



# Implementation of Supporting Development of The Tourism Sector in Bali Province

Ayu Prasetya Dewi<sup>1</sup>, Ni Made Puspasutari Ujianti<sup>2\*</sup>, A. A Sagung Laksmi Dewi<sup>3</sup>  
<sup>1-3</sup> Faculty of Law, Warmadewa University, Denpasar, Indonesia  
puspa.niwapong@gmail.com\*

**ABSTRACT.** This research aims to understand and protect investor rights through strong legal protection aspects. Investments in solar energy are an important step towards clean and sustainable energy sources, and the success of these projects can provide significant benefits to society and the environment. Hence the importance of legal protection for investors and provides some suggestions to improve the legal environment for investment in solar energy. As has been stated, the opportunity for Regional Governments to build power plants in this era of regional autonomy is indeed very large, but in reality on the ground this is difficult to implement because the regional government's financial capacity allocated in the Regional Revenue and Expenditure Budget (APBD) is not able to finance investment for the construction of power plants. For this reason, it is necessary to have an alternative provision of development financing, which in this case is sourced from capital investment (investment), especially foreign investment, because investment in the field of power plant development requires relatively large financing and a long period of time to manage it so that investors obtain profits from investment activities. Investment according to the provisions of Law Number 25 of 2007 concerning Investment is all forms of investment activities, both by domestic investors and foreign investors to conduct business in the territory of the Republic of Indonesia. Meanwhile, what is meant by foreign investment is investment activities to carry out business in the territory of the Republic of Indonesia carried out by foreign investors, either using foreign capital entirely or jointly with domestic investors. Until now, the interest of foreign investors (investors) in the form of business entities and individuals is still very small in carrying out investment activities, especially in the construction of power plants, because there are still obstacles or factors that hinder foreign investment activities in Indonesia, so investors are still reluctant to invest their capital in developing countries such as Indonesia.

**Keywords:** Legal Protection, Investors, Investment, Tourism

## 1 Background Problem

Electric power is very much needed in various activities as a source of energy for industrial purposes, household needs, as well as for service and social activities which continues to increase every year in line with development progress. As of now, we are familiar with a number of ways to generate electricity, including diesel power plants

(which burn diesel fuel), nuclear power plants, natural gas power plants, coal-fired power plants, hydropower plants, solar power plants, and more. In order to generate the necessary electrical power, each type of power plant needs a fuel source.

The government is beginning to consider this alternative option for generating electricity as part of its ongoing development to meet the need for electricity in the implementation of development in all domains. This opportunity also makes it very possible for each region to provide independently the need for electrical power for development purposes in their respective regions, but is still hampered by investment problems to build electric power plants using alternative fuels, before they can produce much needed electric power.

The opportunity for Regional Governments to build power plants in this era of regional autonomy is indeed very large, but in reality on the ground this is difficult to implement because the regional government's financial capacity allocated in the Regional Revenue and Expenditure Budget (APBD) is not able to finance investment for the construction of power plants. For this reason, it is necessary to have an alternative provision of development financing, which in this case is sourced from capital investment (investment), especially foreign investment, because investment in the field of power plant development requires relatively large financing and a long period of time to manage it so that investors obtain profits from investment activities.

### **Problem Formulation.**

Based on this background, the fundamental issues to be studied are:

1. What is the legal protection for investors in carrying out capital investment for the construction of solar power plants in an effort to improve services in the tourism sector?
2. What obstacles are faced in implementing capital investment for the construction of solar power plants in an effort to improve services in the tourism sector?

## **2 Research Methods**

### **2.1 Types of Research and Problem Approach**

This research is empirical legal research, where this research is based on the existence of a problem in society, then a study will be carried out based on the applicable legal theory

### **2.2 Data Collection Techniques**

With the help of interview guidelines and structured interviewing techniques, primary data are gathered from previously identified informants, albeit it is probable that additional data will be required to complete the research findings. Direct interviews were conducted with respondents, both government agencies that are competent in matters of investment, such as the Capital Investment Service and the One-Stop Licensing Service.

Meanwhile, secondary data is collected through documentation and recording methods through a files system, in the form of legal materials, both primary, secondary and tertiary.

### **3 Research Results and Discussion**

#### **3.1 Legal Protection For Investors In Carrying Out Capital Investment For The Construction Of Solar Power Plants**

The presence of investors in providing funds for development, including for regional development, is very necessary, because the Government and Regional Governments cannot meet the required funds, including for the construction of solar power plants. Building a power plant by utilizing existing resources is an alternative that needs to be taken into account, because if you only rely on electricity provided by the State Electricity Company (PLN) you will not be able to meet electricity needs. For this reason, it is necessary to have a breakthrough in the development of electric power with other alternatives using raw materials owned by the region concerned.

The potential of the region can be developed to meet electricity needs, which in terms of development requires the availability of funds originating from investment or investment, both domestic investment (PMDN) and foreign investment (PMA). Investors will be willing to invest their capital if the invested capital is guaranteed legal protection from the government. Legal protection and legal certainty are closely related.

The presence of investors in providing funds for development, including for regional development, is very necessary, because the Government and Regional Governments cannot meet the required funds, including for the construction of solar power plants. Building a power plant by utilizing existing resources is an alternative that needs to be taken into account, because if you only rely on electricity provided by the State Electricity Company (PLN) you will not be able to meet electricity needs. For this reason, it is necessary to have a breakthrough in the development of electric power with other alternatives using raw materials owned by the region concerned.

In general, a variety of factors affect foreign investors' willingness to place money in a certain nation. One of the pull factors in the capital recipient country is the provision of tax policy incentives, the availability of suitable infrastructure, and the presence of a competent and disciplined workforce. In addition to this, the following aspects are crucial: Investors consider a number of factors before making a capital investment. Of course, political stability and security in nations receiving capital are tied to legal clarity. The legal framework in place will have a significant impact on how appealing Indonesia is to international investors. The legal system must be capable of producing efficiency, fairness, and clarity. (Agung Sudjati Winata;2018) The basic concept of investment development is of course directed at increasing aggregate productivity. To achieve this, it is necessary to support a "conductive" investment climate, including: 1) Certainty, stability and security. 2) Macroeconomic stability (inflation, interest rates and exchange rates, sustainable monetary and fiscal systems). 3) Bureaucratic reform, taxation, policies, regulations. 4) Provision of sufficient infra-

structure (electricity, water, ports, roads, etc.). 5) Labor that refers to productivity. 6) Human resources, education, health, discipline, motivation. 7) Each region must focus on leading industrial sectors. 8) Establish synergistic cooperation between regions. (Ahmad Ma'ruf;2012)

In the context of legal protection, every human being is essentially entitled to legal protection. Almost all legal relationships must obtain protection from the law to obtain legal certainty. The government must also regulate or create clear regulations for law in society so that the public can clearly know what legal relationships are and what kind of legal protection will be provided. In order for the community to receive the proper level of legal protection from the government and legal certainty. Therefore, it may be said that legal protection is an action taken to uphold or defend society in order to bring about justice. Consequently, legal protection is designed as: 1) Service form; law enforcement and security personnel perform this service. 2) Subjects that are safeguarded (Lovienna;2016).

According to Philipus M. Hadjon, whether this has to do with legal protection for investors or investment in activities for the construction of solar power plants, it also needs legal protection for the continuation of investment made by investors. Legal protection that can be provided by the government are efforts that can be made by investors to maintain the right to enjoy or obtain benefits from invested capital with the existence of an agreement between the investor and the government that is mutually beneficial for the invested capital with an emphasis on avoiding disputes.

Investors can, however, exercise their legal protection in the event that the government or the investor's business partners breach a contract or default by pursuing civil cases before the general court against the persons at fault.

Legal protection for investors is a protection that provides a guarantee for an investor, namely that he will get investing its capital in fair conditions towards the parties involved related to law, society and other parties, especially in this case gain access to information, namely market situations, political and societal situations, assets managed by investors, laws and regulations, and etc.

Thus, the role of government is very necessary in this effort protect foreign investors who invest in Indonesia by requiring foreign investors whose companies are located in the region Indonesia is required to form a legal entity according to Indonesian law. Rather than that, The most important rights granted to foreign investors are those that exist in article 14 of the UUPMA concerning certainty of rights, law, protection, as well as open information regarding the business sector it carries out and rights services, various kinds of facilities that can make it easier for investors to invest in accordance with statutory provisions.

As for its relation to law or in terms of juridical aspects, namely pwhich is no less important for foreign investors to pay attention to will or wants to invest capital in a country. Especially prelating to the protection provided by the national government for foreign investment activities in their country in the form of legal protection. Besides Therefore, domestic laws will influence foreign investors' interest in invest capital in a country.

### **3.2 Obstacles Are Faced in Implementing Capital Investment For The Construction of Solar Power Plants in An Effort to Improve Services in The Tourism Sector**

Indonesia has set goals for its national primary energy mix, including 23% renewable energy in 2025 and 31% in 2050, as well as 17% energy savings in 2025, by Government Regulation Number 79 of 2014. Among various things What was achieved in setting this target was the country's commitment to reducing carbon emissions and the need to shift towards Green and Clean Energy which is in line with Sustainable Development Goals (SDGs) No. 7 “Clean and Affordable Energy”. Therefore, the United Nations Development Program (UNDP) supports the Ministry of Energy and Mineral Resources (KESDM), especially the Directorate General of New, Renewable Energy and Energy Conservation (DJEBTKE), in its efforts to develop the renewable energy (ET) and energy efficiency sectors ( EE) in Indonesia through the Market Transformation for Renewable Energy and Energy Efficiency (MTRE3) Project with funding from the Global Environment Facility (GEF). In achieving the targets that have been set, the development of the RE and EE sectors in Indonesia cannot be implemented optimally if it only relies on the State Revenue and Expenditure Budget (APBN). Therefore, private sector participation in the context of investment mobilization (domestic and foreign direct investment) is very crucial to accelerate RE and EE development and achieve national targets. However, the mobilization of private investment in the development of RE and EE still faces various obstacles, the main of which is the business/investment process which is relatively complex and lengthy, while other comprehensive and updated investment guidelines are not yet available (Kementerian Energi dan Sumber Daya Mineral (KESDM) dan United Nations Development Programme; 2021)

To increase the usage of clean and sustainable renewable energy sources, it is crucial to implement financial investments for the building of solar power plants. However, there may be other hurdles that present themselves along the route that are quite difficult to overcome. The following are some typical barriers that could be encountered in the capital investment process for the construction of a solar power plant, along with other efforts that could be taken to overcome additional obstacles: 1) High initial costs are one. High initial expenses are one of the key challenges frequently encountered in solar energy projects. There may be a large upfront cost for solar panels, inverter technologies, energy storage systems, and other infrastructure. 2) Licensing and Regulations. Complicated and time-consuming permitting processes can hinder project progress and increase administrative costs. Local and national governments may have different requirements that must be met before a project can begin. This can increase the cost and time of project implementation. To overcome these obstacles, it is important to work closely with local licensing authorities and fully understand all the requirements that must be met. Apart from that, advocating for regulatory changes that are more friendly to renewable energy can also be an effective step. 3) Land Availability. The availability of suitable land for the construction of solar power plants can also be a challenge. Solar energy projects require large, remote areas of land to optimize sunlight reception. Finding suitable land that is available at

an affordable price can be an obstacle, especially in densely populated urban areas. 4) Electrical Network Capacity. The capacity of the existing electricity grid can also be an obstacle in implementing solar energy projects. Solar power systems produce electrical energy that must be distributed through the existing network. These networks may not have sufficient capacity to accommodate the energy produced by the plants, or may require significant upgrades. Therefore, careful planning needs to be carried out to ensure the electricity grid can accommodate increased solar energy production. 5) Technical Capabilities and Manpower. Having a skilled and trained workforce to design, install, and operate solar power systems is important. The lack of workers who have these skills can be an obstacle in project implementation. Therefore, training and development of the workforce in the solar energy industry is very important. 6) Climate and Weather. Weather and climate factors also need to be considered. Solar energy is very dependent on sunlight, so bad weather or unpredictable climate can disrupt energy production. This should also be considered in risk planning and management. To overcome these obstacles, it is important to conduct careful climate and weather studies before starting a project, as well as having a contingency plan to deal with reduced energy production due to adverse weather conditions.

## **4 Conclusions and Suggestions**

### **4.1 Conclusion**

Understanding and upholding investors' rights through robust legal protections is crucial when executing capital investment for the development of solar power facilities. Investments in solar energy are an important step towards clean and sustainable energy sources, and the success of these projects can provide significant benefits to society and the environment. Hence the importance of legal protection for investors and provides some suggestions to improve the legal environment for investment in solar energy.

### **4.2 Suggestion**

Perlindungan hukum yang kuat adalah faktor kunci dalam menjamin kesuksesan investasi dalam energi surya. Energi surya adalah sektor yang berkembang pesat dengan potensi untuk memberikan manfaat besar, baik secara ekonomi maupun lingkungan. Namun, seperti investasi dalam bisnis apa pun, ada risiko yang terkait dengan investasi dalam energi surya, dan perlindungan hukum adalah alat penting untuk mengurangi dan mengelola risiko tersebut.

## **REFERENCE**

1. Agung Sudjati Winata, 2018, Perlindungan Investor Asing dalam Kegiatan Penanaman Modal Asing dan Implikasinya Terhadap Negara, *AJUDIKASI : Jurnal Ilmu Hukum*, Vol. 2 No. 2. Hlm 127-136

2. Ma'ruf,A. , 2012,Strategi Pengembangan Investasi di Daerah: Pemberian Insentif Ataupun Kemudahan.Jurnal Ekonomi & Studi Pembangunan, 13(1): 43-52.
3. Lovienna Renisitoresmi, Ikarini Dani Widiyanti, Nuzulia Kumala Sari, Perlindungan Hukum Bagi Investor Di Sektor Pariwisata Indonesia,Published ByThe University Of Jember, Indonesia Available Online 21 April 2016 Lentera Hukum, Volume 3 Issue 1 (2016), Pp.1-13
4. Kementerian Energi dan Sumber Daya Mineral (KESDM) dan United Nations Development Programme, 2021, PEDOMAN INVESTASI PEMBANGKIT LISTRIK TENAGA ANEKA ET
5. Undang-Undang Nomor 25 Tahun 2007 tentang Penanaman Modal (Lembaran Negara Republik Indonesia Tahun 2007 Nomor 238; Tambahan Lembaran Negara Republik Indonesia Nomor 4822)

**Open Access** This chapter is licensed under the terms of the Creative Commons Attribution-NonCommercial 4.0 International License (<http://creativecommons.org/licenses/by-nc/4.0/>), which permits any noncommercial use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made.

The images or other third party material in this chapter are included in the chapter's Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter's Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.

