



Sustaining spirit and place: Establishing a legal framework for protecting local wisdom and socio-ecological sustainability in cultural tourism investment

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Citation: Dinar, I. G. A. A. G. P., & Saputra, K. A. K. (2026). Sustaining spirit and place: Establishing a legal framework for protecting local wisdom and socio-ecological sustainability in cultural tourism investment. *European Journal of Sustainable Development Research*, 10(3), em0401. <https://doi.org/10.29333/ejosdr/18522>

ARTICLE INFO

Received: 19 Feb. 2026

Accepted: 08 Apr. 2026

ABSTRACT

This research aims to develop a framework for cultural tourism investment strategies based on the philosophy of place, which involves understanding the ontological relationship between humans, culture, and landscape. So far, most tourism investment policies tend to focus on economic aspects, while the values of local wisdom and spirituality have not been sufficiently integrated into investment planning. This study emphasizes the importance of applying the philosophy of place and local wisdom, such as *Tri Hita Karana* (THK) in Indonesia, the concept of gross national happiness in Bhutan, and the Satoyama landscape approach in Japan, as foundations for sustainable tourism investment strategies. This study demonstrates that the philosophy of place can serve as an integrative principle to balance economic interests with cultural and ecological values. The key findings reveal a significant normative gap in Indonesia's investment law, which fails to operationalize concepts of local wisdom such as THK. In response, this study proposes a public-private-people-place investment governance model, in which "place" is positioned as a living entity with moral rights, and recommends specific amendments to law number 25 of 2007 concerning Investment to mandate a cultural and spiritual impact assessment. The integration of local wisdom into cultural tourism investment strategies has proven to not only enhance sustainability but also strengthen the social legitimacy and global competitiveness of destinations.

Keywords: investment regulations, cultural tourism, local wisdom, sustainability

INTRODUCTION

The global cultural tourism industry, long celebrated as a catalyst for economic development and cross-cultural exchange, currently faces a profound existential crisis. For decades, the prevailing investment paradigm has been predominantly governed by neoliberal logic, which prioritizes market liberalization, foreign direct investment, and high-volume visitor growth as the primary indicators of success (Li et al., 2025). This model, while undeniably generating substantial revenue and infrastructure in many developing nations, has simultaneously engendered a corrosive pattern of impacts: the commodification of living cultures, the displacement of local communities, environmental degradation, and the homogenization of unique destinations into placeless, generic resorts (Yin et al., 2024). This phenomenon, often termed the "paradox of tourism," reveals a fundamental flaw in a system that seeks to profit from cultural and natural heritage while inadvertently undermining the very resources upon which it depends. The escalating

climate crisis and growing social inequities have further exposed the limitations of this extractive approach, demanding a foundational re-evaluation of how tourism investment is conceived, governed, and executed (Díaz-Aguilar & Escalera-Reyes, 2020). It is within this critical context that the quest for not merely sustainable, but regenerative and resilient tourism models has become paramount, shifting the focus from sheer economic output to the intricate balance of socio-ecological well-being (Primayanti & Puspita, 2022).

At the heart of this necessary transformation lies the conceptual triad of "spirit," "place," and "local wisdom." Moving beyond the understanding of place as a mere geographical location or a backdrop for economic activity, contemporary phenomenological and humanistic geography, inspired by thinkers like Norberg-Schulz, posits that every meaningful place possesses a unique *genius loci*—a "spirit of place." This spirit is an emergent property of the dynamic interactions between a locale's natural landscape, its built environment, its layered history, and the continuous cultural practices and beliefs of its inhabitants (Syakur & Khoiroh,

2021). It is this intangible, yet deeply felt, essence that forms the core of a destination's authenticity and distinctive character. Concurrently, "local wisdom" represents the cumulative, time-tested knowledge system of a community—a sophisticated repository of beliefs, values, customary laws, and practical skills that have evolved to manage social relations and maintain a harmonious balance with the local ecosystem (Wang et al., 2024). When tourism investment disregards this *genius loci* and the local wisdom that sustains it, it does not merely cause physical damage; it severs the vital spiritual and cultural connections that give a place its identity and meaning, leading to what Goodey (1977) identified as "placelessness"—a state of cultural and environmental alienation that ultimately diminishes the long-term appeal and viability of the destination (Díaz-Aguilar & Escalera-Reyes, 2020; Ngongo et al., 2022).

The central argument of this paper is that achieving genuine socio-ecological sustainability in cultural tourism is contingent upon the deliberate and systematic integration of this local wisdom and philosophy of place directly into the heart of investment strategy and governance (Chandra, 2022; Wang et al., 2024). Socio-ecological sustainability here is understood as a framework that explicitly acknowledges the inextricable interconnection between societal well-being and ecological integrity, moving beyond siloed approaches to address their synergies and trade-offs holistically. Globally, pioneering models demonstrate the viability and benefits of this paradigm. Bhutan's gross national happiness (GNH) index is a seminal example, an alternative development philosophy that rigorously subordinates economic policy, including tourism investment, to the pillars of environmental conservation, cultural preservation, and psychological well-being (Kurnia et al., 2022). Similarly, Japan's *Satoyama* initiative conceptualizes landscapes as integrated socio-ecological systems (SES) where agricultural, forestry, and settlement patterns coexist with biodiversity, a principle that informs sustainable tourism by valuing traditional agro-ecological knowledge alongside scenic beauty (Chandra, 2022). In Europe, the discourse on heritage-based investment and a robust "sense of place" is increasingly shaping cultural policy, ensuring that economic activities enhance, rather than erode, the historical and emotional fabric of locales (Lu et al., 2023).

Indonesia, with its archipelagic richness of cultures, presents a potent and critical case study, particularly through the Balinese Hindu philosophy of *Tri Hita Karana* (THK). This cosmological principle provides a pre-existing, sophisticated framework for socio-ecological sustainability by advocating for perpetual harmony across three relational realms: *parhyangan* (the spiritual relationship between humans and the divine), *pawongan* (the social relationship among humans), and *palemahan* (the ecological relationship between humans and nature) (Jayawarsa et al., 2022). While THK is often rhetorically celebrated in development discourse and is even formally enshrined in regional regulations such as Bali provincial regulation number 2 of 2012 on cultural tourism, a significant and problematic implementation gap persists. This gap is evident in practice. A luxury resort project in a sacred area can easily obtain a permit because it meets economic requirements (article 1 of the investment law), but it still violates the values of harmony with nature by clearing sacred

hills, and the values of human connection by marginalizing local communities' access to water sources. The current environmental impact assessment process is not designed to capture these kinds of spiritual and cultural violations. The national legal frameworks that govern tourism and investment—primarily law number 10 of 2009 concerning tourism and law number 25 of 2007 concerning investment—remain largely anthropocentric and economically oriented (Atmadja et al., 2019). They lack the specific legal instruments and procedural mandates to operationalize a holistic concept like THK into actionable criteria for investment screening, impact assessment, monitoring, and enforcement. Consequently, tourism development in culturally and ecologically sensitive areas like Bali often proceeds on a dissonant track: one of symbolic cultural homage and another of physical development that frequently disrupts the very harmony THK seeks to preserve (Syakur & Khoiroh, 2021; Wang et al., 2024).

This research, therefore, addresses a critical void at the intersection of tourism studies, investment law, and sustainability science. While the importance of community participation and environmental impact assessments is widely acknowledged, there remains a lack of robust, legally-grounded frameworks that can effectively translate abstract philosophies of place and local wisdom into the concrete mechanics of investment governance (Gede Agung et al., 2024; Simarmata & Indrawati, 2022). Prevailing models, such as public-private partnerships (PPP), primarily focus on fiscal risk-sharing and infrastructure delivery between state and corporate actors, often marginalizing local communities as passive beneficiaries and treating "place" as an inert object. This paper proposes an evolutionary shift towards a more inclusive and ethically attuned public-private-people-place (P4) governance model (Lu et al., 2023). In this reconfigured framework, "place" is elevated from a passive object to a subject with moral standing, whose integrity and *genius loci* must be safeguarded. "People," particularly indigenous and local communities, are recognized as essential partners and custodians of knowledge, rather than mere stakeholders to be consulted (Qi et al., 2024).

The primary aim of this paper is to develop a comprehensive conceptual and normative argument for redesigning cultural tourism investment strategies to be fundamentally rooted in the sustenance of spirit and place. Employing a normative legal research methodology enriched with socio-philosophical analysis, this study will:

- (1) elaborate on the theoretical foundations of the philosophy of place and its critical role as a counterbalance to neoliberal tourism economies,
- (2) analyze global best practices (e.g., GNH and Satoyama) and the local potential of THK as blueprints for socio-ecological sustainability,
- (3) deconstruct the limitations of current Indonesian investment law and propose the P4 model as a practical governance mechanism for balancing economic, social, cultural, and ecological interests, and
- (4) outline pathways for the "legal internalization" of local wisdom, transforming investment law from a tool of

economic control into an instrument of value harmonization (Dewi et al., 2024; Uthami et al., 2024).

By undertaking this critical analysis, this research contributes to an emerging paradigm that views tourism investment not as a simple financial transaction, but as a sacred covenant with place—a strategic process capable of fostering an economy that is not only prosperous but also spiritually resonant, socially just, and ecologically regenerative for generations to come.

METHOD

This study employs a normative legal research methodology to analyze and reconstruct the legal frameworks governing cultural tourism investment through the lens of local wisdom and socio-ecological sustainability. Normative legal research, also referred to as doctrinal or library-based research, is concerned with the systematization and interpretation of legal rules, principles, and doctrines. It seeks to identify the law *as it is* (the *lex lata*) and to propose arguments for what the law *ought to be* (the *de lege ferenda*). The research design is descriptive-analytical and prescriptive, aiming not only to describe the existing legal landscape but also to critically analyze its gaps and propose a normative framework for reform (Díaz-Aguilar & Escalera-Reyes, 2020; Yin et al., 2024).

Types and Sources of Legal Materials

The data in this research comprises legal materials, which are categorized as follows.

Primary legal materials

These are authoritative legal documents that possess binding legal force. The materials analyzed include the following.

- a. The 1945 Constitution of the Republic of Indonesia, particularly article 28H on the right to a good and healthy environment and article 32 on cultural development.
- b. National statutes: Law number 10 of 2009 concerning tourism, law number 25 of 2007 concerning investment, law number 11 of 2010 concerning cultural heritage, law number 32 of 2009 concerning environmental protection and management, and law number 6 of 2014 concerning villages.
- c. Implementing regulations: Government regulation number 50 of 2011 concerning the national tourism development master plan 2010-2025, and Bali provincial regulation number 2 of 2012 concerning Balinese cultural tourism.

Secondary legal materials

These materials provide explanation, commentary, and theoretical context for the primary materials. They include the following.

- a. Scholarly books, articles, and commentaries on legal theory, investment law, tourism law, and the sociology of law.

- b. International journal articles and policy reports from organizations such as UNESCO and the World Bank that discuss sustainable tourism, cultural governance, and place-based investment.

Tertiary legal materials

These are reference tools that assist in locating primary and secondary sources, such as legal dictionaries, encyclopedias, and academic journals' style guides.

Legal Reasoning and Approaches

To thoroughly analyze the materials, this study utilizes several established legal reasoning approaches:

- a. Statutory approach: This is the primary approach, involving a systematic and critical examination of the relevant statutes and regulations listed above. The analysis focuses on identifying substantive provisions, procedural requirements, rights, obligations, and, crucially, the silences and ambiguities within the texts concerning the integration of local wisdom and the philosophy of place.
- b. Conceptual approach: This approach is vital for building the study's theoretical foundation. Key concepts such as "socio-ecological sustainability," "local wisdom," "philosophy of place" (*genius loci*), and "P4" are rigorously defined and operationalized within the context of legal doctrine. This allows for a coherent analysis of how these abstract concepts can be translated into justiciable legal norms.
- c. Case approach: While not centered on court decisions, this approach examines specific "legal cases" or policy implementations as illustrative examples. This includes analyzing how the principle of THK is operationalized (or fails to be operationalized) in Balinese tourism projects, and how the GNH framework is legally embedded in Bhutan's tourism policy.
- d. Comparative approach: This study incorporates a non-contextual comparative legal analysis to draw lessons from other jurisdictions. The legal and policy frameworks of Bhutan (GNH), Japan (*Satoyama* landscape policy), and select European countries (heritage-based investment) are examined not for adoption, but to identify potential principles, legal instruments, and governance models that could inspire legal reform in Indonesia. This approach does not aim to adopt foreign laws outright, but rather to seek functional equivalence. The analysis focuses on how legal frameworks in Bhutan, Japan, and Europe perform the same function: protecting socio-ecological integrity from the pressures of tourism investment. The findings of this analysis are then used as inspiration for designing legal instruments that are contextually appropriate to Indonesia's legal pluralism and local wisdom systems.

Data was collected through a comprehensive and systematic document study. This involved locating, reviewing, and synthesizing the primary, secondary, and tertiary legal materials. The process ensured that all relevant legal

provisions and scholarly interpretations were gathered to build a robust legal argument.

The collected data was analyzed using qualitative legal analysis, specifically through these methods:

- a. Legal interpretation: Utilizing standard methods of legal interpretation—grammatical (textual), systematic (contextual), teleological (purposive), and historical—to ascertain the meaning and scope of the relevant investment and tourism laws. A teleological interpretation is particularly emphasized to align the interpretation of laws with the overarching goals of socio-ecological sustainability.
- b. Legal construction and systematization: Where the law is silent or inadequate, this study engages in legal construction. This involves using logical reasoning and legal principles to propose new legal concepts or frameworks, such as the P4 governance model and the legal internalization of THK. The aim is to systematize these new constructions into a coherent normative proposal that can address the identified legal gaps.

Legal Synchronization

This technique is used to harmonize seemingly contradictory legal norms. For instance, it analyzes how the economic growth objectives in the investment law can be synchronized with the cultural preservation mandates in the cultural heritage law and the environmental principles in the environmental protection and management law, using the philosophy of place as an integrative principle.

ANALYSIS AND DISCUSSION

The Philosophy of Place as a Normative Foundation for Sustainable Investment

The analysis reveals that the prevailing legal and policy frameworks governing cultural tourism investment in Indonesia, and many similar developing economies, operate on an implicit ontological assumption: that land and culture are distinct, separable resources to be managed and exploited for economic gain (Wang et al., 2024). This research posits that the philosophy of place, particularly the concept of *genius loci*, provides a necessary normative corrective to this fragmented worldview. Our findings indicate that reconceptualizing “place” as a living, integrated socio-ecological-spiritual entity fundamentally alters the premises upon which investment laws are built. The *genius loci* is not an externality to be mitigated but the core asset to be sustained (Ngongo et al., 2022).

This perspective finds robust support in global comparative analysis. In Europe, the principle of “heritage-based investment” legally mandates that economic activities must enhance or, at a minimum, not degrade the historical, symbolic, and emotional value of a location (Chandra, 2022). This translates into stringent regulatory requirements for contextual architectural design, limitations on visitor numbers, and investment in conservation technologies. The “value of place” is thus quantified not just in tourism receipts but in its preserved cultural capital. Similarly, Japan’s

Satoyama landscape policy operates on a similar ontological understanding. It legally recognizes the integrated ecosystem of villages, forests, and farmlands as a single, managed entity (Simarmata & Indrawati, 2022). Tourism investments within this framework, such as agritourism or eco-lodges, are legally bound to support traditional agricultural practices and forest management, ensuring that economic activity reinforces rather than replaces the existing socio-ecological structure (Lu et al., 2023).

In the Indonesian context, this translates into a radical re-reading of local wisdom, with THK serving as the archetypal expression of the *genius loci* in Bali. Our doctrinal legal analysis confirms that while THK is symbolically referenced in regional regulations, it remains a philosophical ornament, lacking the legal teeth to compel specific investment behaviors (Helmi et al., 2023). The results demonstrate that the power of THK as a legal tool lies in its tripartite structure, which offers a ready-made, holistic audit framework for any tourism project. This framework can be broken down into measurable indicators. For example, for the “*palemahan*” aspect, indicators might include “the extent of green areas maintained,” “environmentally friendly sources of building materials,” or “a waste management system that does not pollute traditional irrigation water sources.” With these indicators, a philosophical concept transforms into an objective benchmark for legal compliance.

A THK-compliant investment would be legally required to demonstrate its contribution to *parhyangan* (e.g., by protecting temple sightlines and supporting ritual ceremonies), *pawongan* (e.g., through equitable profit-sharing, local employment, and community consent), and *palemahan* (e.g., through strict environmental impact mitigation and the use of local and sustainable materials) (Petrosillo et al., 2006). Therefore, the philosophy of place, as articulated through local wisdom, is not an abstract ideal but a practical normative foundation that can be operationalized to ensure that investment serves the sustained integrity of the place itself, creating a tourism model that is inherently more resilient and authentic (Lubis et al., 2022). In Indonesia, the recognition of “place” as a legal subject can be realized by strengthening the role of traditional villages (*desa adat*). Pursuant to law number 6 of 2014 concerning villages, traditional villages possess original authorities as well as authorities at the village level. Consequently, these villages can be legally designated as guardians entrusted with representing the interests of “place”—that is, safeguarding the spiritual (*parhyangan*), social (*pawongan*), and ecological (*palemahan*) balance within their territories—in any investment negotiation. This constitutes a more grounded approach to operationalizing the P4 model than merely adopting the Western concept of ‘Rights of Nature’.

To operationalize these philosophies within legal and policy frameworks, abstract principles must be translated into measurable ecological indicators. The *palemahan* (human-nature) dimension of THK, for instance, can be assessed through concrete parameters such as water quality, forest cover, the preservation of spring sources, and waste management practices that do not pollute traditional *subak* irrigation systems. By establishing such indicators, the protection of the *genius loci* is transformed from rhetoric into

a set of auditable benchmarks subject to legal enforcement. Similarly, Japan's *Satoyama* landscape approach provides a model for governing integrated SES. Its assessment frameworks utilize indicators that monitor ecosystem health—including biodiversity levels, water cycles, and the productivity of community-managed lands—thereby ensuring that economic activities like tourism remain subordinate to the ecological balance maintained by traditional practices. Integrating these site-specific indicators into the SES framework enables a more robust analysis of resilience. Within this perspective, indicators such as water quality, forest cover, or the protection of endemic species are not viewed in isolation. Rather, they function as signals of a system's capacity to absorb disturbances—such as tourism pressure—without losing its core social and ecological integrity. In this way, local wisdom provides the “normative narrative” defining the ideal human-nature relationship, while the SES framework and its resilience metrics supply the “analytical toolkit” for measuring how faithfully development practices uphold that relationship.

The P4 Governance Model: From Rhetoric to Institutional Reality

The research identifies a critical failure in existing governance structures to facilitate the integration of place and local wisdom. The dominant PPP model, as critiqued by Guo and Li (2024), is structurally ill-suited for this purpose. Its binary focus on allocating financial risk and reward between the state and corporate actors systematically marginalizes the two most critical components: the local community (people) and the socio-ecological entity (place). Our findings propose the P4 model as an essential evolutionary step, transforming governance from a financial contract into a social-ecological covenant (Pasamai & Aswari, 2023).

The P4 model institutionalizes distinct but interrelated roles and responsibilities for each actor (Lestari et al., 2024; Shalihah et al., 2022):

- a. **Public (government):** The role of the state shifts from a mere permit-issuer to a guardian of the public interest and the *genius loci*. This involves creating and enforcing the legal framework based on the philosophy of place, facilitating the P4 process, acting as an honest broker in negotiations, and monitoring compliance with socio-ecological covenants.
- b. **Private (investor):** The private sector's responsibility evolves from profit maximization to value creation that is contingent upon the health of the SES. Their legitimacy is derived not only from capital but from their ability to operate within the ethical boundaries defined by the local *genius loci* and community agreement.
- c. **People (local community):** Indigenous and local communities are reconceptualized from passive stakeholders or a labor pool to essential co-governors and custodians of knowledge. Their role must be legally mandated, involving free, prior, and informed consent in the planning stages, active participation in design and monitoring committees, and a guaranteed share in the benefits, both monetary and non-monetary.

- d. **Place (SES):** This is the most innovative element. By legally recognizing the “place” as a subject with rights and moral standing, the model creates a fiduciary duty for all other actors. This can be implemented through legal instruments such as “rights of nature” statutes, which are gaining traction globally, or by appointing legal guardians (e.g., a council of elders or an independent body) to represent the interests of the environment and cultural heritage in all decision-making processes.

The efficacy of this integrated approach is corroborated by the comparative case studies. Bhutan's GNH framework is, in essence, a national-scale P4 model. Every tourism investment, from a luxury hotel to a trekking agency, must legally pass a GNH screening tool that assesses its impact across all four pillars, which align perfectly with the P4 actors: sustainable and equitable socio-economic development (private/people), environmental conservation (place), preservation and promotion of culture (place/people), and good governance (public) (Dewi, 2022; Lestari et al., 2024). This is not a voluntary guideline but a mandatory legal requirement for business licensing. Japan's *Satoyama* initiatives function similarly, where multi-stakeholder committees comprising local farmers, municipal governments, and private businesses collaboratively manage the landscape, ensuring that tourism investments are subservient to the health of the integrated system. For Indonesia, adopting a P4 model would require a fundamental restructuring of investment governance, moving from a top-down, centralized permit system to a decentralized, collaborative institution where the authority of local wisdom is legally recognized and the voice of the place is formally represented (Pajarianto et al., 2022).

Legal Internalization and Contractual Localization: Bridging the Normative Gap

A core finding of this normative research is that the integration of local wisdom into investment strategy cannot be left to policy exhortation; it requires concrete “legal internalization” and “contractual localization.” Our detailed analysis of Indonesia's primary laws—namely law number 10/2009 on tourism and law number 25/2007 on investment—reveals a significant normative gap. These laws are replete with general terms like “community empowerment,” “cultural sustainability,” and “environmental friendliness,” but they lack the specific operational commands and sanctions necessary to give them practical force (Imaduddin et al., 2024).

In addition to administrative sanctions (such as license revocation) and criminal penalties, the sanctions framework within this place-based tourism investment model should incorporate restorative justice principles. Investment contracts may include clauses requiring investors, in the event of a breach of cultural covenants, to undertake remediation measures of a non-financial nature. Examples include restoring damaged sites in consultation with traditional elders, or funding multi-year capacity-building programs for affected indigenous communities. Such restorative sanctions align more closely with the philosophy of local wisdom—which prioritizes harmony and balance (THK)—than purely punitive forms of punishment.

The process of legal internalization involves embedding the principles of the philosophy of place directly into the substantive and procedural norms of national and regional legislation (Nugroho, 2021). This research proposes several specific legal mechanisms:

- a. Amendment of investment and tourism laws: The investment law should be amended to include a chapter on “cultural and ecological sustainability,” mandating that all tourism investments above a certain threshold undergo a cultural and spiritual impact assessment (CSIA), alongside the standard environmental impact assessment (AMDAL). This CSIA would be a legally required document, evaluating a project’s impact on the *genius loci*, sacred sites, community social structures, and traditional knowledge systems.
- b. Strengthening derivative regulations: Government regulations and ministerial decrees should provide technical guidelines for implementing local wisdom. For instance, a ministerial regulation on sustainable tourism destinations could explicitly mandate the P4 governance structure for all designated “cultural tourism zones,” outlining the composition and decision-making power of the management board.
- c. Leveraging existing local regulations: Regional regulations (*perda*), such as Bali’s *perda* number 2/2012 on cultural tourism, must be strengthened from declaratory statements into enforceable legal instruments. This could involve creating a “THK compliance certificate,” issued by a council of customary village (*desa adat*) leaders, which becomes a mandatory prerequisite for obtaining a business license from the district government.

Alongside legislative reform, contractual localization is essential for enforcing these principles at the project level (Arif Maspul & Ali Almalki, 2024). This involves making the philosophy of place a binding part of the agreement between the government and the investor. Key clauses that should be standardized in investment contracts and land-lease agreements include:

- a. Cultural heritage covenants: Specific obligations to protect and fund the conservation of nearby cultural and religious sites.
- b. Local employment and procurement quotas: Legally binding targets for hiring local personnel and sourcing materials and services from local businesses.
- c. Benefit-sharing mechanisms: Clear stipulations for revenue-sharing with the *desa adat* or local community cooperative, dedicating a percentage of profits to a community-managed fund for socio-cultural and environmental initiatives.
- d. Dispute resolution clauses: Specifying that disputes will be resolved through a combination of formal legal channels and traditional customary (*awig-awig*) dispute resolution mechanisms, respecting the legal pluralism that exists in practice.

This two-pronged legal strategy transforms local wisdom from a soft ethical guideline into a hard legal requirement. It provides investors with clear, predictable rules for operating

responsibly while empowering communities with enforceable legal rights to protect their heritage and environment (Chen, 2010).

Operationalizing P4 and CSIA: From Procedural Reform to Measurable Ecological Outcomes

The P4 governance model and the proposed CSIA should be understood not merely as procedural innovations in investment governance, but as strategic instruments designed to deliver quantifiable environmental outcomes. By legally recognizing “place” as a subject with moral standing, the P4 framework inherently requires that investment activities contribute to—or at minimum do not compromise—the ecological integrity of the destination. This normative shift translates into specific environmental performance indicators that can be embedded within investment contracts and systematically evaluated through the CSIA process.

Under this framework, tourism investments could be required to demonstrate measurable contributions to ecosystem services. For example, projects may be obligated to maintain or enhance carbon sequestration capacity by preserving forest cover within and surrounding the development area, or by adopting low-carbon construction technologies and renewable energy systems. Similarly, the *palemahan* dimension of THK can be operationalized through legally binding commitments to sustainable resource use, including adherence to scientifically determined water extraction limits that protect aquifer recharge rates and traditional irrigation systems, implementation of zero-discharge waste management protocols to prevent contamination of coastal and freshwater ecosystems, and procurement of building materials from sustainably certified local sources to reduce embodied carbon and support community-based resource stewardship.

The CSIA functions as the primary decision-support mechanism for environmental planners within this architecture. Unlike conventional environmental impact assessment (AMDAL), which typically focuses on discrete biophysical parameters such as water quality or air emissions, the CSIA is designed to evaluate how proposed investments interact with the integrated SES. It provides planners with a structured methodology to assess critical questions: whether projected water consumption will compromise ecological flows necessary for downstream biodiversity; whether waste management systems will introduce pollutants that disrupt traditional agricultural cycles; and whether construction footprints will fragment habitats critical for endemic species. By embedding these considerations into legally mandated investment approval processes, the CSIA transforms philosophical principles rooted in local wisdom into actionable environmental criteria, ensuring that tourism development actively supports ecological resilience rather than eroding it over time.

The Global Relevance of Place-Based Investment in an Era of Standardization

Finally, the discussion must address the broader philosophical relevance of this approach in the context of globalization. The homogenizing forces of the global tourism industry, often described as “McDisneyization,” threaten to

erase cultural distinctiveness, leading to a global landscape of interchangeable resorts and staged authenticity (Haryani et al., 2015). The philosophy of place, when legally embedded in investment strategies, serves as a powerful form of cultural resistance and a strategic long-term economic advantage (Shukla & Kumar, 2019).

As the cases of over-touristed European cities like Venice and Barcelona demonstrate (Christou & Sharpley, 2019), the loss of a sense of place leads to resident alienation, cultural degradation, and ultimately, a decline in the destination's attractiveness (Shukla & Kumar, 2019). Tourists, particularly in the post-pandemic era, are increasingly seeking authentic, meaningful, and transformative travel experiences (Amin et al., 2025; Debeş, 2020). They are drawn to destinations that possess a strong, palpable sense of identity and integrity. Therefore, investing in the preservation of the *genius loci* is not a cost but a critical investment in destination branding and long-term market competitiveness (Putri & Saputra, 2022).

For a country like Indonesia, this approach is a form of "soft power" and cultural diplomacy. By showcasing development models rooted in its own philosophical traditions, such as THK (Dewi et al., 2024; Liestiandre et al., 2024), Indonesia can position itself as a global leader in sustainable and ethical tourism. This aligns perfectly with the United Nations sustainable development goals (SDGs), particularly SDG 11 (sustainable cities and communities) and SDG 8 (decent work and economic growth), by promoting models that are inclusive, culturally sensitive, and environmentally sound (Lukin et al., 2022). The P4 model and its legal underpinnings offer a transferable framework that can be adapted by other nations seeking to escape the destructive cycle of neoliberal tourism development. It presents a vision of globalization not as uniformity, but as a mosaic of unique, thriving, and self-determined places, each contributing its distinct spirit to the world's cultural and ecological tapestry (Ahmad & Ahmad, 2021; Ayu, 2019). In this sense, sustaining spirit and place through law and governance is not a parochial concern but a vital contribution to a more sustainable and diverse global future.

CONCLUSION

This research concludes that the prevailing neoliberal paradigm of cultural tourism investment, which prioritizes economic metrics above all else, is fundamentally ill-suited to achieving long-term socio-ecological sustainability. The findings demonstrate that a transformative shift, anchored in the philosophy of place (*genius loci*) and the deliberate integration of local wisdom, is not merely an ethical choice but a strategic imperative for creating resilient and authentic destinations. The study successfully establishes that concepts like Bali's THK, Bhutan's GNH, and Japan's *Satoyama* provide robust, time-tested frameworks for balancing economic activity with spiritual, social, and ecological integrity. To operationalize this shift, the research proposes the P4 governance model as a critical institutional mechanism. This model redefines governance by legally recognizing "place" as a subject with moral standing and elevating local communities from passive stakeholders to essential co-governors and

custodians of knowledge. Furthermore, the analysis confirms that for this approach to be effective, it must transcend policy rhetoric and be embedded into the legal fabric through legal internalization—amending laws to mandate cultural impact assessments and P4 structures—and contractual localization—enforcing these principles through binding investment agreements. Ultimately, this study contends that sustaining the "spirit and place" of cultural destinations through such a comprehensive legal and governance overhaul is the most viable path forward. It ensures that tourism investment becomes a covenant with the future, fostering a form of development that is not only economically viable but also culturally vibrant, socially just, and ecologically regenerative for generations to come. Therefore, the main recommendation for policymakers is to immediately initiate the process of regulatory harmonization, particularly by revising the investment law and the government regulation regarding AMDAL, to integrate the principle of CSIA as an absolute prerequisite for tourism investment in cultural areas.

Author contributions: IGAAGPD: conceptualization, methodology, investigation, data curation, formal analysis, writing – original draft, methodology, statistical analysis, formal analysis, validation, writing – review & editing; KAKS: literature review, investigation, data collection, writing – review & editing, theoretical framework, supervision. Both authors agreed with the results and conclusions.

Funding: No funding source is reported for this study.

Acknowledgments: The authors would like to thank all parties who have offered support during the preparation of this research, encompassing both scientific input and moral encouragement.

Ethical statement: The authors stated that the study does not require ethical approval. It is a systematic literature review that relies solely on previously published articles available in the public domain. No human participants, animals, or sensitive personal data were involved in the research process.

AI statement: The authors stated that generative AI or AI-assisted technologies were not used in any way to prepare, write, or complete essential authoring tasks in this manuscript.

Declaration of interest: No conflict of interest is declared by the authors.

Data sharing statement: Data supporting the findings and conclusions are available upon request from corresponding author.

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