

# Transformation of Investment Model Implementation in Tourism Industrialization Based on Local Wisdom in Badung Regency

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## ARTICLE INFO

### Article history:

Received December 30, 2022

Revised January 07, 2023

Accepted February 13, 2023

Available online February 25, 2023

### Kata Kunci:

Model Investasi, Industrialisasi  
Pariwisata, Kearifan Lokal

### Keywords:

Investment Model, Tourism  
Industrialization, Local Wisdom



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## ABSTRAK

Pariwisata mengalami siklus perubahan sehingga berpengaruh pada model pariwisata Bali yang berbasis budaya melalui penguatan kearifan lokal. Kepariwisata akan dapat berjalan dengan maksimal apabila memiliki jaminan, ketahanan budaya, karena selain berfungsi sebagai daya tarik wisata, kepariwisataan dianggap sebagai media untuk meraup keuntungan yang besar, sehingga seringkali kegiatan pariwisata menggeser nilai-nilai budaya dan merubah pola hidup masyarakat. Untuk itu, dalam upaya mengendalikan pengaruh globalisasi terhadap investasi industrialisasi di bidang pariwisata yang mulai mengikuti perubahan peradaban revolusi industri 4.0, maka Kabupaten Badung menjadi rule model transformasi pelaksanaan investasi pariwisata berbasis budaya. Kajian penelitian ini bersifat deskriptif-analitis, yakni suatu tipe penelitian yang tidak saja terhenti pada penggambaran semata melainkan sampai pada upaya pengkajian karakteristik penyelesaian kasus-kasus permasalahan investasi pariwisata dengan metode penelitian kualitatif. Hasil penelitian ini menunjukkan bahwa pemahaman masyarakat Kabupaten Badung terhadap pentingnya nilai kearifan lokal dalam penerapan model investasi berbasis budaya sangat tinggi sehingga kegiatan investasi di bidang pariwisata tidak hanya menekankan pada aspek perekonomian nasional namun juga kelestarian kearifan lokal. Disamping itu, dalam penerapan model investasi berbasis budaya dengan penguatan kearifan lokal membutuhkan sinergi yang baik antara Pemerintah, masyarakat Desa Adat, pelaku usaha pariwisata dan investor sehingga betul-betul dapat mengembangkan konsep pariwisata budaya berkelanjutan di Bali.

## ABSTRACT

Tourism undergoes a cycle of change that affects the culture-based Balinese tourism model by strengthening local wisdom. Tourism can run optimally if it has guarantees and cultural resilience. In addition to functioning as a tourist attraction, tourism is considered a medium to reap large profits, so tourism activities often shift cultural values and change people's lifestyles. For this reason, to control the influence of globalization on industrialization investment in tourism which has begun to follow the changes in the civilization of the industrial revolution 4.0, Badung Regency has become the rule model for the transformation of the implementation of culture-based tourism investment. This research study is descriptive-analytical, a type of research that does not stop at mere descriptions but also comes to an effort to study the characteristics of solving cases of tourism investment problems using qualitative research methods. The results of this study indicate that the people of Badung Regency's understanding of the importance of local wisdom in applying a culture-based investment model is very high. So investment activities in the tourism sector emphasize aspects of the national economy and preserve local wisdom. In addition, applying a culture-based investment model with strengthening local wisdom requires good synergy between the Government, Indigenous Village communities, tourism businesses, and investors to truly develop the concept of sustainable cultural tourism in Bali.

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## 1. INTRODUCTION

The success of a country in developing its economy can be measured in various indicators. One of which is through the growth and development of its business. The development of a business certainly must be connected to the existence of business capital. When business development is increasing, and business expansion is needed, investment is a solution for entrepreneurs to increase capital for the sustainability of their business. The existence of investment in a country is a necessity because investment is the driving force of the economy to encourage economic growth in various sectors to meet the community's needs (Williams et al., 2015). Investment activities carried out in a country will be beneficial if the country can determine this investment policy in line with what is mandated by the constitution (Newman et al., 2018). History records that investment has grown rapidly through various stages ranging from the classic, known as "ancient imperialism" (XVII century and XVIII century), modern, namely "new imperialism" (XIX century), and the last one that is fairly contemporary (occurred around the 1960s), when developing countries became acquainted with investment as an import substitution strategy (T. M. Lubis & Buxbaum, 1986).

The existence of investment began with the outbreak of the industrial revolution in Europe in 1760, especially in England, and then spread to America in 1860 (Ilmar, 2010). Before the industrial revolution in England, the condition of society was very alarming because the state tightly regulated the economy, so the society desired a change for a new system at that time (Goldstone, 2002). In the end, there were demonstrations and workers' uprisings, resulting in a new system in which the public or the private sector could participate in the country's economy. The private sector began competing in capital investment to spur industrial growth (Bertoni et al., 2011). Investment is part of the administration of the national economy. It is positioned as an effort to increase national economic growth, create jobs, increase sustainable economic development, increase national technological capacity and capability, encourage people's economic development and realize community welfare in a competitive economic system (Feldman et al., 2016). Investments can cover various fields, including tourism (Plizakova, 2022). The tourism studied in this paper is tourism from the investment law perspective. Investment, in this case, is defined as the activity of allocating resources to earn income. Tourism creates a demand for goods and services, such as transportation, accommodation, consumption, reactions, attractions, or other businesses (Orfindaru et al., 2021). Further, it becomes the basis for the existence of investment in tourism. One example of an area that is famous for its tourism is Bali.

The beauty of Bali as an island is an attraction that attracts tourists to visit and makes Bali one of the world's tourist destinations (Subadra et al., 2019). Bali as a tourism area is an area that contributes to foreign exchange for the central and regional governments to be able to support the economy of the Bali area through tourist visits (Pemayun, 2019). Today's tourism economic activities encourage the transformation of land as much as possible and the transfer of functions of productive agricultural land and historical areas. These sociocultural values are unique to becoming centers of tourism business activities (Purwata, 2019). Such transformations are not infrequently accompanied by the elimination of certain values and social systems of society, exploitation of the community with all aspects of its life, and the treatment of the people in the determination and implementation of policies (Chen & Kong, 2021).

The data of the Investment Coordinating Board (BKPM), which recorded investment in tourism in Bali, showed that in 2015, Domestic Investment (PMDN) contributed IDR 4.02 trillion, and Foreign Investment (PMA) contributed IDR 9.24 trillion. Then, in 2016 PMDN and PMA contributed IDR 2.21 trillion and IDR 16.65 trillion, respectively. Furthermore, in 2017 there was IDR 6.30 trillion for PMDN and IDR 18.15 trillion for PMA. Meanwhile, until the first semester of 2018, PMDN contributed IDR 3.6 trillion, and PMA was at IDR 7.4 trillion. These numbers show the high level of investment in tourism, both through foreign and domestic investment. Based on these data, it is necessary to have effective policies and the government's efforts to maintain and even increase the value of these investments to increase economic growth in Indonesia, the results of which can be used for the welfare of the community (Lestari & Bawono, 2021). However, tourism development in Bali does not only prioritize natural tourism. However, it prioritizes Balinese culture and traditional tourism, which is the main attraction for tourists without compromising efforts to maintain the integrity of the tradition as a noble heritage (Chong, 2020). In the development of modernization, efforts to direct changes to cultural behavior and customs as a permanent tradition has caused Balinese culture to lead to the degradation of behavior and culture itself. Therefore, it is necessary to construct a tourism investment model that remains based on the local wisdom of Balinese culture.

Considering the description above, the researchers are interested in raising the title regarding the transformation of the implementation of investment models in tourism industrialization based on local wisdom in constructing tourism investment models oriented to Balinese culture and traditions. It is necessary to carry out an in-depth analysis related to the identification of understanding of cultural

tourism-oriented to local wisdom at the government, community, and village levels of traditional Balinese cultural values in Badung Regency and investment models in tourism industrialization based on local wisdom in Badung Regency.

In scientific work, originality is an important point that must be considered in every preparation of scientific works to show that a research work that is compiled is original so that it is completely different from other scientific works. Therefore, researchers can compare several similar studies to show that this research is original. The first research is entitled "Planning and Development of Kaba-Kaba Tourism Villages Based on Local Wisdom." This research focuses more on finding strategic priorities for planning and developing Kaba-Kaba Tourism villages, Kediri District, Tabanan Regency, Bali, based on traditional wisdom by utilizing infrastructure and attractions in the village (Widyastuty & Dwiarta, 2021). The second research is entitled "Building Competitiveness of the Creative Industry-Tourism Based on Local Wisdom Towards One Village One Product." This research emphasizes building a strategic model for strengthening the competitiveness of the creative tourism industry with the value of local wisdom with an industrial cluster platform as well as developing products and services. Tourism creative industry services by utilizing the potential of superior regional resources towards one village, one product (Indriani, 2020). The third research is entitled "Strengthening Village Economic Institutions in Encouraging Tourism in the Regions." The scope focuses on seeing what factors affect the performance of the tourism business unit of Village Owned Enterprises (BUM Desa) by taking the locus on BUM Desa Mandiri Bersatu, Gisting, Tanggamus Regency, Lampung Province (Saifuddin, 2019).

## 2. METHODS

This research was designed with a critical qualitative approach to explore and create ethical meanings. This research study is descriptive-analytical, a type of research that does not stop at mere descriptions but also comes to an effort to study the characteristics of solving cases of tourism investment problems using qualitative research methods. This study highlights various problems related to the systematics, procedures, and implementation of the Tourism Investment Model in Badung Regency, especially in Pecatu Village, Kuta Selatan District. This research aims to build an investment model that supports tourism based on local wisdom to develop sustainable culture-based tourism so that Balinese culture is consistently maintained and does not lead to cultural degradation.

## 3. RESULTS AND DISCUSSIONS

### Results

Badung, one of the regencies in Bali with diverse tourism potentials and facilities, shows that the strategic sector that provides the largest contribution is the trade, hotel, and restaurant sectors. It is because the main activities that develop in Badung Regency are tourism activities that are closely related to the trade, hotel, and restaurant sectors. The transportation and telecommunications sector also supports tourism activities, so its contribution to Gross Regional Domestic Product (GDP) is also large. Ngurah Rai Airport is the main entry point for domestic and foreign tourists from outside the island of Bali. The main area of Badung Regency, which includes Kuta and Nusa Dua, is a famous and reliable tourist attraction. The area of Badung Regency covers 418.52 km<sup>2</sup>, administratively covers six districts (Kuta, Mengwi, Abiansemal, Petang, Kuta Selatan, and Kuta Utara), 16 sub-districts (Tuban, Kuta, Kedonganan, Legian, Seminyak, Kapal, Sempidi, Abianbase, Sading, Lukluk, Benoa, Tanjung Benoa, Jimbaran, Kerobokan Kelod, Kerobokan, Kerobokan Kaja), and 46 villages (Munggu, Buduk, Mengwitani, Penarungan, Sembung, Baha, Mengwi, Kekeeran, Sobangan, Gulingan, Werdhi Buwana, Cemagi, Pererenan, Tumbakbayuh, Kuwum, Darmasaba, Sibang Kaja, Sibang Gede, Jagapati, Angantaka, Sedang, Mambal, Abiansemal, Bongkasa, Taman, Blahkiuh, Ayunan, Sangeh, Punggul, Mekar Bhuwana, Dauh Yeh Cani, Selat, Bongkasa Pertiwi, Carangsari, Petang, Belok Sidan, Pelaga, Getasan, Pangsan, Sulangai, Pecatu, Ungasan, Kutuh, Tibubeneng, Canggug, Dalung). In the last three years, Badung Regency has become the Regency with the highest Regional Original Income (PAD) as shown in Table 1.

**Table 1.** Data of Original Regency/City Government Revenue in Bali Province

No	Regency/City	2017 (IDR)	2018 (IDR)	2019 (IDR)
1	Jembrana	121.342.475	126.477.267	133.698.784
2	Tabanan	426.635.751	363.370.469	354.558.239
3	Badung	4.172.457.396	4.555.716.407	4.835.188.460
4	Gianyar	662.753.475	770.204.849	997.478.368
5	Klungkung	153.210.776	186.974.284	225.063.772

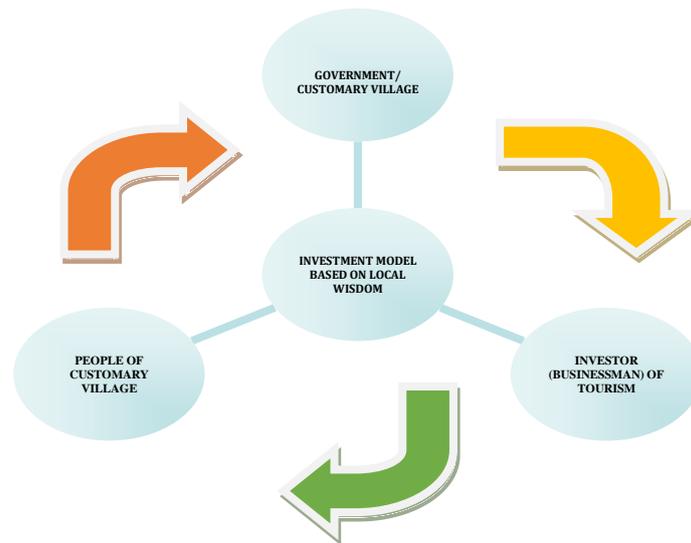
No	Regency/City	2017 (IDR)	2018 (IDR)	2019 (IDR)
6	Bangli	104.592.163	122.686.254	127.040.436
7	Karangasem	198.575.057	200.361.247	233.013.033
8	Buleleng	455.195.426	335.555.494	365.595.301
9	Denpasar	1.008.710.712	940.110.335	1.010.779.481

Based on [Table 1](#), in the last three years, Badung Regency has become the Regency with the highest Regional Original Income (PAD) compared to other regencies in Bali. Based on the results of the questionnaire recapitulation, which was distributed to a sample of 50 people. It comprises officials from the Badung Regency Tourism Office, Pecatu Village Government Officials, Community Leaders, and tourism business actors in Pecatu Village. The percentage related to understanding the importance of investment that supports tourism-based local wisdom in the following efforts to develop sustainable culture-based tourism.

**Table 2.** Recapitulation of Pecatu Villager's Comprehension Level upon the Importance of Local Wisdom-based Tourism Investment

No	Comment	True	False	Abstain
1	Local wisdom is the noble value that applies to the community's life, among others, to protect and manage the environment sustainably.	95,6%	4,4%	0%
2	The values of local wisdom become the grip of certain community groups, which will usually become an inseparable part of life that can be observed through their daily attitudes and behavior.	96%	4%	0%
3	The characteristics of local wisdom are being able to withstand foreign cultures, having the ability to integrate elements of foreign culture into the original culture, having the ability to control, and being able to give direction to cultural development.	95%	4%	1%
4	The cultural values of indigenous peoples can be introduced in the international arena as the nation's cultural heritage or national cultural treasures that can encourage the advancement of national culture.	97,7%	2,3%	0%
5	Tourism based on local wisdom supports the sustainability of cultural tourism.	97%	3%	0%
6	Tourism investment activities must prioritize the values of the local wisdom of the local community.	98,6%	1,4%	0%
7	Tourism investment based on local wisdom positively impacts preserving the noble values of local culture.	98%	2%	0%
8	The tourism investment business actors, the local community, and the government must maintain the values of local wisdom.	97,4%	2,6%	0%
9	Efforts to achieve investment based on local wisdom require synergistic guidance between agricultural, tourism, and government business actors so that they can plan, compile, and program tourism villages based on community capabilities and village potential.	96,3%	3%	0,7%
10	There needs to be coordination between interested parties in achieving investment activities based on local wisdom to develop sustainable cultural tourism by establishing coordination between parties.	97%	3%	0%

Based on [Table 2](#), it can be concluded that the level of understanding of the people of Pecatu Village on the importance of tourism investment based on local wisdom to maintain the sustainability of cultural tourism shows a very good percentage, where an average of 97 percent of the villagers answered correctly. Thus, the people of Pecatu Village are ready to implement technical innovations in tourism investment construction models based on effective local wisdom to develop sustainable tourism investment. The construction of a tourism investment model based on local wisdom is expected to synergize the pattern of economic development through an investment model with efforts to maintain Balinese cultural values. The construction of a tourism investment model based on local wisdom will involve all parties, both Government Agencies, Indigenous Peoples, and tourism business actors, which can be illustrated in [Figure 1](#).



**Figure 1.** Construction Chart of Investment Model of Tourism based on Local Wisdom

Indonesia faces various global challenges due to world globalization in the economy, trade, finance, and threats to the rampant development of global crime (Rogers et al., 2020). Integrative legal theory can be used to analyze, anticipate and recommend legal solutions that cover both normative aspects and the economic, political, sociocultural, national, and international security fields to overcome and face these global challenges. From the description above, integrative legal theory must be understood in a dynamic sense, not status quo and passive, but the law which has active mobility of functions and roles following the development of national and international community conditions from time to time. In addition, this theory can be developed as a legal analysis model that is comprehensive and holistic in dealing with and anticipating national and international developments in various fields of people's lives and will not degrade national interests in all fields but will maintain local characteristics and adapt international developments to fit the needs of the local legal system and vice versa proportionally.

The importance of developing a tourism investment model based on local wisdom at this time, of course, can be considered by the legislators in Indonesia to include the values of local wisdom in every tourism investment activity (H. Lubis et al., 2020). So that in the future, regions that use the concept of cultural tourism, one of which is Bali, can remain to maintain the values of local wisdom even though it is faced with modern investment problems. So that if it is associated with integrative legal theory, the investment model based on local wisdom will positively impact both national economic development and the preservation of local wisdom values.



**Figure 2.** Relationship Among Modern Investment, Cultural Tourism, and Local Wisdom

Referring to the concept of local wisdom itself, where local wisdom is translated as local intelligence/knowledge or views of life and science as well as various life strategies in the form of local community activities (customs, science, religion, economy, technology, social organizations, language and communication, arts) in answering various problems to maintain, improve, develop elements of their

needs by paying attention to the ecosystem and human resources found in their citizens (Puspitasari & Djunaedi, 2009). It is appropriate if the current tourism investment model collaborated with the concept of cultural tourism, which focuses on the values of local wisdom. The relationship among modern investment, cultural tourism, and local wisdom is presented in Figure 2.

## Discussion

Bali is known as an island with a tourism destination most in demand by local and foreign tourists (Subadra et al., 2019). It has resulted in most Balinese working in the tourism sector, such as hotel employees, restaurant employees, tour guides, traders in the art market, artisans, and many others. With investment activities in the tourism sector, Bali, which is always crowded with tourists, domestic and foreign investors are interested in investment activities. The tourism business that is most in demand by investors in terms of investing in Bali is the hotel business. Entering the Covid-19 pandemic period that occurred in early 2020, all regencies in Bali Province experienced a decrease in PAD levels, so a strategy was needed to restore tourism in Bali. In addition, considering the growing flow of globalization and modernization, Bali has established and developed the "Cultural Tourism Strategy" concept oriented to local wisdom. The consideration of the use of the concept of cultural tourism in Bali is inseparable from the uniqueness of the island of Bali itself both in terms of historical and geographical factors, the value of the wisdom of *Tri Hita Karana*, *Tri Kaya Parisudha*, *Tat Twam Asi*, *Salunglung Sabayantaka Paras Paras Sarpanaya*, the value of the wisdom of *Manyama Braya* and the value of other wisdom.

People in Bali still interpret cultural tourism in various ways (Maudana et al., 2021). Cultural tourism developed by Bali utilizes and respects Balinese cultural roots inspired by Hindu religious values (Rideng et al., 2020). In its implementation, the government, the community, and traditional Bali villages expect all Bali districts to maintain the values of local wisdom in various sectors/fields of life. It includes tourism development because, in essence, cultural tourism will bring the Balinese people's paradigm of thinking that emphasizes the importance of maintaining and preserving local wisdom. Culture-based tourism is a type of tourism activity that uses culture as its object. Twelve elements of culture can attract tourists, namely, language, community (traditions), handicrafts, food and eating habits, music and art, history of the region, work and technology, religion expressed in stories or something that can be witnessed, architectural characteristic in the area, dress and clothes, educational system, and leisure activities.

Tourism in Bali today is cultural tourism, which emphasizes the beauty of nature and beauty in Balinese art and culture. Cultural tourism in Bali aims to provide entertainment to every tourist who visits Bali by introducing the Balinese people's unique and interesting cultural life (Purnamawati et al., 2022). The development of tourism in Bali is experiencing dynamics in terms of social, economic, and political. Dance attractions shown to tourists to understand the rituals of community life in a traditional village now exist in various activities without considering the cultural values contained in them and tend to be carried out for commercial purposes only. Tourism is a commodity that is a source of income for people in Bali (Subawa et al., 2021). The development of tourism objects is felt to absorb labor and increase tourist visits every year. As a service industry, tourism is crucial in generating foreign exchange for countries, including Indonesia. Pecatu Village, located in Kuta Selatan District, has many potential tourist attractions, so it is often a target area for investment by investors. The village, which has an area of 461 km<sup>2</sup> and a population of 6,975 inhabitants, is located at the southernmost tip of the island of Bali. Pecatu Village consists of 9 *Banjar Dinas* and 3 *Banjar Adat*, 16 farmer groups often referred to as *Tempekan* as the lowest customary organization with the same customs and other obligations for community activities. Foreign or domestic tourists usually visit some tourist attractions, from Uluwatu Temple, famous worldwide, and Suluban Beach, Bali's most challenging surf spot. Padang-Padang beach is increasingly famous after the movie *Eat, Pray & Love*, starring Julia Roberts, Bingin Beach, known as Impossible beach by surfers. Nyang-Nyang Beach is still well preserved, and Balangan Beach, directly adjacent to Dreamland Beach, has beautiful sea views. In addition to the beach near Dreamland Beach, there is also a Green Park water ride which domestic tourists usually frequent after they are hot on the beach. Various hotels and restaurants can also be found in Pecatu Village, ranging from Bulgari Hotels & Resorts, Alila Villas Uluwatu, Anantara Hotel, Blue Point by Villas & Spa, The Meritus, New Condotel, and many more hotels and small inns around Pecatu Village. In addition to hotels, various restaurants adorn every strategic corner that foreign tourists often use to enjoy a variety of cuisines provided, both local and western food. In addition to hotels and restaurants, in Pecatu Village, several wedding venues have always been the choice of Indonesian celebrities and tourists to hold their weddings in Bali. The number of hotel and villa businesses established in Pecatu Village certainly positively impacts the livelihoods of the surrounding community. However, there is another issue that Pecatu Village has experienced. Based on the news in 2015, investors are increasingly attracted to Pecatu Village, causing almost all of the cliff edges to be controlled by

investment outside Bali, and only part of it is still owned and developed by local people. The presence of investors and the development of tourism-supporting facilities automatically boost land prices. It is feared that this will change the orientation of tourism based on the development of modernization life, which has great potential to eliminate the constancy of local wisdom values. Transformation of the tourism investment model needs to be done to reconstruct the investment model for investors who want to invest in Bali always to prioritize the concept of Balinese cultural values (Bhaskara & Filimonau, 2021).

The development of tourism industry today has grown rapidly along with the development of the current era. In the tourism industry, there are tourism businesses to fulfill the need for goods and services for tourists. Tourism is an activity that involves the community directly so that it provides various positive and negative impacts for the local community (Eslami et al., 2019). Tourism is even said to have extraordinary driving energy, which can bring local communities to experience changes towards improvement (escalation) and decline (degradation) in every aspect of human life. Tourism is a social phenomenon that involves several related parties, including humans, communities, organizational groups, and holistically in the cultural order. According to A.J. Burkart and S. Malik, tourism is the temporary and short-term movement of people to destinations outside of where they normally live and work and their activities during their stay at those destinations. Tourism, according to the Law of the Republic of Indonesia Number 10 of 2009 concerning Tourism is a variety of tourism activities supported by various facilities and services provided by the community, entrepreneurs, and the government. Tourism is an activity that is needed by every human being. One type of tourism that is developing in Indonesia is cultural tourism. Cultural tourism is one type that uses culture as its main attraction. Cultural tourism invites visitors to recognize local culture and communities, traditions and historical places, and performing arts from local communities (Syafri et al., 2020).

The term investment or investment is known in daily business activities and the language of legislation. The term investment is a well-known term in the business world, while the term investment is commonly used in legislation. However, the two terms have the same meaning and are sometimes used interchangeably. Investment is an economic concept with the core activities of allocating resources based on the analysis that the allocation will bring satisfactory results. Among the wider community, investment has a broader meaning because it can include direct investment and indirect investment. In general, investment can be interpreted as an activity by both natural and legal persons to increase and maintain the value of capital, either in cash, equity, immovable assets, intellectual property rights, or expertise. Meanwhile, in Article 1, paragraph 1 of the Law of the Republic of Indonesia Number 25 of 2007 concerning Investment, it is stated that investment is defined as "all forms of investment activities, both by domestic investment and foreign investment to conduct business in the territory of the Republic of Indonesia."

With an investment policy, the direction of our investment development will be clear. In a sense, the investment development efforts could be better planned, so implementing their business applications is also not optimal (Ilmar, 2010). It often creates conflict and anti-social attitudes because it is considered that the contribution given is insufficient or follows the community's needs. Provisions regarding investment through the Law of the Republic of Indonesia concerning Investment Number 1 of 1967 concerning Foreign Investment and the Law of the Republic of Indonesia Number 6 of 1968 concerning Domestic Investment have ended. They are declared null and void to become a unified arrangement in the Investment Law. This new law simultaneously reinforces and clarifies the policy regulating investment in Indonesia. Investment development has shown a fairly rapid increase regarding the number of investors and funds involved and various securities instruments that can be used as investment alternatives (Sparkes & Cowton, 2004). These developments further encourage the availability of competent human resources capable of mastering investment management properly. Therefore, understanding investment management is very important in responding to these demands. In addition, an understanding of the meaning of financial markets (both money markets and capital markets), the types of instruments traded in the capital markets, and the trading mechanisms that occur in the capital markets are very important to provide an overview of the various investment alternatives available to investors. The parties which carry out investment activities are usually called investors. Investors are generally classified into individual/retail and institutional investors (McWade, 2012). Individual investors consist of individuals who carry out investment activities. For example, someone who invests his funds in the form of shares will be referred to as an individual investor. While institutional investors usually consist of insurance companies, depository institutions (banks and savings and loan institutions), pension fund institutions, and investment companies. Institutions like this usually collect money from their members (customers) and then use the money as capital for investment in certain mutual funds or can also buy shares or bonds. Like other tourism activities, tourism service activities will open up investment opportunities between domestic capital and a combination of domestic and foreign capital. Investment activity in the tourism

sector is a leading sector that can improve the community's economy. The development of the tourism industry is marked by increased visits by foreign and domestic tourists and increased income in the service sector, such as hotels and restaurants, exceeding the agricultural sector and other industrial sectors. However, the development of modernization significantly impacts changes in behavior patterns and cultural systems in Bali, resulting in changes in Balinese tourism values oriented to local wisdom.

The pattern of modernization behavior does not support efforts to maintain the values of local wisdom, which are the foundation of the life of the customary law community in Bali, including the motive for tourism development that prioritizes tradition as an attraction for tourists to come to Bali. Conflicts of interest that arise from the pattern of economic development and the pattern of Balinese constancy are a source of potential problems that result in the upheaval of dimensions of change that erode the existence of local wisdom values. The importance of synergizing the two models of interest can be realized by building a model of economic development through a modern investment pattern oriented to local wisdom so that permanent cultural tourism will be realized as an attraction for tourists.

#### 4. CONCLUSION

The value of local wisdom, as a noble cultural value, must be maintained for its sustainability. It is the responsibility of everyone, both the younger generation and other communities. The value of local wisdom is not only a characteristic that can be introduced in the international arena but can be a solution to problems in various fields, one of which is tourism. The development of investment activities in the tourism sector, which generally focuses on the concept of modern investment, is a challenge for regions developing the concept of cultural tourism. It is important to collaborate between modern tourism investment models with the values of local wisdom so that they can realize and develop sustainable cultural tourism.

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