UNLOCKING OPPORTUNITIES: TOURISM SHIP FINANCING THROUGH LEASING AGREEMENTS FOR MICRO, SMALL, AND MEDIUM BUSINESSES IN INDONESIA

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ABSTRACT

Objective: This research explores the prospects of leasing agreements as a financing solution for tourist boats for MSMEs, considering the vast potential of marine tourism in Indonesia. Despite the potential benefits of leasing agreements, no specific regulations govern them, resulting in deviations from leasing principles and limited understanding among stakeholders.

Methods: The study adopts the triangle legal pluralism approach and focuses on the Special Capital District of Jakarta and Labuan Bajo as significant marine and tourism industry hubs. Primary data collection includes interviews, observations, and secondary data from legal documents and literature. The analysis employs deductive and inductive logic and triangulation for validation.

Result: According to this study, leasing agreements can help Indonesian tourism MSMEs finance tourist boats. Indonesia's maritime tourist business has great potential due to its archipelago and natural resources. However, MSMEs need help to acquire capital to ensure tourist boat growth, impacting tourism services and experiences. The following suggestions aim to unlock potential and promote sustainable tourism growth: Include Rental Contract Laws: Due to the industry's lack of rules, leasing agreements vary and cause disputes. Implementing lease agreement guidelines will provide legal certainty, protect lessors and lessees, and ensure fair and transparent business practices; Because many need help understanding, outreach, and education must increase. Leasing Agreements must broaden and organize outreach to educate MSMEs, business actors, and the public about leasing's benefits and processes.

Suggestions: Ultimately, this research aims to provide valuable insights for policymakers, businesses, and academics to promote tourism ship financing through leasing agreements to grow the Indonesian tourism industry.

Keywords: tourism ship financing, leasing agreements, marine tourism, capital, MSMEs, financing institutions.

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OPORTUNIDADES DE DESBLOQUEIO: FINANCIAMENTO DE NAVIOS DE TURISMO POR MEIO DE CONTRATOS DE LEASING PARA MICRO, PEQUENAS E MÉDIAS EMPRESAS NA INDONÉSIA

RESUMO

Objetivo: Esta pesquisa explora as perspectivas de contratos de leasing como uma solução de financiamento para barcos turísticos para MPMEs, considerando o vasto potencial do turismo marinho na Indonésia. Apesar dos possíveis benefícios dos contratos de leasing, não há regulamentos específicos que os regulamentem, resultando em desvios dos princípios de leasing e entendimento limitado entre as partes interessadas.

Métodos: O estudo adota a abordagem do pluralismo jurídico do triângulo e se concentra no Distrito da Capital Especial de Jacarta e Labuan Bajo como importantes centros da indústria marinha e do turismo. A coleta de dados principais inclui entrevistas, observações e dados secundários de documentos legais e literatura. A análise emprega lógica deductiva e induitiva e triangulação para validação.

Resultado: De acordo com esse estudo, os acordos de locação podem ajudar as MPMEs do turismo indonésio a financiar barcos turísticos. O turismo marítimo da Indonésia tem grande potencial devido ao seu arquipélago e recursos naturais. No entanto, as MPME precisam de ajuda para adquirir capital a fim de garantir o crescimento dos barcos turísticos, afetando os serviços e as experiências turísticas. As seguintes sugestões visam desbloquear o potencial e promover o crescimento sustentável do turismo: Incluir Leis Contratuais de Aluguel: Devido à falta de regras do setor, os acordos de locação variam e causam disputas. A implementação de diretrizes de contrato de leasing fornecerá segurança jurídica, protegerá credores e locatários e garantirá práticas comerciais justas e transparentes. Uma vez que muitos precisam de ajuda, a compreensão, o alcance e a educação devem aumentar. Os Contratos de Leasing devem ampliar e organizar o alcance para educar as MPMEs, os atores empresariais e o público sobre os benefícios e processos de leasing.

Sugestões: Em última análise, esta pesquisa visa fornecer informações valiosas para formuladores de políticas, empresas e acadêmicos a fim de promover o financiamento de navios de turismo por meio de acordos de leasing para expandir a indústria de turismo na Indonésia.

Palavras-chave: financiamento de navios de turismo, contratos de locação, turismo marinho, capital, MPMEs, instituições de financiamento.

1 INTRODUCTION

The continual discourse surrounding the interplay between economic and environmental concerns has engendered a competition, mostly centered on the imperative of fulfilling human needs. This aspect gains particular significance while considering the topic of environmental conservation. The imperative to achieve advancement amplifies the motivation to use environmental resources (Agustinus et al., 2023). Suganda and Nugraha (2021) assert that tourism plays a pivotal role in the advancement of the economy, making a substantial contribution to the overall welfare of society. The industry utilizes this method to enhance foreign exchange revenues, create employment prospects, and contribute to poverty alleviation. The manufacturing sector contributed a significant
amount of USD 16.426 billion in foreign exchange earnings to the Indonesian economy. In 2018, we had a significant increase of 20% in economic growth, primarily driven by the thriving tourism industry. Masduki and Ida Mursidah (2020) say the tourist sector significantly enhances foreign exchange reserves. Khan et al. (2020) argue that the evolution of tourist locations can be characterized by four key elements: attractions, amenities, accessibility, and supplementary features. The rapid expansion of the interactive tourism business yields substantial advantages for various community groups. This sector has recently gained recognition as a significant contributor to the global industry and state revenue (Kondamudi et al., 2023).

According to Skarauskien et al. (2022), marine tourism and recreation is a significant component of the world's activity, which is now experiencing the quickest expansion rate. According to Anfuso et al. (2017), marine tourism may be broken down into four subcategories: beach tourism, marine tourism, underwater tourism, and beach tourism, which is still in the development stage. The country of Indonesia has the potential to be a tourist destination. According to Suganda and Nugraha (2021), Indonesia is currently the number one spot on the top ten tourism destinations list. However, there is no way to control this potential to its fullest potential. One of these is the purchase of tour boats, which is done by micro, small, and medium-sized businesses (MSMEs). This can be seen from the lack of quality of service for tour guides, promotion, active use of social media, and increased shared value with tourists, for example, planting mangroves and coral reefs together (Anggun et al., 2019). Special assistance for snorkelling activities for beginners, business partners, travel agents, safety training and sustainable tour guide services, incorporating culinary tours.

According to Hall (2001), coastal tourism is one of the areas of the industrial and maritime economies, and the tourism industry is experiencing the most rapid expansion. The expansion of maritime tourism is of critical significance to the process of economic growth. A tourist ship is one of the prospective developments in maritime tourism with the most upside. According to Meng et al. (2011), the travel industry has begun to recognise the benefits that worldwide cruise tourism has to offer.

There are many different kinds of tourist boats, including yachts, cruise ships, phinisi boats, and speedboats (Rozaki, 2022). MSMEs are one type of business actor with significant potential in growing the potential of tour boats. In many countries, including Indonesia, micro, small, and medium-sized businesses (MSMEs) are essential in
expanding existing businesses. However, micro, small, and medium-sized enterprises face various challenges when seeking financing to expand their businesses. Micro, small, and medium-sized businesses frequently face challenges when operating their firm. The challenges that micro, small, and medium-sized enterprises (MSMEs) confront are typically associated with low cash, weak marketing capabilities, and an inability to handle credit, frequently resulting in issuing loans (Badriyah, 2017). Micro, small, and medium enterprises have significantly contributed to the economies of developing countries in Asia over the years. This contribution can be measured in terms of their shares of various aspects of the economy, including the number of companies, the number of jobs generated, the production and added value, the aggregate output or gross domestic product (GDP), the number of businesses started by women entrepreneurs, and the total number of companies. The proliferation of industry across the region (Tambunan, 2011).

According to Bhakti et al. (2013), micro, small, and medium-sized businesses (often abbreviated as MSMEs) play a crucial role in raising people's incomes and the number of employment possibilities available to them, making them potential economic growth and development engines.

Leasing financing presents a potential solution for micro, small, and medium-sized enterprises (MSMEs) struggling financially. According to Article 1 point 5 of the Regulation of the President of the Republic of Indonesia Number 9 of 2009 concerning Financing Companies, leasing is a form of financing that takes the form of providing capital goods to a lessee either through a lease with option rights (also known as a finance lease) or a lease without option rights (also known as an operating lease) for the lessee to use for a predetermined amount of time in exchange for periodic payments. This legislation was eventually overturned by Presidential Legislation Number 110 of 2020 of the Republic of Indonesia. Leasing is a more convenient form of financing than banks because the application process is less complicated, and leasing does not demand collateral. Leasing is a standard method utilised to purchase a vast assortment of assets. Leasing is typically used in the United States and several other developed countries for the acquisition of agricultural land (Wandelt et al., 2023), minerals and timber rights, office buildings (Titman & Twite, 2013), shopping centres, industrial and commercial equipment such as ships (Wu & Lin, 2015), aeroplanes (Wandelt et al., 2023), agricultural machinery and computers, residential properties such as freestanding houses and apartments, automobiles and other motorcycles vehicles, and furniture, and Although
there is a lack of complete statistics on leasing, there is a very high frequency of leasing being employed, both in the United States and in other developed countries (Merrill, 2021).

Banks do not provide one alternative to finance, which is leasing. For business people, leasing is a very appealing form of financing activity. This is because leasing has various benefits, some of which were noted by Simatupang, including the following: Leasing makes acquiring capital equipment somewhat more expedient and eliminates the need for providing any material assurances. In addition, the procedure for leasing is less complicated, and it does not need conducting a time-consuming feasibility study; Using leasing will make the company's cash flow position better, and capital costs will be cheaper and more attractive; the existence of this leasing can simplify the company's financial planning and also become simpler (Simatupang, 2003). The financing system that uses leasing makes it possible to procure capital goods in the form of heavy and expensive equipment with high technology in a way that dramatically relieves cash flow needs considering the long-term instalment payment system.

The agreement is the foundation for the parties' respective legal relationships regarding financial leasing. The agreement to lease something is a form of finance developed in countries that follow the civil law legal system. Any particular laws or regulations do not govern leasing contracts in Indonesia. Article 1338 of the Indonesian Civil Code alludes to contractual freedom, the legal foundation for forming leasing agreements in Indonesia. Due to the principle of freedom of contract, the parties can come to various agreements. By Indonesian law, there are no particular requirements for leasing agreements. When viewed in this light, the lease agreement can be regarded as an example of an anonymous arrangement.

By Indonesian law, there are no particular requirements for leasing agreements. When viewed in this light, the lease agreement can be regarded as an example of an anonymous arrangement.

Even though leasing presents many options for the growth of Micro, Small, and Medium Enterprises, leasing finance has yet to be generally utilised for managing tour boats by Micro, Small, and Medium Enterprises. This is because the general public needs to gain a better knowledge of the leasing concepts involved in the acquisition of capital goods, in addition to the fact that they confuse leasing with other types of agreements. In addition, creditors will typically still demand material guarantees when entering lease
agreements. This does not adhere to the leasing concept, which states that small and medium-sized businesses should have simple access to finance in order to be able to acquire capital (Badriyah et al., 2018). On the other hand, there is not a set of rules that governs leasing agreements specifically. Consequently, the execution of financing agreements with the leasing system has resulted in several deviations and conflicts between the fundamental principles of leasing and the fundamental legal principles of the agreement. As a result, conducting this research should be a top priority.

This research seeks to answer the question, "What are the prospects for leasing agreements in financing tourist boats for MSMEs in developing the tourism industry?" This is the problem that this research seeks to answer. This study aims to investigate and assess the possibilities of tourist boat leasing contracts for micro, small, and medium-sized enterprises within the context of expanding the tourism industry.

2 LITERATURE REVIEW

Today's globe is witnessing a meteoric rise in the importance of business development. As a result of the expansion of the global economy, it has progressed from simply being domestic initiatives between local entrepreneurs to startups entering worldwide markets. The growth of the global economy primarily drove this evolution. This rise has resulted in substantial changes and opportunities in various industries, including tourism and contract law.

When we talk about tourism, we refer to the practice of people temporarily moving away from their customary areas of residence and places of employment to participate in activities offered in locations that are not typical for them. Even while travel is an essential component of tourism, not all trips fit the definition of tourism. According to Dilek and KDilek (2018), the term "tourist" refers to an individual who travels outside of their typical surroundings, stays in those locations for at least 24 hours, and does so for purposes related to leisure or business. According to Soedarso and Nurif (2014), going from one's home location to several locations for recreation rather than economic gain constitutes the essence of tourism.

Several different sources have legal definitions of tourism. Law Number 9 of 1990 defines tourism as "the activity of going to several locations in a relatively short period to take in a variety of attractions." Spillane (1994) further defines tourism as the practice of traveling to other locations for various reasons, including recreation, fulfillment of
obligations, and other aims. The provisions of Law Number 10 of 2009 apply to all aspects of the tourist industry, including those that are facilitated by governmental, societal, entrepreneurial, and regional infrastructure and services (Eddyono, 2021).

The Ministry of Tourism and Creative Economy in Indonesia has moved its focus from simply increasing the number of tourists arriving to promoting more environmentally friendly tourism. Environmental, socially, culturally, and economically sustainable tourism takes into account the long-term effects of tourism on both the residents of the host communities and the tourists who visit such communities. This idea is brought to life through the implementation of four primary tenets: sustainable management of tourism businesses, long-term socio-economic sustainability, continual development of cultural sustainability, and the protection of environmental sustainability. This all-encompassing strategy is devised to cater to the requirements of contemporary vacationers, who place a premium on their well-being in addition to natural preservation, comfort, and safety. It is interesting to note that sustainable tourism techniques have been in place in Indonesia for some time now, as evidenced by the continued success of many sustainable tourist sites (Priatmoko et al., 2021).

Activities connected to the ocean and coastal regions are at the heart of marine tourism, a subcategory of sustainable tourism. This kind of tourism not only contributes to the growth of local economies by generating employment opportunities in sectors such as the provision of food and beverage services, but it also generates cash from amenities such as the leasing of gazebos, the renting of water sports equipment, and the chartering of boats (Rawi & Gusmao, 2022).

To shift our attention to contract law, it plays an essential part in everyday life, particularly in the context of the growth of nations and the expansion of technological capabilities. The development of technology, in particular in the industry of ship chartering, has facilitated the simplification of interpersonal connections and exchanges. The law is the foundation for these connections through contracts and agreements like those governing boat rentals and bareboat charters (Gilabert Gascón, 2021).

In then Indonesia Civil Code, Book III, Article 1548 outlines what is meant by the term "normative leasing." Leasing is defined as an agreement in which one party commits to supply the use of an item for a set amount of time to the other party in exchange for a fee determined by the latter party. This article defines leasing as an agreement. The lessor retains ownership of the object for the duration of the lease. In contrast, the lessee is only
granted permission to use and possess the item during the period specified in the contract. This stands in contrast to the acquiring and selling an item in its entirety, which results in the transfer of ownership. Therefore, contract law is critical in regulating such arrangements and protecting the rights and duties of all parties concerned (Condro & Rahayu, 2022).

3 RESEARCH METHODS

The purpose of this study is to investigate the leasing agreements of tourist boats for Micro, Small, and Medium Enterprises (MSMEs) in the context of the expansion of the tourism industry using the triangle legal pluralism idea. This method combines normative, sociological, and philosophical study to fully comprehend the legal, social, and ethical facets surrounding these agreements. The Special Capital District of Jakarta and Labuan Bajo are the investigation's focal points because of their significance in the marine and tourism industries. Interviews and observations are used to obtain primary data, while legal documents and related literature are combined to produce secondary data. The analysis of the data makes use of both deductive and inductive logic, and it also makes use of techniques that involve triangulation in order to validate the conclusions.

This investigation makes use of a triangle approach to legal pluralism. Within this framework, there are three primary components: normative research (state law), sociological research (living law), and philosophical research (religious, moral, and ethical research). The research aims to thoroughly understand the legal and socio-ethical aspects of leasing agreements for tourist boats operated by MSMEs in coastal areas. This will be accomplished by combining the points mentioned earlier of view.

The Special Capital District of Jakarta and Labuan Bajo were selected as the settings for this study because of their significance in the evolution of tourist boats produced by MSMEs in those respective cities. Because Jakarta is home to the Ministries of Maritime Affairs and Fisheries and the Ministry of Tourism and Creative Economy, it is an essential hub for the maritime and tourism industries. In the meantime, Labuan Bajo has tremendous potential for the growth of tourist boats, making it an ideal place for research into the engagement of micro, small, and medium-sized enterprises in the tourism sector.

Multiple informants were interviewed for the primary data collection. These interviewees included stakeholders linked to MSME development in financing tour boats.
and MSME business players participating in financing tourist boats. Snowball and purposive sampling were used for the data-gathering methods. In order to get a deeper understanding of the topic at hand, the researchers took an active role in the study as observer participants. They carried out in-depth interviews using both open and closed-ended questions. In order to support the research aims, secondary data were collected by conducting document studies on primary legal sources, reviewing prior studies, taking notes, reading relevant literature, and using a legal dictionary.

The researchers could analyse data gathered in the field because the primary data analysis used the procedures developed by J. Corbin and Strauss. Deductive reasoning was used for some of the secondary data, although inductive reasoning was also used. The first method used preexisting ideas to guide the initial study. In contrast, the second method allowed insights to arise from the observed practises of tourist boat leasing agreements in micro, small, and medium-sized enterprises (MSMEs).

Triangulation is a method used in the study to confirm the validity of the data by comparing the data and sources to determine where there were parallels and where there were disparities in perspectives. Cross-referencing the data gathered through participatory observation, in-depth interviews, and Focus Group Discussions (FGD) was a necessary step in this approach. In addition, the validity of the data was examined by employing procedures such as peer group debriefing, which included talks between specialists and colleagues to validate the research results.

4 UNLOCKING NEW HORIZONS: EMPOWERING MICRO, SMALL, AND MEDIUM ENTERPRISES THROUGH LEASING FOR TOUR BOAT FINANCING

As an archipelagic nation, Indonesia flaunts a gorgeous scenery ornamented with thousands of large, tiny islands that run from Sabang to Merauke and are connected by various straits and seas. This breathtaking terrain can be found across Indonesia. This extensive data has been appropriately registered with the United Nations Group of Experts on Geographical Names (UNEGGN) by the Directorate General of Marine Spatial Management, part of the Ministry of Maritime Affairs and Fisheries. The Ministry of Maritime Affairs and Fisheries records 16,056 named islands and their coordinates.

The Indonesian archipelago is located in the tropical region. It holds a strategic geographical position due to its location between two continents (Asia and Australia), its
borders with two oceans (the Pacific and the Indian), and its role as a convergence point for three continental plates (Eurasia, India-Australia, and the Pacific). According to Laksmana (2011), Indonesia's geographically distinct position results in a sophisticated network of biogeophysical interactions. This endows the country with a wealth of natural resources, including high-value biological and non-biological resources.

As a result of the country's abundant and varied natural resources, Indonesia possesses a massive amount of untapped potential in maritime tourism. The following table provides further evidence of the country's potential as a maritime tourism destination:

<table>
<thead>
<tr>
<th>An Area</th>
<th>Types of Marine Tourism</th>
<th>Marine Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. 20.87 Million Ha Area Of Marine, Coastal And Small Island Conservation Areas</td>
<td>1. Educational Tour</td>
<td>1. 590 species of coral</td>
</tr>
<tr>
<td>2. 99,093 Km Long Coastline</td>
<td>2. Underwater Tourism</td>
<td>2. 2,057 reef fish</td>
</tr>
<tr>
<td>3. 3,257 Million Km² Of Sea Area</td>
<td>3. Conservation Tourism</td>
<td>3. 12 types of seagrass</td>
</tr>
<tr>
<td></td>
<td>4. Scientific diving</td>
<td>4. 34 species of mangroves and 1,512 species of crustaceans</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5. 6 types of turtles</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6. 850 kinds of sponges,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7. 24 types of Marine mammals,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>8. 463 Sunken Ship point</td>
</tr>
</tbody>
</table>

Source: Ministry of Maritime Affairs and Fisheries (KKP) 2021

The marine tourism potential of Indonesia is highlighted in the table that can be found above. This potential can be attributed to the enormous area of marine, coastal, and small island conservation zones that offer a variety of chances for marine tourism. These prospects include instructional trips, diving for scientific purposes, tourism that focuses on conservation, and undersea tourism. There are 1,512 species of crustaceans, six types of turtles, 850 kinds of sponges, 24 types of marine mammals, and 463 shipwrecks in these areas (KKP, 2021). In addition, there are 590 species of coral, 2,057 reef fish, 12 types of seagrass, 34 species of mangroves, 12 types of seagrass, 34 species of mangroves, and 12 types of seagrass. These resources form the basis for developing one-of-a-kind and compelling marine tourist sites across the Indonesian archipelago.

While marine tourism has great potential, the industry has faced several obstacles, most notably the dominance of international businesspeople in managing tourist areas. This foreign dominance has led to confrontations with local communities and fishermen who have relied on these places for their livelihoods for years. These fishermen have been dependent on these areas for their livelihoods for decades. The emergence of concerns related to coastal grabbing, in which coastal lands are unilaterally grabbed for the
development of tourism, has further contributed to the escalation of tensions and has deprived local communities of their agency. The fishermen have been coerced into leaving their fishing grounds, which has left them with the impression that they are visitors to their nation.

Regulations about managing maritime tourist operations by foreign organisations must be strictly enforced if these issues are mitigated. Existing laws, such as Law No. 1 of 2014 on Amendments to Law No. 27 of 2007 Concerning the Management of Coastal Zone and Small Islands, Government Regulation No. 24 of 2018 Concerning Electronically Integrated Business Licencing Services, and Minister of Maritime Affairs and Fisheries Regulation No. 24/PERMEN-KP/2019 Concerning the Procedures for Issuing Water Location Permits and Water Management Permits, ought to be maintained. In addition, Law Number 10 of 2009 on tourists emphasises that the state's natural resources, flora and fauna, and cultural heritage are capital for tourist growth and must contribute to boosting the wealth and welfare of the Indonesian people. This law was enacted in response to the fact that the tourism industry was overgrowing.

The growth of maritime tourism should have as one of its primary goals the equal distribution of economic possibilities and benefits among the communities. It is necessary to implement sustainable tourism practices to accomplish this objective. These practices must be supported by various facilities and services that the local community, companies, the government, and regional authorities supply. The expansion of tourism must consider the natural environment, local traditions, and the social fabric of existing communities. It is feasible to establish a relationship between tourism and local communities that is mutually advantageous to both parties if local stakeholders are given more power and are included in the design and development of marine tourist programmes.

Gaining tourism licences is a crucial step in guaranteeing responsible tourism practices. According to the Tourism Law, tourism is defined as the activity of travelling, whether by an individual, a group, or both, for recreation, personal development, or the investigation of distinctive tourist attractions for a limited time. A variety of rules, including those about business licencing, water location licences, and water management permits, have been implemented in order to facilitate activities that are associated with tourism. These policies make it easier to develop maritime tourism firms that are ethical and environmentally friendly to the mutual benefit of visitors and the communities in which they are located.
Indonesia, known for its varied topography and extensive cultural legacy, has become an increasingly popular tourist destination in recent years, drawing visitors worldwide. The Indonesian archipelago is home to a diverse selection of tourist destinations, some of which include unspoiled beaches, verdant rainforests, bustling towns, and historic temples. The efforts of the government over the years to promote tourism and enhance infrastructure have resulted in a considerable increase in the number of tourists that visit the area. Table 2 shows that there will be a significant increase in the number of tourists visiting various parts of Indonesia between the years 2020 and 2022. This can be inferred from the data presented in the table.

The following table presents data demonstrating an increased number of tourists travelling throughout the Indonesian archipelago. According to the data, the number of
tourists visiting a location has significantly increased between 2020 and 2022, with the total number of visits reaching 734,864,693 in 2022, compared to 524,571,392 in 2020. This demonstrates that the country's tourism industry is heading in the right direction, which is encouraging.

This expansion has been made possible, in large part, by the enormous untapped potential of Indonesia's maritime tourist sector. The country contains 16,056 islands with unique marine attractions, including coral reefs, underwater wildlife, and untouched beaches. Tourists come from all over the world to visit areas such as Bali, Raja Ampat, and Komodo Island because these locations are recognised worldwide as among the best marine tourism destinations.

Opportunities for economic growth exist in the tourism industry, and they are not exclusive to large-scale corporations but are accessible to micro, small, and medium firms. The rise in the number of tourists visiting a location has resulted in a rise in the demand for various goods and services, creating enough chances for micro, small, and medium-sized businesses to prosper. Many people in the community, including but not limited to homestay owners, street vendors, and local artists, have profited economically from tourism-driven economic activities, which have contributed to the growth of the local economy.

Tourism management is crucial in creating a pleasant and stress-free atmosphere for visitors. Successful tourism administration on all fronts—from transportation and lodging to attractions and infrastructure—is essential to attracting new visitors and retaining existing ones. To accommodate the rising number of tourists, the government of Indonesia has been making significant investments in the country's tourism infrastructure. These things have helped contribute to the recent uptick in tourism, including better airports, transit networks, and tourist amenities.

The importance of tourist ships must be considered when discussing the field of marine tourism. These vessels are used not just as a mode of transportation but also as tourist attractions in their own right. Cruises, island hopping excursions, and diving tours are just some of the one-of-a-kind activities that can be enjoyed aboard tourist ships. These excursions allow visitors to experience Indonesia's breathtaking marine scenery. As the number of people engaging in marine tourism continues to rise, the construction of ships catering to tourists will become increasingly important.
Empowering micro, small, and medium-sized businesses is of the utmost importance in light of the increasing growth of the tourism industry. Micro, small, and medium-sized enterprises (MSMEs) play an essential part in the tourism industry by offering goods and services that meet the requirements of tourists. Small and medium-sized enterprises (MSMEs) contribute to the growth of the local economy by providing tourists with an enhanced cultural experience. This can be anything from souvenir stores and regional crafts to street vendors selling food and traditional shows.

Expanding the tourism business necessitates the legal system to keep up with the sector's development. The Indonesian Civil Code divides agreements into two basic categories: named agreements and anonymous agreements. The Civil Code has several particular regulations for named agreements, but it does not address anonymous agreements in any explicit way. Because of these deals' unique characteristics and objectives, tourism-related agreements almost always fall within the heading of named agreements.

Additionally, legislative rules and policies regarding tourism permits, company licencing, and environmental conservation all play an essential part in managing the tourism industry. It is necessary to ensure ethical and sustainable tourism practices in order to maintain the natural and cultural legacy of Indonesia while also supporting economic growth. To date, the issue of sustainable tourism development and its potential as a tool for a balanced, innovative development of territories, considering the economic, social, and environmental components, is crucial (Stepanova et al., 2023).

There has been significant growth in the number of nameless agreements in conjunction with the rapid expansion of Indonesian society. One of the many new kinds of agreements emerging as the foundation for the community to achieve their interests is the leasing agreement. These new kinds of agreements take on a variety of forms.

The explosion of economic activity in Indonesia is inextricably linked to the development of leasing agreements in that country. When it comes to success in business, having access to finance has always been one of the most critical factors. In the context of this discussion, the term "capital" refers to more than simply monetary assets; it also encompasses the accumulation of capital goods, as defined by Jackson and McConnell (1985), which is more commonly known as "investment."

When it comes to purchasing capital goods, businesses have several different options. According to Beckman and Joosen (1998), when the required capital goods are
expensive, a corporate organisation has two options: either they can purchase the capital goods themselves, in which case they would obtain ownership rights, or they can use capital goods that other parties own without earning ownership rights.

It is possible to acquire funds to finance a business from financial institutions such as banks or non-financial entities such as financing institutions, as was mandated by Presidential Regulation No. 9 of 2009, which was subsequently overturned by Presidential Regulation of the Republic of Indonesia Number 110 of 2020.

Since the Financial Services Authority was established, the responsibility of monitoring Financing Companies has been assigned to it as part of its jurisdiction. The principal purpose of financial institutions is to make it easier for business players of all sizes to gain access to money by assisting small and medium business owners in acquiring capital to continue their operations.

A lease agreement serves as the foundation for the legal relationship that exists between the parties. Because the Civil Code does not govern them, leasing agreements fall under anonymous agreements, often called innominate. Laws and regulations have not officially restricted leasing agreements; their introduction into Indonesia is predicated on the idea that parties are free to enter into any arrangements they see fit.

Leasing gives support in the form of capital goods, whereas financing through banks provides aid in the form of capital. Leasing is comparable to financing through banks, with the critical difference being that leasing assists in the form of capital goods. No explicit statutory restrictions regulate leasing agreements, and the connection between the parties involved in leasing is based on a contract. The existing arrangements are primarily administrative, and no particular legal rules about the parties’ rights or obligations exist.

Several contracts are comparable to leasing arrangements, including lease agreements, lease-purchase agreements, and instalment sale contracts. On the other hand, leasing agreements include a few distinguishing features, the most notable of which is the availability of option rights. Option rights allow the lessee to prolong the lease, return the items to the lessor, or purchase the item being leased after the arrangement. If the lessee exercises their option right to acquire the capital goods after the agreement, the ownership rights to the leased object will be transferred to them.

As a result of these distinctions, leasing agreements are regarded as a brand-new and separate category of agreement (also known as sui generis). Because the Civil Code
does not contain explicit regulations, we classify them as innominate agreements. The principle of freedom of contract, as outlined in Article 1338 of the Civil Code of Indonesia, governs the formation of leasing agreements in the country.

According to Neuberger and Doppner (2013), leasing possesses several distinctive characteristics in American and European markets. Leasing is a type of financial service considered a loan to purchase fixed assets by businesses and other commodities by individuals and legal entities. On the other hand, granting the right to utilise the leased property to third parties is what sub-leasing entails (Savarova, 2021).

5 STATE INTERVENTION IN LEASING AGREEMENTS: ENSURING LEGAL CLARITY AND PROTECTION FOR MICRO, SMALL, AND MEDIUM ENTERPRISES (MSMES)

An agreement is the basis for the legal relationship between a lessor and a lessee in leasing activities. A relationship between two or more parties that is legally binding and can potentially give rise to legal consequences is known as an agreement. According to Badriyah et al. (2019), most lease agreements are written in a standard format. This is the case in almost all cases.

According to Mansor and Rashid (2016), conventional contracts are used in various industrial operations. The lessor, often a Financing Company, has the sole authority to create the terms and circumstances of the agreement regarding a leasing arrangement. On the other side, the lessee has the choice to either accept or decline the standardised agreement that is presented to them.

The contracts in place significantly impact the business activities that the participating parties carry out. However, modern contracts primarily emphasise shielding the purchaser from potential legal liabilities. This is accomplished by obligating the vendor to comply with the purchaser's code of conduct; however, this is frequently done without guaranteeing the code's actual application. This lack of engagement is being done to ensure that the provider can adhere to the policy that has been established. In addition, there needs to be more monitoring and only a certain amount of transparency (Saloranta & Hurmerinta-haanpaa, 2023).

According to Wandelt et al. (2023), many different types of leasing contracts have the possibility of being broken, which can result in legal problems and court actions.
The connection between the lessor and the lessee is built on the foundation of the lease agreement. It is a legally binding contract that outlines the rights and responsibilities of both parties involved in the transaction. The agreement is crafted by the lessor, who is typically a Financing Company, using a standardised format, and the lessee is given the choice to accept or reject the terms of the agreement.

Standard contracts are frequently used in various business activities, including leasing transactions. Nevertheless, protecting the buyer from potential obligations is typically the primary focus of modern contracts. It is required that suppliers comply with the code of conduct established by the customer, yet, the actual implementation and collaboration should be more frequently addressed. Consequently, there needs to be a higher level of confidence that the supplier can adhere to the policies outlined effectively. In addition, adequate monitoring and transparency should be present, which might result in potential problems (Saloranta & Hurmerinta-haanpaa, 2023).

Contracts for leasing, just like any other kind of contract, have the potential to be broken. According to Wandelt et al. (2023), legal disagreements and even court proceedings are possible outcomes that can arise when one party to an agreement fails to complete its commitments by the terms of the agreement.

The lessor and the lessee must prioritise open communication and a thorough comprehension of the provisions of the lease agreement if they want the relationship to be fruitful. A more open and efficient leasing arrangement will be fostered by collaborative efforts to implement the contract requirements and monitor their implementation. By addressing these areas, potential breaches and disagreements can be minimised, which will help promote an experience of leasing that is advantageous to both parties.

Deviations in the leasing agreement can be seen in various ways as follows: There is an obligation for the lessee to provide material guarantees to secure the principal agreement. The obligation for the lessee to submit such material guarantees should not exist. This is because a lessee was initially used to help small and medium business actors who needed to have particular objects to guarantee a leasing agreement. In practice, every leasing agreement with a finance company (lessor) always asks for material guarantees from the lessee.

Inconsistent with the leasing agreement with the legal principles of the agreement, which include the principle of consensual, the principle of freedom of contract and the
binding force of the agreement (pacta sunt servanda). As long as the leasing agreement is by the legal principles of the agreement in all stages and leasing principles. In practice, the leasing agreement between the lessor and the lessee is inconsistent with the legal principles of the agreement at all stages. This can be seen, among other things, about the party that draws up the agreement, only the lessor as the financing channel, which generally has a higher bargaining position than the lessee. The lessee, as the recipient of the financing, only has the opportunity to accept or reject the agreement. Even in the leasing agreement, there is usually a provision that the lessor has the right to change the agreement at any time, if necessary, without the lessee's consent.

Deviations from the principle of freedom of contract can be found in all stages of the leasing agreement, pre-contractual, contractual and post-contractual. The parties to the agreement should fulfil the principle of freedom of contract. Likewise, in a leasing agreement, the lessor and the lessee should have a balanced legal relationship to have the freedom to contract. The freedom to contract should be reflected in various things, both freedom in determining the party, the form of the agreement, the contents of the agreement, and the law governing the agreement made by both. In practice, most of the principles of freedom of contract still need to be implemented according to ideals, and there are even deviations. This is because, in all leasing agreements drawn up unilaterally by the lessor, the lessee is entitled to accept or otherwise reject the agreement. The lessee is not free to determine the form of the agreement or its contents. This is one of the characteristics of using a standard agreement.

Deviations of leasing agreements from the principle of binding force of agreement stipulated in Article 1338 of the Civil Code that "all agreements that have been made legally apply as laws for the parties". What has been agreed upon in the agreement should only be changed with the parties' agreement again. The binding force of the principles of the agreement can be seen in the post-contract stage. The discrepancy with the principle of the binding force of the agreement (pacta sunt servanda) can be seen in the implementation stage of the agreement (post-contractual stage), among others, concerning the provisions in the leasing agreement that at any time the lessor can change the agreement, especially if there is an increase in interest rates without any return agreement with the lessee.

There are some differences in how the parties have approached the subject matter of the leasing agreement. The lessor and the lessee must be business entities, and the
financing of capital goods must be accomplished through the lease agreement to be valid. The term "capital goods" refers to items employed in various business aspects. As a result, all of the parties participating in the lease arrangement should represent businesses. Despite this, the fact of the matter is that there are situations in which persons who are not business actors become parties to lease arrangements.

In addition, variances from the leasing agreement are connected to the subject matter of the agreement itself in some way. Because the primary goal of financial leasing is to simplify the process of purchasing capital goods for use in business activities, the target of the leasing agreement should ideally be confined to such items. Unfortunately, in practice, many financial organisations use leasing to fund consumer demands, which differs from the purpose for which leasing was initially designed.

In addition, the lease agreement has a few clauses that give rise to further problems. For example, if the lessee falls behind on payments, the lessor has the right to take possession of the leased item at any time and in any way they see fit. This might work against the lessee. Because the leased capital goods are crucial to the lessee's ability to maintain their business operations, such acts could jeopardise their company's day-to-day operations.

In addition, the authority of the lessor to adjust the rental charge at any time without the lessee's approval runs counter to the fundamental principles of contract law. Any modifications to the agreement should be based on mutual consent of the parties involved in the transaction.

The unusual exercise of option rights in financial leasing agreements raises further industry problems. Option rights should generally be exercised towards the end of the agreement since they allow the lessee to choose whether to buy the leased object, return it at the end of the lease, or continue leasing it. However, it has been noticed that some financial firms provide the exercise of the option right to buy the leased object at the beginning of the agreement, which is a departure from the typical practice. This is one of the ways that these companies differ from the norm.

Especially when the lessee is in a weak position to bargain, consistency in the implementation of leasing agreements can result in significant losses for the lessee. This can be a considerable challenge, particularly for players representing micro, small, and medium-sized businesses, who are particularly susceptible to the negative impacts of such situations.
Leasing agreements aid micro, small, and medium businesses (often abbreviated as MSMEs) in the current economic environment. However, there is an urgent need for explicit and well-defined arrangements about these agreements to offer increased legal clarity and protection for all parties concerned. This essay examines the significance of state intervention in business activities to protect the interests of micro, small, and medium-sized enterprises (MSMEs) and the broader principles of economic law, as argued by Hartono (2007). Examples of these principles are the notion of a balance of interests, the principle of public monitoring, and the principle of state interference in economic operations.

The micro, small, and medium businesses that make up an economy are known as the "backbone" of that economy because of the enormous contributions they make to economic growth and employment. These businesses frequently utilise leasing agreements to acquire vital assets, equipment, or properties for their operations. Small and medium-sized enterprises (MSMEs) can simplify the process of growing and expanding their company by entering into leasing arrangements, which allows them to save considerable upfront payments.

Even though leasing agreements benefit micro, small, and medium-sized enterprises (MSMEs), the absence of clear rules around these contracts has led to legal difficulties and possible disputes between parties. There is an immediate need for detailed norms and laws relevant to leasing agreements to create confidence and promote an atmosphere suitable for business.

It is only possible to achieve the goal of providing legal certainty and protection to all parties involved in leasing agreements with the involvement of the state, which makes state participation an absolute necessity. The notion of the principles of economic law proposed by Hartono (2007) emphasises the significance of such interventions in changing personal and individual legal relations into mass problems that extend beyond national borders.

Maintaining a healthy equilibrium between competing interests is a central tenet of state action. This idea seeks to achieve a just and reasonable balance between the lessor's rights and the lessee's responsibilities. It is possible to protect the interests of both parties by ensuring that an appropriate approach is taken. This will encourage the formation of sustainable leasing agreements and stimulate long-term commercial relationship development.
Another essential component of state participation in leasing arrangements is the institution of public oversight. The government can recognise possible problems, exercise effective monitoring and oversight, and take corrective action when required. This idea can improve transparency, reduce risks, and level the playing field for all micro, small, and medium-sized enterprises (MSMEs) operating under lease arrangements.

According to Hartono (2007), the state must intervene in the workings of the market to protect the interests of society as a whole. Regarding lease agreements, state involvement might involve enacting laws, regulations, and policies to govern these transactions. When the government does this, it may build a friendly climate for business, safeguard micro, small, and medium-sized enterprises (MSMEs) from unfair practices, and promote fair competition.

6 PROGRESSIVE LAW AND LEGAL PLURALISM IN LEASING AGREEMENTS: BALANCING LEGAL RELATIONSHIPS FOR MICRO, SMALL, AND MEDIUM ENTERPRISES (MSMEs) IN INDONESIA'S TOURISM INDUSTRY

Rahardjo (1979) is credited with introducing the idea of progressive law, which asserts that the ultimate goal of the judicial system should be to serve and advance the well-being of humankind. According to this point of view, the rule of law should not be employed as a method for the oppression of individuals; rather, it should be malleable and modifiable to guarantee the safeguarding of human welfare. The core of progressive legislation resides in its role as both a mechanism for social control and an instrument for social engineering, with the dual objectives of bringing about beneficial changes in society and establishing a harmonious order in society.

A progressive legal system recognises the ever-evolving needs and aspirations of individuals within a society and the ever-changing nature of the society itself. Law is not a thing that is fixed and unyielding; instead, it is more akin to a living organism that may be shaped to conform to the shifting conditions and requirements of the times. Its purpose is to be a potent force for good, guiding society toward progress, fairness, and justice.

In addition, modern legal systems have the power to adapt and put into practice progressive law. In today's modern cultures, the creation of new laws takes place through a process that is both deliberative and participatory. This method considers the perspectives of various community members, stakeholders, and legal professionals. This
all-inclusive approach ensures that the laws accurately represent the objectives and values of the people they govern through their application.

The priority that progressive legislation places on the well-being of individuals is one of its defining characteristics. It acknowledges that laws should be drafted to enhance the quality of life for all people and should be implemented in such a way as to cultivate an atmosphere in which everyone has the opportunity to thrive and realise their full potential. This extends beyond merely preserving one's life to include broader concepts such as well-being, dignity, and individual rights.

The progressive legal theory of "social engineering" draws attention to the transformative potential of the law. Progressive law tries to solve systemic concerns and create positive outcomes. It does so by recognising that the law has the power to impact social behaviour and be a driver of societal change. It ensures that judicial decisions align with society's general welfare by taking into account the broader repercussions of those decisions and taking them into account.

A viewpoint shift is required to incorporate progressive law into existing legal systems. Instead of merely enforcing existing laws, the focus must shift to actively seeking improvements and adjusting them when necessary. This strategy calls for adopting a forward-thinking and proactive position and a readiness to examine long-standing customs and procedures critically. Legal reforms are not viewed as a disturbance but rather as a tool to increase the overall well-being of society as a whole.

The concept of progressive law can serve as an essential guiding principle in forming a legal system that is adaptable, just, and responsive to the shifting requirements of society. However, its implementation is contingent on several elements, such as the political climate, cultural values, and society's attitudes towards change. In order to create a legal structure that faithfully represents progressive values, it is necessary to engage in collaborative efforts and maintain a shared commitment to the development of a just and equal society.

Analogously, Mertokusumo and Pitlo (2013) highlight that the fundamental objective of the rule of law is to preserve social order and guarantee legal certainty within a community. Keeping the public order should be a top concern, and legislation should work to find a middle ground between the various interests that vie for attention. This viewpoint is bolstered by Nonet and Selznick's (2001) responsive legal theory, which supports this stance. This idea proposes that the role of the law should be to operate as a
facilitator of answers to societal needs and ambitions, constructing legal measures that respond to the ever-changing demands placed on society. The goal is to achieve social order by upholding formal and substantive justice for all parties involved. This is the ultimate goal. According to Peters and Koesriani (1988), forgiving rule transgressions are regarded as a technique that can help reestablish the basic framework and encourage cooperative solutions. This is the context in which the topic is being discussed.

In actuality, the implementation of progressive legal doctrine and the search for social justice are greeted with various obstacles and complications. Because of the variety of perspectives and interests within a society, its legal system must be able to negotiate these differences successfully. In order to successfully implement progressive laws, it is necessary to overcome resistance to change and then remove institutional hurdles that may obstruct the movement towards more justice. In addition, securing the implementation of progressive legislation calls on the active participation of stakeholders from both the government and non-government sectors, who must collaborate to develop an atmosphere amenable to adopting transformative legislative procedures.

The realm of leasing agreements is one sector in which the ideas of progressive law have the potential to impact society substantially. These contracts are the foundation for a wide range of economic activities, and lessors and lessees depend on them to successfully run their respective businesses. However, departures from legal principles and imbalances in contractual rights can lead to challenges and conflicts. These challenges and disputes typically damage the weaker party, frequently represented by micro, small, and medium-sized enterprises (MSMEs).

The imposition of standardised contracts that are biased in favour of the lessor's interests is a problem that frequently arises in leasing agreements. Due to the one-sided nature of this strategy, the lessee's capacity to negotiate conditions is severely constrained, and they are only given the choice to accept or reject the agreement. These unequal bargaining positions not only violate the principle of freedom of contract but also undercut the fact that the agreement was reached via mutual consent.

In addition, the pacta sunt servanda concept, which states that agreements should be binding and should only be altered with the parties' approval, is occasionally disregarded in leasing agreements. This principle claims that agreements should not be revised without the parties consent. This is abundantly clear when lessors arbitrarily change the contract terms, such as raising the interest rates, without first communicating
with the lessee. These behaviours breach the agreement's binding force and can lead to legal challenges if not stopped.

The requirement that lessees offer material assurances to secure the leasing agreement is another characteristic that deviates from the generally accepted progressive legal concepts. This responsibility runs counter to the purpose that leasing agreements were intended to serve in the first place: to aid small and medium-sized firms that needed more assets that could be used as traditional collateral. The imposition of material guarantees results in the imposition of unnecessary costs on lessees, which impedes the lessees' ability to participate in leasing operations and slows the growth of businesses.

In addition, the subject matter and object of the lease agreement are different from one another, which further complicates the situation. In an ideal scenario, leasing agreements should include business players and finance capital goods, contributing to economic growth. On the other hand, in practice, leasing is occasionally used to finance the requirements of consumers, which is a departure from the original goal of leasing, which was to support corporate activity.

Intervention from the state is required if there is any hope of resolving these issues and achieving a fair and equitable legal relationship between lessors and lessees. The government has the potential to play a crucial part in developing precise regulatory arrangements that comply with the tenets of progressive law and safeguard the interests of all parties concerned. State intervention can establish an environment conducive to the growth of micro, small, and medium-sized enterprises (MSMEs) and encourage sustainable business practices. This can be accomplished by ensuring legal certainty and giving necessary legal protection.

Sustainable business models have gained much traction in today's modern business practices. This is due to the increasing demand that businesses are under to uphold their value chains and handle various sustainability challenges, reputational risks and other associated difficulties. At the same time, an increase in the number of restrictions imposed by the government has put lead companies in a position of responsibility for some operations inside the upstream segment chain (Sobel-Read et al., 2018).

In light of the intricacy of these difficulties, it is necessary to take the legal pluralism approach recommended by Menski (2006). Legal pluralism provides a framework for interpreting and administering the law in pluralistic societies by
considering the laws of individual states and the natural laws of morality, ethics, and religion. This framework takes into account not only the laws of individual states but also the laws of morality, ethics, and religion. This strategy aims to redress imbalances and guarantee protection for all parties involved in contracts, particularly in standard leasing practices, which can give birth to various complications. Protecting the rights and interests of all parties involved in the contract is its fundamental concern.

Prompt legal renewal of the lease agreement is required, given its significant role in maintaining a delicate equilibrium in the legal relationship between lessors and lessees. The situation is urgent because there is a possibility of negotiating leasing arrangements to acquire tourist boats, which offers enormous promise for assisting Indonesia's vast marine tourism industry.

It is necessary to have transparent regulatory arrangements and implementations based on the legal principles of the agreement and leasing principles to achieve the desired equilibrium. Significant improvements in tourist boat management are anticipated as one of the consequences of this project, particularly on the part of Micro, Small, and Medium Enterprises (MSMEs), which play an essential position in the expansion of Indonesia's economy. Efficient management of tourist boats presents an opportunity to develop the tourism business further and provide consumers with exciting products.

The success of the tourism sector depends on the industry's ability to fulfil the requirements of its customers, with a particular emphasis placed on the requirements of tourists. For businesses that cater to visitors, it is of the utmost importance to have a comprehensive understanding of the technology behind the selection of tourism services, to anticipate consumers' responses to incentive marketing, and to adjust skillfully to the market's expectations. It is essential to the continued expansion and success of the tourism business to ensure that customers, mainly tourists, are happy with the services provided.

Indonesia can prepare for a robust legal framework that governs leasing agreements by enacting progressive legal strategies and embracing legal pluralism. This is particularly important concerning the growth of marine tourism. Developing a fair legal relationship between lessors and lessees is essential to encourage environmentally responsible business practices and stimulate economic expansion. Successful leasing agreements will be built on a foundation of transparency, respect for legal principles, and customer-centric approaches, all of which will, in turn, contribute to the thriving tourism business in Indonesia.
Continuing with the conversation, it is abundantly clear that discrepancies and imbalances in lease agreements present substantial issues that need to be resolved. One of the critical problems is the unilateral character of leasing agreements, in which the lessor, typically represented by financing companies, holds a higher bargaining position than the lessee. This gives the lessor greater control over the terms of the agreement. Consequently, lessees are almost always given a boilerplate lease agreement, which leaves them with few opportunities to negotiate or amend the conditions of the lease.

This lack of flexibility in contract negotiation is inconsistent with the legal principles of agreement, particularly the notion of freedom of contract and the principle of consensual. If all goes according to plan, the lessor and lessee should have an equal and balanced legal relationship, allowing them to exercise their right to enter into contracts freely. Lessees need the power to select the form and content of the contract because the present standard agreement models frequently diverge from these principles.

In addition, in the post-contractual stages of leasing agreements, it is common for parties to deviate from the principle of pacta sunt servanda, which states that a binding agreement must be honoured. Although the Civil Code states that agreements should be legally binding and can only be changed with the cooperation of both parties, many leasing agreements give lessors the power to change conditions unilaterally, including interest rates, without the lessee's agreement. This is even though the Civil Code states that agreements should be legally binding and cannot be changed without the consent of both parties. This might result in disagreements and antagonistic relationships between the parties, impacting the lessee's capacity to run their business and general stability.

An additional significant divergence emerges regarding the subject content and the goal of the leasing agreement. In an ideal scenario, the lessee would be a commercial enterprise, and the agreement would finance capital goods utilised in commercial endeavours. However, real-world applications demonstrate that non-commercial actors frequently enter into lease arrangements, and the financed money goes towards purchasing non-capital products, such as consumer necessities. These changes can make the intended goal of leasing agreements less effective and make it more challenging to assist micro, small, and medium-sized businesses, which are supposed to be the key beneficiaries.

Furthermore, stipulations allow the lessor to change the rental charge without the lessee's permission or that allow the lessor to seize the leased objects if the lessee defaults.
on the lease run counter to the principles of contract law. A mutual understanding and approval from both sides are required for any agreement to be valid, and both parties must agree to any revisions. These terms establish an imbalanced and potentially exploitative relationship between the parties, which is especially problematic when the lessee is in a weaker position to negotiate.

In light of these concerns, it is abundantly clear that leasing agreements require immediate legal action in order to ensure that the legal relationship between lessors and lessees is fair and equitable. Intervention on the part of the state is required to safeguard the interests of all parties concerned, particularly regarding providing support for micro, small, and medium enterprises (MSMEs). It is consistent with the idea of the principles of economic law, which emphasise the requirement for laws that protect various aspects of human life concerning economic activities.

In addition, responsive legal theories promote the enactment of laws that cater to the requirements and goals of society, attempting not only to achieve formal justice but also substantive justice in their pursuits. These legal techniques emphasised cooperative problem-solving rather than punitive actions to resolve imbalances and restore a fundamental basis for equitable contractual relationships.

In order to accomplish this goal, it is essential to practice progressive legal techniques while adhering to the principles of legal pluralism. Legal pluralism can provide a comprehensive framework to address the issues brought about by leasing agreements since it considers the laws of the individual states and the moral, ethical, and religious components of the situation.

7 CONCLUSION

Based on the findings of this study, leasing agreements offer immense potential for financing tourist boats for Micro, Small, and Medium-sized Enterprises (MSMEs) in Indonesia's tourism sector. Given Indonesia's archipelagic character and rich diversity of natural resources, the country's maritime tourism industry offers tremendous untapped potential. However, the inability of micro, small, and medium-sized enterprises (MSMEs) to access finance impedes the optimal growth of tourist boats, affecting the quality of tourism services and experiences.

Several proposals are offered in order to unlock opportunities and encourage sustainable growth in the tourism sector, which are as follows: Incorporate Detailed
Legislation Regarding Rental Contracts: Leasing agreements are subject to a variety of variations and disagreements as a result of the industry's absence of explicit standards controlling these contracts. Implementing particular rules for leasing agreements will offer legal clarity, safeguard the rights of both lessors and lessees, and ensure that business practices are fair and transparent; Increasing Outreach and Education Is required Because Many People Do Not Fully Understand Leasing Agreements is required to increase outreach in both a vast and structured manner in order to educate MSMEs, business players, and the general public about the benefits and processes of leasing. This could be accomplished through participation in conferences, seminars, or online resources. Encourage integrative cooperation: To encourage the expansion of leasing agreements for MSMEs, the government, business actors, academics, and practitioners need to collaborate to achieve the desired results. Micro, small, and medium-sized enterprises (MSMEs) in the tourism industry can benefit from enhanced support and financing options if they work together; and Ensure Responsible, Sustainable Tourism practices by Enforcing Tourism legislation. The government needs to ensure responsible and sustainable tourism practices by enforcing legislation regarding the management of marine tourist operations, foreign ownership, and coastal zone management. In this way, Indonesia's natural and cultural heritage may be preserved while also helping the country's growing economy.

Limitations of the Research Despite the insightful information supplied by this study, a few shortcomings need to be noted. Because the research concentrated on stakeholders' points of view in the Special Capital District of Jakarta and Labuan Bajo, it takes work to generalise the findings to other areas in Indonesia. In addition, most of the methodologies utilised in the study were qualitative, which may have hindered the ability to analyse specific parts of the research quantitatively. In the future, researchers might think about performing studies on a larger scale in various Indonesian locations, utilising a variety of research methods in order to gain a more in-depth grasp of the subject matter.

In the future, researchers can expand on the foundation laid by this investigation by carrying out quantitative surveys to collect data on the frequency of leasing agreements in the tourism industry and their effects. Studies that compare different regions in Indonesia can assist in discovering regional differences and factors that influence the adoption of leasing agreements by micro, small, and medium-sized enterprises (MSMEs). In addition, more research might be done to look deeper into the legal aspects of leasing
agreements, including the difficulties and benefits of specific legislation that regulate leasing contracts.

Developing Future Research To improve this research further, researchers could investigate the long-term impacts of implementing particular lease legislation and their impact on the availability of funding for micro, small, and medium-sized enterprises (MSMEs). In addition, conducting research into how financial institutions and the government promote leasing agreements for micro, small, and medium-sized enterprises (MSMEs) in the tourist industry can provide valuable insights for formulating public policy. The final point is that research conducted in other nations with more developed leasing markets for small and medium-sized businesses could teach Indonesia's tourist sector a thing or two about improving its operations.

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