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## Tourism Funding Revolution: Raise Spirits Through the Leasing Model

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### **Abstract**

*Corona virus disease (COVID-19) has spread throughout the world which has caused all business activities to sluggish, including tourism. This research aims to construct a leasing model between the lessor and lessee of land used in the tourism business during the pandemic. The approach used is qualitative research with a case study type of research (single case multi site) or one case with observations in several different places. Even though the cases observed are different each year, the focus of observations each year is only one case. The data collection technique used was interviews with land owners (lessors), land tenants (lessees) and parties related to leasing who carry out business activities in the tourism sector in North Lombok Regency, then conducting triangulation i. The data analysis method used is the method of Miles and Huberman. The results of the study show that leasing can be a solution for both parties, namely the lessor and the lessee, especially when the level of tourist visits is low.*

**Keywords:** *Funding, Leasing, Lessor, Lessee, Tourism*

### **Introduction**

Discussing development programs in the Indonesian context is indeed relevant, especially considering the diverse demographics of the population (Suryani et al., 2023). At the same time, the tourism industry is a sector that has great potential in the national economy. As a country that is very diverse, both in terms of culture, Indonesia has the opportunity to utilize a funding model based on leasing principles to design tourism sector development in North Lombok Regency that is positive and sustainable.

One of them is that North Lombok Regency has great potential in the tourism sector, and this is the case supported by the availability of accommodation facilities in the form of 583 budget hotels and 241 restaurants. This hotel is dominated by North Lombok Regency for the number of budget hotels and restaurants, but for star hotels it is in third place. This means that tourists like small and medium businesses as a cheaper tourism alternative.

Domestic (DN) and Foreign (LN) tourists is concentrated in 2 sub-districts based on occupancy rates as shown in Table 2 below:

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**Table 1.** Number of Tourists in North Lombok Regency Based on Occupancy Rate.

Subdistrict	2018		2019		2020	
	D.N	LN	D.N	LN	D.N	LN
Pamenang	997	5585	531	6376	1860	4065
Cape	608	3762	309	3044	526	1148
Ganga	0	0	0	0	0	0
Heaven	0	0	0	0	0	0
Parrot	0	0	0	0	0	0
North Lombok	1605	9347	840	9420	2386	5213

**Source:** North Lombok in Figures (Utara, 2020).

It turns out that only 2 sub-districts have an attraction for tourists, both domestic and foreign tourists. It was recorded that in 2020 the number of poor people in North Lombok Regency reached 59.86 thousand people with the average level of monthly per capita expenditure according to commodity groups in 2020 amounting to Rp. 942,580.

The development of tourism facilities, accompanied by thousands of hectares of land in the NTB region being controlled by foreign parties (Huda et al., 2022). Selling is detrimental to society if the proceeds from the sale are not used for productive or investment activities, but rather for consumptive activities. Rural land that is sold tends to be useless when the money from the sale is used inappropriately by the household (Deininger et al., 2007). There is even something more extreme, it is stated that the land sales market is said to fail and this usually happens in rural areas, especially in developing countries (Susanto & Putra, 2022). *Leasing provides an alternative financing so as not to lose ownership of assets*, as a form of long-term poverty alleviation and access to capital for marginal communities (poverty in villages and coastal communities).

In mid-2018, the tourism sector on the island of Lombok, especially in North Lombok Regency, was badly hit by the impact of the natural disaster of the earthquake that occurred at that time. Tourism activities began to revive in mid-2019, which was marked by an increase in occupancy from visits by tourists, both domestic and domestic tourists. abroad. The tourism climate in North Lombok Regency slumped again in March 2020 due to the Covid-19 pandemic outbreak, which to date has not shown any signs of economic revival in this Regency, which actually relies heavily on its people's sources of income through the tourism sector.

Planning, coordination, the use of inadequate analysis, political influence, and the occurrence of criminal acts of corruption are just some of the issues that might impede infrastructure progress. It is difficult to speed up infrastructure development in developing nations like Indonesia because of the vast number of development funds that must be provided and the length of time required. Due to budget constraints, the government encourages private sector participation in infrastructure provision, which is intended to increase both financial and technical efficiency (Rezkyana et al., 2021). We can't deny that the quality of human resources is low, so we need to work out a plan to improve them before we can implement the national policy outlined in Nawa Cita (Nggilu & Towadi, 2021).

Based on the results of preliminary observations that landowners in North Lombok Regency tend to sell their assets, namely the land they own, to overcome the problems of economic difficulties they face, of course the decision to sell their land assets is an unavoidable choice for them so they ignore opportunities for it is possible to obtain income through alternative monitoring efforts. So a solution is needed for these obstacles so that they continue to earn adequately through alternative land uses without having to sell their land assets.

## Literatur Review

As part of the research process for "Tourism Funding Revolution: Raising Spirits Through the Leasing Model," it was necessary to dig further into the studies conducted by academics and industry professionals on the topic of capital structure and sustainable tourism. In their theory of capital structure, Modigliani and Miller, for instance, stress that, in a perfect market, corporate finance choices have no impact on the value of a firm (Jaros & Bartosova, 2015). The tourist industry is far from a flawless market, particularly in the midst of a pandemic, and leasing models may be a significant financial tool for mitigating risks and strengthening company resilience.

However, specialists like Jafar Jafari, who developed the Triple Bottom Line Theory of Sustainable Tourism, stress the relevance of economic, social, and environmental factors (Jafari, 2016). But experts like Jafar Jafari, who created the Triple Bottom Line Theory of Sustainable Tourism, emphasise the importance of economic, social, and environmental considerations.

Theorists like Mihaly Csikszentmihalyi, who emphasised the notion of 'flow' or the flow of pleasure as a significant aspect in the trip experience, should also be taken into account in this literature study, in addition to Modigliani, Miller, and Jafar Jafari. This idea runs opposed to the logic of profit-driven company strategies, yet it has significant practical application. Csikszentmihalyi says that for visitors, a 'flow state' may be created when the tourism industry has solid financial circumstances (Xin et al., 2023). Therefore, a well-conceived leasing model may contribute to protecting the standard of travel.

Garrett Hardin's "Tragedy of the Commons" argument is applicable from a justice and governance standpoint as well. According to Hardin, common pool resources soon run dry without adequate oversight. The leased area may easily turn into "the commons" if not maintained correctly for tourist use (Hardin, 1998). According to Hardin's theory, a good leasing model will take the long-term effects on resources and local communities into account.

Deeper investigation reveals that although the leasing model in tourism has promising prospects, it also poses some serious difficulties and possible ethical and environmental hazards. According to Modigliani and Miller's The Theory of Capital Structure, this approach may serve as a versatile and effective means of raising funds. Garrett Hardin's Tragedy of the Commons thesis raises concerns that this efficiency may have encouraged an exploitative attitude or caused damage to local communities.

Second, according to Jafar Jafari's triple bottom line theory, leasing models need to take into account the effects on the economy, society, and the environment. This further demonstrates the need of governing systems that prioritise long-term viability and equitable distribution of resources. Csikszentmihalyi's 'flow' theory also demonstrates that ensuring the tourism industry's long-term viability is not an objective in itself, but rather a means to enhancing the quality of the experience provided to visitors.

Then there's Butler's viewpoint, represented by the Tourism Destination Life Cycle (TALC) theory, which states that all popular tourist spots go through the same general stages of growth before either declining or being reborn (L. Lowry, 2017) (L. L. Lowry, 2016). The lease model's flexibility throughout these transitions is a key consideration.

The leasing system has also come under fire. If the lessor is a major body or company and the lessee is a community or small business entity, as David Harvey argues in his idea of

"accumulation by dispossession," the leasing model may entrench socioeconomic disparity (Das, 2017). The long-term viability of the tourism industry might be jeopardised by power imbalances of this kind.

The idea of "Tourism Resilience," developed by Regina Scheyvens and Susanne Becken, should also be taken into account. They highlight the resilience and flexibility of the tourist industry to bounce back from setbacks (Movono et al., 2023). In the wake of the recent COVID-19 outbreak and other calamities, this idea might contribute to broader conversations regarding the efficacy of leasing schemes. Is it true that the leasing strategy improves longevity, or does it really decrease it?

Pierre Bourdieu's "Cultural Capital" theory might be used as well to further the investigation. Capitalising cultural property (such as historic buildings or traditional dances) is explained by this notion. In the wake of the recent COVID-19 outbreak and other calamities, this idea might serve as a counterpoint to the growing debate about the efficacy of leasing schemes. Is it true that the leasing strategy improves longevity, or does it really decrease it? (Throsby, 1999). These theoretical frameworks allow for a thorough evaluation. Butler's Life Cycle Theory emphasises the need of adaptability in leasing models over a destination's varying stages of popularity. Depending on whether the tourist location is in an exploratory, development, consolidation, or decline phase, this might represent a significant shift in contract terms or investment.

David Harvey argues that the leasing approach has the potential to exacerbate existing economic disparities. To avoid "accumulation by dispossession," in which a huge lessor controls a smaller lessee or local community, fair and inclusive leasing arrangements are crucial. In addition, the concept of "Tourism Resilience" may be used as a lens to assess whether or not different leasing patterns improve or detract from the stability of host communities and the tourist industry. Does it make things more susceptible or give enough resources to get through the crisis?

Anxiety about the other, often known as the "Panic of the Other" (POT) hypothesis, is a way of thinking that highlights the ways in which differences and fears of the "other" are central to the formation and affirmation of group and individual identities (Hunt, 1997). This theory may give an intriguing perspective, particularly in the lessor-lessee interaction, in the context of leasing and tourist concepts. There may be "jitters" among locals, especially the lessee, if the lessor is a huge firm or organisation from outside the neighbourhood. This unease may show itself as outright hostility against landlords or the leasing model itself, or it may take the shape of a narrative that paints landlords as the villainous "other" that steals from the community.

POT theory adds depth to our investigation by illuminating the ways in which social power relations and perceptions of the 'other' may impact the success or failure of leasing strategies in the tourist industry. Since the creation of prejudice and preconceptions against lessors may impact the negotiation and execution of leasing contracts, this worry can diminish the efficacy and fairness in leasing practises. In the legal and governing spheres, where bias towards the 'other' may affect how rules and policies are applied, this becomes crucial.

In this last review, we have seen that the leasing model in tourism is a highly complicated and multidimensional notion, as seen by the theoretical variety that we have investigated. The interplay between the economy, society, and the environment may be mutually beneficial or divisive. What emerges from this study, however, is the pressing need for an integrated and dynamic strategy, one that takes into account the differences and worries of the many stakeholders, an idea that is supported by The Theory of "Panic of the Other."

Since the leasing idea may be funded in a variety of ways, it may emerge as a major factor in the tourist sector during the post-pandemic revival. However, there is a price to pay for this adaptability. The concepts of sustainability and social justice might be disregarded, leading to exploitation and inequity. Because of this, the model calls for ethical and fair governance, which may be crafted via a deep dive into The Theory of Capital Structure, The Triple Bottom Line, and The Theory of the "Tragedy of the Commons."

Leasing can be an effective tool, according to theories ranging from Csikszentmihalyi's "flow" to "Tourism Resilience," but only if the theory is applied with care, considering factors such as the Life Cycle Theory of tourist destinations and other industry specific nuances. Understanding how social anxiety and power dynamics may affect the success or failure of this leasing model is where the "Panic of the Other" hypothesis comes into play.

In conclusion, our investigation supports the notion that there is no "one-size-fits-all" answer. Consequently, we need a dynamic and adaptable system that permits contractual flexibility and governance that is sensitive to the requirements and worries of many partners in order to maintain sustainability and justice in the leasing model. Because of this, the tourist sector will not only be able to stay afloat, but also grow in a more equitable and environmentally friendly manner.

## **Research Methods**

The research was conducted using a qualitative case study type approach. According to Yin, this includes single case study research (Yin, 2009), which seeks to find meaning, investigate processes, and gain in-depth understanding and understanding from individuals, because the agent construction in this case is the individual (Emzir, 2010). According to Myers, case study research can be used to investigate phenomena that occur in real life (Myers, 2009). The boundaries between phenomena and conditions or situations that actually occur do not yet have clear evidence, or the link between phenomena and existing situations is still unclear. (Myers, 2009). The phenomenon that occurs in coastal communities who sell a lot of land for the benefit of tourism which causes poverty in the long term.

Using qualitative methods in this research makes it possible to approach the phenomenon from the perspective of individual agents in this case, members of coastal communities and gain a deeper understanding of how their social, economic and cultural constructions are affected.

According to Yin and Myers, case studies are the right approach if the phenomenon being studied has boundaries with a vague or unclear context. Here, the phenomenon of selling land for tourism purposes has multidimensional implications: there are legal aspects of land ownership, power dynamics between investors and local communities, as well as long-term economic and social impacts such as poverty. This situation makes it a complicated but interesting case, where the boundaries between the phenomenon (land sales) and the condition or situation (socio-economic impact) are indeed blurred and require in-depth analysis.

**Settings** The research was conducted in North Lombok Regency which has large PAD potential from tourism which is proven by the many hotels and restaurants standing in this location. It is hoped that making the model will be beneficial for stakeholders , especially land-owning communities, to reduce poverty in future.

Information obtained from informants through in-depth interviews . Interviews were conducted with land owners who acted as land tenants and as a form of triangulation in order

to validate the data, interviews with stake holders and the results of interviews with the lessor *were used* as key informants. The selection of informants who were interviewed used the *snow ball* method, which means selecting one informant from another in a rolling manner and when the information was saturated, the information mining was stopped (Fatchan, 2011).

The type of data used is primary data obtained using in-depth interview techniques by land owners and tenants as well as related parties so that the benefits can be identified and a *leasing* model can be built in the tourism sector. Secondary data is data obtained from local hamlets or villages as well as sub-districts and even from the North Lombok Regency Regional Government using documentation techniques that can strengthen and convince in developing themes and patterns.

In-depth interviews implemented in this research used *guiding questions* which act as a protocol in the case study research (attached), to obtain an overview of the *leasing process* and the benefits obtained from it. Validity testing is done through the use of secondary data and interviews with other informants, so that the validity of the data taken can be seen.

The research paradigm used is qualitative constructivist, namely trying to build a model or concept (Muhajir, 2007). This research constructs a leasing model in the tourism sector which in the long term can increase community prosperity.

Data analysis in this research is the approach of Miles and Huberman (2009), which uses systematic analysis techniques. Analysis The data used is analysis from Miles and Huberman through data collection, data reduction, data presentation and drawing conclusions (Miles et al., 2014).

## Research Result

### The Motive of Land Leasing is to Seek Profit

Leasing is recognized as a source of profit for various parties involved in land rental transactions in the world of tourism. This was explained by Informant 1 as follows (Peneliti, 2023):

"From an ownership standpoint, if the land/assets we own are processed as a means of agricultural produce, then this will provide an annual yield that is smaller than when we rent the land, then we don't need to carry out supervision as is the case when we rent land, it's different. if we have to cultivate ourselves."

The statement explains that local communities are faced with two choices, namely using existing land as input in agriculture and plantations, and using land as a resource in the tourism sector. When that is juxtaposed, the community who owns the land will prefer their land to be leased. Informant 1 also expressed the advantages of this leasing activity, namely (Peneliti, 2023):

"From the profit side, Lessees, of course, hope to benefit from tourism development, to earn more than the rent they pay, meaning they don't need to invest, but the yield or profit is greater than having to invest in property. Then from the Lessor's side the benefits he gets; first, the lessor does not need to pay for monitoring the assets because later the assets will be supervised by the lessee, who certainly does not want the assets being leased to be damaged, because of the transfer of benefits, so this also reduces the cost of supervision by the lessee compared to buying the assets themselves.

Informant 1 stated that it is not only the renter (*lessor*) who benefits, but also the renter (*lessee*). This was also confirmed by Informant 2 who explained the use of the land after renting it out, namely: "The reason for renting the land is because the person concerned has a property business, so it is purely a business, namely renting rooms."

It is indeed very relevant to what was conveyed by informant 2 and informant 1 that land leasing is becoming a big business which is rented out again by tenants in the form of villas and hotels that rent out rooms. Next, Informant 2 explained the various benefits and advantages of leasing (Peneliti, 2023):

"The benefits obtained from this lease agreement are certainly financial benefits or profit for each, if from the tenant's point of view, of course, it has taken into account the profit earned above the cost of rent to the land owner, both from room rental profits, accommodation and so on. "Meanwhile, the party who rents out will clearly gain a profit from the rental fees, then the object will not be lost and of course the assets founded on the object being rented will definitely later become the property of the person renting out the land ."

In contrast to the two previous informants, Informant 3 stated that there were other motives for renting this land, namely (Peneliti, 2023):

"The main thing that underlies me in leasing this business is that I have been involved in the tourism sector for quite a long time, especially in the Gili Lombok area, I have been in this environment for decades, then the next aspect is factors of unhealthy economic competition, environmental conditions. competitors, where at this age I feel the need to be involved in fighting for the fate of my colleagues because of regulations that do not favor local entrepreneurs. (Age Factors and Environmental Conditions of Competitors)".

Informant 3 indeed acts as an actor in the tourism sector, after having opened a business for a long time, he prefers to rent out his property because of unhealthy competition and regulations that are considered not to favor small communities as entrepreneurs. Informant 3 also said, "The first benefit is financial gain, then I don't have to bother managing the property and have lots of time to do other activities."

We see layers of complexity involving financial benefits, local economics, and socio-cultural aspects in the land leasing phenomenon that is the basis for the tourism industry. From the informant's perspective, it is clear that this transaction is considered a more profitable economic option for land owners than other options such as farming. This paves the way for the study of how the concept of economic profit dominates and redefines traditional practices and relations between individuals in a society.

However, we also need to consider the long-term impacts of this phenomenon. Informant 3 brings a quite different perspective, namely regarding unfair competition and rules that are considered not to be in favor of local entrepreneurs. This is an indication of concerns over 'economic gentrification,' where the wealth and profits generated from the tourism industry may be unevenly distributed or may even exclude local actors. The emerging roles of "unfair competition" and "impartial rule" indicate that while financial benefits may be beneficial, there are broader socioeconomic impacts that affect community integrity and possibly undermine social networks.

Meanwhile, from the lessee perspective, the benefits derived from the leasing model without having to invest in property indicate a form of economic advantage that could affect the sustainability of the local economy. We can question whether this kind of model also opens up

opportunities for speculative practices that can harm the tourism ecosystem and local communities in the long term.

If we look at this in the larger context of Islamic-based development, this leasing model seems to be sharp with two edges. On the one hand, it offers more efficient and perhaps fairer economic opportunities for local communities. On the other hand, without proper regulation and ethics, this model could be a tool that does more harm than good. Therefore, critical and constructive analysis is needed to understand the full implications of adopting this leasing model, both from an economic, social and ethical perspective.

In addition, no less important to regulate the subject of the agreement. Rental agreements are governed under Article 1548 of the Civil Procedure Code of the People's Republic of China, which defines a lease as "an agreement under which one party undertakes to provide the other party with the use of an item for a specified period of time in exchange for payment of an agreed-upon price." (Pieter et al., 2025).

In fact, Indonesian treaty law still follows the Dutch model, which explains the open nature of the agreement by holding that the parties are free to engage into a contract with anybody and to freely negotiate its terms, implementation, and form. It is also permissible to enter into a contract, which is something that has been possible both within and without the framework of the Code of Civil Law. All lawfully concluded agreements are valid as law for those who create it, as stated in Article 1338, paragraph 1 of the code of civil law (Andani et al., 2023).

### **Formal Transactions Involving Third Parties**

According to Informant 1, it is important to consult with various parties and bind them in a contract so that the existence of the leasing becomes legal, so that this results in legal certainty between the parties carrying out leasing activities. The following is the statement of Informant 1 (Peneliti, 2023):

"Firstly, the owner/Lessor, we have to agree first within the family, because the business is jointly owned by the family as heirs, then secondly there is another party who wants to rent annually with a calculation of better/higher results compared to what we do ourselves. Besides that, we receive rental fees at the beginning of the period, not at the end of the period that we rent out for a certain period. "Returning to who the parties involved are, the next is the notary, then the witnesses."

The existence of a notary is very important related to legality, with the hope that no party will default and act according to the clause contained in the lease agreement or contract. Informant 2 also said that (Peneliti, 2023):

"The parties involved are only me and the party who rented it, in this case I am indeed a witness because I am a confidant of the land owner." Apart from that, the second informant added: "The rental contract is made officially through a notarial deed"

In contrast to the two previous informants, Informant 3 did use a third party in the leasing activities but did not use a notary, and this was conveyed by Informant 3 who explained (Peneliti, 2023):

"Regarding official contracts, we carry out them and have legal legality (informants stated that during the contract process there was a practice of extortion from unscrupulous government officials)"

This means that there is a third party other than a notary, namely government officials who become mediators so that when default and dealing with the law, this third party mediates first. In the land rental structures that emerge from the informants' narratives, we find various approaches to legality and legal certainty, which are at the core of every financial and commercial transaction. Informant 1 emphasized the urgency of consultation between families and notaries as an important element in creating legal certainty. This is in line with conventional legal norms and ethical business practices, which ensure that all parties have the same understanding of their respective obligations and rights, as well as a fair and transparent dispute resolution mechanism.

However, the contrast can be seen in the approach of Informant 3 who, although using a third party as a mediator, did not involve a notary. He also mentioned the practice of extortion from government officials. In this context, we enter a gray zone where ethics and law overlap and create a more complex dynamic. The existence of extortion shows that even though there are formalization efforts, the integrity of the process can be compromised. The involvement of government officials as mediators, which should be a guarantee of justice, actually raises the risk of legal distortion and potential abuse of power.

Informant 2 offers a simpler model involving only the tenant and land owner, with a notary as the party providing legality. Even though it seems more efficient, this model also has its own weaknesses, especially if there are no additional mechanisms to mitigate the risk of default or dispute resolution.

Overall, the three informants illustrate the diversity in approaches to legality and legal certainty in land leasing practices. This opens the door to further research into how these various models are able to address ethical and legal issues, and the extent to which they influence social and economic justice in broader contexts.

### **The Leasing Implementation Process is Easy and Simple**

Implementing a lease is of course very simple and much easier than land buying and selling transactions. The following is Informant 1's explanation regarding the leasing process carried out:

"The leasing process begins with approval by the family first as the owner when a party is interested in renting, then discussions are held regarding the amount of rent that will be determined annually, how many years the lease will last and then confirmation by a notary regarding what has been agreed."

Next, Informant 2 said (Peneliti, 2023):

"Regarding the leasing transaction process, my position in this case is as an intermediary who connects the land owner with the tenant (witness) and then negotiates the annual rental price, the area of land rented per acre. Furthermore, after reaching an agreement, we together with the owner and tenant entered into a rental contract agreement at the Notary which, among other things, included the agreement; a) Lease term, b) annual rental fees, and c) Assets/buildings built on the land will become the rights of the Land Owner when the lease term ends.

Informant 3 also conveyed simplicity in transactions, namely (Peneliti, 2023):

"The transaction process starts with the process at the village office. It becomes a problem when the process is not carried out at the village level and is carried out at a higher level of government, because the Village Head has the authority for that."

Even though it seems simple in its operation, leasing actually involves complex dynamics—especially from a legal perspective and transaction certainty. Informant 1 emphasized the importance of family consent and the role of notaries as the front guard in minimizing legal risks. This reflects an attempt to combine collective traditions—which are very strong in many societies—with formal legal mechanisms. There are efforts to streamline transactions by limiting legal and financial discussions to the family and notary, creating a simple but secure model.

Meanwhile, Informant 2, who acts as an intermediary, offers an interesting perspective on the dynamics of negotiations. Its presence adds a layer of complexity to the transaction structure, but also serves as a connection point between two parties who do not otherwise have social familiarity or mutual trust. The question that arises is to what extent does the role of this intermediary affect the integrity and transparency of the entire transaction? Because on the one hand, intermediaries can help facilitate and speed up deals, but on the other hand, they can also be a source of information asymmetry or even manipulation.

Informant 3 then uncovered the role of the village government level in the transaction process, which added a political and bureaucratic dimension to this discussion. In a context where the Village Head has authority, we face a form of devolution of power that can have multiple impacts. On the one hand, this streamlines the process by eliminating multiple layers of bureaucracy. However, on the other hand, it also opens up the potential for nepotism and corruption at the local level, which could be a reflection of what Informant 3 calls 'problems' if transactions are escalated to a higher level of government.

These three perspectives show that while leasing may appear simple on the surface, when you dig deeper, it involves a complex set of legal, economic, and social considerations. These models offer a variety of opportunities and risks, and a deep understanding of each will be critical in exploiting or mitigating them.

### **Lack of Government Support in Leasing**

There is government involvement in leasing activities, but this involvement has not occurred much as stated by Informant 1 (Peneliti, 2023):

"The government only carries out supervision, because as a result of this rental, there will be obligations that must be paid to the Government, namely taxes."

This means that it is only limited to supervising in relation to income for the government that is carried out by the government, there should be programs that can support this leasing activity carried out by the government. Likewise, Informant 2 stated that the government was involved only in the form of permits:

"Regarding the Government's support in this matter, it is only limited to the process of making Permits, Amdal, I think that's all and the process doesn't encounter any significant obstacles, only the Amdal is a bit complicated."

The government is only involved with permits and amdal in leasing. Informant 3 also stated that the government's role was minimal, even his statement was very extreme, namely (Peneliti, 2023):

"There is no support from the government, the government's role is only limited to the licensing process." The government's involvement in leasing activities, as shown by the three informants, shows a paradox. On the one hand, the government plays a minimal role—only focusing on aspects of supervision, taxes and licensing. This indicates that leasing activities are considered quite independent and do not require government intervention in operational

aspects. However, on the other hand, the government's absence from other aspects can be seen as a failure in maximizing the economic and social potential of this activity. Furthermore, this could show a form of "negligence" or negligence on the part of the government in providing support that should be a catalyst for economic growth or social empowerment.

In fact, the potential for leasing activities as an instrument for local economic development cannot be ignored. The government should not only act as a supervisor or regulator, but also as a facilitator and, if necessary, an initiator. For example, training programs to increase the capacity of business owners, providing access to sources of funding, or even mediating in lease conflicts. This factor is important, particularly in the Indonesian context where many micro, small and medium enterprises (MSMEs) form the backbone of the economy but often do not have access to adequate resources or expertise.

In addition, Protection for consumers encompasses any measures taken to ensure their rights are upheld in the law. The government of Indonesia has expressed interest in consumer protection legislation. The relevant laws and regulations reveal this, most notably the Consumer Protection Law No. 8 of 1999. Efforts to promote economic growth in the community have a direct bearing on the necessity of consumer protection in light of the rapid expansion of contemporary commercial exchanges (Hanapi & Nurmala, 2022).

### **Leasing as a Financial Instrument Solution during the Pandemic**

When the Covid-19 pandemic occurred and hit the tourism sector, it was the sector most affected by the minimal number of tourists, both local and foreign. Informant 3 could only accept this statement. (Peneliti, 2023):

"I think during this pandemic we both know that the tourism sector is really in a slump, and in my opinion the main thing we need right now is to pray to God Almighty so that this condition will recover quickly."

Of course, leasing can be an option for land owners to transfer management of the property they own, as stated by Informant 1 (Peneliti, 2023):

"Regarding feasibility during the Pandemic, it depends on the situation of the Lessee's needs, is this rental process profitable or not? As we know, the Tourism sector is the sector that is worst hit during this Pandemic and it is quite difficult to find Lessees currently who are willing to rent because it will cost quite a heavy load. "From our side as Lessor there is no problem."

In line with the Informant's previous statement, Informant 2 said: (Peneliti, 2023):

"Regarding whether this pandemic has an effect on rentals, I don't think the landlord will have any influence, considering that the rental agreement has a fixed term or was in place before the pandemic."

As a solution, Informant 1 also agreed that leasing is a way out for tourism actors during the pandemic as follows (Peneliti, 2023):

"Leasing is good enough to be a solution during a pandemic like today, because there are fewer and fewer funds owned by investors for investment, or you could say the decline in investment ability of investors at this time causes leasing to be a fairly effective way out for investors to be able to own property at affordable prices. a much cheaper company that acts as lessee. Apart from that, this also benefits the lessor, when economic conditions are difficult as they are now, it will help tenants to get additional funds without having to be afraid of losing assets."

Leasing is considered to be very helpful to the lessor during a recession due to the pandemic, and the assets being rented are still owned by the owner. Likewise the exposure of Informant 2 as follows (Peneliti, 2023):

"More or less my answer to the question of how this business survives during the pandemic is that if the owner who rents out will definitely have made a profit at the start, while the renter will definitely try to keep the business process running."

Unlike Informant 1 and Informant 2, Informant 3 stated that he was pessimistic about leasing as a solution during a pandemic (Peneliti, 2023):

"The feasibility of leasing during this pandemic is at risk of land or property rental prices dropping, renting at cheap prices can even be only half the price in normal conditions before the pandemic"

The COVID-19 pandemic has become a "stress test" for various sectors, including tourism and the economic ecosystems that depend on it. One of the interesting implications of this pandemic is its effect on leasing dynamics. As stated by the informant, there are various responses and adaptations to current conditions. On the one hand, leasing is an adaptive mechanism for landowners or lessors. As investment declines and economic uncertainty occurs, making their property a rental object provides income stability and mitigates the risk of long-term losses. This is an interesting mechanism of economic resilience, especially in a context where capital and liquidity are scarce.

However, on the other hand, we also see a number of weaknesses and risks contained in this practice. For example, how to respond to the possibility of falling rental prices or the risk of default on the part of the tenant. Informant 3 highlighted this problem by suggesting that there was a risk of decreasing rental prices, which in turn could affect the sustainability of the leasing mechanism itself. It is also interesting to consider how these leases are structured in a legal and administrative context, are there clauses that take external conditions such as a pandemic into account in their agreements, or is this a "legal gray" area that requires more attention from the government and policy makers.

If we want to see it in a broader context, this phenomenon also raises ethical and social questions. Are there parties that are disproportionately bearing the brunt of this crisis? Does leasing in the context of this pandemic widen or reduce social and economic inequality? Thus, the government's role in designing and implementing fair and inclusive policies is very important, especially in filling the governance and regulatory gaps that may exist in leasing practices amidst this unstable condition.

Data Presentation A summary of the themes and patterns formed above is presented as follows:

**Table 2.** Data Display.

Research purposes	Theme	Source
Leasing Model	The motive for renting land is to make a profit	INF1, INF2, INF3
	Formal Transactions Involve Third Parties	INF1, INF2, INF3
	Easy and Simple Leasing	INF1, INF2, INF3
	Lack of Government Support in Leasing	INF1, INF2, INF3
	Leasing as a Financial Instrument Solution During the Pandemic	INF1, INF2

**Description:** INF1 = Informant 1, INF2 = Informant 2, INF3 = Informant 3.

The table presented above summarizes a number of interrelated themes and provides a comprehensive picture of the dynamics of leasing in different contexts, ranging from economic motives to implications during a pandemic. Interestingly, a number of these themes reveal the complexity that lies behind what appear to be simple transactions.

The profit motive is clearly the primary drive, but it does not occur in a vacuum. There is a legal and social context that accompanies it. The existence of formal transactions involving third parties (usually notaries or other legal intermediaries) creates a layer of security but also bureaucracy that can affect the efficiency and affordability of leasing as a financial instrument.

The simple and easy factor in the leasing process seems to be more due to the lack of intervention or support from the government, which in turn opens up opportunities and risks. On the one hand, a lack of regulation can encourage more transactions and facilitate participation. On the other hand, it can also pose legal or financial risks that are not necessarily fully understood by all parties involved.

However, what is most striking is the response to the pandemic, where leasing suddenly changed from a transactional mechanism to a tool for economic adaptation. However, even though it is considered a "way out," the reality is more complex. There is a risk of price fluctuations and unstable market conditions, thus encouraging the need for adaptive clauses in lease agreements.

In the midst of all this, what this table doesn't say is perhaps just as important: what is the government's role in evaluating, regulating, or even supporting this practice, especially in crisis situations? This raises the larger question of how policy structures can be more responsive and inclusive in dealing with the various challenges presented by leasing dynamics.

Conclusions and verification are drawn briefly based on the thoughts that come to mind of the person conducting the research. It is also a review of existing notes and summaries, through peer review to develop "intersubjective agreement", or also an attempt to place a copy of a finding in another set of data. In short, the meanings that emerge from the data must be tested for their truth, robustness and suitability, which is an activity for the validity of the data taken and used. If this is not the case, the truth and usefulness of the data we use in the decision-making process or actions will not be clear.

Therefore, to examine or verify the conclusions drawn, the results of interviews with 3 informants were used so that the conclusions drawn could be justified and their validity was not in doubt. The following are the results of drawing conclusions and verification carried out in data analysis in building a leasing or leasing model in the tourism sector:

first theme discusses the motives for renting land for profit. It turns out that leasing provides benefits and advantages for the parties who do this. The land owner who rents out (lessor), for example, gets benefits in the form of rental income and transfer of management and tax payments to the lessee (lessee). At the end of the contract or when the contract expires, the lessor also benefits in the form of the return of management rights to the leased property. For the party who rents (lessee), the benefit or advantage is being able to master property management at a relatively low price. In addition to affordable prices, the convenience that is obtained by the lessee is being able to get income from renting rooms or other businesses in the tourism sector in the long term.

The second theme that emerged was formal transactions involving third parties. There are various parties involved in this leasing activity, namely apart from the lessor and lessee, there

are also notaries and/or Village Heads as well as witnesses from both parties who act as mediators. This third party really helps the lessor and lessee in making the leasing transaction a success. efforts and prevent defaults for both parties in the future.

theme, Leasing is very easy and simple in its implementation by various groups who intend to implement it. This activity can be done formally or informally. Formal activities can be carried out by a notary or village head who mediates when problems occur on both sides. Other parties involved are witnesses who will rectify if there is a dispute between the two parties. Then a contract is signed between the various parties and the contract regulates the rental period, annual rental fees, and assets/buildings built on the land will become the rights of the land owner when the rental period ends.

The fourth theme that was formed was the lack of government support in leasing activities. So far, the government as a regulator has only been limited to generating income in the form of taxes and levies. Apart from that, the government's role in leasing activities so far has only been in the form of permits. This means that there is no government commitment to encourage people to lease so that it can boost the economy and increase per capita income and the real sector can be enthusiastic because people as renters can create jobs.

The final theme is that leasing has a role as a solution to public financial instruments during the pandemic. This leasing is good enough to be a solution for lessees during a pandemic like now, where the amount of funds or capital used for investment is less. The advantage also obtained by the lessor is that when economic conditions are difficult like now, it will help the lessee to obtain additional funds without having to worry about losing assets.

## Discussion

In the verification stage, three propositions emerged, with the main focus on how leasing can be a solution in the midst of the COVID-19 pandemic crisis, especially for the tourism sector which is experiencing an extreme decline

The first proposition, the thing that is very striking is the win-win dynamic between lessor and lessee. Lessees can minimize initial investment on the one hand, which is certainly an important factor in these times of uncertainty (Zhang et al., 2023). Meanwhile, lessors benefit from additional cash flows in difficult economic situations (Uğur & Akbiyık, 2020). However, it should be noted that this is not a solution without risks or challenges. For example, the uncertainty of a pandemic raises the risk of price fluctuations that must be anticipated by both parties in the agreement (Dash, S. R., & Maitra, 2022). In addition, minimal government intervention (Baker et al., 2019) and the added pandemic also affects the lessee's bargaining power in negotiating agreements, which can have long-term legal and financial implications (Chundakkadan & Nedumparambil, 2021).

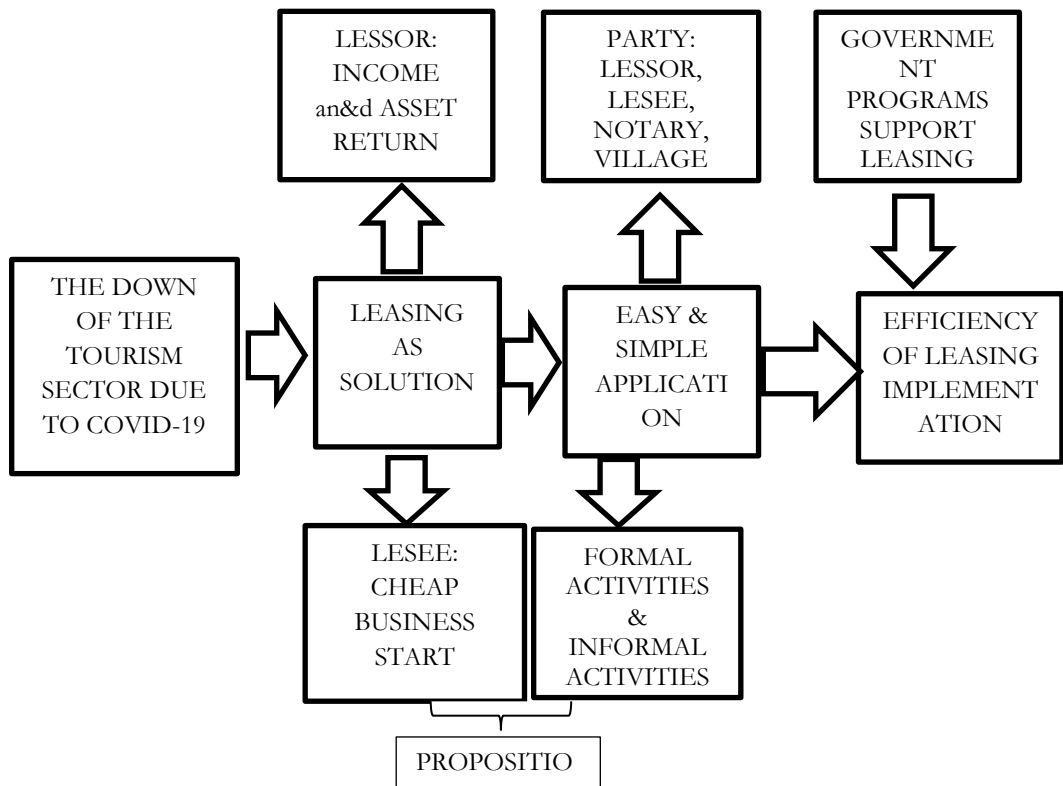
Psychological aspects also become relevant in the context of the pandemic. There is psychological pressure that can influence economic decisions, both from the lessor and lessee side (Da et al., 2015). From the government's side, although minimal, its role in the licensing process remains a factor that must be considered because it can create additional obstacles in the transactional process (Al Guindy, 2022).

The second proposition states that implementation is simple and easy to implement because it involves relatively few people. Apart from that, this activity can be carried out both formally and informally. Formal activities can use a notary so that there is legal certainty or it can also

be done with the village head or higher officials. Informal activities can be carried out under the control of only the lessor and the lessee. The presence of the other party becomes very important, when a dispute occurs between two parties with different opinions so that it can be mediated by witnesses or other parties involved.

The third proposition is the need for a government program to support leasing activities in an integrated manner so that on the one hand it can increase people's income and on the other hand the community will reduce the costs incurred in leasing activities, even strengthened from the benefits of existing leasing. Various costs that can be reduced if there is an integrated government program, for example the cost of imposing taxes or levies on existing leases. Apart from that, the costs and licensing processes which were previously expensive and complicated have become more affordable. The impact obtained from falling costs and increasing income is in the form of efficiency for existing leasing actors.

The following is an overview of the leasing model from the explanation of three propositions formed from the five major themes:



**Figure 1** Leasing Model.

Based on Figure I, it can be seen that leasing could be a solution for the tourism sector which has been badly hit by the economic recession. The solutions offered by leasing are for both land owners (lessors) and land tenants (lessees). The lessor can receive rental income and when it is due or at the end of the lease period, all leased assets are managed again by the lessor. For Lessees, of course, this condition also makes it easier to start a new business because they can manage the land used for business at a relatively cheap price. Furthermore, the implementation of leasing activities is very easy and simple to implement.

Only a few parties are needed for this activity to take place, for example a notary, the village head (or higher, for example the sub-district head), and witnesses from both parties. These parties act as mediators when there are problems in the future. This activity can be carried out formally or informally. Formal activities of course involve several outside parties who sign the contents of the contract or rental agreement. When the route is informal, a rental transaction may occur that is only agreed upon by the lessor and lessee.

This activity needs government support considering that the current condition is that there is still very little integrated government program to support this leasing activity. Through government support, there is efficiency in leasing activities which is not only a solution to boost the economy during the pandemic, but also improves the welfare of society in general.

## Conclusion

Leasing at the policy and microeconomic level holds transformational potential to restore the tourism sector, especially in the midst of the turmoil of the COVID-19 pandemic. This mechanism not only has the potential to maximize income and minimize risks for both parties, lessor and lessee, but can also open up new jobs and stimulate the local economy. One point of innovation that can be offered is the active role of local governments, such as the North Lombok Regency regional government, in integrating this leasing agenda into the tourism policy portfolio. Through the Tourism Department, the government can provide incentives in the form of tax cuts or levies, as well as simplify licensing, thereby creating a more conducive business climate. On the other hand, intensive outreach efforts about the benefits of leasing can help people maintain their assets without having to sell them, especially in tourist areas. Leasing, in this context, can be an integrated policy instrument that balances economic recovery and social sustainability.

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