visits to Bali reached 8.2 people [6]. This condition has changed since the beginning of 2019 when the Covid-19 pandemic hit Indonesia, which caused all businesses, including the tourism business, slowly.

Covid-19, which is a global epidemic, has had a devastating impact. Starting from China, the Covid-19 virus spread very quickly to all countries in the world, including Indonesia. The tourism business is under pressure; tourist visits, both domestic and foreign, are slowly but surely decreasing. The decline in domestic tourist visits occurs because people feel unsafe to travel. Likewise, with foreign tourist visits, they cancel their

visits to tourist destinations on a large scale. As a result, tourism businesses and the supporting sectors of tourism are stuck. Many workers were forced to be laid off, and few were forced to be terminated because the companies were no longer able to pay salaries.

The Covid-19 pandemic has hit the world's tourism business, as well as Bali tourism. Tourism actors are squealing, including hotels, restaurants, recreation, and entertainment areas empty of visitors.

The Bali Province Central Statistics Agency recorded that the foreign exchange earnings of Bali's tourism sector decreased by 82% year on year (YoY) in 2020, which is now US\$0.73 million from the previous year's US\$2,618 million [7]. The data from the Central Statistics Agency also shows that national economic growth in the second quarter of 2020 contracted by -5.32% (the lowest decline since 1999), while Bali's growth rate in the second quarter of 2020 fell drastically 10.98% year on year (YoY). Visit of foreign tourists visiting the country in early 2020 has decreased. During January 2020, foreign tourist visits reached 1.27 million times. The number decreased by 7.62% compared to the number of foreign tourist visits in December 2019, 1.37 million visits. The total number of foreign tourist visits to Bali throughout 2020 is 1,050,060 visits. The number shows a decrease of 54.47% from the same period in the previous year. Throughout 2020, Australia became the country that visited Bali the most, with 222,359 visits [8]. The absorption of labor in the tourism sector in 2020 also shows the same fact. Based on data from the Bali Province Manpower Service, as conveyed by Ida Bagus Ngurah Arda, Head of the Bali Province Manpower Service, it was stated that 800 workers were terminated and 46,000 other workers were laid off [9].

Considering the condition, the government is present by launching various aid programs; the expectation is that the assistance can provide an injection for business sectors, including tourism businesses. Entrepreneurs in the tourism sector who are still classified as micro, small and medium enterprises are dispensing in paying taxes. The income tax for employees/employees is borne by the government to increase purchasing power. Entrepreneurs outside of micro, small and medium enterprises are also given relief in their monthly tax payment obligations.

Law Number 10 of 2009 concerning Tourism mandates "Tourism is an integral part of national development which is carried out in a systematic, planned, integrated, sustainable and responsible manner while still protecting religious values, the culture that lives in society, environmental sustainability and quality, as well as the national interest since tourism development is needed to encourage the equal distribution of business opportunities and gain benefits and be able to face the challenges of changing local, national and global life."

Previous research conducted by Subrada at Triatma Mulya University published in the Journal of Bali Studies examined cultural tourism and the Covid-19 pandemic. With the topic in mind, the study examines government

policies and the reactions of the Balinese people to the impact of the pandemic. In essence, the study examines the adverse effects of the Covid-19 pandemic on Bali tourism. Likewise, with the research conducted by Puspitadelia entitled "Perlindungan Hukum Bagi Wisatawan di masa Pandemi Covid-19 ditinjau dari Undang-Undang Nomor 8 Tahun 1999 tentang Perlindungan Konsumen", the study examines the Covid-19 pandemic, which has an impact on many industrial sectors in Indonesia - especially the tourism sector which has been one of the supporters of the progress of the Indonesian economy. The study focuses more on the protection provided to tourists as connoisseurs of the tourism business.

Yanti conducts the subsequent research at the Faculty of Law, Dwijendra University, with the title "Community-based Tourism Dalam Menyongsong New Normal Desa Wisata di Provinsi Bali" which was published in the Journal of Legal Communication Volume 7 November 1, February 2021. Furthermore, Isharyanto et al. examined tourism law and the welfare state (between policy and local pluralism). This study discusses how policies in tourism based on pluralism at the local level are constructed from the perspective of local government and how models of tourism policies based on local pluralism are formulated to create a welfare state.

Of the last two studies, there is no study on legal protection for tourism business actors during the Covid-19 pandemic era. However, these studies are used as material to broaden the horizons of thinking. Reading previous relevant articles, the current author assures that the present study contains a novelty in that the object under study is different from previous studies.

One of how the government realizes legal protection for tourism actors during the Covid-19 pandemic is by issuing a policy to provide incentives in the taxation sector. Since the beginning of the Covid-19 pandemic, the policy has been implemented in March 2020 by the Regulation of the Ministry of Finance of the Republic of Indonesia Number PMK-23/PMK.03/2020 [10]. Subsequently, the policy was extended several times, each with PMK-44/PMK.03/2020 [11], PMK-86/PMK.03/2020 [12], PMK-110/PMK.03/2020 [13], and PMK-9/PMK.03/ 2021 [14]. The government provides legal protection, including for tourism actors. Tax on income for workers up to IDR 200,000,000, which the employer deducts, is entirely borne by the government; thus, the government's effort is expected to increase the economic capacity of the employees concerned. The government also exempts Article 22 of Import on Income Tax, and Article 25 of Income Tax which is an obligation for the current year's income tax instalments, is given a reduction. For entrepreneurs who have been confirmed as Taxable Entrepreneurs, the government provides legal protection in the form of convenience in the process of returning tax overpayments (restitution) with an overpayment amount of up to IDR.

5,000,000,000; it can be given a preliminary return, simplified and accelerated to only one month.

4. CONCLUSION

The tourism business is global, and for every country, it is a reliable foreign exchange earner. The Covid-19 pandemic has had a significant impact on the world of tourism, including tourism businesses: such as hotels, restaurants, restaurants, and recreational areas that have had to be temporarily closed since the issuance of government policies as an effort to break the chain of the spread of Covid-19. Reductions in the workforce have been carried out frequently; many workers were forced to be laid off, and some were even terminated due to the negative impacts of the pandemic. The government acted quickly indicates the evidence that the government is present in every event. Policies in the form of stimulus, especially in taxation, were issued to help entrepreneurs, including tourism businesses and their employees. The stimulus is manifested in the provision of incentives to workers and entrepreneurs in tourism that, in turn, provide relief in the payment of Income Tax and Value Added Tax. The types of incentives are:

Article 21 Income Tax is given to employees who already have a Taxpayer Identification Number (NPWP) who work for companies engaged in one of 1,189 specific business fields, companies with accessible import facilities. These employees get additional income because the tax on their income is not deducted, but the government bears the tax.

For micro, small and medium enterprises, including business actors in the tourism sector, incentives are provided in Article 21 Final Income Tax at a rate of 0.5% by Government Regulation Number 23 of 2018 (Final PPh PP 23), which the government bears. This means that micro, small, and medium-sized taxpayers do not need to pay/deposit taxes on income every month. Likewise, parties conducting transactions with micro, small, and medium lenders do not need to withhold or collect taxes when making payments to micro, small and medium lenders.

Not only that, but the government also provides incentives for Article 25 Income Tax to all taxpayers engaged in one of the 1,018 specific business fields, such as companies that beneficiaries of Ease of Import for Export Destinations (KITE), or companies in bonded zones in the form of reducing the instalment obligation of Article 25. 25 Income Tax of 50% of the instalments that should be owed each month. In the import sector, incentives provided by the government are in the form of exemption from levies on Article 22 of Income Tax. The last are incentives in the field of Value Added Tax. The government provides incentives in the form of acceleration in applying for Value Added Tax restitution with a limit on the amount of restitution submitted up to IDR 5,000,000,000 (five billion rupiahs).

Low-risk taxable entrepreneurs (PKP) operating in one of 725 specific business fields (previously 716

business fields), KITE companies, or companies in bonded zones receive incentives for accelerated restitution up to the amount of overpayment, a maximum of 5 billion rupiahs. This is a form of legal protection provided by the government to micro, small and medium entrepreneurs, including tourism business actors. The government issued a Ministry of Finance Regulation that provides incentives in taxation to entrepreneurs affected by the Covid-19 pandemic.

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